



NLC India Limited

('Navratna' - Government of India Enterprise)
Registered Office: No.135, EVR Periyar High Road, Kilpauk, Chennai-600 01
Corporate Office: Block-1, Neyveli-607 801, Cuddalore District, Tamil Nadu
CIN : L93090TN1956GOI003507, Website: www.nlcindia.in
email: cosec@nlcindia.in Phone: 044-28369139

Lr. No. Secy/70thAnnual Report/2026

Date: 07.09.2026

To National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. Scrip Symbol: NLCINDIA	To BSE Ltd. Phiroze JeeJeebhoy Towers , Dalal Street, Mumbai-400 001. Scrip Code: 513683
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Sir/Madam,

Sub: Intimation under Regulation 34 and Regulation 53 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Reg.

Pursuant to Regulation 34(1) and Regulation 53(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Integrated Annual Report of the Company for the Financial Year 2025-26.

This is for your information and records.

Thanking You,

Yours faithfully,

for NLC India Limited

SUSHANTA
KUMAR
PANDA
Digitally signed by
SUSHANTA KUMAR
PANDA
Date: 2026.09.07
23:55:34 +05'30'

**Company Secretary
& Compliance Officer**



From Resources to Resilience



It's been nearly seven decades since we have been mining lignite to power the nation. Often dubbed 'brown coal', lignite is crucial as an abundant, low-cost, and reliable domestic fuel to produce electricity. As the country's largest lignite miner, we have been serving India through every phase of its development.

Our Navratna status makes us responsive to an evolving market dynamics and keeps us responsible for India's economic progress. Our commitment to the making of a developed India reflects in our resolve to stay in sync with the transition sweeping through the power sector. While keeping the core intact, we are building our renewable capacity steadily, holding firm on the reliability the country depends on.

This steady shift towards renewables makes the theme for this year's annual report. The document reflects the dynamism of a company that is stepping up, gaining pace and building strength for the road ahead.

At NLC India, we define resilience as the ability to prepare for tomorrow based on today's performance. We are running our mines and power stations at their best and, at the same time, raising our renewable capacity and opening new lines of growth in energy storage, critical minerals and clean technologies.

This momentum draws on the financial strength that funds our growth, the capability and the drive of our people, the research and partnerships that carry us from a resource base to create value for our stakeholders and build their confidence in us. These forces complement one another, keeping us resilient and in step with a rapidly changing landscape.



Contents



Introduction

- 04 Corporate Philosophy
- 06 About the Report
- 10 Message from the Chairman & Managing Director



About the Company

- 16 NLC India at a Glance
- 18 Our Business Portfolio
- 22 Pan-India Presence
- 24 Key Financial Highlights
- 26 Key ESG Highlights
- 27 5-Years – Physical Performance – Consolidated
- 28 5-Years – Financial Performance – Standalone
- 29 5-Years – Financial Performance – Consolidated
- 30 Awards and Recognitions
- 36 Governance
 - 38 Board Members
 - 39 Board Profile
 - 44 Board Committees

Creating Value, the Sustainable Way

- 46 Value Creation Model
- 48 Stakeholder Engagement
- 52 Materiality Assessment
- 60 Risk Management
- 68 Sustainability Policy Framework



Pioneering across Our Capitals

- 70 Financial Capital
- 78 Manufactured Capital
- 84 Intellectual Capital
- 88 Human Capital
- 98 Social and Relationship Capital
- 112 Natural Capital



Statutory Reports

- 122 Directors' Report
- 158 Annual Report on CSR Activities
- 162 Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
- 166 Management Discussion and Analysis
- 202 Report on Corporate Governance
- 225 Secretarial Audit Report
- 240 C&AG Comments
- 246 Business Responsibility and Sustainability Report
- 285 Independent Assurance Practitioners' Statement

Financial Statements

- 290 Standalone Audit Report
- 310 Standalone Financial Statements
- 402 Consolidated Audit Report
- 424 Consolidated Financial Statements
- 522 AOC 1 and Information on Subsidiary Companies

Annexure

- 525 GRI Content Index
- 528 SASB Index



Corporate Philosophy

NLC India Limited (NLCIL) is committed towards integrating environmental stewardship with community well-being. Through innovative practices in resource management, conservation efforts and environmental restoration, NLCIL is creating a positive impact on people and the planet. The Company is paving the way for a greener, more sustainable future while supporting the growth and development of the communities they serve.



VISION

To emerge as a leading Mining and Power Company, with social responsiveness accelerating Nation's growth.



MISSION

Continue to develop and sustain expertise in Power and Mining with focus on growth and financial strength.

Strive to achieve excellence in processes and practices.

Be socially responsive, achieve sustainable development and be sensitive to emerging environmental issues.

To nurture talent, encourage innovation and foster collaborative culture.



INTRODUCTION



CORE VALUES



OUR ESG VISION

To continue to be a socially responsive Company.



OUR ESG MISSION

To play an active role in society and be sensitive to emerging environmental issues.

About the Report

NLC India Limited (NLCIL) is proud to present its fifth Integrated Annual Report, setting out a complete account of how the Company has performed across financial and non-financial dimensions during FY 2025-26. Through these pages, we share the milestones reached, the ground covered, initiatives carried forward during the year and as on date providing our stakeholders with the clarity they need to form their own judgements. The report reflects our continuing endeavour to build enduring value and conduct our business responsibly as the energy sector around us continues to evolve.

SUBSIDIARIES



NLC Tamil Nadu
Power Limited
(NTPL)



Neyveli Uttar Pradesh
Power Limited
(NUPPL)



NLC India
Renewables Limited
(NIRL)



NLC India Green
Energy Limited
(NIGEL)



NLC Rajasthan
Power Limited
(NRPL)

STEP DOWN SUBSIDIARIES



NIRL Assam
Renewables Limited
(NARL)



NIRL Rajasthan
Renewables Limited
(NRRL)



NIRL NCRTC
Renewables Limited
(NNRL)

NIRL OREDA
Renewables Limited
(NORL)

JOINT VENTURE



Coal Lignite Urja
Vikas Private Limited
(CLUVPL)



MNH Shakti
Limited

FRAMEWORK AND STANDARDS

STATUTORY



The Companies
Act, 2013



Securities and Exchange
Board of India



Indian Accounting
Standards



Secretarial Standards

VOLUNTARY



Integrated Reporting
(IR) Framework by
the IFRS Foundation



Sustainable
Development Goals
of the United Nations
(SDGs)



Global Reporting
Initiative (GRI)
Standards (2021)



Sustainability
Accounting
Standards Board



National Guidelines on
Responsible Business
Conduct (NGRBC)



INTRODUCTION



Data Management

Every operational site within NLCIL applies a common and clearly defined method to gather, measure, compute and examine its performance data. Holding to a single approach across locations gives our disclosures their accuracy and consistency, and allows management to plan and decide on a dependable footing.

Responsibility Statement

Placing accurate and complete information before our stakeholders, covering financial, Environmental, Social and Governance (ESG) and operational performance alike, remains an obligation we take seriously. This report has taken shape through wide consultation with business units and departments across the organisation, supported by the guidance of those charged with governance. Responsibility for the integrity, objectivity, transparency and fair presentation of what appears in these pages rests jointly with the Board and the Management.

Assurance

The account presented here brings together the financial and non-financial dimensions of the Group's performance. Our financial results, on both a standalone and a consolidated basis, have been examined in detail by M/s. Sundaram & Srinivasan, Chartered Accountants and M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants. Engaging two audit firms lends added assurance to the reliability of the financial information we place on record.

Forward-looking Statements

Certain passages in this report look ahead rather than back, and may be identified by expressions such as 'may', 'expects', 'could', 'intends', 'aims' and the like. Statements of this kind rest on assumptions and estimates that call for judgement and carry uncertainties we are unable to control. Outcomes may therefore turn out differently, and no assurance can be offered that these expectations will be borne out. The assumptions behind them are ones we believe to be reasonable, though should they prove otherwise, the results may take a different course.

Feedback

Open and transparent engagement with our stakeholders, at every point of contact, continues to be a priority for NLCIL, as does responding to their needs and concerns without delay. Shareholders and investors are welcome to write to the Company Secretary at either the registered office or the corporate office. For matters calling for prompt redressal, they may also approach Integrated Registry Management Services Private Limited, the Registrar and Share Transfer Agent for the Company.

About the Report

Get in Touch With Us

Registered Office

No. 135, EVR Periyar High Road,
Kilpauk, Chennai – 600 010
Tel. No. 044-28369139

Company Secretary

Sushanta Kumar Panda
Email ID: cossec@nlcindia.in

Registrar

Integrated Registry Management
Services Private Limited
II Floor, 'Kences Towers',
No. 1, Ramakrishna Street,
North Usman Road, T-Nagar,
Chennai – 600 017
Tel. No.: 044-28140801-03
Email ID: einward@integratedindia.in

Secretarial Auditor

D. Hanumanta Raju & Co.
Practising Company Secretaries
B-13, F-1, P.S. Nagar,
Vijayanagar Colony, Hyderabad – 500 057

Cost Auditor

M/s Dhananjay V. Joshi & Associates,
“CMA Pride”, Gr. Floor, Plot No. 6,
S. No. 16/6, Erandawane Co. OP. HSG.
Soc., Erandawane,
Pune, Maharashtra – 411 004

Corporate Office

Block-1, Neyveli Township,
Cuddalore District,
Tamil Nadu – 607 801
Email ID: investors@nlcindia.in

Trustees to NLCIL Bonds

SBICAP Trustee Company Limited,
4th Floor, Mistry Bhawan,
122, Dinshaw Wachha Road,
Churchgate, Mumbai – 400 020

IDBI Trusteeship Services Ltd.,

Universal Insurance Building,
Ground Floor, Sir P.M. Road,
Fort, Mumbai, Maharashtra – 400 001

Statutory Auditors

Sundaram & Srinivasan
Chartered Accountants
#23, C.P. Ramasamy Road
Alwarpet, Teynampet, Chennai – 600 018

PKF Sridhar & Santhanam LLP

Chartered Accountants
7th Floor, KRD Gee Gee Crystal, 91 92,
Dr. Radhakrishnan Salai,
Mylapore, Chennai – 600 004

Branch Auditors

N. Sarda & Associates
Chartered Accountants
Gangashahar Road,
Bikaner, Rajasthan – 334 001

K.D. Lath & Co

Chartered Accountants
Narmada Uditnagar,
Rourkela, Odisha – 769 012

Our Principal Bankers and Financial Institutions



INTRODUCTION



MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR



Dear Shareholders,

It gives me immense pleasure to present to you the performance and progress of your Company for FY 2025-26 - a year that marks a significant milestone in the journey of NLC India Limited (NLCIL). It has been a year of strong operational performance, financial resilience, strategic expansion and accelerated progress towards building a diversified, future-ready energy enterprise.

As India advances towards the vision of Viksit Bharat @2047, the demand for reliable, affordable and sustainable energy is set to grow significantly. NLCIL is uniquely positioned to contribute to this national endeavour through its integrated strengths in mining, thermal power, renewable energy, emerging energy technologies and strategic resources. Our journey is evolving from that of a lignite mining and power generation company into a diversified energy enterprise with a growing pan-India presence.



The resource is the foundation of our business, and resilience is what we are building on top of it: a wider geography, lignite and coal as fuel, solar and wind as energy, and storage for supply.

A Year of Record Performance

FY 2025-26 has been one of the most successful years in NLCIL's history. Your Company achieved its highest-ever annual coal production of 19.14 million tonnes and highest-ever coal dispatch of 17.69 million tonnes since inception. Total power generation stood at 28.94 Billion Units, while renewable energy generation reached an all-time high of 2.26 Billion Units. These achievements reflect our sustained focus on operational excellence, improved asset utilisation and greater efficiency across our businesses. The Company also added 1 GW of generating capacity during the year, further strengthening its position for future growth.

Consolidated revenue from operations crossed ₹17,490 crore and Profit After Tax reached an all-time high of ₹3,769 crore.

Market capitalisation touched ₹53,774 crore. We achieved 100% collection efficiency from our power beneficiaries and maintained a consistent record of dividend declarations since 1998-99. Capital expenditure of ₹9,131 crore, the highest ever, demonstrates our determination to accelerate capacity creation and strategic growth.

Strengthening the Mining Foundation

Mining remains a key pillar of our integrated energy model. Talabira-II & III OCP achieved its highest-ever single-day coal production and dispatch; Mine-II recorded its highest-ever annual lignite dispatch of 13.85 million tonnes; and Pachwara South OCP commenced coal production in March 2026. Significant progress was also made in Machhakata (Revised), New Patrapara South and North Dhadu Western Part coal projects.

Our mining excellence has been recognised through Five-Star Ratings from the Ministry of Coal, with NLCIL receiving a cumulative 23 Five-Star Ratings. We are also expanding into critical minerals, including phosphorite



₹9,131 cr

Capital expenditure during FY 2025-26, the highest we have recorded in a single year.

MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR



Each of these draws on something the Company holds, be it a mineral, a byproduct, a site or six decades of operating knowledge. That is the discipline we intend to keep as we move towards 2030.

and limestone, while pursuing opportunities in rare earth elements and strategic mineral resources with KABIL and IREL. The 1 MTPA Overburden-to-M-Sand plant at Mine-I and other waste-to-wealth initiatives reinforce our commitment to a circular economy.

Expanding Reliable Power Generation

Thermal power continues to play a critical role in ensuring reliable and affordable electricity during India's energy transition. Ghatampur Thermal Power Project recorded its highest-ever annual generation of 4.45 Billion Units. With Unit-II successfully commissioned and the remaining unit achieving commercial operation during the year, the three-unit, 3×660 MW supercritical project has emerged as a major capacity addition to NLCIL's generation portfolio.

We will place strong emphasis on improving the availability and reliability of existing thermal generating units, optimising their performance and utilising available capacity to the maximum extent possible. Through condition monitoring, preventive and predictive maintenance, renovation and modernisation, and improved operating practices, we will strive for maximum achievable capacity and efficiency while strengthening reliability and cost competitiveness. Biomass co-firing, carbon capture research and recovery of rare earth elements from fly ash further demonstrate our commitment to reducing the environmental footprint of conventional generation.

Accelerating the Renewable Energy Transition

Renewable energy has emerged as one of NLCIL's strongest growth engines. During FY 2025-26, we added 352.80 MW of solar capacity—the highest annual addition in the last six years—and achieved our highest-ever single-day renewable energy generation of 9,318 MU. We commissioned the 300 MW Barsingsar Solar Project, a 50 MW solar project at Neyveli and additional rooftop solar capacity.

Our RE Project pipeline encompasses large-scale solar, wind-solar hybrid and battery energy storage projects secured from SECI, NTPC, NHPC, GUVNL, NCRTC and other agencies. The 250 MW/500 MWhr



104 MTPA

Mining capacity targeted by 2030, with more than 10 GW each of thermal and renewable capacity.

BESS project, 600 MW Solar Project with 300 MW/1,800 MWh Battery Energy Storage System and the 4 MW PEM electrolyser-based Green Hydrogen Pilot Plant at Neyveli mark important steps towards firm renewable energy and emerging clean-energy technologies.

Strategic Partnerships, Sustainability and People

NLCIL has created partnerships with NPCIL, NALCO, IOCL, ORED and other public sector enterprises, as well as IIT (ISM) Dhanbad, CSIR-CECRI and IIT Madras, opening opportunities in power, renewables, storage, critical minerals, rare earth elements, advanced technologies and Research & Innovation. The Government's approval for additional investment of ₹7,000 crore in NLC India Renewables Limited provides necessary flexibility to accelerate our renewable energy ambitions.

Sustainability is integral to our business. Mine reclamation, afforestation, water conservation, biodiversity enhancement, renewable energy development on mined-out land and waste-to-wealth initiatives demonstrate our commitment to responsible resource management. Safety always remains non-negotiable. Technology-enabled reporting, audits, training and enhanced awareness continue to strengthen our safety systems, while Talabira-II & III OCP remains accident-free since inception and Barsingsar Lignite Mine has maintained an accident-free record for six consecutive years.

Our people remain the foundation of our transformation. We will continue to promote learning, innovation, merit, accountability and excellence, while strengthening employee welfare and digital capabilities. As our operations become increasingly digital, cybersecurity occupies an important position in organisational resilience.

Creating Value Beyond Business

NLCIL remains committed to inclusive growth and community development. Our CSR initiatives cover healthcare, education, skill development, accessibility, rural infrastructure and community well-being. NLCIL General Hospital has benefited approximately 1.20 lakh patients from peripheral villages of



MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR



Neyveli, while initiatives supported persons with disabilities, project-affected families, rural youth and economically disadvantaged communities. Our continued support to education and sports reflects our belief that investing in young minds is an investment in the nation's future.

Looking Ahead: From Vision to Execution

As NLCIL enters its 70th year, our focus is on converting strategic vision into timely execution, strengthening operational excellence, maximising utilisation of existing assets and delivering sustainable growth. In thermal

power, stabilisation of Ghatampur thermal units and improving availability, reliability and efficiency of existing units will remain priorities. In mining, continuous coal production from Pachwara South OCP, the Talabira-II & III and Kurwa railway sidings, progress on Machhakata (Revised) and New Patrapara South, and securing critical land at Neyveli for mining operations will strengthen fuel security and logistics.

Renewable energy will remain a key growth engine, with focus on the commissioning of 600 MW GUVNL Solar Project, 250 MW/500 MWh BESS in Tamil Nadu, 200 MW Solar Project in Gujarat and 150 MW wind-solar hybrid projects, while pursuing further capacity through competitive bidding. We will also expand our critical minerals portfolio and pursue green hydrogen, digitalisation, Artificial Intelligence and strategic partnerships.

Under Corporate Plan 2030 and Vision Document 2047, our aspiration is to move towards 20 GW of power generation capacity, beyond 100 MTPA of mining capacity and a significantly larger renewable energy and storage portfolio. Our journey towards Maharatna status by 2030 will be supported by sustained financial performance, disciplined capital allocation, project execution, governance excellence and value creation for all stakeholders.



INTRODUCTION



Acknowledgement

The achievements of FY 2025-26 belong to the entire NLC India family with direct and indirect contributions from each one of them. I extend my sincere appreciation to our employees, workmen, supervisors, contract personnel, Indcoserve and Howsicos for their dedication, professionalism and unwavering commitment, which undoubtedly have been instrumental in driving the Company's performance and progress.

I also express my sincere gratitude to the Ministry of Coal, Government of India, the State Governments, our Joint Venture partners, customers, business associates, regulators, financial institutions and all other stakeholders, particularly our valued shareholders, for their continued guidance, confidence and support.

As we move into the next phase of our journey, I am confident that the same spirit of resilience, innovation, discipline and

teamwork that has brought us this far will enable us to achieve even greater milestones.

Together, we will continue to strengthen India's energy security, accelerate the clean energy transition, create enduring value for our stakeholders and contribute meaningfully to the vision of Viksit Bharat @2047.

The best chapters of NLC India Limited are still ahead of us.

Warm regards,

Chairman and Managing Director
NLC India Limited

About the Company

NLC India at a Glance

NLC India Limited is a Navratna enterprise under the Ministry of Coal, Government of India. For close to seven decades, we have held a place at the centre of India's energy story. Incorporated in 1956 to develop lignite reserves at Neyveli, we built something the country had not attempted before, which was a fully integrated mining and power complex. From that beginning, we have grown into an integrated energy enterprise, operating across 10 states and one Union Territory, with our corporate office at Neyveli in Tamil Nadu and registered office at Chennai.

Our integrated mine-to-megawatt model remains our defining strength. We mine the fuel, we generate the power, and we do both at a scale that keeps our costs contained and our supply secure. Pit head thermal stations sited alongside our own mines allow us to serve base load demand dependably, hour after hour, through seasons. It is a model that has earned the country's confidence and delivered 48 unbroken years of profitability and 26 consecutive years of dividend, a record few enterprises of our vintage can claim.

That same pioneering instinct now carries us into a wider portfolio. We were the first Central Public Sector Enterprise in the country to cross a gigawatt of solar capacity, and we are building towards 10,110 MW of renewable capacity by 2030. Alongside this, we have entered battery energy storage, secured two critical mineral blocks in Chhattisgarh, and begun work on a green hydrogen facility at Neyveli. Seven decades on, our purpose stands where it always has, which is to create wealth for well-being.



ABOUT THE COMPANY



OUR FOOTPRINT



10
States and 1 Union Territory
where we operate



5
Mines



19
Operational
power plants



9
Regional offices



9,735
Employees,
including
757 women

OUR CREDENTIALS

1956

Year of incorporation

Navratna

Status conferred by
the Government of
India

Ministry of Coal

Our administrative Ministry

50 years

of consistent
profitability

28 years

of consistent dividend

AAA (Stable)

Credit rating, reaffirmed by all six
rating agencies

OUR INSTALLED CAPACITY



50.10 MTPA

Mining, comprising
30.10 MTPA of lignite
and 20 MTPA of coal



6,620 MW

Thermal power
(3,640 MW with NLC
and 2,980 MW with
our joint ventures)



1,785 MW

Renewable power
across solar and wind



Our Business Portfolio

NLCIL is built around three businesses that feed one another. We mine lignite and coal, we convert that fuel into power at stations built alongside the mines, and we generate clean energy from the sun and the wind across the country. Around this core sits a growing set of newer businesses, taking us into energy storage, critical minerals and green hydrogen. What binds the portfolio together is its integration: fuel raised from our own mines feeds our own plants, and the earnings from that dependable core fund our move into cleaner sources.

MINING

Mining is where we began and where our operational depth runs deepest. We work six mines across Tamil Nadu, Rajasthan, Odisha and Jharkhand, with a sanctioned capacity of 50.10 MTPA comprising 30.10 MTPA of lignite and 20 MTPA of coal. Our lignite operations at Neyveli and Barsingsar supply our pit head thermal stations directly, while our coal mines at Talabira in Odisha and Pachwara South in Jharkhand serve both captive requirements and external customers.

We are the country's largest lignite producer, accounting for close to half of national output. During the year, we produced 19.14 MT of coal from the Talabira II and III OCP and dispatched 17.69 MT, both the highest we have recorded. Pachwara South, with a capacity of 9 MTPA, commenced coal production in March 2026 and adds a new source of long-term fuel security.

50.10 MTPA	Sanctioned mining capacity
5	Operating mines
19.14 MT	Coal production in FY 2025-26
17.69 MT	Coal dispatch in FY 2025-26
104 MTPA	Mining capacity targeted by 2030



THERMAL POWER

We operate 6,620 MW of installed thermal capacity, of which 3,640 MW sits directly with us and 2,980 MW with our joint venture companies, NLC Tamil Nadu Power Limited and Neyveli Uttar Pradesh Power Limited. Our stations at Neyveli and Barsingsar benefit from a pit-head lignite arrangement, significantly reducing long-distance fuel transportation and the associated emissions. This integrated mine-to-power model ensures reliable fuel supply, improves operational efficiency, reduces fuel logistics and transportation-related carbon footprint, and supports NLCIL's broader climate action and decarbonisation efforts.

During the year we commenced commercial operation of Unit II of the Ghatampur Thermal Power Project, adding 660 MW and taking Neyveli Uttar Pradesh Power Limited to 1,320 MW. Our thermal stations supplied power to beneficiary states across the country and continued to provide the round the clock reliability that solar and wind cannot yet deliver on their own.



6,620 MW	Installed thermal capacity
1320 MW	Added as on date Ghatampur Power Project Unit II & III
10,020 MW	Thermal capacity targeted by 2030

EMERGING BUSINESSES

Beyond generation, we have begun building revenue lines that draw on what we already know and already hold. Our overburden is being converted into manufactured sand through a plant of 1.0 MTPA commissioned at Mine I in February 2026, with commercial sale already under way. We have been declared the successful bidder for the Semhardih and Raipura phosphorite and limestone blocks in Chhattisgarh, carrying 1 MTPA each, and we are working with the Bhabha Atomic Research Centre and Indian Rare Earths Limited on extracting rare earth elements, including from our own fly ash. NLCIL Secured Two critical mineral blocks viz., Parvathapur Block and Govindpur Block in Sangareddy district of Telangana having deposits of Vanadium, Titanium, and Aluminous Laterite.

In energy storage we hold a contracted pipeline of 3,300 MWh across three arrangements, of which the 250 MW and 500 MWh project awarded by Tamil Nadu Green Energy Corporation Limited has moved to a signed power purchase agreement. Our green hydrogen plant at Neyveli, drawing on 4 MW of solar, will produce 300 kg of hydrogen a day at a purity of 99.999% over a plant life of 25 years. Five electric vehicle charging stations are being installed across our Neyveli operations.

1.0 MTPA	Washed silica sand plant commissioned at Mine I
2 blocks	Critical mineral blocks secured in Chhattisgarh, of 1 MTPA each
3,300 MWh	Energy storage pipeline across three contracts
4 MW	Green hydrogen plant under implementation at Neyveli
₹10,669 crore	Capital earmarked for diversification to 2030

RENEWABLE POWER

Our renewable business has grown from an early foothold into a business in its own right. We hold 1,785 MW of operational Solar, wind and BESS Capacity spread across Tamil Nadu, Rajasthan, Odisha, Andaman and other states, and we were the first Central Public Sector Enterprise in the country to cross a gigawatt of solar.

NLC India Renewables Limited, our wholly owned subsidiary, now anchors this growth. During the year, seven operational renewable projects were transferred to it, and it holds a further 5,810 MW under implementation and 3,885 MW through joint ventures. We commissioned the 300 MW solar plant at Barsingsar, our largest at a single location, and generated 2.26 BU of green power, the most we have produced in a year.



1,785 MW	Operational renewable capacity
303 MW	Added during FY 2025-26
2.26 BU	Green power generated in FY 2025-26
5,810 MW	Under implementation
10,110 MW	Renewable capacity targeted by 2030

OUR SUBSIDIARIES AND JOINT VENTURES

We deliver through a group structure that gives each business the focus it needs. NLC India Renewables Limited holds and grows our renewable portfolio and is being prepared for a public listing. NLC India Green Energy Limited manages our diversification businesses. NLC Tamil Nadu Power Limited and Neyveli Uttar Pradesh Power Limited operate our joint venture thermal capacity, and NLC Rajasthan Power Limited carries our lignite-based Thermal Power Project in the state of Rajasthan. Coal Lignite Urja Vikas Private Limited is our joint venture with Coal India Limited. Four step down subsidiaries under NLC India Renewables Limited, namely NIRC Assam Renewables Limited, NIRC Rajasthan Renewables Limited, NIRC NCRTC Renewables Limited and NIRC OREDA Renewables Limited are taking our renewable presence in the State of Assam, Rajasthan and Uttar Pradesh, respectively.

Pan-India Presence

Our operations reach across the length and breadth of the country, spanning our lignite and coal mines, our thermal power stations, our solar and wind plants, and our newer ventures in energy storage and critical minerals. This wide geographic presence places us close to the resources we draw on and the markets we serve, and our network of regional offices holds it together, keeping our operations coordinated, responsive and well-governed across every region in which we work.



Map not to scale.

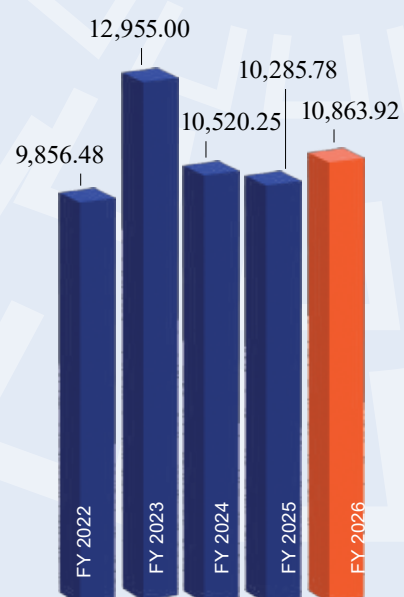


State	Location	Projects
Tamil Nadu	Neyveli	Corporate Office
		Lignite Mine (Mine I, Mine IA, Mine II)
		Power Stations (TPS I Expn, TPS II, TPS II Expn, NNTPS)
		Renewable Energy
Tamil Nadu	Chennai	NLC India Renewables Limited (NIRL)
		NLC India Green Energy Limited (NIGEL)
		NLC Tamil Nadu Power Limited (NTPL)
		NIRL Assam Renewables Limited (NARL)
		NIRL Rajasthan Renewables Limited (NRRL)
		NLC Rajasthan Power Limited (NRPL)
		NIRL NCRTC Renewables Limited (NNRL)
Tamil Nadu	Ramanathapuram	Solar
	Virudhunagar	Solar
	Tuticorin	NTPL (JV with Tamil Nadu Generation and Distribution Corporation Limited)
	Tirunelveli	Solar
	Tenkasi	Wind
	Ottapidaram, Annupankulam, Kayathar	Battery Energy Storage System
Rajasthan	Barsingsar	Captive Lignite mine
		Barsingsar TPS
		Solar Projects
Uttar Pradesh	Ghatampur	Neyveli Uttar Pradesh Power Limited (JV with Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited)
		Solar
Odisha	Talabira	Captive Coal Mine
		Talabira Thermal Power Project
Odisha	Machhakata	Commercial Coal Mine
	Patrapara	Commercial Coal Mine
Andaman and Nicobar Islands	Sri Vijaya Puram	Solar/BESS
Gujarat	Kutch	Solar/Wind
Jharkhand	Dhadu	Commercial Coal mine
	Pachwara	Captive Coal Mine
Chhattisgarh	Semhardih and Raipura	Critical Minerals (Phosphorite & Limestone Blocks)
Assam	Thermal Power Plants	Solar
		TPS I Expn Thermal
		TPS II Thermal
		TPS II Expn Thermal
		NNTPS Thermal
	Barsingsar, Rajasthan	Thermal
	Tuticorin, Tamil Nadu	NTPL (JV with Tamil Nadu Generation and Distribution Corporation Limited)
		Thermal
	Ghatampur, Uttar Pradesh	NUPPL – GTPP (JV with Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited)
		Thermal
Mines	Talabira II & III OCP	Coal Mine
	New Patrapara (South)	Coal Mine
	Machhakata Coal Mine	Coal Mine
	North Dhadu (Western Part)	Coal Mine
	Pachwara South OCP	Coal Mine
	Barsingsar	Lignite Mine
	Neyveli, Tamil Nadu	Lignite Mine
		Mine I
		Mine IA
Solar Plants	Andaman	Mine II
Wind Plants	Tenkasi, Tamil Nadu	
Corporate Office	Neyveli, Tamil Nadu	

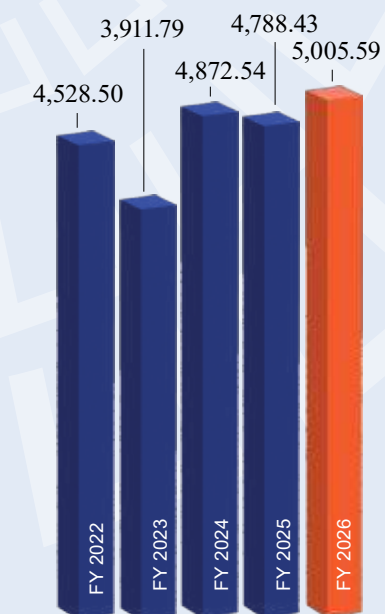
Key Financial Highlights

STANDALONE

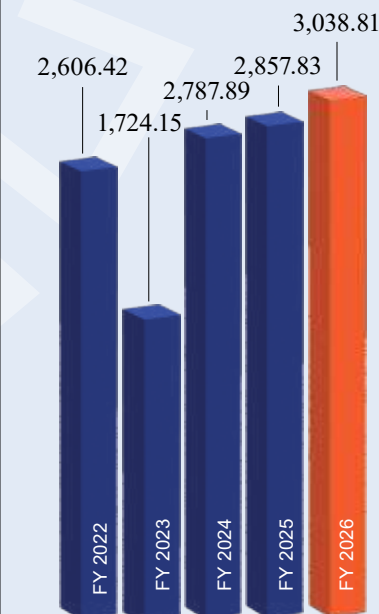
Revenue from Operations
₹10,863.92 crore



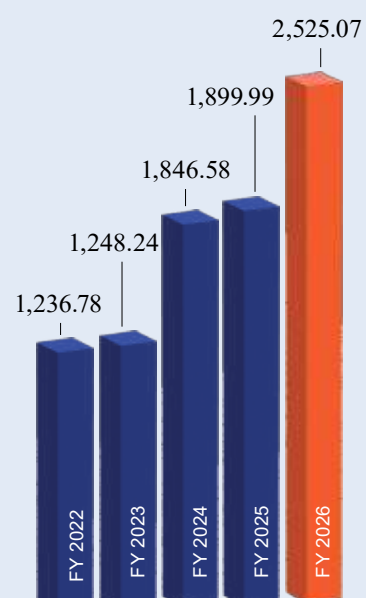
EBITDA*
₹5,005.59 crore



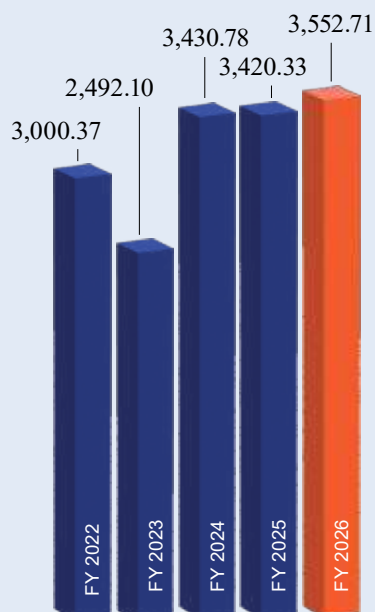
PBT
₹3,038.81 crore



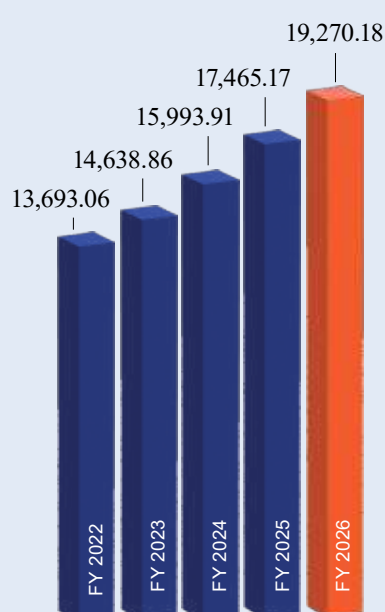
PAT
₹2,525.07 crore



EBIT*
₹3,552.71 crore



Net Worth
₹19,270.18 crore

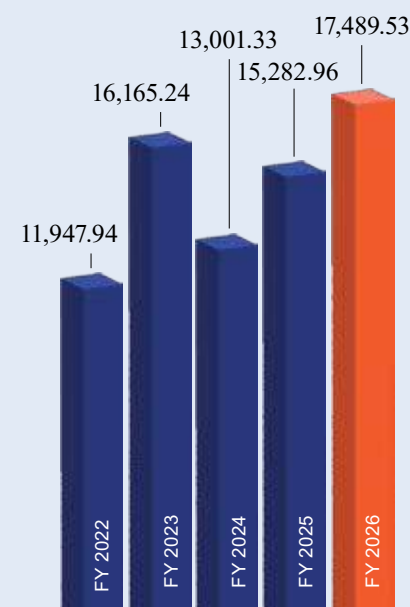


* Before Exceptional

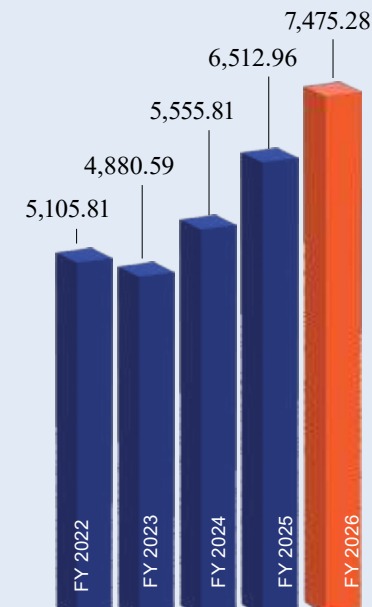


CONSOLIDATED

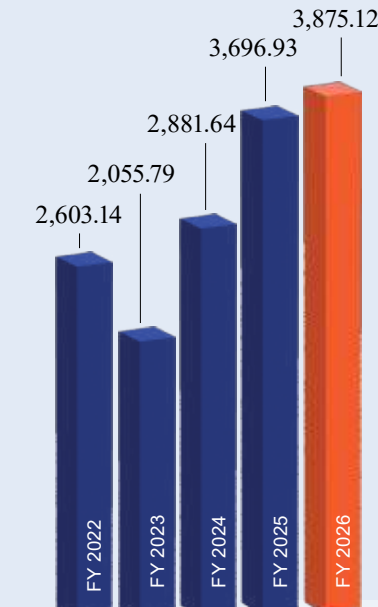
Revenue from Operations
₹17,489.53 cr



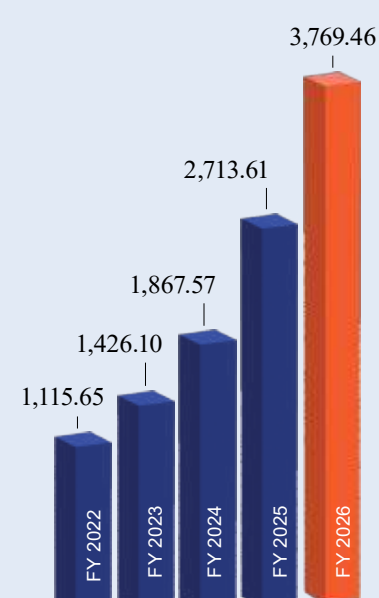
EBITDA*
₹7,475.28 cr



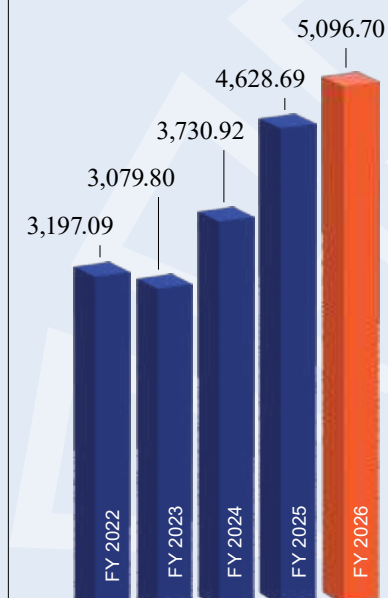
PBT
₹3,875.12 cr



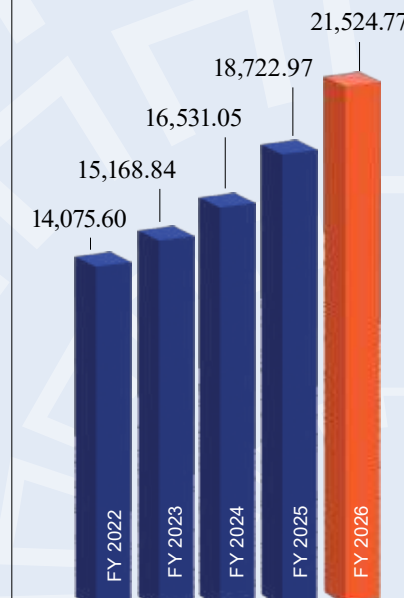
PAT
₹3,769.46 cr



EBIT*
₹5,096.70 cr



Net Worth
₹21,524.77 cr



*Before Exceptional

Key ESG Highlights

Environmental

1,785 MW

Renewable capacity in operation, after adding 303 MW during the year

5,917 tCO₂e

Scope 2 emissions, down from 44,935 tCO₂e, about an eighth of the previous year

2.26 BU

Renewable generation, an all-time high, against 2.10 BU in FY 2024-25

100%

Fly ash utilised, channelled through e-auction to cement and brick manufacturers

Social

4,12,436 hours

Training delivered, up from 3,92,506 hours in FY 2024-25

0.048

Lost time injury frequency rate for our employees, down from 0.127; for contract workers, 0.114 against 0.417

1,254

Apprentices engaged, 6.53% of our workforce against a government norm of 2.5%

100%

Return to work after parental leave, sustained across four consecutive years

Governance

₹633 cr

Paid to the government in taxes, up from ₹409 crore in FY 2024-25

₹707.19 cr

Dividend paid, up from ₹416 crore, continuing an unbroken record of more than 26 years

₹9,845 cr

Economic value distributed to our stakeholders, up from ₹9,466 crore

17

Board Committees giving focused oversight across finance, audit, risk, projects and CSR



5-Years – Physical Performance – Consolidated

Production		FY 2025-26	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22
Lignite						
Mine-I	LT	18.36	71.73	81.74	71.44	70.05
Mine-IA	LT	42.27	50.25	55.85	50.51	40.82
Mine-II	LT	134.08	97.62	78.21	93.24	125.48
Barsingsar Mine	LT	18.03	21.00	21.00	20.11	14.77
Total	LT	212.74	240.6	236.80	235.30	251.12
Coal						
Talabira	LT	191.42	172.02	126.41	100.26	63.58
Power						
T.P.S.I EXPN	G M.U	2,169.26	3,006.71	2,871.36	3,113.80	3,567.70
	N M.U	1,912.19	2,723.63	2,605.54	2,831.96	2,984.93
T.P.S.II	G M.U	5,897.24	6,759.35	5,752.25	7,997.96	9,724.21
	N M.U	5,194.68	5,965.34	5,080.40	7,139.57	8,788.32
BTPS	G M.U	1,606.48	1,759.64	1,692.05	1,716.70	1,627.86
	N M.U	1,409.69	1,543.39	1,478.48	1,504.59	1,426.13
T.P.S.II EXPN	G M.U	1,833.71	1,073.36	2,153.41	1,974.00	2,040.25
	N M.U	1,523.83	866.92	1,803.22	1,665.08	1,724.76
NNTPP	G M.U	5,433.88	6,727.01	7,074.69	7,155.80	6,178.70
	N M.U	5,048.96	6,309.72	6,637.81	6,719.09	5,758.70
NTPL	G M.U	5,278.13	5,236.45	5,462.36	5,929.99	4,182.46
	N M.U	4,889.92	4,848.12	5,068.11	5,523.90	3,853.10
NUPPL	G M.U	4,467.92	1,208.73	-	-	-
	N M.U	4,078.73	1,116.49	-	-	-
Wind Power	G M.U	62.60	36.42	19.35	50.64	85.23
	N M.U	62.19	36.10	19.06	49.73	84.01
Solar Power	G M.U	2,195.49	2,057.91	2,080.74	2,143.91	2,098.38
	N M.U	2,195.49	2,057.91	2,080.74	2,143.91	2,098.38
Total	G M.U	28,944.71	27,865.58	27,106.21	30,082.80	29,504.83
	N M.U	26,315.68	25,467.62	24,773.36	27,577.83	26,718.33
Sales						
Lignite	LT	20.98	23.39	22.60	21.18	33.04
Coal	LT	176.87	167.05	117.62	98.98	63.69
Power	M.U	25,459.37	24,608.04	23,958.18	26,805.89	25,894.14

5-Years – Financial Performance – Standalone

Particulars	FY 2025-26	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22
Income Statement					
Sales	10,863.92	10,285.78	10,520.25	12,955.00	9,856.48
Other Income	1,171.03	1,201.38	873.10	1,240.90	805.89
Total Income	12,034.95	11,487.16	11,393.35	14,195.90	10,662.37
Operating Expenses	7,917.92	7,873.80	7,473.91	7,991.45	6,407.40
Depreciation	1,452.88	1,368.10	1,441.76	1,419.69	1,528.13
Interest	513.90	562.50	642.89	755.63	783.78
Net Movement In Regulatory Deferral Account Balances - Income/(Expenses)	888.56	1,175.07	953.10	-2,292.66	273.53
Profit/(Loss) Before Exceptional and Tax	3,038.81	2,857.83	2,787.89	1,736.47	2,216.59
Exceptional Items - Income/(Expenses)	-	-	-	-12.32	389.83
Profit Before Tax	3,038.81	2,857.83	2,787.89	1,724.15	2,606.42
Provision For Tax	513.74	957.84	941.31	475.91	1,369.64
Profit for the Year	2,525.07	1,899.99	1,846.58	1,248.24	1,236.78
Other Comprehensive Income	-12.87	-12.73	-6.20	-0.02	26.76
Total Comprehensive Income	2,512.20	1,887.26	1,840.38	1,248.22	1,263.54
Earning Before Exception Item, Interest, Depreciation & Tax (Including Regulatory)	5,005.59	4,788.43	4,872.54	3,911.79	4,528.50
Dividend Paid	707.19	416.00	485.33	416.00	416.00
Balance Sheet					
Equity Capital	1,386.64	1,386.64	1,386.64	1,386.64	1,386.64
Reserves & Surplus	17,883.54	16,078.53	14,607.27	13,252.22	12,420.00
Free Reserves	17,019.15	15,209.98	13,736.93	12,384.08	11,580.46
Net Worth	19,270.18	17,465.17	15,993.91	14,638.86	13,693.06
Loans Outstanding	10,157.36	7,524.97	7,968.77	9,348.34	10,239.03
Net Fixed Assets	14,408.99	17,664.48	18,133.27	18,731.91	19,184.95
Investments	8,404.41	5,092.92	4,640.12	4,196.32	3,932.67
Net Current Assets	-2,950.33	-1,426.17	2,640.64	4,974.73	3,610.60
Capital Employed	31,523.60	28,646.40	27,201.97	26,889.03	26,576.02
Ratios					
Operating Margin (OPM) (%)	20.27	19.36	22.29	11.73	21.66
Return on Capital Employed (RoCE) (%)	11.27	11.94	12.61	9.27	11.29
Return on Net Worth (RoNW) (%)	13.10	10.88	11.55	8.53	9.03
Debt Equity (%)	0.53	0.43	0.50	0.64	0.75
Current Ratio	0.64	0.81	1.71	1.92	1.64
Quick Ratio	0.43	0.63	1.44	1.71	1.36
Value Added Per Employee (in ₹ lakh)	92.75	83.61	87.18	102.18	73.91
Book Value Per Share (in ₹)	138.97	125.95	115.34	105.57	98.75
Earning Per Share (in ₹) After Adjustment of Net Regulatory Deferral Balances	18.21	13.70	13.32	9.00	8.92
Dividend (%)**	38.50	30.00	30.00	35.00	30.00

** Dividend on accrual basis



5-Years – Financial Performance – Consolidated

Particulars	FY 2025-26	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22
Income Statement					
Sales	17,489.53	15,282.96	13,001.33	16,165.24	11,947.94
Other Income	977.36	1,606.49	947.14	1,217.98	598.02
Total Income	18,466.89	16,889.45	13,948.47	17,383.22	12,545.96
Operating Expenses	11,901.09	10,442.73	9,465.54	10,323.78	7,785.07
Depreciation	2,378.58	1,884.27	1,824.89	1,800.79	1,908.72
Interest	1,221.58	931.76	849.28	1,011.69	983.78
Net Movement In Regulatory Deferral Account Balances - (Expense)/Income	909.48	66.24	1,072.88	-2,178.85	344.92
Profit/(Loss) Before Exceptional and Tax	3,875.12	3,696.93	2,881.64	2,068.11	2,213.31
Exceptional Items - Income/(Expenses)	-	0.00	0.00	-12.32	389.83
Profit Before Tax	3,875.12	3,696.93	2,881.64	2,055.79	2,603.14
Provision For Tax	105.94	983.56	1,014.32	630.66	1,488.01
Profit/(Loss) After Tax Before Share of Profit/(Loss) of Associates	3,769.18	2,713.37	1,867.32	1,425.13	1,115.13
Share Of Profit/(Loss) of Associates	0.28	0.24	0.25	0.97	0.52
Profit/(Loss) for the Year	3,769.46	2,713.61	1,867.57	1,426.10	1,115.65
Other Comprehensive Income	-13.35	-13.79	-6.71	-0.02	28.23
Total Comprehensive Income	3,756.11	2,699.82	1,860.86	1,426.08	1,143.88
Earning Before Exception Item, Interest, Depreciation & Tax (Including Regulatory)	7,475.28	6,512.96	5,555.81	4,880.59	5,105.81
Dividend paid by NLCIL	707.19	416.00	485.33	416.00	416.00
Balance Sheet					
Equity Capital	1,386.64	1,386.64	1,386.64	1,386.64	1,386.64
Reserves & Surplus	20,138.12	17,336.33	15,144.41	13,782.20	12,802.54
Free Reserves	19,279.26	16,472.96	14,278.54	12,918.02	11,966.96
Net Worth	21,524.76	18,722.97	16,531.05	15,168.84	14,075.60
Loans Outstanding	27,801.94	22,392.11	22,379.45	22,305.72	22,058.37
Net Fixed Assets	36,595.64	30,698.92	23,390.84	24,058.18	24,874.92
Investments	8.47	9.48	7.84	7.59	6.62
Net Current Assets	-2,119.02	-2,334.44	2,265.03	4,091.91	3,221.64
Capital Employed	52,559.32	44,930.95	42,472.21	40,676.44	38,998.45
Ratios					
Operating Margin (OPM) (%)	22.39	19.69	19.78	13.31	21.14
Return on Capital Employed (RoCE) (%)	9.70	10.30	8.78	7.57	8.20
Return on Net Worth (RoNW) (%)	17.51	14.49	11.30	9.40	7.93
Debt Equity (%)	1.29	1.20	1.35	1.47	1.57
Current Ratio	0.80	0.78	1.17	1.38	1.28
Quick Ratio	0.58	0.60	0.97	1.20	1.07
Value Added Per Employee (in ₹ lakh)	120.28	105.94	90.26	107.23	79.04
Book Value Per Share (in ₹)	155.23	135.02	119.22	109.39	101.51
Earning Per Share (in ₹) After Adjustment of Net Regulatory Deferral Balances	25.40	18.90	13.47	10.28	8.05
Dividend (%)**	38.50	30.00	30.00	35.00	30.00

** Dividend on accrual basis

Awards and Recognition

Recognition from outside is a measure of how our work is seen beyond our known territory, and FY 2025-26 brought acknowledgement to the full breadth of what we do. Our awards this year spanned financial performance and governance, the running of our mines and stations, environmental stewardship, learning and human resources, and our community and healthcare work, a spread that reflects the wide reach of a diversifying energy company and the standards we hold across every part of it.

Our financial management and governance drew national recognition, led by the SKOCH Gold Award for outstanding financial performance and an award for excellence in financial performance from the Institute of Chartered Accountants of India. The running of our mines and stations was rewarded with a series of national safety honours and five-star ratings from the Ministry of Coal, our environmental work was honoured with platinum and gold environment awards, our people practices were recognised at national HR forums, and our community work was acknowledged across water management, education and CSR.



SKOCH Gold Award for outstanding financial performance, on the theme Governing Viksit Bharat



Award for Excellence in Financial Performance from the Institute of Chartered Accountants of India



Second place, Best Annual Report FY 2024-25, PRSI Awards



First place, Best PSU implementing RTI, Public Relations Society of India, at the 47th All India Public Relations Conference



First place, Best e-Newsletter, Public Relations Society of India



Best Performance Award for implementation of Official Language from TOLIC (Puducherry), Ministry of Home Affairs



Nishtha Ki Pratishtha, First Prize, from the Ministry of Coal and Mines for Official Language implementation



Governance Now 12th PSU Awards, recognising excellence in financial performance and leadership in the public sector.



Times Aspire National leadership Awards, 2026 Indias Most Influential CFO

AWARDS AND RECOGNITION



Overall First Prize, Lignite Category, 39th Mines Safety Week 2025-26



Five-star rating for FY 2023-24 for Barsingsar Lignite Mine, Mine-IA and Talabira II and III OCP from the Ministry of Coal



Best Mining and Mineral Project of the Year, Mining and Minerals Excellence Awards 2025, with Mine-IA ranked first among all coal mines in India for FY 2023-24



Platinum Award, Apex India Occupational Health and Safety 2025, and Safety Excellence 2025



ABOUT THE COMPANY



Greentech Environment Award for achievements in environment protection



Corporate Leadership Awards 2025, "Leadership in ESG Category"



Environment Excellence Platinum Award for CSR



Environment Excellence Gold Award, Thermal Sector, for our thermal units

AWARDS AND RECOGNITION



Award of Excellence in Learning and Development, 12th Governance Now PSU Awards, for the second consecutive year



Employee Experience Team Award, People Matters Infini-T Awards India 2025



First runner-up, Excellence in Leveraging HR Technology, SHRM



Strong Commitment to HR Excellence recognition, CII Excellence Award assessment



Organisation with Proactive ER Practices Award, National ER Conference and Awards 2025



ABOUT THE COMPANY



Shiksha Vibhushan Award from the Government of Rajasthan for promoting quality education under CSR



CSR Times Award 2025 for water augmentation and management under CSR



National Green Environment CSR Award 2025 for water management initiatives



Excellence in Healthcare, Employee Centric Hospitals Award, for NLC India Hospital at the AHPI Awards 2026



Top Performer in Tamil Nadu, Pradhan Mantri Bhartiya Janaushadhi Pariyojana, for the Jan Aushadhi Kendra at NLC India Hospital

Governance

Sound governance has anchored the way we create value at NLC India Limited. As a Navratna enterprise, we work at the meeting point of public purpose and commercial discipline, with the governance framework built to carry both. In a year when we widened our presence across mining, thermal power, renewables, energy storage, critical minerals and emerging clean energy businesses, that framework gave our diversification the structure, the oversight and the accountability it needed. We celebrated our Raising day on 26th May, 2026, and the confidence placed in us by the Government of India State Government, Regulators, Discoms, JV Partners, Trade Unions, Associations our regulators, and more than 3 lakh shareholders continue to shape how we govern.



Our Governance Framework

Our governance structure has the Board of Directors at its apex, supported by specialised committees and a professional management team. As a Central Public Sector Enterprise with the Government of India controlling 69.47% stake, we are accountable to the as Ministry of Coal, our Shareholders and other stakeholders. We govern in line with the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises.

This layered structure keeps our decision-making transparent, distributes responsibility clearly, and allows independent oversight of a business that spans several states and multiple energy verticals.

Familiarisation of Independent Directors

We recognise that effective independent oversight rests on a clear understanding of our business. Our structured familiarisation process helps the independent directors align with the Company's vision and mission, make them aware of our profile and subsidiaries, our mining and power operations, our present capacity across mines and power stations, and our production and financial performance. During the reporting year, familiarisation extended to the priorities shaping our next phase of growth, including our Corporate Plan 2030, our capacity addition programme across thermal and renewable energy, our entry into energy storage and critical minerals, and our research and development initiatives with leading national institutions. The directors are also briefed on their roles, duties and responsibilities, and on the evolving regulatory environment.



Risk Management and Internal Controls

We predict, pre-empt, and prevent risks through a structured, Board-supervised framework. The Risk Management Committee at the Board level, supported by various panels under the Board of Directors, identifies, evaluates and monitors the risks facing the Company and charts out the mitigation strategy. The risks can be both external and internal. Our internal control systems, reviewed by the Audit Committee and tested by internal and statutory audit, give the Board the assurance that our assets are safeguarded and our reporting is reliable. As we diversify into new businesses and geographies, this framework helps us take considered risks while protecting the interests of our stakeholders.

Ethics, Integrity and Compliance

Integrity guides how we operate. We run the business under a Code of Conduct that applies to our Board members and the senior management personnel. We maintain strict vigil to ensure transparency and accountability across the organisation. Our procurement and investment decisions follow established, transparent processes, including participation in competitive bidding and public auctions for renewable capacity, coal and critical mineral blocks. We meet our statutory and regulatory obligations by following guidelines laid out by the Companies Act and the SEBI Regulations, and by making timely and accurate disclosures.

We reinforce this through our Integrity Pact programme, implemented with the Central Vigilance Commission and Transparency International India, which forms part of our procurement process and applies to every tender above ₹1 crore. The framework extends to our employees, suppliers, contractors, consultants, joint ventures and subsidiaries. During FY 2025-26 we conducted awareness and training programmes on anti-corruption, ethical business conduct and the prevention of anti-competitive practices, ran sessions on regulatory change and compliance requirements, and strengthened our enterprise risk management practices to identify and mitigate governance and compliance risks.

Policies and Disclosures

We have a framework of Board-approved policies that supports consistent and compliant conduct across the Company, including our policies on related-party transactions, material events, document preservation and website disclosure. In keeping with the Regulation 30 of the SEBI Listing Regulations, we disclose material events and other information on our website and retain them for the periods set out in our Archival Policy, so that our stakeholders have access to the information.

As a Government Company, the remuneration of our Board-level Directors is fixed by the Government of India as the appointing authority, while the remuneration of our executives and non-unionised supervisors follows the guidelines of the Department of Public Enterprises, and the wages and service conditions of our workmen are governed by settlements with the recognised trade unions.

The scope of our Nomination and Remuneration Committee is limited to matters below Board level, where it considers and recommends performance related pay in line with those guidelines. Our remuneration is therefore not linked directly to environmental, social and governance performance indicators.

As a Government Company we are also exempt, under circulars of the Ministry of Corporate Affairs, from the provisions of the Companies Act governing the manner of performance evaluation of the Board, its Committees and individual Directors, and from the corresponding provisions of Schedule IV relating to Independent Directors, where the administrative Ministry specifies the evaluation framework.

Stakeholders and Investors

We engage our shareholders and the wider investor community with openness and regularity. During the year, we hosted institutional investor interactions, including our Q2 and Q4 FY 2025-26 Institutional Investors Meet at Mumbai, where our leadership presented the Company's performance, strategy and outlook and responded to questions directly. With a shareholder base of more than three lakh, a record of dividends sustained over 26 years and profitability over 48 years, we treat clear, two-way communication as central to the trust we hold.

Governance in a Year of Strategic Change

During the year under review, we took some significant strategic steps, and our governance held firm through each of them. Our Board and the relevant authorities approved the transfer of renewable assets to NLC India Renewables Limited, a wholly Owned Subsidiary and an alternative mechanism for its listing. Cleared the formation of joint ventures for nuclear generation with NPCIL and for renewable capacity with NCRTC, and oversaw capacity additions and new project approvals across the portfolio.

GOVERNANCE

Board of Directors

Our Board brings together executive leadership, functional expertise and independent judgement. Their experience spans mining, power generation, renewable energy, public administration, finance and energy policy, a mix well-suited to a Company growing across conventional and new energy businesses.



Shri. Sanoj Kumar Jha

Chairman and Managing Director (Additional Charge) Additional Secretary, Ministry of Coal



Shri. Anil Meshram

Part-time Official Director



Shri. Gopal Singh

Part-time Official Director



Dr. Suresh Chandra Suman

Director (Mines)



Shri. Samir Swarup

*Director (Human Resources)
& Director (Power) (AC)*



Dr. Prasanna Kumar Acharya

*Director (Finance) &
Chief Financial Officer*



Shri. Rajesh Pratap Singh Sisodia

Director (Planning & Projects)



Shri. Poonam Chandrakar

*Non-Official
Independent Director*



Board Profile



Shri. Sanoj Kumar Jha, IAS

*Additional Secretary, Ministry of Coal &
Chairman and Managing Director (Additional Charge)*

Shri Sanoj Kumar Jha is a graduate in physics from Hindu College (University of Delhi). He holds M.Sc. degree in public policy and management from King's College, London (UK). He also did his Master's in Advanced Management Programme in Public Policy from the Indian School of Business (ISB). He has done several trainings in the fields of trade, infrastructure, environment, power, economics, data analysis and global poverty.

Shri Sanoj Kumar Jha is a distinguished 1997-batch Indian Administrative Service (IAS) officer of the Sikkim cadre. He currently serves the Government of India as the Additional Secretary to the Ministry of Coal. With nearly three decades of administrative experience, he is a seasoned bureaucrat with extensive expertise spanning central, state, and international governance frameworks.

Entrusted with the additional charge of Chairman and Managing Director (CMD) of NLC India Limited since July 2026. In this role, he guides the Navratna enterprise's transformation across lignite mining, thermal power generation, and renewable energy initiatives

Previously held additional charge as the interim Chairman and Managing Director (CMD) of Coal India Limited, India's premier Maharatna public sector undertaking and the world's largest coal producer, driving its critical production targets from November to December 2025.

As Additional Secretary in the Ministry of Coal, Shri Jha leads critical policy implementation, administrative oversight, and structural reforms within India's solid fuel sector. His deep background in energy and resource management is reflected in top-tier public sector leadership responsibilities

Successfully carried out functions as a Government Nominee Director in different Central Public Sector Enterprises (CPSEs), providing critical oversight, corporate governance, and strategic alignment between public undertakings and ministerial policies.

Possesses a vast portfolio of operational experience covering district administration, rural development, planning, tourism,

commerce and industry, animal husbandry, mines and geology, power, and food processing.

Served with the United Nations Development Programme (UNDP) in Kabul, Afghanistan, where he worked as a development advisor attached to the Afghan Ministry of Commerce and Industry.

Worked in various senior capacities within the Central Government, as well as the State Governments of Sikkim and Jharkhand.

During his notable career, Shri Jha served as the Secretary of the Central Electricity Regulatory Commission (CERC) for over five years, holding a Joint Secretary equivalent rank at the Centre. In this key regulatory role, he managed administrative and statutory functions for India's premier power sector regulator, facilitated grid discipline, and framed vital tariff regulations. Simultaneously, he successfully discharged his duties as the Secretary for the Forum of Regulators (FoR), where he spearheaded structural power reforms, capacity-building programs, and policy harmonisation across various state electricity regulatory commissions to steer India's commercial power structures forward.

Throughout his distinguished tenure, Shri Jha has consistently demonstrated an exceptional ability to navigate complex regulatory, administrative, and corporate landscapes. His visionary leadership across diverse public sectors and international assignments underscores a lifelong commitment to sustainable development and policy innovation. Highlighting his international administrative acumen, he has frequently represented and led high-level Indian delegations to foreign countries—such as leading the Indian bilateral delegation to Washington, D.C. for the U.S.–India Round Table—to foster global partnerships and advance technological collaboration in the energy and mining sectors. As India enters a critical phase of balancing energy security with green transitions, his profound expertise in power, regulation, and mining remains instrumental in driving the country towards self-reliance, administrative efficiency, and sustainable economic growth.

GOVERNANCE



Shri. Anil Meshram

Part-time Official Director

Shri. Anil Meshram is an IAS officer of the 2000 batch of the Tamil Nadu cadre, with more than two decades of experience in public administration. He is serving as the Principal Secretary to the Energy Department of the Government of Tamil Nadu. Over the course of his career, he has served several assignments of the Tamil Nadu government, working as the Managing Director of Tamil Nadu Minerals Limited (TAMIN). He was appointed as a Part-Time Official Director on the Board of NLC India Limited with effect from June 3, 2026.



Shri. Gopal Singh

Part-time Official Director

Shri. Gopal Singh is a 2003 Batch Indian Forest Service (IFS) officer of the Bihar cadre, now serving as the Joint Secretary in the Ministry of Coal, Government of India. He holds a Ph.D. in agronomy from the Indian Agriculture Research Institute, New Delhi. In his present role, he handles key responsibilities relating to coal sector administration and policy, including welfare, land acquisition, rehabilitation, industrial relations, and other strategic matters.

Dr. Suresh Chandra Suman

Director (Mines)

Dr. Suresh Chandra Suman is a Mining Engineer with over 35 years of experience in coal and lignite mining, mine planning and mining safety. He holds a Doctorate in Coal Mining Safety from IIT (ISM), Dhanbad, and has undergone advanced training in Risk Management at SIMTARS, Queensland, Australia.

He has held senior positions in Coal India subsidiaries and NLC India Limited, with expertise in underground and opencast mining, project execution, MDO operations and contract management. During his tenure at NLCIL, he contributed to the early operationalisation of Talabira II & III OCP and the expansion and diversification of the Company's mining portfolio.

He has championed pioneering sustainable mining initiatives, including solar power generation on reclaimed mine land, conversion of overburden into M-Sand, drip irrigation and polyhouse cultivation on reclaimed land, apiculture and eco-tourism initiatives, besides treatment and bottling of mine water for productive use. He has also initiated the establishment of an Integrated Command and Control Centre for real-time monitoring of NLCIL's five operating mines, advancing digital and technology-enabled mine management.

Under his leadership, NLCIL's mines have received multiple Five-Star Ratings from the Ministry of Coal and National Safety Awards from the Ministry of Labour & Employment. His leadership is anchored in safe, sustainable and technology-driven mining for long-term value creation.



ABOUT THE COMPANY



Shri. Samir Swarup

Director (Human Resources) & Director (Power) (AC)

Shri. Samir Swarup assumed charge as Director (Human Resources), NLC India Limited on 27th February 2023. A Post Graduate in Political Science with an MBA in Human Resource Management, he brings to the Board over three decades of rich and diversified experience in Human Resource Management, spanning talent acquisition, industrial relations, organisation development, shop floor HR, learning and development, and corporate social responsibility.

Under his leadership, NLC India Limited has achieved significant milestones and implemented various new employee initiatives which in addition to providing motivation, has lead to enhanced employee output and satisfaction levels.

Prior to joining NLC India Limited, he was working as Executive Director (Personnel & Administration) at Corporate Office SAIL at New Delhi. Having started his career in SAIL in the year 1991, during his professional journey of more than three decades, he has contributed in all the domain areas of Human Resources in various Units of SAIL including Corporate Office. He has also served as a Director in Indian Iron and Steel Sector Skill Council, an organisation mandated under National Skill Development Corporation (NSDC).

Through his visionary leadership and emphasis on organisational excellence, Shri. Swarup continues to steer the human resource function of NLC India Limited towards greater efficiency, employee engagement and institutional strength, in line with the Company's broader vision of holistic growth and stakeholder welfare.



Dr. Prasanna Kumar Acharya

Director (Finance) & Chief Financial Officer

Dr. Prasanna Kumar Acharya is a seasoned professional with over three decades of experience in Central, State and Private-owned Organisations. Dr. Acharya is a Fellow member of the Institute of Cost and Management Accountant and an Associate Member of the Institute of Company Secretaries of India. He also holds Master's in Commerce from Ravenshaw University, Odisha, Bachelor's in Law (LLB) from MS Law College, Cuttack, Odisha, Master's in Business Administration (MBA) from IGNOU, PhD from Utkal University, Odisha and Executive Programme on Strategic Finance from IIM Lucknow. Dr. Acharya's professional journey encompasses diverse roles in Power Generation, Transmission, Distribution, Mining and Urban Transportation. His professional exposure extends to areas such as Accounts, Taxation, Project Finance, Fund Raising, ESG and Automation.



GOVERNANCE



Shri. Rajesh Pratap Singh Sisodia

Director (Planning & Projects)

Shri. Rajesh Pratap Singh Sisodia, prior to joining NLCIL, was serving Bharat Heavy Electricals Ltd. (BHEL) as Executive Director. He possesses more than 35 years of experience in large-size thermal power plants and renewable energy. At BHEL, he worked in design and engineering, site construction, project management, and marketing and contract management functions. He was associated with the introduction of new technology in the areas of gas turbines, supercritical boiler and turbine sets, coal gasification and air-cooled condensers for supercritical sets. He graduated in mechanical engineering from Regional Engineering College, Kurukshetra.



Shri. Poonam Chandrakar

Non-Official Independent Director

Shri. Poonam Chandrakar is an experienced public administrator with over two decades of expertise in governance, public administration and policy implementation. He has held various leadership roles in public service, contributing to administrative reforms, infrastructure development and stakeholder engagement across sectors like power, mining and public administration. He holds a Bachelor's degree in humanities from Kakatiya University, Warangal, and a Diploma in Marketing Management from the Indira Gandhi National Open University (IGNOU). He also completed courses in journalism and Arogya Ratna. His extensive experience in public administration and governance has equipped him with a comprehensive understanding of institutional management, policy execution and strategic decision-making.



ABOUT THE COMPANY



Chief Vigilance Officer



APPAKANNU GOVINDARAJAN
Chief Vigilance Officer

Executive Directors



JAGADISH CHANDRA MAZUMDAR
Talabira II & III OCP



MATHI K
Thermal Projects & Thermal (Addl. Charge)



JASPER ROSE I S
Mines, Services, Land & Lignite to Methanol Project



SANTHOSH C S
Project Head, NLC Talabira Thermal Power Projects (NTTPP), Sambalpur, Odisha



ANBUCHELVAN B
P&BD, Civil Br./CTO & Cent. Env. Cell, CEO/NIGEL



RAJMOHAN S
SME, Conv., Transport, M-III & Long-term Mine Plg.



VENKATA SURYANARAYANA MURTHY D
Legal, CSR & NLCI Hospital



CHERUKU DAYANAND
Coal Coordination(PSCB, North Dhadu, Machhakata, Patrapara and Critical Mineral Blocks (Stationed at Angul)



VIJAYAKUMAR S
Project Head, Barsingsar, BP & BSPP, CEO/NRPL



RAMACHANDRA R PARASHAR
Mgm. Serv., Corp. Contracts, MM, Disposal & I.E Wing, Corp.C.S, ERP Project Office



DURAI KUMAR S
CEO/NUPPL



DEVENDRA PRATAP SINGH
CEO/NIRL



ASHOK KUMAR MALI
Finance



PANKAJ KUMAR
HR Dept./C.O



KALAGA VENKATA RAMACHANDRA SUBBARAO
CMD Secct. & Commercial

GOVERNANCE

Board Committees

Our Board works through 17 committees, each bringing focused oversight to a defined area of our business. By delegating detailed work to them, the Board keeps its decision-making streamlined, its oversight rigorous and its attention fixed on the long-term interests of our stakeholders. Read together, these committees form the working architecture of our governance, and they connect directly to the material topics we prioritise and the risks we manage.

Statutory and Assurance Panels

Some of the committees mandated under the Companies Act and SEBI regulations anchor the integrity of our governance practices.

- 1. Audit Committee**
Oversees financial reporting, internal controls and audit. Connects to Governance, and to the governance and compliance risk in the risk chapter.
- 2. Nomination and Remuneration Committee**
Oversees the appointments and remunerations of the Board and senior management. Connects to Governance.
- 3. Stakeholders Relationship Committee**
Oversees the interests and grievances of our shareholders and stakeholders. Connects to our stakeholder engagement framework.
- 4. Corporate Social Responsibility Committee**
Guides our CSR strategy and expenditure. Connects to Community Engagement.
- 5. Risk Management Committee**
Oversees the identification, assessment and mitigation of our risks. Connects to our risk management framework.
- 6. Environmental, Social and Governance (ESG) Committee**
Oversees our sustainability and ESG performance. Connects to Climate Strategy and our ESG Policy framework.

Finance and Capital

There are committees that govern how we raise, invest and disburse funds.

- 1. Committee of Directors for Issue of Share/Bond Certificates**
It approves the issue of share and bond certificates.
- 2. Sub-Committee for Short-term Investment**
Oversees the deployment of surplus funds.
- 3. Sub-Committee of Directors for Resource Mobilisation**
Oversees the raising of funds for our capital programme.
- 4. Sub-Committee of Directors for Contribution/Donation/Sponsorship**
It approves contributions, donations and sponsorships.
- 5. Committee of Directors for Disbursement of Fund to Retired Employees**
It administers disbursement to retired employees in line with DPE guidelines.



Business and Operations

Some of the committees bring the Board oversight to our procurement and pricing decisions.

- 1. Committee of Directors**
Overseeing and approving of Welfare related activities.
- 2. Empowered Committee of Directors on Purchase/Contracts**
It approves high-value purchase and contract proposals.
- 3. Sub-Committee of Directors for Purchase/Contracts**
Approves purchase and contract proposals within defined limits.
- 4. Sub-Committee of Directors for Pricing of Lignite/Coal and Power**
Oversees the pricing of our lignite, coal and power. Connects to the risk chapter.

Projects and Capability

Some committees steer our project execution and our workforce capability.

- 1. Project Sub-Committee of Directors**
Oversees the review and progress of our projects. Connects to project execution risk.
- 2. Committee of Directors for Augmentation of Skill Development**
It guides the building of our workforce capability. Connects to Training, Education and Development.



Value Creation Model

We convert the resources we hold into the energy the nation needs, and into the returns, capability and well-being that follow from it. Our lignite and coal mines supply the fuel for our thermal stations, our thermal stations supply firm power to the grid, and the earnings from that established core fund our move into renewables, storage, critical minerals and green hydrogen. The model below sets out what we drew on during FY 2025-26, what we produced from it, and the difference that production made to each of our stakeholders.

Our Value Creation in FY 2025-26

CAPITAL AND INPUTS	OUTPUTS	OUTCOMES	SDGS	STAKEHOLDERS IMPACTED
Financial Capital - Net worth: ₹21,525 crore - Borrowings: ₹27,802 crore - Capital employed: ₹52,559 crore	- Revenue: ₹17,490 crore - EBITDA: ₹7,475 crore - Profit before tax: ₹3,875 crore - Profit after tax: ₹3,769 crore	- Revenue: ₹17,490 crore - PBT: ₹3,875 Crore - PAT: ₹3,769 Crore - Dividend paid: ₹707.19 crore - EPS: ₹25.4		- Investors - Government and regulatory authorities
Manufactured Capital - Thermal capacity: 6,620 MW - Renewable capacity: 1,785 MW - Lignite mining capacity: 30.10 MTPA - Coal mining capacity: 20 MTPA	- Group generation: 28,945 MU - Lignite production: 21.27 MT - Coal production: 19.14 MT, with despatch of 17.69 MT, both all-time highs - Overburden removal at Mine-II: 94.28 million cubic metres, an all-time high	- Average PLF for thermal plants: 55.13% in FY 2025-26 incl. JVs - Average CUF for RE plants: 18.80% - Certified for ISO 9001, 14001, 45001, 17025 - Highest ever coal production of 19.14 MT and dispatch of 17.69 MT - Lignite production of 18.03 LT (Barsingsar Mines) and 42.27 LT (Mine-IA)		- Investors - Government and regulatory authorities - Employees - Suppliers - Customers
Intellectual Capital - R&D expenditure: ₹44.53 crore - CARD, our dedicated research centre, with a NABL-accredited laboratory - Research partners including IIT Madras, IIT Hyderabad, IISc Bengaluru, NIT Trichy, NIT Rourkela, CSIR-IMMT, BARC, IIITDM Kancheepuram, Anna University, Annamalai University, TNAU and Alagappa University	16 applied research projects taken up during the year, spanning green hydrogen, rare earth recovery from fly ash, high-purity silica, advanced materials and AI-enabled inspection - Patent applications have been filed for (i) Geopolymer Brick Composition and Method of Manufacturing, and (ii) Method for IoT-Enabled Nutrient Dosing and Environmental Monitoring in Vertical Farming 4 MW green hydrogen pilot under implementation at Neyveli	NLCIL is setting up a 4 MW Green Hydrogen Project (PEM electrolyser technology) with a capacity of 300 kg/day (99,000 kg/annum) at 99.999% purity		- Investors - Government and regulatory authorities - Employees - Suppliers - Customers - Institutions
Human Capital - Regular employees: 9,735 - Contract workmen: around 25,888 - Training delivered: 4,12,436 hours across 2,012 programmes	- Participants trained: 39,778 - Employees hired: 723 - Apprentices engaged: 1,254, or 6.53% of our workforce 187 executives trained at IIM Calcutta and IIM Nagpur	% of women workforce: 7.7% - Employees covered in safety training: 2,117 - Employees hired: 723		Employees
Social and Relationship Capital - CSR expenditure: ₹48.06 crore 175 CSR projects across 12 focus areas - OECD DAC framework used to assess CSR impact	- Beneficiaries reached through CSR: 7,18,284 - Economic value distributed: ₹9,845 crore - Paid to the government in taxes: ₹633 crore	- Number of beneficiaries through CSR Initiatives: 7,18,284 - Stronger relation with value chain partners		- Communities - Investors - Customers - Government and regulatory authorities
Natural Capital - Water consumed: 1,01,348.38 ML - Direct energy consumed: 3,13,583 TJ - Renewable capacity: 1,785 MW	- Scope 1 emissions: 3,16,41,692 tCO₂e - Scope 2 emissions: 5,917 tCO₂e - Fly ash generated from our thermal operations	- Scope 1 emissions: 3,16,41,692 tCO₂e - Scope 2 emissions: 5,917 tCO₂e - Planted 1.3 lakh trees		- Employees - Customers - Investors - Communities



Stakeholder Engagement

At NLC India Limited, our stakeholders form the point of convergence where our business blueprint meets the expectations of the nation we serve. Across our mining, thermal and renewable businesses, the relationships we hold with our employees, suppliers, customers, regulators, knowledge institutions, communities and investors are seamlessly blended into the way we plan, operate and grow. We treat sustained dialogue with each of these groups as a structured policy, rather than an occasional exercise, since the insights they offer shape our priorities and guide the allocation of our resources towards the areas of greatest and most lasting impact.

Our approach to engagement responds to the evolving business dynamics of the energy sector and to the distinct concerns of every stakeholder group. We engage through defined channels and at a cadence suited to each group, and we carry their feedback into our decision-making at the appropriate levels of the organisation. This continuous exchange strengthens trust, deepens transparency and keeps our strategy aligned with our purpose of creating wealth for the well-being of the nation and of everyone connected with our journey. The framework that follows sets out, for each stakeholder group, why the relationship matters to us, what they expect of us and where we place our priorities, and the manner and frequency of our engagement.



EMPLOYEES

Our employees carry the experience, discipline and commitment that run our operations today and equip us for a diversifying energy future.

Expectations and Priorities:

- Career advancement, fair appraisal and recognition of performance
- Continuous learning and skill enhancement across mining, power and renewables
- A safe, healthy and inclusive workplace
- Physical and mental well-being, welfare and timely communication

How We Engage: We engage our employees through direct communication, in-house publications, structured training programmes, performance appraisal cycles and engagement events, on a monthly, quarterly, annual and need-based footing, with periodic updates placed before the Board.



SUPPLIERS

Our suppliers keep our mines, power stations and project sites running, and their reliability underpins the continuity of our operations.

Expectations and Priorities:

- Fair, transparent and time-bound procurement practices
- Timely payments and commercial clarity
- Ethical sourcing and sustainability across the supply chain
- Long-term collaboration, capability building and business continuity

How We Engage: We engage our suppliers through vendor meets, supplier audits, pre-bid conferences and the Government e-Marketplace, supported by facility visits and vendor development programmes, at events and on a need-based footing.

CUSTOMERS

Our customers, from state utilities drawing power to buyers of lignite, coal and minerals, define the demand that our business exists to serve.

Expectations and Priorities:

- Reliable and uninterrupted supply of power
- Consistent quality of lignite, coal and minerals
- Competitive and transparent pricing
- Responsive service and long-term supply security

How We Engage: We engage our customers through meetings, conferences, website and email communication, close coordination with distribution utilities under long-term agreements and transparent e-auctions for coal, on a monthly, quarterly and need-based footing.

Recently NLCIL organized a Customers Meet on 25th June 2026 in Chennai, providing an excellent platform for interaction with customers. The event facilitated meaningful discussions, addressed customer queries, and helped resolve their concerns effectively.



STAKEHOLDER ENGAGEMENT



GOVERNMENT AND REGULATORY AUTHORITIES

As a Navratna under the Ministry of Coal, our standing with government and regulators shapes our mandate, our clearances and our contribution to national energy security.

Expectations and Priorities:

- Full statutory, environmental and regulatory compliance
- Contribution to national energy security and the energy transition

- Responsible mining and generation practices
- Constructive participation in public policy and industry forums

How We Engage: We engage government and regulatory authorities through compliance meetings, statutory filings, representations to the concerned ministries, tariff proceedings before the Commissions and participation in industry associations, on a quarterly, annual and need-based footing.



INSTITUTIONS

Our partnerships with premier academic and research institutions bring the science, technology and talent that drive value addition and our diversification into new areas.

Expectations and Priorities:

- Collaboration on applied research and technology development
- Talent cooperation and knowledge exchange
- Innovation in lignite and fly ash value addition and clean energy
- Contribution to national capability in critical minerals and emerging technologies

How We Engage: We engage knowledge institutions through joint research and development programmes with bodies such as IISc Bengaluru, IIT Madras and IIT (ISM) Dhanbad, alongside memoranda of understanding and technical conferences, on an annual and need-based footing agreements and transparent e-auctions for coal, on a monthly, quarterly and need-based footing.



CREATING VALUE, THE SUSTAINABLE WAY



COMMUNITIES AND CIVIL SOCIETIES/NGOS

The communities around our mines and plants share our land and our future, and their well-being anchors our social licence to operate.

Expectations and Priorities:

- Meaningful engagement in health, education and livelihoods
- Inclusive and measurable social impact

- Local community development and rural infrastructure
- Environmental welfare, awareness and responsible resettlement

How We Engage: We engage communities and civil society through our CSR programmes, community meetings, public hearings and partnerships with implementing agencies and NGOs, on a quarterly, half-yearly, annual and need-based footing, with regular updates placed before the Board.



INVESTORS

Our investors provide the confidence and the capital that fund our growth, and their trust reflects the consistency of our performance over many years.

Expectations and Priorities:

- Consistent financial and operational performance
- Transparent and timely disclosure
- Sustainable, profitable growth and clear ESG performance
- Sound governance and stable, rewarding returns

How We Engage: We engage our investors through the Annual General Meeting, quarterly results and earnings calls, investor and analyst meets, stock exchange intimations and regular written communication, on a quarterly, annual and need-based footing.

Materiality Assessment

Materiality is the lens through which we decide where to focus our attention, our disclosures and our resources. Through a structured process, we identify and prioritise the sustainability matters that carry the greatest significance for our business and our stakeholders. The outcome guides our strategy, shapes this report and reflects the issues that influence our operational resilience and our ability to create value for the long-term.

Our list of material topics remains unchanged this year. Alongside the established view of how these issues affect our business, we have given clearer weight to how our operations affect the environment, the economy and society, and we have reflected on how the salience of each topic has shifted since last year. This approach keeps us aligned with the GRI Standards, the business responsibility and sustainability report, the capitals of the integrated reporting framework and the sustainable development goals.

A Two-dimensional View of Materiality

This year we read each material topic through two complementary dimensions. The first is the significance of the topic to our business, that is, the degree to which it influences our strategy, our financial performance and our resilience. The second is the significance of our own impact, that is, the degree to which our mining, generation and diversification activities affect the environment, the economy and the communities we serve. Reading the two together gives our stakeholders a fuller and more honest account of where our responsibilities and our priorities lie, and it prepares the ground for the more detailed impact disclosures that our sector will increasingly be expected to make.



Step 1

Identification of Material Topics

We evaluate our key material issues against industry trends, business goals, competitor analysis, global concerns, regulatory policies and stakeholder inputs, categorising them across Environmental, Social and Governance aspects in line with GRI standards.

Step 2

Prioritisation

We assess the identified issues for their risks, opportunities and financial implications through extensive consultation with internal and external stakeholders, including employees, suppliers, customers, investors and NGOs, to prioritise the matters of greatest significance.

Step 3

Alignment with Core Strategy

We refine the prioritised topics to align them with our strategic objectives and risk management framework, integrating them closely with our business strategy and our long-term goals.

Step 4

Validation

The material issues undergo review and validation by our Senior Management Team, including all Functional Directors and the Chairman and Managing Director, so that they are integrated into our decision making.



Materiality Matrix



List of Material Topics

ENVIRONMENT

- 1 Resource Availability
- 2 Air Emissions
- 3 Water and Effluent Management
- 4 Biodiversity Preservation
- 5 Renewable Energy
- 6 Operational Efficiency and Plant Reliability
- 7 Climate Strategy

SOCIAL

- 1 Training, Education and Development
- 2 Sustainable Supply Chain
- 3 Health and Safety

GOVERNANCE

- 1 Community Engagement
- 2 Decommissioning of Plants
- 3 Land Acquisition
- 4 Governance
- 5 Ethics and Integrity
- 6 Innovation and Digitisation

Management of Material Topics

1 RESOURCE AVAILABILITY

Capitals:



SDGs:



Linked Risk

Resource continuity and land availability risk.

Key Indicator (FY 2025-26)

Coal production 19.14 million tonnes, lignite production 21.27 million tonnes.

At NLCIL, we rely heavily on natural resources, including lignite and coal. We manage their availability through cutting edge technologies, modern mining equipment and process optimisation that raise resource efficiency while minimising environmental impact. Over time, we work to improve overall efficiency and ease our dependence on non-renewable resources.

2 AIR EMISSIONS

Capitals:



SDGs:



Linked Risk

Environmental compliance risk.

Key Indicator (FY 2025-26)

Flue Gas Desulphurisation coverage across 3 thermal units; ambient air quality monitoring in place (NTPL, NNTPS and NUPPL), strengthening SO₂ emission control.

Our mining and power generation operations, including excavation, drilling, material handling and fuel transportation, generate emissions such as particulate matter (PM), sulphur oxides (SO_x) and carbon dioxide (CO₂). NLCIL is implementing a range of emission-control and climate-action measures, including Flue Gas Desulphurisation systems, advanced dust suppression, sprinklers, fog and mist technologies, and greenbelt development across mines, stockyards, roads and power stations. These initiatives help reduce air pollutants, improve ambient air quality, enhance resource-use efficiency and contribute to the reduction of the environmental footprint and climate-related impacts of our operations, while supporting compliance with applicable environmental standards.



3 WATER AND EFFLUENT MANAGEMENT

Capitals:



SDGs:



Linked Risk

Water availability and environmental risk.

Key Indicator (FY 2025-26)

60% of water withdrawn for operation is recycled/reused for industrial/domestic/irrigation.

We employ state of the art sewage and effluent treatment plants that recycle water for reuse in greenbelt development. We practise rainwater harvesting and artificial recharge to replenish local sources and sustain water use across our operations. We continuously monitor water quality and take corrective measures to limit any impact on communities and ecosystems.

4 BIODIVERSITY PRESERVATION

Capitals:



SDGs:



Linked Risk

Environmental and land risk.

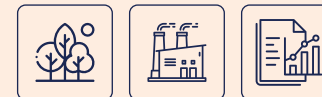
Key Indicator (FY 2025-26)

126 hectares of mined-out land reclaimed, supporting ecological restoration and biodiversity enhancement.

We implement extensive biological reclamation across mined areas, replanting vegetation and developing habitats that support local wildlife. These initiatives support sustainable agricultural practices and promote biodiversity conservation.

5 RENEWABLE ENERGY

Capitals:



SDGs:



Linked Risk

Project execution and competitive-bidding margin risk.

Key Indicator (FY 2025-26)

Renewable generation 2.26 billion units, an all-time high; operational renewables 1,785 MW; portfolio under implementation around 5,810 MW.

2.54 million tCO₂e of GHG emissions offset through renewable energy, contributing to the Company's decarbonisation objectives.

We are committed to expanding our renewable capacity, recognising its role in reducing carbon emissions and fostering sustainable growth. Through large scale solar and wind plants and energy storage systems, we are strengthening our renewable portfolio and easing our reliance on fossil fuel. This supports a cleaner energy future and our target of a balanced fifty-fifty thermal and renewable mix by 2030.

MATERIALITY ASSESSMENT

6 OPERATIONAL EFFICIENCY AND PLANT RELIABILITY

Capitals:



SDGs:



Linked Risk

Asset reliability risk and fixed-cost under-recovery.

Key Indicator (FY 2025-26)

Plant availability upto 80% across most units; TPS-II Expn Unit I availability crossed above 90% after FBHE modification.

We reduce energy consumption and emissions through supercritical boilers and green mining techniques. By improving the efficiency of our thermal plants and mining operations, we lower costs and strengthen plant reliability, enabling us to meet energy demands while safeguarding the environment. Our TPS-II boiler modification lifted one unit past 90% availability during the year, materially improving generation.

7 CLIMATE STRATEGY

Capitals:



SDGs:



Linked Risk

Climate and transition risk.

Key Indicator (FY 2025-26)

Renewable share of installed capacity 23%, targeted at 50% by 2030; carbon capture pilot plant under development.

Given our carbon intensive operations, we pursue a comprehensive climate strategy to reduce our footprint. We focus on augmenting renewable capacity and exploring low carbon technologies, and through our R&D we advance solutions such as green hydrogen and carbon capture. In this way we align with evolving regulatory requirements and contribute to the national transition while meeting the nation's energy needs.

1 HEALTH AND SAFETY

Capitals:



SDGs:



Linked Risk

Occupational health and safety risk.

Key Indicator (FY 2025-26)

52 safety audits conducted, including Mines (46) and Thermal (6); 16,963 safety training hours; Aran Mobile Safety App downloaded by a total of 3,803 employees.

Health and safety remain a foremost priority. We conduct regular safety audits, install fire detection systems and take preventive measures against workplace hazards. We provide medical facilities for our people and maintain certified safety management systems, and our Aran Mobile Safety App extends real time safety awareness to the frontline, minimising the risk of accident.



CREATING VALUE, THE SUSTAINABLE WAY



2 TRAINING, EDUCATION AND DEVELOPMENT

Capitals:



SDGs:



Linked Risk

Talent and capability risk.

Key Indicator (FY 2025-26)

Around 32,000 training hours delivered; women around 7.7% of the workforce.

We focus on building a skilled workforce for operational excellence and safety. Through continuous learning, we equip employees with current industry knowledge and technical skills, while our programmes enhance performance and foster a safety culture. We also invest in leadership development, building a management team capable of navigating a rapidly evolving energy sector.

3 SUSTAINABLE SUPPLY CHAIN

Capitals:



SDGs:



Linked Risk

Supply chain and procurement risk.

Key Indicator (FY 2025-26)

NLCIL engages with approx. 2,000 vendors/contracts annually, with ESG expectations progressively being embedded into purchase/contract terms. Local sourcing is further encouraged per GoI guidelines, including the DPIIT Make in India Order, with preference to Class-I local suppliers. Formal supplier-level ESG assessment metrics are under development for future reporting.

We engage our suppliers to raise awareness of environmental, social and governance disclosure across our value chain, and we conduct capacity building sessions to promote shared value. Aligning suppliers with our sustainability goals reduces environmental impact and fosters responsibility, helping us build a resilient supply chain that supports the long-term success of our business and partners.

1 COMMUNITY ENGAGEMENT

Capitals:



SDGs:



Linked Risk

Social licence and community risk.

Key Indicator (FY 2025-26)

CSR spend ₹48.06 crore; 7,18,284 beneficiaries across our operational regions.

We create shared value through community engagement focused on healthcare, education, infrastructure and skill building. We address the socio-economic needs of communities and help improve their standard of living. This community focused approach strengthens relationships and builds mutual trust, contributing to the holistic development of people.

MATERIALITY ASSESSMENT

2 DECOMMISSIONING OF PLANTS

Capitals:



SDGs:



Linked Risk

Transition, environmental and workforce risk.

Key Indicator (FY 2025-26)

1 plant (TPP) TPS I is under responsible decommissioning.

As some plants near the end of their operational lives, we follow stringent decommissioning procedures that minimise environmental and social impact. We adhere to Ministry of Power regulations, Central Pollution Control Board (CPCB) Guidelines and the guidelines of the Ministry of Environment, Forest and Climate Change for safe and responsible decommissioning, focusing on public safety, environmental protection and the well-being of the workers involved.

3 LAND ACQUISITION

Capitals:



SDGs:



Linked Risk

Land availability and social risk.

Key Indicator (FY 2025-26)

558 rehabilitation and resettlement beneficiaries; 268.95 hectares regularised for operations.

Our approach to land acquisition is guided by our Rehabilitation and Resettlement policy. We go beyond statutory requirements to provide skill development to displaced populations, creating livelihood opportunities and securing the social and economic well-being of those affected. We work closely with the authorities concerned to resolve land matters in a manner that supports the communities involved.

4 GOVERNANCE

Capitals:



SDGs:



Linked Risk

Governance and compliance risk.

Key Indicator (FY 2025-26)

Board and below board committee framework in place; ESG ratings of 61.2 from CareEdge and 59 from ICRA; highest credit ratings from six agencies.

We uphold the highest standards of governance. Our comprehensive ESG policy guides our sustainability efforts, and we conduct training on regulatory changes and maintain robust risk management practices. We operate Board and below Board committees for audit, risk and other statutory functions in line with SEBI regulations and the Companies Act, and we continuously identify, evaluate and mitigate external, operational and market risks.



5 ETHICS AND INTEGRITY

Capitals:



SDGs:



Linked Risk

Conduct and reputational risk.

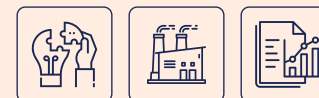
Key Indicator (FY 2025-26)

Whistle blower mechanism in place; 44 vigilance activities conducted.

Ethics and integrity are fundamental to our operations. We ensure compliance and accountability in all our dealings, and our whistle blower policy allows employees and stakeholders to report unethical practices transparently. We maintain a zero tolerance approach to corruption, and this commitment builds a culture of trust, transparency and responsibility across the organisation.

6 INNOVATION AND DIGITISATION

Capitals:



SDGs:



Linked Risk

Technology and execution risk.

Key Indicator (FY 2025-26)

More than sixteen research collaborations; integrated command and control systems across mines; 02 patents filed.

Innovation and digitisation strengthen our efficiency and lower our costs. We pursue applied research with premier institutions on carbon capture, lignite to humic acid and lignite to semiconductor wafers, and we proposed digitise operations through integrated command and control systems for our mines. These advanced technologies help us optimise energy production, reduce environmental impact and stay at the forefront of a changing industry.



Risk Management

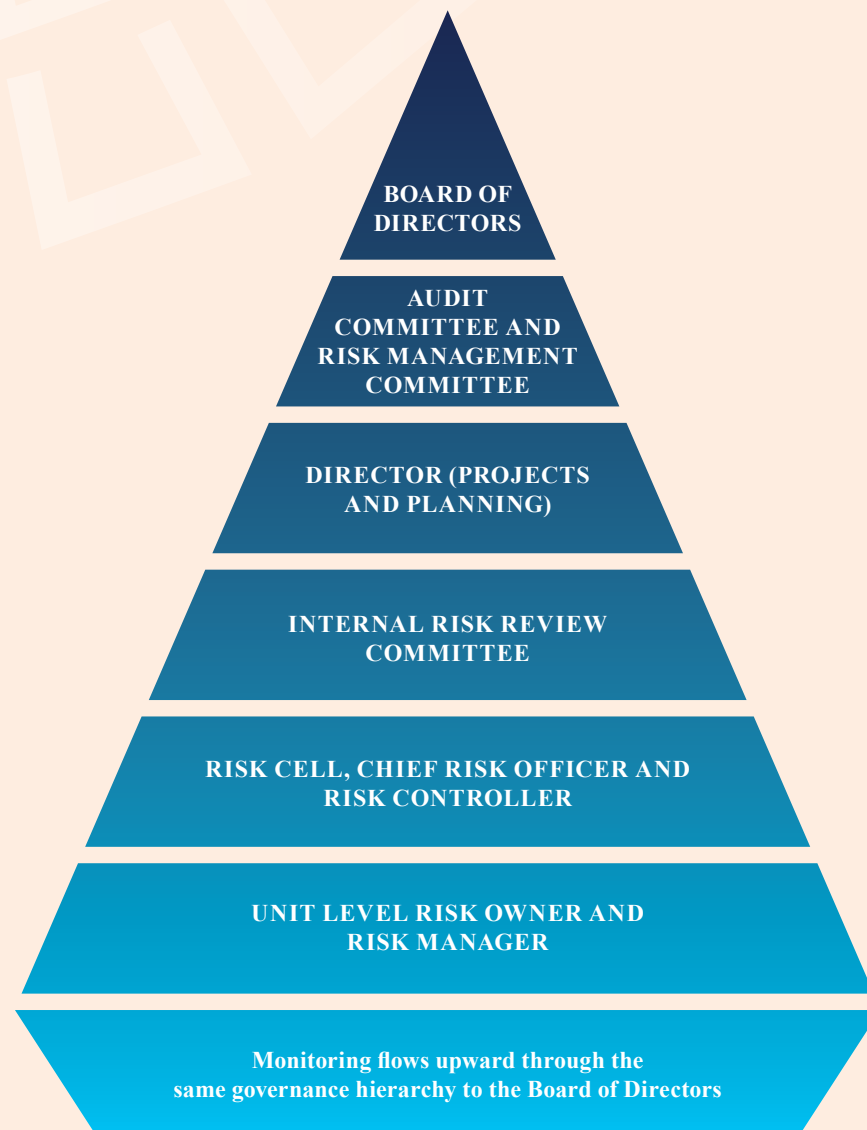
The scale and complexity of our operations expose us to a wide spectrum of risks, ranging from geological and environmental uncertainties in mining to volatility in the energy market and the regulatory shifts such as the transition to clean energy. We are aware that the manner in which we predict and pre-empt these risks determines the confidence our stakeholders place in the sustainability of our growth.

Risk management is woven into the way we frame our strategy. By embedding governance mechanisms, disciplined controls and continuous oversight, we identify, evaluate and mitigate risks early, while remaining alert to the opportunities that a changing energy landscape brings. Our approach aligns the exposures we track with the priorities set out in our materiality assessment, so that the risks we manage and the topics we consider most material move together.

Strategic Risk Governance

Our governance framework for risk management is aligned with internationally recognised standards, including the COSO Integrated Framework and the ISO 31000:2018 guidelines. This ensures that our practices reflect global best practice while remaining sensitive to the distinct realities of the mining and energy sectors. Oversight is exercised through the Risk Management Committee of the Board, which sets strategic direction and ensures that risk deliberations are integrated into decision-making at the highest levels of the organisation.

We classify our risks under three broad categories: Strategic, Business, and Operational. This allows us to differentiate between long-term structural risks, such as energy transition imperatives and regulatory shifts, and operational risks that carry the potential to disrupt day-to-day mining, plant operations or supply chain continuity. Once identified, each risk is assessed through both qualitative and quantitative lenses. This dual-layered analysis empowers us to focus on the risks with the greatest potential impact and likelihood of occurrence, capturing their trend as well as their current position.



How We Profile Each Risk

Every risk in our register is captured in a consistent structure, which supports comparability across the organisation.



Operational Control, Compliance and Assurance

We have institutionalised rigorous internal controls across contracts, procurement, project execution and human resources. Authorised manuals and process frameworks govern each of these domains, ensuring consistency, compliance and accountability, and maintaining clarity of procedure in the day-to-day functioning of our business.

We stress on transparency and independent assurance. Leading Chartered Accountant firms conduct comprehensive audits across our mines, thermal stations and renewable energy sites. These reviews validate the reliability of our financial and operational systems alongside our internal controls. Audit outcomes are

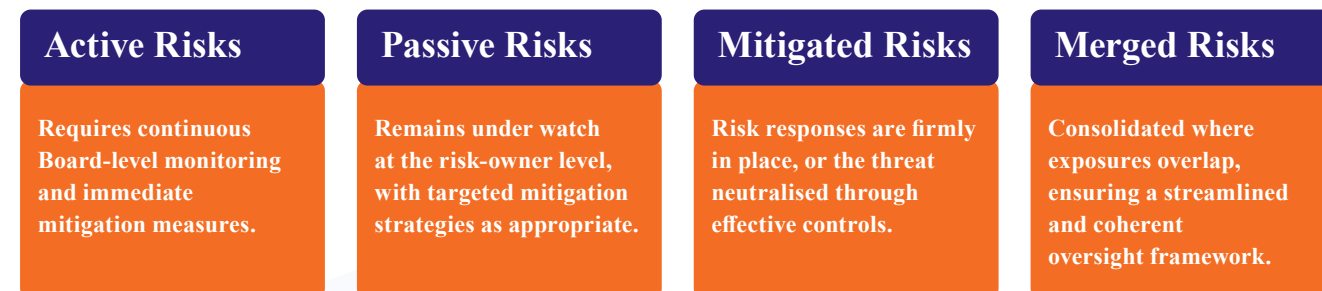
subject to rigorous scrutiny by the Audit Committee, in close consultation with internal and statutory auditors so that any emerging risk is addressed promptly and decisively.

We reinforce this discipline with a proactive risk culture. Our employees undergo regular trainings on the challenges of mining, power generation and renewable project execution. Quarterly risk evaluations are carried out by the Internal Risk Review Committee, with subsequent reviews by the Board-level Risk Management Committee and the Audit Committee, keeping us agile in responding to shifting market conditions, environmental obligations and technological developments.

RISK MANAGEMENT

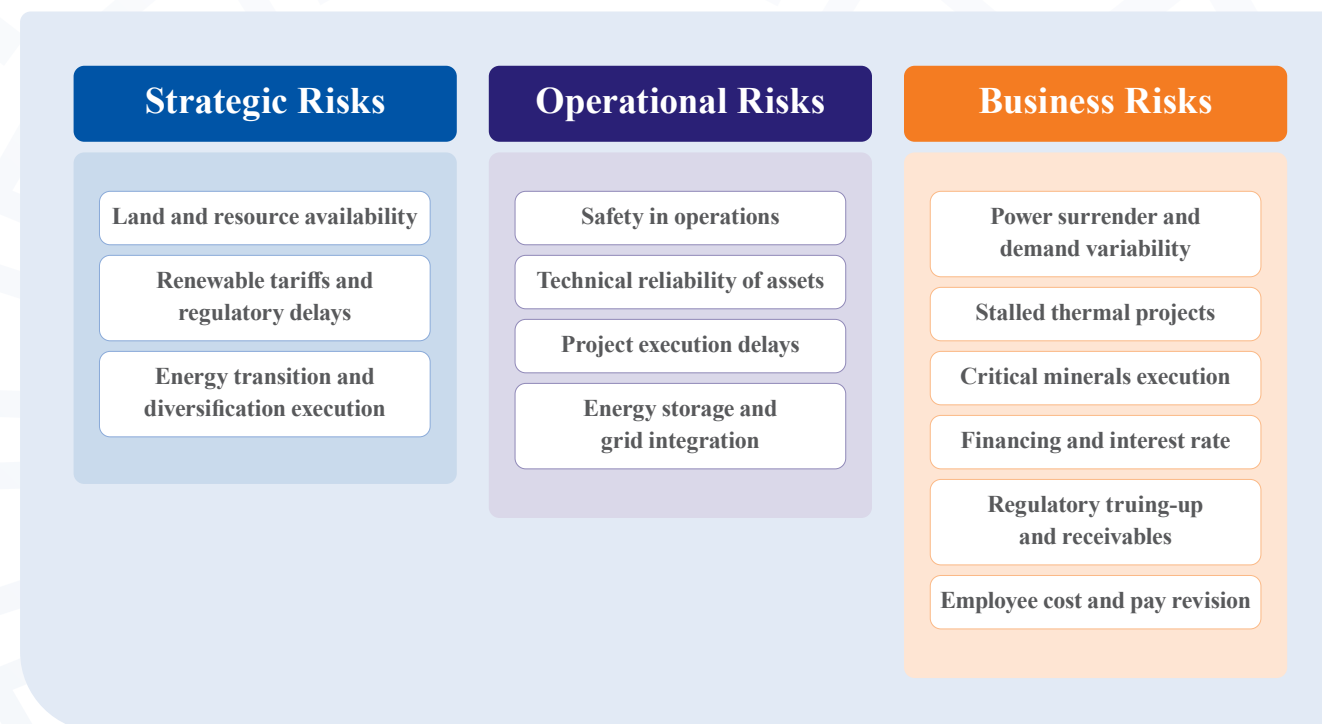
Risk Prioritisation and Response

We prioritise our risks so that our resources and oversight are directed where they are most needed. Risks with higher probability and severity are elevated for closer scrutiny, while those with reduced impact are monitored with proportionate intensity. Our approach distinguishes between four states.



Our Risk Landscape

We treat risk mitigation as a strategic enabler of sustainable growth. Across our strategic, operational and business risks, we combine rigorous planning, technological innovation and proactive engagement with stakeholders to safeguard the continuity of our operations while capturing opportunities in India's evolving energy landscape. Each card below sets out the exposure, the controls and response in place, the material topic it links to, the capital most affected, and the direction of the residual risk after controls.



Strategic Risks

LAND AND RESOURCE AVAILABILITY

Link to Material Topics

Resource Availability, Land Acquisition

Capital Most Affected



Residual Direction

Stable Exposure: Access to land underpins the continuity of our mining operations, and delays in acquisition can interrupt lignite and coal availability. Diverse ownership patterns, state-specific legal frameworks and local sensitivities can extend project timelines and raise costs, and land constraints at certain mines have drawn auditor attention.

Controls and Response: We pursue land access through a multi-state approach aligned with the RFCTLARR Act, 2013 and the CBA Act, 1957, supported by fair and transparent rehabilitation and resettlement, digital land-management tools and grievance redressal. Sustained engagement with district administrations, communities and regulators has restored land and secured continuity at our key mines.

RENEWABLE TARIFFS AND REGULATORY DELAYS

Link to Material Topics

Renewable energy

Capital Most Affected



Residual Direction

Stable Exposure: Preferential tariff schemes and commissioning deadlines set by regulators shape the returns on our renewable portfolio. Missed deadlines risk the forfeiture of tariff benefits, and unrecovered dues can affect project economics.

Controls and Response: We manage delivery through advance planning of land and connectivity, and we maintain close engagement with regulators on tariff and commissioning matters. Our competitive-bidding discipline and improving plant performance protect margins across the portfolio.

ENERGY TRANSITION AND DIVERSIFICATION EXECUTION

Link to Material Topics

Climate strategy, renewable energy

Capital Most Affected



Residual Direction

Rising Exposure: Our shift towards a balanced portfolio, spanning renewables, storage, nuclear and critical minerals, carries execution and capital allocation risk. New verticals such as our proposed nuclear joint venture with NPCIL and our entry into critical minerals sit outside our traditional lignite and thermal expertise, and mis-sequencing investment or capability could strain returns.

Controls and Response: We enter each new vertical through a disciplined evaluation of returns and national need, and through joint ventures and institutional partnerships that bring proven capability. We phase our capital commitments against project maturity, and we retain our regulated thermal and mining base as a stable foundation while the new businesses scale.

Operational Risks

SAFETY IN OPERATIONS

Link to Material Topics

Health and Safety

Capital Most Affected



Residual Direction

▶ **Stable Exposure:** The hazardous nature of mining and thermal generation means that any lapse can result in injury, production loss and reputational damage.

Controls and Response: We enforce global best practices in occupational safety, supported by statutory compliance, comprehensive SOPs, regular safety audits and continuous training. Safety performance is monitored at the highest levels, and we maintain dedicated safety governance and close engagement with regulators.

TECHNICAL RELIABILITY OF ASSETS

Link to Material Topics

Operational efficiency and plant reliability

Capital Most Affected



Residual Direction

▼ **Reducing Exposure:** The sustained operation of certain assets, notably the Circulating Fluidised Bed Combustion boilers at the TPS-II Expansion, has historically led to generation inefficiencies and fixed-cost under-recovery.

Controls and Response: We completely revamped the boiler of one unit with OEM support and independent expert review, lifting its availability past 90% and materially improving generation. Modification of the remaining unit is in progress, supported by continuous monitoring and proactive intervention.

PROJECT EXECUTION DELAYS

Link to Material Topics

Operational efficiency and plant reliability, renewable energy

Capital Most Affected



Residual Direction

▶ **Stable Exposure:** Our capital-intensive projects face risks of delay, leading to cost overruns and regulatory non-compliance.

Controls and Response: We deploy strong monitoring frameworks, including digital progress-tracking tools, legal safeguards in contracts, and dedicated project vehicles for specialised delivery. Statutory clearances are secured in advance through structured engagement with the ministries concerned.



ENERGY STORAGE AND GRID INTEGRATION

Link to Material Topics

Renewable energy, operational efficiency and plant reliability

Capital Most Affected



Residual Direction

▲ **Rising Exposure:** The reliability of our renewable expansion depends on the timely delivery of battery and pumped storage and on grid connectivity. Delays in storage commissioning or transmission availability could strand renewable capacity or leave us with tight completion windows, since our storage awards carry an 18-month delivery obligation.

Controls and Response: We apply for connectivity in advance of project completion, and we internally target delivery well inside the permitted window. We are building storage across technologies, both battery and pumped, and we sequence storage alongside generation so that renewable output can be integrated reliably into the grid.

Business Risks

POWER SURRENDER AND DEMAND VARIABILITY

Link to Material Topics

Operational efficiency and plant reliability

Capital Most Affected



Residual Direction

▶ **Stable Exposure:** Variability in power demand and the surrender of contracted power by customers can threaten revenue stability and asset utilisation, as seen when units are placed under reserve shutdown during periods of low demand.

Controls and Response: We optimise surrendered power through participation in power exchanges and bilateral contracts, which cushions the revenue impact and preserves flexibility in a dynamic market. Our fleet responds to grid demand across the cycle, with most units maintaining high availability during peak periods.

STALLED THERMAL PROJECTS (BTTP AND BTPS)

Link to Material Topics

Operational efficiency and plant reliability, resource availability

Capital Most Affected



Residual Direction

▶ **Stable Exposure:** The suspension of certain thermal projects, including those at Barsingsar, carries operational and financial consequences, with the risk of stranded resources and stranded costs.

Controls and Response: We pursue structured legal arbitration to resolve disputes, while exploring alternative pathways to redeploy resources and minimise stranded costs.

FINANCING AND INTEREST RATE

Link to Material Topics

Governance

Capital Most Affected



Residual Direction

- ▼ **Reducing Exposure:** Our diversification is capital-intensive, and a share of our funding, particularly for renewables, sits outside the regulated return framework and is therefore sensitive to interest-rate movements. A rise in borrowing costs could compress margins on non-regulated projects.

Controls and Response: We rationalise our loan portfolio to lower our cost of funds, achieving interest savings of around ₹1,200 crore during the year, and we access concessional green finance, including our KfW facility, at rates below domestic borrowing. We maintain headroom in our debt-to-equity position, which allows us to fund growth while managing rate exposure.

REGULATORY TRUING-UP AND RECEIVABLES

Link to Material Topics

Governance

Capital Most Affected



Residual Direction

- ▶ **Stable Exposure:** A meaningful part of our regulated earnings depends on the outcome of tariff true-up orders before the Electricity Regulatory Commissions, and on the timely realisation of the resulting balances. Favourable orders are recognised on an accrual basis, and any delay in cash realisation affects our working capital.

Controls and Response: We pursue our regulatory claims actively before the commissions, and the balances carry a defined realisation timeline. We maintain strong collection discipline, with power-debtor collection efficiency at full recovery for the year.



EMPLOYEE COST AND PAY REVISION

Link to Material Topics

Training, education and development, governance

Capital Most Affected



Residual Direction

- ▶ **Stable Exposure:** As a public sector enterprise, our cost structure is subject to periodic pay revision. The forthcoming pay revision cycle applicable to central government employees will, in time, flow through to public sector units, with an effect on our operating costs that we cannot yet quantify.

Controls and Response: We have optimised our workforce through automation and digitisation, bringing headcount well below historical levels, which cushions the impact of future pay revision. We monitor the emerging position and will plan for its financial effect once the recommendations are known.



Sustainability Policy Framework

Our Sustainability Policy is the umbrella under which we set out how we grow responsibly across our mining, power and renewable operations. It brings together our overarching ESG commitments and a set of specific policies that put those commitments into practice.

The framework is designed with three levels. A set of enabling policies translates those principles into action on defined operational matters. Both connect to the topics we have identified as material and to the risks we manage, so that our intent, our priorities and our safeguards stay aligned.

Level One: Our ESG Policy

Our ESG Policy ambit covers all our establishments, including subsidiaries and joint ventures, and rests on balancing economic, environmental and social responsibility.



ENVIRONMENTAL

We commit to integrated management systems with continual improvement, climate change mitigation and adaptation, biodiversity management through bio-reclamation, sustainable water management, the 6R approach to waste, and lowering our carbon footprint through carbon capture and green technologies.

Connects to:

Climate strategy, renewable energy, air emissions, water and effluent management, biodiversity preservation, resource availability



SOCIAL

We commit to people management and an inclusive workplace, to health, safety and well-being with the objective of zero harm, to community engagement, responsible procurement, human rights and fair labour practices, and social investment aligned with national goals.

Connects to:

Health and safety, training, education and development, community engagement, land acquisition, sustainable supply chain



GOVERNANCE

We commit to going beyond regulatory compliance, strengthening our management of ESG risks, and upholding robust corporate governance grounded in ethical conduct, transparent disclosure, anti-corruption and disciplined internal control.

Connects to:

Governance, ethics and integrity, innovation and digitisation



Level Two: Enabling Policies

These policies give effect to our ESG principles on specific operational matters.



Waste Management Policy

It guides us on how to handle wastes generated across our operations, reflecting the 6R approach set out in our ESG Policy.

Connects to:

Air emissions, water and effluent management, resource availability, guards against environmental compliance risk

E-Retention Policy

The policy governs the retention and management of our records.

Connects to:

Governance, Innovation and Digitisation

Disaster Management Plan for Thermal

Sets out our preparedness and response arrangements for our thermal power station operations.

Connects to:

Health and safety, operational efficiency and plant reliability. Guards against safety and asset reliability risk

Disaster Management Plan for Mines

Sets out our preparedness and response arrangements for our mining operations, supporting our objective of zero harm.

Connects to:

Health and safety, resource availability, and guards against safety-in-operations risk

Level Three: Alignment and Review

Read together, our Sustainability Policy, our ESG principles and our enabling policies describe one commitment from three angles: what we stand for, where it matters most, and how we protect it. We review our ESG Policy at least once every three years, and sooner if the need arises, so that the framework keeps pace with our business and the expectations of our stakeholders.



Financial Capital

Financial Capital is the foundation on which we build every other form of value. For a business that must fund long-gestation mines, thermal stations and a fast-growing renewable portfolio at the same time, disciplined capital allocation is what allows us to invest with conviction while returning value to our shareholders. Our strong cash generation, healthy net worth and access to concessional green finance give us the room to fund our diversification, to hold a stable base of regulated returns, and to pursue our growth ambitions while keeping our balance sheet resilient.



Performance at a Glance (FY 2025-26)

₹17,490 cr

Revenue from operations

₹3,769 cr

Profit after tax

₹7,475 cr

EBITDA

₹21,525 cr

Net worth

₹9,131 cr

Capital expenditure, an all-time high

100%

Collection efficiency of power debtors

Linkage to Corporate Plan 2030

The capital we deploy today builds towards our 2030 ambition of surpassing a revenue of ₹37,000 crore and assets above ₹1.5 lakh crore, funded through a balanced mix of regulated and non regulated investment.

Material Issues

- Investment in R&D for sustainable alternatives
- Resource availability
- Compliance management
- Land acquisition and rehabilitation of displaced population
- Risk mapping and disaster management
- Leverage reduction



PIONEERING ACROSS OUR CAPITALS



Resource that Gives Us Resilience

Financial Capital makes the foundation for our business. It is built by robust operations, trust of our shareholders, the confidence of our lenders, and the healthy returns our businesses generate. In a year of expanding operations and rising investments, our financial performance gave us both the stability to run our existing assets well and the means to fund our move into cleaner energy. The earnings from our dependable mining and thermal core carry our diversification into renewables, energy storage, critical minerals and green hydrogen, so that the resources of today give us the resilience for tomorrow.

FY 2025-26 was a year of solid financial progress across the group. The headline measures moved in the right direction on both standalone and consolidated basis.

Key financial indicator	FY2025-26 standalone	FY 2024-25 standalone	FY 2025-26 consolidated	FY 2024-25 consolidated
Revenue from operations (₹ crore)	10,864	10,286	17,490	15,283
EBITDA (₹ crore)	5,006	4,788	7,475	6,513
Profit before tax (₹ crore)	3,039	2,858	3,875	3,697
Profit after tax (₹ crore)	2,525	1,900	3,769	2,714
Net worth (₹ crore)	19,270	17,465	21,525	18,723
Earnings per share (₹)	18.21	13.70	25.40	18.90
Value added per employee (₹ lakh)	92.75	83.61	120.28	105.94

Our consolidated profit after tax grew around two-fifths to ₹3,769 crore, with our subsidiaries contributing close to ₹1,244 crore to the group financials — a sign that our investments in generation capacity are beginning to earn their returns. Our value added per employee, a measure of the wealth each member of our workforce helps create, strengthened to ₹120.28 lakh.

Where Every Rupee Goes

For any business, the contribution to the economy is measured through the value it creates and the way it is shared. In FY 2025-26, we generated an economic value of ₹12,924 crore, distributed ₹9,845 crore among those who have a stake in our business, and retained ₹3,078 crore to reinvest in our growth. This shows how the wealth our operations create reaches out to our people, our lenders, the government and the communities around us, before what remains is put back into building the Company.

Economic value generated, distributed and retained (₹ in crore)

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Economic value generated	10,936	11,903	12,346	12,662	12,924
Economic value distributed	7,933	8,900	9,369	9,466	9,845
Economic value retained	3,003	3,003	2,978	3,196	3,078

How the distributed value was shared (₹ in crore)

Stakeholder	FY 2023-24	FY 2024-25	FY 2025-26
Operating costs	4,970	5,038	5,513
Employee wages and benefits	2,646	2,997	2,433
Providers of capital	1,128	979	1,221
Government	577	409	633
Community investment	47	44	45
Total distributed	9,369	9,466	9,845

FINANCIAL CAPITAL

Drawing Up the Topline

Power remains the principal source of revenue for us. It is supported by lignite and coal mining and our other businesses. Our consolidated revenue grew to ₹17,490 crore during the year, rising about 14% over the previous year, as capacity additions and higher renewable generation fed through to the topline.

Revenue by segment (₹ in crore)

Segment	FY 2023-24 SA	FY 2024-25 SA	FY 2025-26 SA	FY 2023-24 Con	FY 2024-25 Con	FY 2025-26 Con
Power	7,771.52	7,304.33	7,557.80	10,446.66	12,377.95	14,425.55
Lignite	648.68	604.76	640.96	648.68	604.76	640.96
Coal	1,980.49	2,246.39	2,522.51	1,757.58	2,153.43	2,241.04
Others	119.56	130.30	142.65	148.41	146.82	182.28

SA = standalone, Con = consolidated

Using Our Capital Efficiently

Our margins improved and our returns strengthened during the year under review, even as our capital base grew with heavy investments in new capacity. This balance, earning better returns while building for the future, is central to how we fund the transition without straining our finances.

Efficiency measure	FY 2025-26 standalone	FY 2024-25 standalone	FY 2025-26 consolidated	FY 2024-25 consolidated
Operating profit margin (%)	20.27	19.36	22.39	19.69
Return on capital employed (%)	11.27	11.94	9.70	10.30
Return on net worth (%)	13.10	10.88	17.51	14.49
Capital employed (₹ crore)	31,524	28,646	52,559	44,931

Our consolidated return on net worth rose to 17.51%, and our capital employed grew to ₹52,559 crore, as investment flowed into mining, thermal power and renewable energy. The growing capital base is the platform for the capacity we are building towards 2030.

Managing Our Funds

We manage our funds to keep the Company liquid, borrowing affordable and balance sheet resilient through heavy investments. As we draw on debt to build new capacity, disciplined management of borrowings, receivables and debt servicing keeps our financial position sound.

Leveraging Our Liquidity

Our debt-equity ratio reflects the borrowings we have taken on to fund our capacity programme, and remains consistent with a capital-intensive company in a phase of expansion. Our liquidity ratios tightened during the year as we deployed funds into investment, while staying within manageable bounds.

Measure	FY 2025-26 standalone	FY 2024-25 standalone	FY 2025-26 consolidated	FY 2024-25 consolidated
Loans outstanding (₹ crore)	10,157	7,525	27,802	22,392
Debt-equity	0.53	0.43	1.29	1.20
Current ratio	0.64	0.81	0.80	0.78
Quick ratio	0.43	0.63	0.58	0.60



PIONEERING ACROSS OUR CAPITALS



Debt servicing, receivables and working capital

Our ability to service debt from operating income, to collect what we are owed, and to keep our reliance on short-term borrowings low, underpins our financial stability. The following measures, which we report each year, track how comfortably we meet our obligations and manage our working capital.

Measure	FY 2025-26 standalone	FY 2024-25 standalone	FY 2025-26 consolidated	FY 2024-25 consolidated
Debtors (₹ crore)	1,856.83	2,518.44	3,337.69	4,193.40
Debt Service Coverage Ratio	1.62	3.32	1.75	2.63
Interest Service Coverage Ratio	9.74	8.51	6.12	6.99
Net Debt to Reported EBITDA	2.01	1.54	3.62	3.41
Cash and cash equivalents (₹ crore)	90.13	163.47	711.48	186.96
Working capital loan (₹ crore)	3,645.53	-	3,955.53	952.51

Returns to Our Stakeholders

We hold a long record of rewarding those who invest in us, and of contributing to the wider economy through the taxes and dividends we pay. In FY 2025-26, we continued with our unbroken record of dividends, sustained for more than 26 years, and of profitability maintained across close to five decades.

Our standalone earnings per share rose to ₹18.21 and our consolidated earnings per share to ₹25.40, while our book value per share strengthened to ₹155.23 on a consolidated basis. The Government of India, holding the majority stake, and our more than three lakh shareholders continue to share in the returns our business generates.

Measure	FY 2025-26 standalone	FY 2024-25 standalone	FY 2025-26 consolidated	FY 2024-25 consolidated
Earnings per share (₹)	18.21	13.70	25.40	18.90
Book value per share (₹)	138.97	125.95	155.23	135.02
Dividend (%)*	38.50	30.00	38.50	30.00
Dividend (₹ crore)	707.19	416	707.19	416

*Dividend on accrual basis

Value Returned to the Wider Economy

Beyond our shareholders, our operations support the national and state economies through the statutory payments we make and create value that the market recognises. The measures below, which we report each year, capture our contribution to public revenue and the confidence the market places in our growth.

Measure	FY 2023-24 consolidated	FY 2024-25 consolidated	FY 2025-26 consolidated
Contribution to exchequer (₹ crore)	2,857	3,375	3,959
Market capitalisation (₹ crore)	31,629	33,927	37,245
Total return to shareholders (%)	200.19	9	12

FINANCIAL CAPITAL

Credit Rating Outlook

We hold the highest credit ratings from leading rating agencies, a mark of our financial strength and our standing in the market. These ratings reflect our ability to perform consistently through a demanding environment, and they keep our cost of borrowing competitive as we fund our growth.

Instrument	Ratings held
Long-term borrowings	CRISIL AAA/Stable; [ICRA] AAA (Stable); CARE AAA/Stable; IND AAA/Stable; IVR AAA/Stable; Acuité AAA/Stable
Commercial papers	CARE A1+; IND A1+
Bill discounting	IND A1+

To be confirmed against FY 2025-26 rating letters; ratings shown are as last reported.

Strengthening Ties with Our Lenders

Our lenders are partners in our growth, supporting long-term investment for transition to clean energy. We maintain regular and transparent communication with our lending institutions through focused interactions and direct access to our leadership, and we provide proactive disclosures on our financial, operational and sustainability performance, including through this Integrated Report. This openness builds the trust and alignment on which our long-term borrowing rests, and it reinforces our commitment to accountability and to disciplined, cost-efficient growth.

ESG Rating Outlook

We regard independent ESG ratings as an important measure of our progress towards sustainable growth. They bring transparency to our environmental, social and governance performance, guide our long-term strategy, and strengthen the confidence of our stakeholders.

ESG rating	FY 2025-26 score	FY 2024-25 score	Basis
CareEdge ESG	61.2	55.8	More than 300 indicators across 18 themes
ICRA ESG	59.0	59 (Adequate)	Renewables, emissions, social welfare, governance



5-year Financial Performance at a Glance

The tables below offer a detailed insight into our financial performance over the last five years, on both a standalone and a consolidated basis, for reference.

Standalone — Income Statement (₹ in crore)

Segment	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Sales	9,856	12,955	10,520	10,286	10,864
Other income	806	1,241	873	1,201	1,171
Total income	10,662	14,196	11,393	11,487	12,035
Operating expenses	6,407	7,991	7,474	7,874	7,918
Depreciation	1,528	1,420	1,442	1,368	1,453
Interest	784	756	643	563	514
Regulatory deferral movement	274	-2,293	953	1,175	889
Profit before tax	2,606	1,724	2,788	2,858	3,039
Provision for tax	1,370	476	941	958	514
Profit for the year	1,237	1,248	1,847	1,900	2,525
EBIT	3,000	2,492	3,431	3,420	3,553
EBITDA (incl. regulatory)	4,529	3,912	4,873	4,788	5,006
Dividend paid	416	416	485	416	707

Standalone — Balance Sheet (₹ in crore)

Segment	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Equity capital	1,387	1,387	1,387	1,387	1,387
Reserves and surplus	12,420	13,252	14,607	16,079	17,884
Free reserves	11,580	12,384	13,737	15,210	17,019
Net worth	13,693	14,639	15,994	17,465	19,270
Loans outstanding	10,239	9,348	7,969	7,525	10,157
Net fixed assets	19,185	18,732	18,133	17,664	14,409
Investments	3,933	4,196	4,640	5,093	8,404
Net current assets	3,611	4,975	2,641	-1,426	-2,950
Capital employed	26,576	26,889	27,202	28,646	31,524

FINANCIAL CAPITAL

Standalone – Ratios

Segment	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Operating margin (%)	21.66	11.73	22.29	19.36	20.27
Return on capital employed (%)	11.29	9.27	12.61	11.94	11.27
Return on net worth (%)	9.03	8.53	11.55	10.88	13.10
Debt-equity (%)	0.75	0.64	0.50	0.43	0.53
Current ratio	1.64	1.92	1.71	0.81	0.64
Quick ratio	1.36	1.71	1.44	0.63	0.43
Value added per employee (₹ lakh)	73.91	102.18	87.18	83.61	92.75
Book value per share (₹)	98.75	105.57	115.34	125.95	138.97
Earnings per share (₹)	8.92	9.00	13.32	13.70	18.21
Dividend (%)*	30.00	35.00	30.00	30.00	38.50

*Dividend on accrual basis

Consolidated – Income Statement (₹ in crore)

Segment	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Sales	11,948	16,165	13,001	15,283	17,490
Other income	598	1,218	947	1,606	977
Total income	12,546	17,383	13,948	16,889	18,467
Operating expenses	7,785	10,324	9,466	10,443	11,901
Depreciation	1,909	1,801	1,825	1,884	2,379
Interest	984	1,012	849	932	1,222
Regulatory deferral movement	345	-2,179	1,073	66	909
Profit before tax	2,603	2,056	2,882	3,697	3,875
Provision for tax	1,488	631	1,014	984	106
Profit for the year	1,116	1,426	1,868	2,714	3,769
EBITDA (incl. regulatory)	5,106	4,881	5,556	6,513	7,475
Dividend paid by NLCIL	416	416	485	416	707



PIONEERING ACROSS OUR CAPITALS



Consolidated – Balance Sheet (₹ in crore)

Segment	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Equity capital	1,387	1,387	1,387	1,387	1,387
Reserves and surplus	12,803	13,782	15,144	17,336	20,138
Free reserves	11,967	12,918	14,279	16,473	19,279
Net worth	14,076	15,169	16,531	18,723	21,525
Loans outstanding	22,058	22,306	22,379	22,392	27,802
Net fixed assets	24,875	24,058	23,391	30,699	36,596
Net current assets	3,222	4,092	2,265	-2,334	-2,119
Capital employed	38,998	40,676	42,472	44,931	52,559

Consolidated – Ratios

Segment	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Operating margin (%)	21.14	13.31	19.78	19.69	22.39
Return on capital employed (%)	8.20	7.57	8.78	10.30	9.70
Return on net worth (%)	7.93	9.40	11.30	14.49	17.51
Debt-equity (%)	1.57	1.47	1.35	1.20	1.29
Current ratio	1.28	1.38	1.17	0.78	0.80
Quick ratio	1.07	1.20	0.97	0.60	0.58
Value added per employee (₹ lakh)	79.04	107.23	90.26	105.94	120.28
Book value per share (₹)	101.51	109.39	119.22	135.02	155.23
Earnings per share (₹)	8.05	10.28	13.47	18.90	25.40
Dividend (%)*	30.00	35.00	30.00	30.00	38.50

*Dividend on accrual basis





Manufactured Capital

Manufactured Capital is the physical backbone of our integrated energy business, spanning our opencast mines, our thermal stations and our growing fleet of solar, wind and storage assets. Our focus on modern infrastructure and advanced extraction and generation technology has strengthened operational efficiency while easing our environmental footprint. By integrating mining with power generation, much of it at pit head, we sustain a reliable fuel-to-power chain that underpins the continuity of energy supply to the nation.



Performance at a Glance (FY 2025-26)

50.10 MTPA

Total mining capacity

28.94 BU

Group power generation

Over 1 GW

Capacity added during the year

19.14 MT

Coal production, an all-time high

2.26 BU

Renewable generation, an all-time high

1,785 MW

Operational renewable capacity

Linkage to Corporate Plan 2030

Our present assets build towards our 2030 targets of mining capacity of around 104 MTPA, thermal capacity above 10 GW and renewable capacity above 10 GW, moving us towards a balanced fifty-fifty thermal and renewable mix.

Material Issues

- Land acquisition
- Resource availability



PIONEERING ACROSS OUR CAPITALS



Creating Value from What We Produce

We turn resources, expertise and investment into the physical foundations of our energy business – from installed capacity and reliable generation to the infrastructure that enables us to diversify and grow. The outputs are the power we supply to the nation and the fuel we produce for our own stations and for sale, and the outcomes are energy security, the steady growth of our renewable base, and the modernisation of assets that have served for decades. In doing so, we manage real trade-offs, balancing thermal dependability against the transition to cleaner generation, and matching our output to grid demand across the cycle.

A Year of Capacity Milestones

FY26 and as on date we added materially to our installed base. Ghatampur Unit-2 and Unit 3 commenced commercial operation on 9 December 2025 and 13 June 2026, adding 1320 MW to our group capacity and taking it from 5,300 MW to 6620 MW, and lifting our coal-based capacity from 1,660 MW to 2,980 MW. Further, we brought over 1 GW of new capacity into the group during the year, comprising 660 MW of thermal and 352.80 MW of renewables, and we commenced coal production at our Pachwara South block. Our coal production at Talabira reached an all-time high of 19.14 million tonnes, and our renewable power generation reached an all-time high of 2.26 billion units — evidence of an asset base that is both expanding and diversifying.

Thermal Power Generation

Our thermal stations remain the dependable core of our generation and, during FY 2025-26, we ran them with an emphasis on the availability and readiness to meet grid demand. Overall generation across several stations reflected a period of subdued demand during the year, when a number of units were placed under reserve shutdown in line with grid requirements, before demand recovered later in the period. Our focus through this cycle was on keeping our units available and reliable, so that we could respond whenever the grid called on us.



Gross Generation by Station (Million Units)

Station	FY 2025-26	FY 2024-25	FY 2023-24
TPS-I Expansion	2,169.26	3,006.927	2,871.143
TPS-II Stage-I	2,627.92	2,814.869	2,779.969
TPS-II Stage-II	3,269.32	3,944.482	2,972.277
BTPS	1,606.48	1,759.64	1,692.050
TPS-II Expansion	1,833.71	1,073.360	2,153.410
NNTPP	5,433.88	6,727.010	7,074.690
NTPL	5,278.13	5,236.45	5,462.36
NUPPL	4,467.92	1,208.73	-
Wind Power	62.60	36.42	19.35
Solar Power	2,195.49	2,057.91	2,057.91
Total	28,944.71	27,865.58	27,106.21

Plant Load Factor (%)

Station	FY 2025-26	FY 2024-25	FY 2023-24
TPS-I Expansion	58.96	81.73	77.82
TPS-II Stage-I	47.62	51.01	50.24
TPS-II Stage-II	44.43	53.61	40.28
BTPS	73.36	80.35	77.05
TPS-II Expansion	41.87	24.51	49.03
NNTPP	62.03	76.79	80.54
NTPL	60.25	59.78	62.19
NUPPL	57.67	60.45	-

Plant Availability Factor (%)

Station	FY 2025-26	FY 2024-25	FY 2023-24
TPS-I Expansion	63.73	86.61	81.21
TPS-II Stage-I	52.91	50.07	49.06
TPS-II Stage-II	49.24	52.73	39.73
BTPS	76.18	81.93	80.28
TPS-II Expansion	45.99	24.12	47.96
NNTPS	69.91	84.02	86.07
NTPL	89.80	83.27	69.30
NUPPL	79.51	71.51	-

MANUFACTURED CAPITAL

Beyond generation itself we track how efficiently each station runs. Auxiliary consumption measures the power a station draws to run itself, while lignite and oil consumption measure the fuel it burns to produce its output. The pattern of the year shows through most clearly at TPS-II Expansion, which ran at low load for much of the period and consumed proportionately more of its own generation.

Auxiliary Consumption (%)

Station	FY 2025-26	FY 2024-25	FY 2023-24
TPS-I Expansion	11.85	9.41	9.26
TPS-II Stage-I	12.05	11.85	11.64
TPS-II Stage-II	11.80	11.67	11.71
BTPS	12.25	12.29	12.62
TPS-II Expansion	16.91	19.22	16.26
NNTPS	7.08	6.20	6.17

Oil Consumption (KL)

Station	FY 2025-26	FY 2024-25	FY 2023-24
TPS-I Expansion	10,376.15	2,535.22	2,062.27
TPS-II Stage-I	5,516.83	11,080.74	7,616.90
TPS-II Stage-II	6,868.66	14,493.60	5,624.05
BTPS	508.74	586.52	596.61
TPS-II Expansion	3,850.38	3,158.89	3,459.15
NNTPS	7,367.49	4,037.73	3,626.80

Lignite Consumption (Lakh Tonne)

Station	FY 2025-26	FY 2024-25	FY 2023-24
TPS-I Expansion	23.96	30.66	29.19
TPS-II Stage-I	34.31	35.45	33.92
TPS-II Stage-II	42.59	49.77	36.19
BTPS	12.66	14.75	14.25
TPS-II Expansion	20.25	11.86	21.41
NNTPS	62.77	68.71	72.07

Modernising Our Thermal Stations

We continued to modernise our thermal fleet in FY 2025-26 to enhance reliability and efficiency. At TPS-II Expansion Unit-I, we carried out modification of the Fluidised Bed Heat Exchanger and fixed a modified vortex finder. At NLC Tamil Nadu Power Limited (NTPL), we completed modification of the distributed control system in both the units. And at TPS-II, we introduced an external lube oil system in the mill double bearing to prevent bearing damage caused by lignite puffing. These interventions strengthen the dependability of our stations and support the improved availability we recorded at the modernised units.



Automation in Our Mines

Technology and mechanisation determine how safely and how productively we mine. We practise blast-free mining across all our operations: bucket wheel excavators with belt conveyors and spreaders at Neyveli, conventional equipment at Barsingsar for both overburden and lignite, and surface miners for coal at Talabira. Every item of heavy earth-moving machinery carries an automatic fire detection and suppression system, and during the year we extended the same protection to 18 blast-hole drilling machines, six each at Mine-I, Mine-IA and Mine-II.

Our bucket wheel excavators ran well through the year. We completed major revamping of three machines, two of them ahead of schedule, and we brought down maintenance turnaround sharply. At Mine-IA we upgraded the conveyor system to higher-capacity 2,000 mm belts, and conveyor reliability improved across our Neyveli mines through fewer joints and fewer joint failures.

Digitalisation ran through much of this work. We commissioned an RFID-based digital lock-out and tag-out system at Mine-II, with extension planned to Mine-I and Mine-IA, and installed audio-visual alarm systems with LED alerts and public

announcements on the Mine-II conveyors. We implemented GPS-based tracking for our vehicles in the Neyveli mines, together with a fuel management system built on RFID dispensing, GPS monitoring and anti-theft control. At Talabira, a digital logistics management system now operates at two weighbridges, giving us real-time visibility of coal despatch. We took up an integrated command and control centre for our mines, alongside variable frequency drives, dynamic loading systems, belt weighing systems, magnetic separators and real-time conveyor monitoring. Three-dimensional mine models, animated standard operating procedures and digital safety displays strengthened how we train our people, and terrestrial laser scanning with DGPS surveys improved our mine surveying across Neyveli and beyond. We also ordered four 160 mm diesel crawler-mounted blast-hole drills for Mine-IA and Mine-II, built to DGMS safety requirements.

Dust suppression across our mines is supported by 30 water sprinklers and six fog cannons, with four road-sweeping machines and five motor graders maintaining our haul roads, and continuous monitoring of respirable dust and ambient air quality.

Technology and Mechanisation: What Changed in FY 2025-26

Parameter	FY 2025-26 performance
Bucket wheel excavator availability, Neyveli fleet	102% to 121%; highest 121% for BWE 1357 at Mine-I
Production against target, key excavators	114% for BWE 1028 (Mine-IA); 112% for BWE 1420 and 111% for BWE TAKRAF-I (Mine-II)
Main slew gearbox replacement	Completed in 4.5 shifts against 8 to 9 shifts
Reclaimer-II ball race replacement	Completed in 18 days against 28 days
Conveyor joint failures, Mine-I	Reduced from 7.86% to 3.83%
Conveyor joints, Mine-II	Reduced by 15.40%; vulcanising joint failures down 41%
Specific electrical energy consumption, Mine-II	35.71 kWh per tonne against 46.54 kWh per tonne
Automatic fire detection and suppression systems	Installed on 18 blast-hole drilling machines
Barsingsar Lignite Mine	Sixth consecutive year without an incident; 2,461 accident-free days
Talabira II and III OCP	No accident since operations began in 2019



MANUFACTURED CAPITAL

Reducing Environmental Impact of Thermal Power

We are progressively lowering the environmental impact of our thermal generation while continuing to supply reliable electricity. We are doing so through the adoption of high-efficiency power generation technologies, biomass co-firing, and advanced emission control systems, and through our carbon capture research with IIT Madras. We practise scientific fly ash management and the recovery of critical minerals from ash, integrate renewable energy, conserve water, and apply digital optimisation and robust environmental management systems across our operations. Together, these measures support India's transition towards cleaner and more sustainable energy, and they connect this capital directly to the research described in our Intellectual Capital and the stewardship discussed in our Natural Capital.

Mining Operations – Key Parameters

Parameter	Unit	FY 2025-26	FY 2024-25	FY 2023-24
Overburden Removal				
Mine-I	LCM	141.01	281.88	355.41
Mine-IA	LCM	414.61	415.68	334.20
Mine-II	LCM	942.81	673.06	652.98
Barsingsar Mine	LCM	44.96	40.25	38.05
Talabira (coal)	LCM	142.97	203.00	128.96
Stripping Ratio				
Mine-I	m³/t	7.68	3.93	4.35
Mine-IA	m³/t	9.81	8.27	5.98
Mine-II	m³/t	7.03	6.89	8.35
Barsingsar Mine	m³/t	2.49	1.92	1.81
Talabira (coal)	m³/t	0.75	1.18	1.02
Capacity Utilisation				
Mine-I	%	22.94	89.66	102.17
Mine-IA	%	105.67	125.62	139.63
Mine-II	%	103.14	75.09	60.16
Barsingsar Mine	%	120.20	139.93	139.93
Talabira (coal)	%	95.71	107.51	105.34
Power Consumption				
Mine-I	kWh/t	44.53	15.24	14.40
Mine-IA	kWh/t	28.78	21.81	20.10
Mine-II	kWh/t	35.71	46.54	49.87
Barsingsar Mine	kWh/t	1.01	0.82	0.86

Mining and Production

Our mining operations supply the fuel that underpins our thermal generation, and FY 2025-26 was a year of contrast across our two fuels. Our coal production at Talabira reached an all-time high of 19.14 million tonnes, up from 17.20 million tonnes, and coal despatch from the same project reached 17.69 million tonnes, also the highest since the project began. We commenced production at our Pachwara South coal block during the year, strengthening the fuel security of our power portfolio and adding good-quality coal for sale in the open market over and above our own requirement. Our lignite production stood at 21.27 million tonnes in line with the fuel demands of the linked end use plants, lower than the 24.06 million tonnes of the previous year, reflecting a planned shift in output across our Neyveli mines as our fuel mix changes. Overburden removal at Mine-II reached 94.38 million cubic metres, the highest the mine has recorded.



The year also brought recognition for how we mine and new ways of selling what we produce. The Ministry of Coal has now conferred 23 Five-Star Ratings on our coal and lignite operations, and for FY 2023-24 it rated Mine-IA, Talabira II and III and Barsingsar at five stars and Mine-I and Mine-II at four. We migrated the e-auction of lignite, coal, minor minerals and overburden from an outsourced platform to our own NeAT portal, and we introduced special long-term auctions with a validity of 360 days to give our customers greater certainty of supply. We became the first in India to commercialise the sale of overburden, from Mine-IA, and of washed silica sand, from Mine-I. The Government of Tamil Nadu has approved the disposal of overburden soil from our external dumps and its conversion into manufactured sand for a period of ten years, extending the circular-economy work described in our Natural Capital.

Renewable Energy Capacity

Our renewable portfolio is the fastest-growing part of our asset base, and it is central to the diversification of our Manufactured Capital. During FY 2025-26, our renewable energy generation reached an all-time high of 2.26 billion units, and we added 352.80 MW of renewable capacity to the group. Our operational renewable capacity stood at 1,785 MW as on date with a substantial portfolio under implementation, positioning renewables as a defining element of our future generation mix.

Building Towards 2030

We have framed our asset strategy with the idea of reaching a balanced and resilient portfolio by 2030. We are working towards a mining capacity of around 104 million tonnes per annum, and more than 10GW each of thermal and renewable capacities that would drive us towards a balanced mix of electricity. In this way, the infrastructure we build today, from our modernised thermal stations to our expanding renewables fleet, turns our resource base into lasting resilience, and carries the strength of our past into the energy system of the future.





Intellectual Capital

Intellectual Capital is the applied knowledge, research and technology through which we draw more from every tonne we mine. Our research centre and our partnerships with premier institutions let us recover materials of national importance from lignite and fly ash, advance clean energy technology, and build the capability our diversification demands. Alongside, our digitisation of mining and enterprise systems sharpens our efficiency and the quality of our decisions, keeping us competitive.



Performance at a Glance (FY 2025-26)

More than 16

Research collaborations with premier institutions, including IISc Bengaluru, IIT Madras and IIT (ISM) Dhanbad

02

Patents filed

Advanced-stage research

In carbon capture, lignite to humic acid and lignite to semiconductor wafers

Integrated command and control

Systems proposed to be deployed across our mines for safer, monitored operations

Linkage to Corporate Plan 2030

Our research and digital capability underpin the new businesses at the heart of our 2030 plan, from critical minerals and carbon capture to clean energy and resource value addition.

Material Issues

- Innovation and digitisation
- Investment in R&D for sustainable alternatives



Centre for Applied Research and Development (CARD)

The Centre for Applied Research and Development has become the cornerstone of our innovation. Established in 1958 as the Central Laboratory and renamed CARD in 1975, it was recognised by the Department of Scientific and Industrial Research and has since been at the forefront of driving technological advancement and operational efficiency within the Company.

CARD's mission is to focus on research and development that aligns with our strategic goals of sustainability, operational excellence and technological leadership.

Our research is strategic to both our operational targets and our sustainability objectives. Through our cross-functional collaborations, we address immediate technical challenges while supporting the transition to more efficient and cleaner operations. We focus on projects that improve the life of mining equipment, advance the diversification of lignite-based products, and develop renewable energy systems. These initiatives align with priorities such as the National Green Hydrogen Mission. By integrating innovative solutions into our operations, we ensure that our R&D efforts drive progress towards a more sustainable future.

R&D Expenditure

FY 2025-26	₹44.53 crore
FY 2024-25	₹42.20 crore
FY 2023-24	₹43.37 crore



Our R&D Policy

Our R&D policy provides the framework within which our research is pursued. It spans analytical services for quality control of products and materials, the conduct of science and technology research projects, a focus on lignite utilisation, diversification and product development, environmental monitoring, pollution measurement, quality control testing and consultancy, and technology development, patenting and commercialisation. Research proposals are evaluated for innovation, technical feasibility, scalability, economic viability and alignment with our business before they are approved, so that our research stays disciplined and focused on outcomes.

Key Focus Areas of Our R&D

Our research efforts are woven around a set of focus areas that connect directly to our business. We pursue R&D to boost production in mining and power generation through innovative solutions and data. We develop energy-efficient, eco-friendly technologies for our mining and thermal plants to conserve resources. We foster grassroots-level R&D initiatives within our production units to deliver both short-term and long-term gains. We undertake research on environmental sustainability and fuel security to combat climate change. We strengthen our R&D capabilities at CARD to meet international standards in collaboration with global and local institutions. And we pursue patents and commercialisation opportunities from our R&D outcomes to enhance NLCIL's reputation and professional development.

Driving Innovation and Sustainability

We recognise the crucial role that innovation and sustainability play in shaping the future of the energy sector. With efforts to allocate capital for developing clean energy solutions, we are contributing to a sustainable future. In FY 2025-26, we advanced the initiatives we set out to pursue.

Renewable Energy Investment

We continue to make substantial investment in expanding our renewable energy capacity, including solar and wind projects, which contribute to diversifying our energy portfolio and achieving our carbon reduction targets. This work is carried forward in detail in our Natural and Manufactured Capital.

Green Hydrogen Initiatives

Our exploration of green hydrogen has moved from intent to execution. Our 4 MW green hydrogen pilot at Neyveli, based on Proton Exchange Membrane electrolyser technology, will produce hydrogen by water electrolysis using renewable power, demonstrating a carbon-free production pathway in line with the National Green Hydrogen Mission. We awarded the engineering, procurement and construction contract to M/s InSolare Energy Limited on 3 November 2025, engaged a project management consultant, and commenced site preparation works. We are extending this work into alternative pathways, including biohydrogen from biomass, pursued with Alagappa University, and renewable hydrogen from biogas through solar-driven methane cracking, pursued with Annamalai University.

Exploring Collaborative Innovation

We collaborate with industry leaders, academic institutions and government bodies for advanced research and to implement technologies that support our vision of a sustainable, low-carbon economy. Our partnerships span premier institutions across the country, and they underpin much of the progress reported in this chapter.

Creating Value from Lignite and Fly Ash

A defining strand of our research is the conversion of our own resources and byproducts into materials of national importance. FY 2025-26 saw meaningful progress in this segment.

Activated carbon from lignite and humic acid sludge

We wanted to convert lignite and humic acid sludge, a high-demand material used for water and air purification, into activated carbon. By repurposing carbon-rich sludge from lignite processing, the initiative helps reduce waste and produce activated carbon, contributing to more efficient pollution control while advancing resource conservation and environmental sustainability.

Eco-friendly Geopolymer Bricks

The geopolymer bricks made of fly ash and overburden sand offer a sustainable alternative to conventional building material. Cured using solar heating, instead of traditional kiln firing, these bricks significantly reduce energy consumption and carbon emissions, lowering the carbon footprint of the construction industry. This innovation advanced to a filed patent in April 2025.

Rare Earth Elements from Fly Ash

Our work to extract strategically important rare earth elements from lignite fly ash has progressed from agreement to implementation. An MoU was signed with BARC in August 2025, under which BARC is providing technical support for demonstrating the extraction of REE from fly ash. Studies have confirmed the presence of appreciable quantities of these elements in our fly ash, and the project is progressing towards pilot scale implementation., At present the tender for the pilot plant is in progress. This positions us to contribute to national self-reliance in critical materials from a byproduct of our own operations.

High-purity Silica from Overburden Sand

We are pursuing the beneficiation of overburden silica sand into high-purity silica suitable for solar glass and wafer manufacturing, in collaboration with CSIR-IMMT, turning a mining byproduct into a feedstock for the renewable industry.



Innovation in Mining and Power Generation

Much of our research is directed at the practical challenges of running our mines and power stations more safely and efficiently. Our project to prevent premature failures and enhance the life of bottom rollers used in bucket wheel excavators was executed jointly with NIT Trichy and IISc Bengaluru, with financial assistance from the Ministry of Coal (Science and Technology).

Through a separate collaboration with IISc Bengaluru, we are developing indigenous alternatives to expensive tungsten carbide excavator bucket teeth for the mining industry.

With IIT Hyderabad, we are enhancing boiler inspection in our coal and lignite power plants using AI-guided drones equipped with machine learning and thermal imaging capabilities.

With Annamalai University, Chidambaram, we are building an automated monitoring and defect detection system for conveyor belts to improve reliability in mining operations.

IIITDM Kancheepuram is supporting us in developing an AI and vision integrated autonomous mobile system for lignite dust collection. And with NIT Rourkela, we are designing UV-assisted self-cleaning ceramic membrane filters to recycle circulating-water blowdown from our thermal power stations.

We are also working on the materials our own equipment depends on and on new routes to energy conversion. With NIT Tiruchirappalli we are developing a new material for bucket wheel excavator teeth to improve wear resistance and service life. Our bottom-roller project with NIT Tiruchirappalli and IISc Bengaluru has passed field evaluation: the newly developed alloys, installed on a Mine-II excavator, showed better resistance to abrasion, wear and corrosion and a longer service life than the rollers they replaced. With Annamalai University we are developing metal-supported solid oxide fuel cells from materials derived from lignite fly ash using atmospheric plasma spray, and with Tamil Nadu Agricultural University we are studying microbial technologies for crop cultivation under our agri-voltaic systems.

Value Addition beyond the Core

Our humic-acid research illustrates how far we can extend value from lignite. With IIT Madras, under a joint development agreement signed in October 2025, we are studying lignite-derived humic acid for semiconductor and optoelectronic applications, working to tailor its optical properties for light-emitting devices and to secure patentable innovations. In parallel, we are evaluating humic acid as a feed additive in brackish-water aquaculture with Annamalai University and as a bio-stimulant for important crops with Tamil Nadu Agricultural University, where field trials are under way across multiple locations.

Innovation Incubation Centre at CARD

Our Innovation Incubation Centre, set up at CARD in collaboration with IISc Bengaluru and Anna University, focuses on projects across energy, environment and healthcare. Its initiatives include smart IoT-based aeroponic herbal cultivation, membrane-less chemical-free wastewater treatment, hydroponics in backfilled mine areas, and the development of geopolymer green bricks using solar heating. Several of these projects have progressed from the proof of concept to prototype stages during FY 2025-26, reinforcing NLCIL's role as an innovator in energy and environmental sectors.

Key Collaborations with NLCIL

We have fostered significant collaborations with leading institutions to strengthen our R&D, and FY 2025-26 saw these partnerships deepen and deliver.

Key partnerships and their progress in FY 2025-26

- **NIT Trichy and IISc Bengaluru:** A joint project, with the Ministry of Coal (Science and Technology) support, to prevent premature failures and enhance the life of bottom rollers in bucket wheel excavators.
- **IISc Bengaluru:** Developing indigenous alternatives to tungsten carbide excavator bucket teeth, and a partner in our Innovation Incubation Centre.
- **IIT Madras:** exploring semiconductor applications using lignite-derived humic acid, advanced to a signed joint development agreement in October 2025.
- **BARC:** A pioneering project to extract rare earth elements from fly ash, moved from MoU stage to floating of tender for establishment of pilot-plant.
- **CSIR-IMMT:** Beneficiation of overburden sand into high-purity silica for the solar industry.





Human Capital

Human Capital is the experience, skill and commitment of our people that have sustained our operations since inception, and that will carry us through our transition into new energy businesses. As our portfolio diversifies towards renewables, storage and critical minerals, we invest in the capability, safety and well-being of our people so that they are ready for the roles the future will ask of them. A leaner, better-skilled and well-supported workforce is central to how we compete and how we grow.



Performance at a Glance (FY 2025-26)

9,735

Regular employees

25,888

Contract workmen

7.7%

Women in the workforce

Around 4.12 lakh hours

Renewable generation, an all-time high

17.09

Output per man shift in mines (lignite)

34,873

Output per man shift in thermal generation

Linkage to Corporate Plan 2030

As we build towards a larger and more diversified portfolio by 2030, we are reskilling our people for renewables, storage and critical minerals, so that our capability grows with our business.

Material Issues

- Health and safety
- Training, education and development



PIONEERING ACROSS OUR CAPITALS



Our People

Our resilience is powered by our human capital. As we move from a resource-led foundation towards a diversified future, we invest in the people who make that journey possible, our regular employees (Executives, Non-unionised supervisor and Non-executive) and our contract workers alike, so that each one of them remains safe, aptly aided and set for the future.

A Workforce Built on Two Strengths

Our workforce brings together two groups whose contributions are equally central to our operations. Our regular employees, including executive, non-unionised supervisory and non-executive cadres, carry the technical and managerial capability that runs our mines, our power stations and our growing renewable portfolio. Our contract workforce works alongside them across our sites, and we extend our care and our welfare commitments to them with the same seriousness. As we diversify, we are keeping this combined workforce skilled, motivated and secure, because our people are the foundation on which our resilience is built.

Strengthening Our Talent Base

We continued to build the workforce our growth requires. During FY 2025-26, we inducted 723 people into the permanent rolls across engineering, mining, power generation, renewable energy, finance and medical functions. Our recruitment follows our long-term business objectives, supporting our capacity expansion, our diversification into renewable energy, our digital transformation and our adoption of advanced technologies, so that our people keep pace with the businesses we are building.

Total Employee Base Age-wise (FY 2025-26)

Employee Category	<30		30-50		>50	
	Female	Male	Female	Male	Female	Male
Senior Management	0	0	0	1	12	123
Middle Management	0	0	56	710	71	734
Junior Management	45	300	61	950	29	84
Non-Unionised Supervisors	7	46	5	102	13	205
Non-Executives	28	143	160	466	270	5,114

Employee Hires Age-wise

Employee Category	<30		30-50		>50	
	Female	Male	Female	Male	Female	Male
Senior Management	0	0	0	0	0	4
Middle Management	0	0	1	9	0	1
Junior Management	10	125	9	87	0	0
Non-Unionised Supervisors	0	1	0	0	0	0
Non-Executives	0	1	0	59	8	408

Employee Attrition Age-wise

Employee Category	<30		30-50		>50	
	Female	Male	Female	Male	Female	Male
Senior Management	0	0	0	0	6	64
Middle Management	0	0	0	4	12	170
Junior Management	2	22	2	25	6	9
Non-Unionised Supervisors	0	1	0	1	1	13
Non-Executives	0	1	2	1	50	815

HUMAN CAPITAL

Employee Benefits and Welfare

Our people carry the operations, and our welfare framework is built to support them and their families across a full career and beyond it. We extend healthcare and insurance cover to our employees and their dependents, provide maternity, paternity and childcare leave in line with government policy, and assist those pursuing higher education. Our provision continues after superannuation through post-retirement medical care, insurance and pension arrangements, so that the security we offer does not end on the last working day.

We review this framework each year against what our employees tell us they need. NLC India Limited continued to strengthen its employee value proposition by expanding access, enhancing entitlements and introducing measures that support employee well-being across different stages of the employment lifecycle.

- The Scheme for Reimbursement of the Cost of Mobile Instrument/Tablet was extended to non-executives, while the reimbursement entitlements under the scheme were also enhanced, supporting employees in meeting the evolving requirements of a digitally-enabled workplace.
- Healthcare and well-being remained key areas of focus during the year.
- The Scheme for Reimbursement of the Cost of Visual Aids was introduced with effect from May 2, 2025 for employees and their dependents, broadening support for essential health-related needs.
- In addition, a Family Floater Group Mediclaim Health Insurance Policy covering employees and their eligible medical dependents of Joint Ventures, Projects and Regional/ Liaison Offices outside Neyveli (except Barsingsar) was finalised and introduced with effect from July 1, 2025.
- These measures further strengthened the organisation’s approach to providing comprehensive health and financial protection to employees and their families.
- NLCIL also continued to extend its employee welfare approach beyond active service. The Scheme for Allotment of Quarters for Ex-employees of NLC India Limited was introduced on April 26, 2025, providing an additional avenue of residential support to former employees.
- Further, recognising the enduring contribution of its workforce, the Post-Retirement Felicitation Scheme was introduced with effect from January 1, 2026. The scheme acknowledges retired employees at specified age milestones through a lump-sum felicitation amount, reinforcing NLCIL’s commitment to recognising and valuing its people beyond their years of active service.
- The organisation also continued to invest in the development and educational aspirations of employees and their families. The NLC Educational Assistance Scheme was enhanced during March 2025.



Recognising Excellence

Our Rewards and Recognition framework celebrates outstanding employee contributions. It highlights achievements in leadership, environmental sustainability, community service and sports, among other areas. By acknowledging and rewarding exceptional performance, we encourage a culture of excellence across the organisation.

Parental Leave – Return to Work Rate

We are committed to supporting our employees in balancing their professional and personal lives. As part of our comprehensive Employee Welfare Scheme, we provide maternity leave, in accordance with government policies. Additionally, we have introduced paternity leave for our male employees to help them support their families in times of need.

We are proud to note that 100% of employees who have taken parental leave have returned to work after the completion of their leave. This reflects our dedication to fostering a work environment where employees feel empowered to fulfil their family responsibilities without compromising their professional aspirations.

Years	No of Employees, by gender, entitled to Parental Leave		No of Employees, by gender, taken Parental Leave		Total number of employees that returned to work after parental leave ended	
	Female	Male	Female	Male	Female	Male
FY 2025-26	757	8,978	34	64	34	64
FY 2024-25	807	9,420	22	52	22	52
FY 2023-24	841	9,406	22	146	22	146
FY 2022-23	890	9,891	14	145	14	145

HUMAN CAPITAL

Recognising Service and Retirement

At NLCIL, we are deeply committed towards supporting our employees throughout their careers and even after retirement. To ensure a smooth transition, our Learning and Development Centre hosts monthly sessions tailored for employees approaching retirement. These sessions provide comprehensive information about the Post-Retirement Medical Assistance (PRMA), Post-Retirement Medical Insurance (PRMI) and the NLCIL Pension Schemes. Through these informative programmes, we ensure that employees are fully informed about the health and financial benefits available to them after retirement. By offering clear guidance on how to navigate these provisions, we empower our employees to make well-informed decisions regarding their medical and financial security post-retirement. Our goal is to equip our employees with the knowledge and tools required to ensure their well-being and peace of mind during their retirement years.

We value the full arc of a career at NLCIL, from a person's first day to their retirement and beyond.

For our retiring employees, our pension and post-retirement programmes, delivered in part through dedicated pension and retirement-benefit awareness sessions run during the year, help our people plan securely for the years after service. In this way we honour the people who have given their working lives to the Company.

Post Retirement Felicitation scheme for honouring the retired employees of NLCIL for their lifelong contributions by granting a lump sum amount when they reach specific age milestones was introduced from January 01, 2026.

Training Hours by Cadre

	FY 2025-26	FY 2024-25	FY 2023-24
Senior Management (E7 & Above)	32,868	27,984	35,372
Middle Management (E5 to E6)	78,300	86,936	113,896
Junior Management (E1 to E4)	102,248	73,472	64,860
Non-Unionised Supervisors (NUS)	18,232	18,800	18,356
Non-Executives	180,788	174,944	160,052



Learning, Development and Well-being

Building a Future-ready Workforce

Learning is how we prepare our people for the journey ahead, and in FY 2025-26 we widened its scale and reach considerably. Through our Learning and Development Centre, we conducted 2,012 programmes over 3,662 training days, reaching out to 39,778 participants and covering 51,555 man-days, an average of about 26 participants for every programme. This growth in both volume and coverage reflects a stronger organisational emphasis on continuous learning as our business diversifies.

Our core training programmes covered 10,398 participants across behavioural competencies, health and well-being, functional and statutory areas, and apprentice training, with behavioural competency programmes alone reaching 3,478 people. Our specialised interventions covered a further 29,380 participants, led by skill upgrade, which made up 400 programmes and 8,121 participants, close to two-thirds of that segment. Functional-technology, mining, management development and onboarding made up much of the remainder, showing that our learning responds to operational and technical needs as they arise.

Investing across Every Grade

Our training reaches every level of the organisation. In FY 2025-26, 22,906 participants were executives, 14,846 non-executives and 2,026 were non-unionised supervisors, a spread that supports both leadership capability and operational excellence. Measured in hours, our commitment shows clearly across the cadres.



Developing Leaders for Tomorrow

We build our leadership pipeline through a structured, three-tier approach that matches each level of management to a suitable development partner. Our Board-level executives are nominated through the Department of Public Enterprises for capacity-building and customised leadership programmes at eminent institutions. Our senior executives in the E8 and E9 grades are groomed for future Board-level roles through DAKSH, the government's flagship Common Leadership Development Programme under Mission Karmayogi, and through a five-day capacity development programme at IIM Calcutta under a three-year memorandum of understanding.

Our E7 grade executives are developed through a five-day programme at IIM Nagpur under a similar three-year arrangement, covering project management, risk analysis and financial management, supported by expert-led sessions at our own Centre. In FY 2025-26, 48 executives were trained at IIM Calcutta and 139 at IIM Nagpur.

Career Growth and Succession Planning

We believe in growing our people from within, and our career growth policy gives our executives a transparent path of progression built on merit, performance, experience and suitability against available vacancies. The policy brings together competency development, training and succession planning in a single framework, so that our people can see how their careers advance and prepare for larger responsibilities.

We widen this exposure through our deputation policy, under which our employees may serve in central government ministries and departments, in central autonomous bodies and in other public sector enterprises. The diverse environments and complex responsibilities they take on return to us as fresh capability when they come back.

To secure our leadership pipeline, we have institutionalised a Succession Planning and Leadership Development Policy aligned with the guidelines of the Department of Public Enterprises and the Capacity Building Commission, approved by our Board at its 535th meeting on October 16, 2023. The policy is operationalised through a defined standard operating procedure and an in-house Succession Management System that lets us monitor, review and report on succession continuously. During FY 2025-26, we completed our annual succession review, reassessed our critical roles against our business priorities, and finalised successors for them, keeping our leadership pipeline strong and our organisational continuity assured.

Performance and Career Development Review Coverage (%)

	FY 2025-26	FY 2024-25	FY 2023-24
Senior Management	100	100	100
Middle Management	100	100	100
Junior Management	100	100	100
Non-Unionised Supervisors	100	100	100

HUMAN CAPITAL

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Anticipated Employee Retirements

Year	Next 5 years		Next 6-10 years	
	Female	Male	Female	Male
Senior Management	9	99	3	25
Middle Management	53	580	23	180
Junior Management	16	62	16	26
Non-Unionised Supervisors	9	138	4	75
Non-Executives	202	3,779	83	1,421

Apprenticeship and Skilling

We develop a steady supply of skilled talent through apprenticeship training in accordance with the Apprentices Act and the guidelines of the Board of Apprenticeship Training, providing hands-on opportunities that strengthen our talent pool and open options for the workforce. In FY 2025-26, our apprentice and onboarding programmes formed a substantial part of our core training portfolio. In FY 2025-26 we engaged 1,254 apprentices, 6.53% of our total workforce and well above the government norm of 2.5%. The programme gives them industry-recognised credentials and strengthens their employability.

Well-being at the Workplace

We recognise that a capable workforce is a healthy and supported one. During the reporting year, we ran 274 programmes dedicated to employee well-being, and our health and well-being sessions attracted 3,005 participants across 4,875 man-days, covering preventive health, occupational health, mental well-being and family-oriented wellness. These programmes sit alongside the medical and welfare support we provide across locations, reinforcing a culture that cares for the whole person, not the employee at work alone.

Engaging and Listening to Our People

We foster a culture of participation in which our people shape how we work. During FY 2025-26, our My Idea initiative recorded its highest ever participation, with 792 ideas submitted by employees towards innovation, operational excellence and continuous improvement. Our New Year Resolution 2026 initiative drew 110 resolutions from employees, of which four were adopted as the Company's official resolutions for the year, reinforcing a shared sense of ownership.

We also strengthened the ways in which we listen. We introduced exit interviews for executives in the E1 to E6 grades and structured feedback questionnaires for superannuating executives in the E7 to E9 grades, so that the experience, insight and suggestions of those who have served us are captured and carried into how we improve. Together these mechanisms sharpen our retention, preserve institutional knowledge and support the continuous development of the organisation.

- Following initiatives have been taken for Employee Grievance Redressal:
- An online grievance redressal portal named Grievance Redressal Assistance Portal for Employees (GRAPE) was launched for operations on October 2, 2025. Designed to ensure transparent and efficient grievance handling, the portal integrates DoPT guidelines and Vigilance recommendations.
 - An online Grievance portal for retirees named Centralised Assistance for Retired Employees – erstwhile called Ex-Employee Portal (CARE) was launched successfully on October 2, 2025.



Diversity and Inclusion

We work to make our learning and our workplace inclusive by design.

We are committed to foster a diverse and inclusive workforce that truly reflects the rich diversity of our society. Female employees now represent 7.7% of our permanent workforce, and we are actively working to increase this figure through various initiatives aimed at promoting gender equity and inclusion. Our focus on inclusivity ensures that all employees, regardless of gender, race or background, have equal opportunities to thrive at every level of the organisation.

To provide equal opportunities, we hire individuals from across India, ensuring fair representation from all regions. We also take special care to support the inclusion of differently-abled people, offering them the necessary resources and accommodation required to contribute meaningfully to our operations.

Our comprehensive approach to equity enables us to take into consideration diverse perspectives. We have also formulated policies to provide fair and equal opportunity to all employees. We actively empower women and underrepresented communities, organising initiatives that highlight their contribution and foster greater workplace participation. Additionally, our recruitment and promotion processes are designed to be transparent, equitable and in line with government guidelines, including a robust reservation policy for underrepresented communities.

Through these efforts, we aim to create a more inclusive and equitable workplace, where every individual, regardless of their background, has the opportunity to succeed and contribute to NLCIL’s ongoing success.

Our training in FY 2025-26 reached participants across every social category, with 15,571 from the General Category, 13,766 from other backward classes, 7,976 from Scheduled Castes and 2,395 from Scheduled Tribes. It included targeted interventions such as women empowerment programmes.

There were 3,711 woman participants, which reflects our commitment to gender equality in our workforce. We have developed a diverse and inclusive workplace cutting across gender, background and capability barriers, and we take special care to support the inclusion of differently abled employees and fair representation from all regions.

Welfare of Our Contract Workforce

Our contract workforce works alongside our regular employees across our mines, stations and project sites, and we extend our welfare commitments to them with the same seriousness. During FY 2025-26, we paid a one-time ex-gratia of ₹5,000 to ₹6,000 per worker, over and above the statutory bonus, at a cost of ₹9.78 crore, benefitting around 17,505 contract workmen. We provide free outpatient and inpatient treatment at our Neyveli Hospital to contract workmen engaged in annual maintenance works, along with their dependents.

We support the education of their children through an educational assistance scheme for wards pursuing studies beyond school, which has reached 2,528 students over the past five years at an outlay of ₹2.37 crore, and through tuition-fee reimbursement for wards from Scheduled Caste, Scheduled Tribe and Other Backward Class families studying at Jawahar Science College, Neyveli. We provide two sets of stitched uniforms each year to contract workmen in maintenance works, at an annual cost of ₹1.70 crore.

We stand by their families in the hardest moments. Through our Contract Workmen Death Relief Fund, we provide a solatium of up to ₹30 lakh in the event of a fatal industrial accident, inclusive of statutory compensation, and up to ₹15 lakh in the event of death during employment for other reasons. Under our Family Relief Scheme, we pay a monthly relief of ₹18,100 to the spouse of a deceased contract workman until the age of 60, with provision for the eldest ward where the spouse has predeceased.

Beyond these, we extend free education to the wards of contract workmen at our NLC schools up to Class XII, along with free breakfast, noon meals and uniforms for children in Classes XI and XII, and free school transport within the township. Through the NLC Indcoserve and Howsicos cooperative societies, 2,043 quarters have been allotted to member contract workmen at nominal rent, with water and electricity at subsidised rates.

HUMAN CAPITAL

Human Rights and Grievance Redressal

Upholding Dignity and Fair Treatment

We hold ourselves to the dignity, fairness and rights of every stakeholder — be it a regular employee or a contract worker. We uphold equal opportunity and conform to fair labour practices across recruitment, advancement and reward, and we extend the same standards of ethical and respectful treatment through our value chain. Our workforce enjoys the freedom of association and the right to collective bargaining, exercised through recognised trade unions, and the settlements we reach with them, including those that regularised 2,520 contract workmen, reflect a relationship built on dialogue and trust.

A Safe and Respectful Workplace

We are committed to nurturing a workplace free from harassment and discrimination. Our policy on the Prevention of Sexual Harassment is implemented by regular training and gender-sensitisation programmes. It creates awareness across the organisation and ensures a respectful environment for all.

Channels to be Heard

We have clear and confidential ways for our workers to raise their concerns. Our grievance redressal mechanism, available through our digital platforms and official channels, allows employees to voice issues and seek fair resolution, and the process is designed to be discreet, accessible and effective. By ensuring that concerns are heard and addressed, we inculcate a culture of accountability, trust and continuous improvement across the workforce.

Health and Safety

Safety as a Foremost Priority

Safety is inseparable from how we mine lignite and generate power. Across our mines, coal operations and thermal stations, we protect our people through engineered controls, disciplined systems and a culture of shared responsibility. In FY 2025-26, that commitment reflected in our safety performance.



Safety Performance in FY 2025-26

Year	FY 2025-26		FY 2024-25	
	NLCIL Employees	Contract Workers	NLCIL Employees	Contract Workers
Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)	0.048	0.114	0.127	0.417
Reportable Minor	1	3	1	11
Fatalities	0	3	0	4
Reportable Major/Serious Injuries	0	1	1	2

The reduction in our Lost Time Injury Frequency Rate for both our employees and our contract workmen, demonstrated the efficacy of our safety systems and our sustained attention to frontline practices. We record these figures for our regular and contract workforce alike.



Safety in Our Mines

Our mining safety rests on prevention built into the operation itself. We practise blast-free lignite mining across our Neyveli mines using bucket wheel excavators with belt conveyors and spreaders, and blast-free methods at Barsingsar and, for coal extraction, at Talabira through surface miners. Every item of heavy earth-moving machinery is fitted with an Automatic Fire Detection and Suppression System. We have prepared Safety Management Plans for all six mines under the Coal Mines Regulations 2017, based on hazard identification and risk assessment, and we review them every six months.

To suppress dust, we deploy 30 water sprinklers and six fog cannons across our mines, supported by road-sweeping machines and motor graders for haul-road maintenance, and we monitor respirable dust and ambient air quality continuously.

Discipline at the mine gate matters as much as engineering. No one enters a mine, whether our own employee or a contractor's, without an initial medical examination, basic vocational training at our Group Vocational Training Centre under the Mines Vocational Training Rules 1966, and a valid entry pass, which CISF personnel check at the single entrance every working shift. We have framed separate standard operating procedures for women employed in the mines. We have conducted scientific studies of slope stability in all our mines under the Coal Mines Regulations 2017 and implemented the recommendations, prepared crisis management plans for every mine, carry out noise surveys in line with DGMS guidance, maintain illumination at the prescribed levels, and have banned mobile phones in working areas in favour of walkie-talkies. On our conveyors, pre-start sirens and public address announcements in the local language, audio-visual blinkers along the belt and lock-out indicator lamps warn our people before machinery moves.

Safety in Our Thermal Stations

We ensure safety in our thermal power stations through disciplined operating practices. We enforce strict use of personal protective equipment, carry out routine inspections with immediate corrective action, and conduct toolbox talks before work begins. We have prepared and implemented 600 standard operating procedures for operation and maintenance works, and our stations are subject to external safety audit by the National Safety Council every two years, with observations acted upon in full.

Assurance, Technology and Medical Care

We assure our safety through regular audit and continuous improvements. Our mines undergo internal safety audit by Corporate Safety every year, and Safety and Health Management System audits are conducted and uploaded to the National Coal Mines Safety Report portal in line with Ministry of Coal guidelines. Our NLCIL Aran mobile safety app allows our people to report unsafe observations and near misses for prompt compliance, extending safety awareness to the frontline. Our medical care underpins all of this: initial and periodical medical examinations for everyone engaged in the mines, free cardiac screening for all employees, medical officers trained in ILO chest x-ray classification to detect dust-related illness early, and a first-aid station with an ambulance at every mine and thermal station.

Our Industrial Medical Centre is approved by the Directorate General of Mines Safety as a training centre for first aid and issues first-aid competency certificates, and we have imparted this training to everyone working at NLCIL.

Blast-free mining across Neyveli, Barsingsar and Talabira
Safety Management Plans for all 6 mines under CMR 2017
600 standard operating procedures across thermal O&M
30 water sprinklers and 6 fog cannons for dust suppression
NLCIL Aran mobile safety app for near-miss reporting.



Social and Relationship Capital

Social and Relationship Capital is the trust we hold with the communities around our operations, with our partners and with the wider society we serve. The regions built around our mines and plants share our land and our future, and their well-being sits at the heart of our licence to operate. Through our CSR programmes, our supplier relationships and our sustained community dialogue, we work to create shared value and to keep our growth rooted in the prosperity of the people around us.



Performance at a Glance (FY 2025-26)

₹48.06 crore

CSR expenditure

7,18,284

Beneficiaries

Reached across our operational regions

3 Lakh

Shareholders

Healthcare, education, rural development

Principal focus areas of our CSR programmes

Linkage to Corporate Plan 2030

As we expand towards our 2030 ambitions, we deepen the community trust and partnerships that give our projects their social licence and keep our growth inclusive.

Material Issues

- Community engagement
- Land acquisition
- Sustainable supply chain



Our Customers

Our customers include the state distribution utilities that draw electricity from our stations, to the buyers who purchase coal from our mines, and each relationship rests on the same footing: reliable supply, consistent quality, and transparent and fair dealings.

Most of our generation reaches the nation through long-term power purchase agreements with state distribution utilities. These agreements ensure supply security and stabilises revenue, and we honour them by keeping our units available to meet grid demand across the cycle. The strength of these relationships showed in our numbers this year, with the collection efficiency of our power debtors standing at full recovery. For our coal customers, we operate a transparent e-auction process that gives open access to the good-quality coal produced at Talabira, beyond the quantity we commit to our own stations, extending the value of our resource base into the wider market.

Our Suppliers and Vendors

Our suppliers and vendors keep our mines, stations and project sites running, and their dependability is inseparable from our own. We hold these relationships to a standard of fairness and transparency, and we work to ensure that the economic weight of our operations settles in the regions around us rather than passing them by.

This principle was visible in how we delivered our community work during the year. A large share of it, from classrooms and school infrastructure to drinking water systems, the rejuvenation of water bodies and sanitation assets, was executed through district rural development agencies, local contractors and district-based implementing authorities, so that project spending circulated within the local economy. We drew on regional construction firms, engineering agencies, equipment suppliers and local service providers to deliver these works, generating employment, building the capacity of local enterprise and improving the reach of services in mining-affected and peripheral areas. A supply chain rooted in the local economy is, for us, both good business and a form of community investment.

Community works delivered through DRDAs, local contractors and district agencies, regional firms, engineering agencies and local suppliers engaged across projects procurement directed to circulate value within our operating regions.

Building Stronger Communities

Beyond our commercial relationships lies our deepest social commitment, the development of the communities living in the vicinity of our mines and plants. Our investment strategy for community development is guided by our Corporate Social Responsibility policy and overseen by the Corporate Social Responsibility Committee of the Board. It is delivered in line with the guidelines of the Ministry of Coal, the Ministry of Corporate Affairs, and the Department of Public Enterprises.

Our approach is participatory and convergence-based. We identify needs in direct consultation with the district collectorate, government departments, gram panchayats and local communities, so that what we build answers a genuine local priority. We then deliver through partnership, drawing on district administrations, line departments, educational institutions and competent implementation agencies, and we monitor delivery through Panchayati Raj institutions, Village Development Committees and School Management Committees. This model of shared identification, shared delivery and shared oversight strengthens public institutions, builds community ownership, and creates assets that endure well beyond the year of spending.

CSR Focus Area

	Beneficiaries	Expenditure (₹ crore)
Medical, health and family welfare	4,52,000	10.74
Education and scholarship	39,834	10.01
Sanitation, basic amenities and rural development	95,000	17.05
Safe drinking water supply	98,000	4.93
Protection of national heritage and culture	17,000	1.43
Promotion of sports	10,330	0.67
Vocational skill development	120	0.59
Afforestation and environmental sustainability	1,000	0.33
Others	5,000	2.31
Total	7,18,284	48.06

SOCIAL AND RELATIONSHIP CAPITAL

Health at the Centre of Our Outreach

Health was where our community work reached the farthest in FY 2025-26, touching more than 4,52,000 lives. We treated the general public without charge through our General Hospital at Neyveli, and we strengthened public health institutions where they were most stretched. Our significant intervention addressed infant and maternal mortality in Cuddalore district. Working with the district administration and the Government Medical College Hospital, we provided advanced neonatal and obstetric equipment to the hospital and to government facilities across the district. The result was stronger emergency care for mothers and newborns, and a demonstration of what convergence between a public enterprise, a health department and a district administration can achieve for public health outcomes.

Learning that Opens Opportunity

Education cornered ₹10.01 crore of our investment and reached 39,834 students and young people, and we approached it as a continuum from a child's first years to a young adult's first job. We supported the running of 10 NLC schools and uplifted the quality of learning through smart boards, digital facilities and school sanitation, while investing in the fabric of education through classrooms, STEM laboratories, furniture and drinking water.

We backed Jawahar Science College at Neyveli, worked to raise learning levels across 140 Anganwadi centres, and supported the Sneha Opportunity School for children with special needs. Our reach crossed states, with Integrated Science Centres for 1,800 students in Rajasthan and classroom furniture for 500 tribal students in Odisha.



We also drew a direct line from education to livelihood. With Annamalai University, we supported a Diploma in Mining Engineering for 180 students, opening a route from classroom to employment for rural youth, and we ran further skilling programmes through the University and the National Power Training Institute. Alongside these, our community programmes on the prevention of child marriage, on STEM learning and on extracurricular development widened opportunity for young people and women.



What Our Education Work Delivered

39,834

Students and young people supported

₹10.01 crore

Invested in education

10

NLC schools run and 140 Anganwadi centres strengthened

1,800

Students reached through Integrated Science Centres in Rajasthan



PIONEERING ACROSS OUR CAPITALS



Water Where it is Needed

Water security ran through much of our FY 2025-26 work, addressed from both ends: getting clean water to people, and replenishing the resource itself. We built potable water schemes in the Jharsuguda and Sambalpur districts of Odisha, restored the Manimuktha River, rejuvenated traditional tanks and ponds, and constructed check dams, overhead tanks and village water infrastructure. Together these improved access to safe water, recharged groundwater and supported the sustainable use of a scarce resource in regions where water shapes daily life.

The reach was measurable. The rejuvenation of minor-irrigation tanks in Cuddalore benefitted 22,318 people, and RO plants and drinking water infrastructure reached more than 2,200 rural residents in Ariyalur.

What Our Water Work Delivered

22,318

People reached by tank rejuvenation in Cuddalore

2,200+

Rural residents served by RO plants in Ariyalur

Potable water schemes built across Jharsuguda and Sambalpur, Odisha



Cleaner Surroundings, Healthier Lives

We treated sanitation as a matter of public health, not just infrastructure. Across our project areas we built sanitation assets and carried out Swachh Bharat activities, alongside rural infrastructure that improved the conditions of everyday life. Our environmental work in the community extended into afforestation and ecological care, so that our commitment to the environment reached beyond our own boundaries into the villages around us. This work sits alongside the operational stewardship described in our Natural Capital, two sides of a single responsibility.

Standing with the Communities We Affect

For the communities most directly touched by our mining, our responsibility runs deepest, and it defines what a just transition means in practice. We conduct land acquisition and rehabilitation in line with government policy and statutory frameworks, working with State Governments, District Administrations and Revenue Authorities to ensure fair compensation, resettlement support and the restoration of livelihoods for affected families.

What sets our approach apart is that it does not stop at statute. In consultation with local stakeholders, we build lasting community assets in mining-affected villages, school buildings, laboratories, water and sanitation infrastructure, healthcare and sports facilities and community amenities, and we keep an open grievance channel, engaging community representatives and authorities on questions of land, rehabilitation and implementation, and folding their feedback into how we plan. In this way, the regions that gave the nation its power continue to share in the progress that power created.

Delivering through Partnership

We work through a convergence model with the District Collectors and Administrations of Cuddalore, Ariyalur, Thanjavur, Virudhunagar, Bikaner, Jharsuguda and Sambalpur to identify needs and implement projects, and with government departments and agencies, from the District Rural Development Agency and the Rural Development and Panchayat Raj Department to Municipal Corporations and the School Education, Health and Social Welfare Departments, so that our work converges with public programmes rather than duplicating them.

We deliver alongside educational institutions such as Annamalai University and government schools, and through capable implementation partners, including CHILDS Trust in Tamil Nadu, the Parichay Foundation in Odisha and the Global Happiness Foundation in Rajasthan. Local institutions, Panchayat Raj bodies, Village Development Committees and School Management Committees, take part in identifying, implementing and monitoring the work, which keeps it honest, accountable and rooted in genuine local priorities.

SOCIAL AND RELATIONSHIP CAPITAL

Relationships as Resilience

Our customers, our suppliers and our communities are not separate from our business, they are the human fabric of it. The confidence of those we power, the dependability of those who supply us, and the trust of those among whom we operate, together these turn our resources into resilience. As we move from a lignite and coal foundation towards a diversified energy future, it is the strength of these relationships that will carry us there, steadily and in the service of the nation.

List of Our CSR Projects – FY 2025-26



Detailed description	Expenditure in ₹ lakh
Organising Health Camps, Blood donation camps, healthcare awareness camps in project-affected areas of Talabira Project	11.99
Healthcare measures/facilities/treatment for the common public residing in and around Neyveli by NLCIL-GH	262.85
Periodical health check up of villagers by organising Free Medical camps at surrounding villages of Barsingsar	3.78
Distribution of baby kits to newborn babies under Beti Bachao scheme	2.00
Breakfast scheme to10 th , 11 th and 12 th Std students and other nutritional support schemes and providing evening snacks to 10 th , 11 th , 12 th Std students	85.14
Providing buttermilk to the general public during summer at Neyveli in Cuddalore District	28.77
Infrastructure development at Community Health Center (CHC), Barsingsar	3.69
Reconstruction of Anganwadi Buildings at Arunthathiyar Nagar in Cuddalore Corporation	7.25
Reconstruction of Anganwadi Buildings at Eswaran Koil Street in Cuddalore Corporation	10.00
Reconstruction of Anganwadi Buildings Pudhukuppam in Cuddalore Corporation	10.00
Reconstruction of Anganwadi Buildings at Burukeespettai in Cuddalore Corporation	10.00
Renovation & Repair of Existing Anganwadi Buildings at Kannikoil in Cuddalore Corporation	4.00
Renovation & Repair of Existing Anganwadi Buildings at Eanikaranthottam in Cuddalore Corporation	4.00
Construction of new Anganwadi centre at Kamban Nagar Nellikuppam Municipality, Cuddalore District	12.00
Construction of new Anganwadi centre at Siva Shanmuga Nagar Nellikuppam Municipality, Cuddalore District	12.00
Construction of new Anganwadi centre at Kanakasabai Nagar Chidambaram Municipality, Cuddalore District	12.00
Construction of new Anganwadi centre at Eswaran Kovil Street Nagar, Panruti Municipality, Cuddalore District	12.00
Construction of new Anganwadi centre at Kuthappankudikadu Nagar, Tittakudi Municipality, Cuddalore District	12.00
Construction of new Anganwadi centre at Poothambur, MGR Nagar, Vriddhachalam Municipality, Cuddalore District	12.00
Construction of new Anganwadi centre at Melpattampakkam Town Panchayat, Cuddalore District	12.00
Construction of new Anganwadi centre at Amman Koil, Gangaikondan Town Panchayat, Cuddalore District	12.00
Construction of new Anganwadi centre at Kurinjipadi Town Panchayat, Cuddalore District	12.00
Construction of new Anganwadi centre at Parangipettai Town Panchayat, Cuddalore District	12.00
Construction of new Anganwadi centre at Ponnanthitu T.C. Nagar, Killai Town Panchayat, Cuddalore District	12.00
Construction of Health Sub Centre at Melvalayamadevi, Cuddalore District	21.00



Detailed description	Expenditure in ₹ lakh
Construction of Dispensary Building at Ramakrishna Math, Keelanagachi, Ramanathapuram District.	30.89
Financial support to Sneha Opportunity Services, Neyveli (patronised by NLCIL) towards operational expenditure, maintenance, mid-day meal and free bus services for special children	134.35
Engagement of Pharmacists for the Pradhan Mantri Bharatiya Jan Aushadhi Kendra Pharmacy under Pradhan Manthri Bharatiya Pariyojana Campaign in Cuddalore District	1.29
Construction of ICDS Complex with play area in Cuddalore District	16.00
Providing ornamental lights and footpath in Cuddalore Corporation	6.00
Provision of medical equipment and infrastructure to reduce IMR & MMR in Government Medical College, Cuddalore District	100.00
Interventions to improve learning in ICDS in Cuddalore District	20.00
‘Anaemia - Free Cuddalore Initiative’ for female college students, Cuddalore District	7.50
Fire service equipments to chain saw, fiber boat, mechanised inflatable rubber boats, stretchers for Cuddalore District.	2.54
Provision of medical equipment to Govt. Hospital in Cuddalore District	75.00
Strengthening control room for reducing MMR in Cuddalore, Cuddalore District	1.00
Purchase of Mobile Dental Van for Government Dental College and Hospital at Chidambaram in Cuddalore District.	24.05
Construction of rest shed, waiting hall, etc. at PHC and Sub Centre in Project affected areas of Talabira Project	-
Organising Science/Math Exhibition, Annual Day Sports Competition and various Competition in the school of Project affected and Peripheral villages	2.37
Providing 3 Nos of Basic Life Support Ambulance to District Administrataion, Sambalpur as requested by Hon'ble MLA, Rengali and also recommended by Collector, Sambalpur	-
Model Aangan Baadi in Barsingsar, Bikaner	1.20
Financial Assistance to The Childs Trust Chennai towards purchasing of medical equipment for M/s Kanchi Kamakoti Childs Trust Hospital, Chennai	28.00
Empowering Persons with Disabilities (PwDs) by Distribution of Motorised Tricycles on Republic Day	2.31
Financial Assistance to M/s. ALIMCO towards implementation of CSR Project “Distribution of artificial limbs and assistance devices to Divyangjans in Virudhanagar District in Tamil Nadu”	10.00
Sub-total – Promoting Healthcare	1,058.97

SOCIAL AND RELATIONSHIP CAPITAL

Providing Safe Drinking Water



Detailed description	Expenditure in ₹ lakh
Construction of 60,000 liter (2 Nos) OHT for Vadakumelur Panchayat, Kurinjipadi (ward 2), Cuddalore District	9.95
Construction of 60,000 liter (2 Nos) OHT for Vadakumelur Panchayat, Kurinjipadi (ward 3), Cuddalore District	4.52
OHT 1 Lakh lit capacity for Annagramam extension, Cuddalore District	10.67
Supply of Drinking water through water tanker in Project affected villages of Jharsuguda & Sambalpur District	264.30
Providing safe Drinking Water through new borewells and repairing of existing boreholes and providing new water cooler and water purifiers and repairing of existing water cooler and water purifiers	1.13
Construction of OHT (30,000 Ltr) at Malaisanthu, Thiruvanthipuram Panchayat in Cuddalore block	14.08
Construction of OHT (30,000 Ltr) at K.Pudur, Karaikadu Panchayat in Cuddalore block	14.08
Special repairs to Swimming pool and Sanitary Arrangements in Arignar Anna Sports Campus at Cuddalore	26.80
Amrit Sarovar(restoration of Water bodies)	32.58
Amrit Sarovar(restoration of Water bodies) Chettikulam tank	19.20
Renovation/Desilting of Ponds under Amrit Sarovar Scheme	-
Construction of 30000 litre capacity RCC Overhead Tank in Alampadi Village, Cuddalore District	13.18
Construction of 60000 lit capacity RCC Overhead Tank in Kolakudi Village, Cuddalore District	14.56
OHT - 60000 Lit capacity in Mummudicholagan Village, Cuddalore District.	9.16
Supply, installation and commissioning of 2 Nos. of 1000 LPH RO Plant with all civil and electrification work with three year AMC under CSR(at Mullaiyur and Uganthanayagankudikadu, Ariyalur District)	11.49
Rejuvenation of MI Tanks in Cuddalore District	7.50
Sub-total – Providing Safe Drinking Water	453.20



Promoting Sanitation



Detailed description	Expenditure in ₹ lakh
Hygiene and Health Care works of NLC Schools, Kendriya vidyalaya and education department and Other Hygenic & Health care works.	97.58
Equipment for door to door waste collection	121.90
Infrastructure development in Grameen Haat Bazaar, Bikaner	6.34
Infrastructure development at Govt. Sr. Sec. School, Swaroopdesar	14.26
Improvements to Theenjuvai Neerodai in Mettukuppam village at Karunkuzhi panchayat, Cuddalore District	40.00
Construction of Drainage near Mettukuppam Sithivalagam koil in Karunkuzhi Panchayat, Cuddalore District	12.00
Restoration work of Manimuktharu River at Vridhachalam, Cuddalore District	376.50
Improvement of pond behind the Old Collectorate, Cuddalore District	22.00
Construction of New Toilet Block at NMJ School, BI-12, Neyveli, Cuddalore District	15.85
Construction of 4 Nos.of additional class rooms and boys and girls restrooms in Government Aided Vallalar Hr.Sec,School, Valayamadevi	107.66
Construction of boys restrooms in two storeys for St. Antony's Matriculation Hr.Sec.School, BI-29, Neyveli, Cuddalore District	52.45
Swachch Bharath mission, Swachchtha pakhwada and awareness programme towards promoting Health Care, Education, Rural developmet and allied activities in Cuddalore District through directly/NGOs.	0.00
Inauguration of CSR Projects at Vijayamanagaram village, in Cuddalore District	0.82
Conducting of Swachhta Pakhwada programme from 16.06.2025 to 30.06.2025	4.54
Mass cleaning campaign in connection with Swachhta Pakwada Programme from 16.06.2025 to 30.06.2025- Mass cleaning activity on 24.06.2025 at Main Bazar.	0.64
Inauguration of Lab Equipment's and link road with Paver blocks including lighting facilities for Diploma in Mining Engineering Programme – Skill Development Centre at Annamalai University, Chidamabaram in Cuddalore District	0.48
Conducting Swachhata Hi Seva programme from 17.09.2025 to 02.10.2025	1.91
Inauguration of RO Water Plant towards CSR Project at Mullaiyur village, Sendurai Union, in Ariyalur District	0.74
Construction of Boys toilet in Swami Sahajanantha Govt. Industrial Training Institute, Chidambaram, Cuddalore District.	2.10
Providing Shed Arrangements for Visitors, Cloth Drying,Guard Room with Toilet and Borewell Arrangements in Govt. Annai Sathya Children's Home at Cuddalore District	4.00
Special Repairs to Main Building, Toilets and Play area in Annai Sathya Children's Home at Cuddalore in Cuddalore District	3.00
Construction of toilets in PBM Hospital	10.03
Sub-total – Promoting Sanitation	894.80

SOCIAL AND RELATIONSHIP CAPITAL

Promoting Education



Detailed description	Expenditure in ₹ lakh
Construction of Toilets, Compound Wall, Class rooms and painting of class rooms in Govt. High School, Mathur/West Thanjavur, Thanjavur District	18.83
Laying of tiles for the classrooms in Government Higher Secondary School, Pullaboothangudi, Cuddalore District	5.71
Distribution of scholarships to girl students	10.67
Distribution of school kits to 1st standard girl student under “Beti Padhao” scheme	2.06
Awareness, motivation Guidance Programmes/Functions for students, parents and teachers. Programmes as per directives of the State and Central Govt like swachh related activities, celebration of important days, Scouts and Guides Camp & Thinking day, School Sports & Literary Activities, Competitions, Issue of school Uniforms, Issue of text books/educational aids and lease charges for photo copier etc.	56.22
Educational promotional activity, Skill Development programme/maintenance of smart Board and installation, Audio, Projectors, Display and other items related to Promotion of Education, art and Cultural activities.	35.91
Educational Assistance towards promoting education of the students of Kendiriya Vidyalaya School, Neyveli, Cuddalore District	117.26
Renovation of Babu Khinda School, Talabira School & Mathlu camp School under Khinda GP & Thelkoloi UP School under Thelkoloi GP, Sambalpur	48.50
Providing School bag, school books, Water Bottle, Sweater & Other Equipments in the Project affected and peripheral villages.	7.56
Transportation of school children through 04 School buses for Children in Project affected and peripheral areas through Govt. Administration (4 Nos of Buses for one year)	127.22
Financial Support to Jawahar Science College, Neyveli (patronised by NLCIL) for Tuition Fees of SC/ST & OBC students	253.90
Construction of Classroom building (4 Nos) at Govt. Higher Secondary School, Indiranagar, Cuddalore District	37.59
Construction of 4 class room building for Govt. High School, Ko Adhanur, Vridhachalam, Cuddalore District	77.73
Construction of shade for wrestling ground in Mahatma Gandhi School, Barsingsar	7.95
Renovation and infrastructural development of Schools and Aganwadis under Project affected and peripheral villages of Talabira Project	0.35
Developing skill sets, extra curricular activities and leaning levels for school students and promote higher education through support to disadvantaged students in Cuddalore District	50.00
STEM Labs in Schools in Cuddalore District	50.00
Construction of Compound Wall at Government Polytechnic, Kooduveli, Kattumanarkoil, Cuddalore District.	9.00
Construction of New 2 Class Rooms Building in Parvatha Raja Gurukulam Higher Secondary School at Kattumannarkoil, Cuddalore District.	3.20
Providing Furniture in Khinda Model School and Other Schools in PAV's	11.35
Providing AI powered digital smart board to Annamalai University at Chidambaram, Cuddalore District	1.75
Science labs in schools of Bikaner District	42.92
Improving infrastructure in near by Govt. Schools of Barsingsar Project	9.63
Model Library in Govt. Sr., Sec. School, Barsingsar	1.00



Detailed description	Expenditure in ₹ lakh
Initiative to Empower Underprivileged Students through High-speed Internet Connectivity “Vidya Mitram” in Cuddalore District through BSNL	0.83
Financial assistance to Parichay Foundation for implementation of nutritional improvement programme for women residing in Salia Sahi, Bhubaneswar	12.50
Distribution of Living materials for disabilities to M/s.Sristi Foundation, Konamangalam Village, Tindivanam Taluk, Villupuram District	1.36
Sub-total – Promoting Education	1,001.00

Promoting Employment Enhancing Skills



Detailed description	Expenditure in ₹ lakh
Towards Skill Development - Upgradation of existing facilities for Diploma in Mining course in Annamalai University, Cuddalore District as per MoU	49.52
Setting up of two sheds for poultry farm in Central Prison, Cuddalore	3.00
Purchase of weaving machine for Central Prison, Cuddalore	3.00
Financial assistance to M/s National Power Training Institute (NPTI) towards conducting job oriented post diploma and post graduate diploma courses for the uplift of dependents of Land Acquisition beneficiaries and project affected persons (₹44.53 lakh approved in CMD Fund for FY 2025-26)	3.12
Sub-total – Promoting Employment Enhancing Skills	58.64

Promoting Gender Equality and Women Empowerment



Detailed description	Expenditure in ₹ lakh
Formation of "SHE Park" Cuddalore Corporation.	5.60
Special Repairs to Service Home Building at Cuddalore in Cuddalore District	1.10
Sub-total – Promoting Gender Equality and Women Empowerment	6.70

SOCIAL AND RELATIONSHIP CAPITAL

Ensuring Environmental Sustainability



Detailed description	Expenditure in ₹ lakh
Establishment of Aviary in Park at Cuddalore.	25.00
Support for creation of new societies to augment milk production, Cuddalore District	7.50
Sub-total – Ensuring Environmental Sustainability	32.50

Protection of National Heritage, Art and Culture



Detailed description	Expenditure in ₹ lakh
Donation for camel festival January-26 in Bikaner	3.00
Organising Loka Mahostav and events promoting Art & Culture celebrations in Project affected villages	14.99
Providing grocery/puja items to organisers of Project affected villagers for Puja/Namajagyan	13.45
Construction of new transparent sheds for Chariots at Shri. Sabanayagar Temple in Chidambaram, Cuddalore District	10.87
Reconstruction of Clock Tower in Cuddalore	5.00
Urban beautification and Tourism Promotion in Cuddalore District	60.00
Contribution in Kabir Yatra for promoting Art and Culture	3.00
Contribution Ajoo Gooja Children Festival in Bikaner	3.00
Providing Financial Assistance for conducting Tour De Thar, a global cycling event in Bikaner	30.00
Sub-total – Protection of National Heritage, Art and Culture	143.31



Benefit of Armed Forces Veterans, War Widows and Dependents

Detailed description	Expenditure in ₹ lakh
Financial Assistance to Armed Forces Flag Day Fund for the welfare of veterans, widows and their dependents.	15.00
Sub-total – Benefit of Armed Forces Veterans, War Widows and Dependents	15.00

Promoting Rural Sports



Detailed description	Expenditure in ₹ lakh
Sports Awareness, motivation Guidance programmes/Sports material for schools, sports infrastructure for all NLC and peripheral schools etc., training in yoga, silambam, taekwondo, etc. providing sports attire for the school students participating in District/State/National level tournaments	59.10
Organising/supporting various sports event in Project affected villages including supply of Sports equipments	5.17
Cuddalore District Government Model School, Sport Training in Namma School Namma Ooru Palli at Cuddalore.	3.33
Sub-total – Promoting Rural Sports	67.60

SOCIAL AND RELATIONSHIP CAPITAL

Rural Development – Infrastructure, Roads and Access



Detailed description	Expenditure in ₹ lakh
Construction of Community Hall at Karaikadu Colony, Karaikadu Panchayat in Cuddalore Block	40.00
Construction of Community Hall at Vellakarai Colony, Vellakarai Panchayat in Cuddalore Block	40.00
Construction of Community Hall at Veeramudaiyanatham in Melbhuvanagiri Block, Cuddalore District	40.00
Construction of Community Hall at Kumaratchi in Kumaratchi Block	40.00
Construction of Community Hall at Kammapuram in Kammapuram Block	40.00
Providing CC Road with Pedestrian Walk to Reddiyar Street near Thanneeril Vilaketriya illam in Karunkuzhi panchayat	30.00
Providing and Installation of 98 lights in (Existing Pole) Pennadam (Eraiyr) Bridge in Nallur Block.	4.00
Forming 4.8 Km link road from VKT road to Thiruvennainallur (Antharasipettai) at Kalkunam Panchayat, Kurinjipadi Block	260.00
Construction of Community Hall at Ward No 7, Cuddalore District	24.00
Improvement of Manjakuppam Ground Road in Cuddalore Corporation	24.00
Street Light Installation at Old existing and newly constructed Thenpennai Bridge and old existing Anna Bridge (102 Nos)	120.00
Providing Cantilever information sign board at Km 63/2 of Villupuram -Puducherry - Nagapattinam road in Cuddalore District.	5.24
Attending Patch work over the exisring road between Barsingsar to Swaroopdesar	114.19
Providing approach road in Swami Sahajanantha Govt. Industrial Training Institute at Chidambaram, Cuddalore District	2.86
Child marriage free gram panchayat initiative programme, Cuddalore District	20.00
Provision of Lights in bridges and uncovered areas in Cuddalore District.	5.76
Sub-total – Rural Development – Infrastructure, Roads and Access	810.05



Water Resource Augmentation



Detailed description	Expenditure in ₹ lakh
Construction of retaining wall for drain from Vadalur NH to Ayyan Eri	36.54
Installation of Street Light/Solar Light in Project affected villages	2.96
Sub-total – Water Resource Augmentation	39.50

Administrative Overheads



Detailed description	Expenditure in ₹ lakh
Administrative Overheads	224.35

₹48.06 Crore

Grand Total



Natural Capital

Natural Capital is both the resource base we depend on and the environment we are responsible for. As a lignite and coal-based generator, we manage our impact on air, water, land and biodiversity with care, and we are rebalancing our portfolio towards renewables and clean energy so that we can meet the nation's energy needs more sustainably. Responsible stewardship of natural resources runs through our mining, generation and diversification activities alike.



Performance at a glance (FY 2025-26)

23%

Renewable share of installed capacity, targeted at 50% by 2030

2.26 BU

Renewable generation, an all-time high

126 hectares

Land under biological reclamation and afforestation

4 MW

Green hydrogen pilot under installation at Neyveli

2.54 million

tCO₂e Offset (Renewable Energy)

60%

of water withdrawn is recycled/reused for industrial/domestic/irrigation

Linkage to Corporate Plan 2030

Our renewable expansion, carbon capture research and green hydrogen pilot build towards a balanced fifty-fifty thermal and renewable mix by 2030, supporting the national energy transition.

Material Issues

- Climate strategy
- Air emissions
- Water and effluent management
- Biodiversity preservation
- Renewable energy

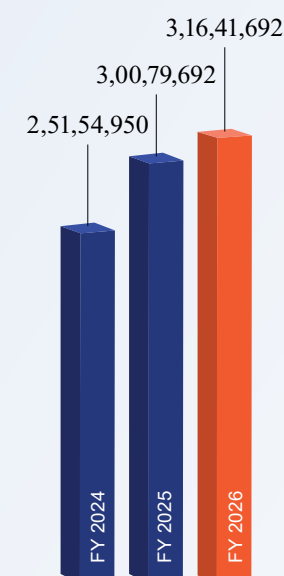


Managing greenhouse gases

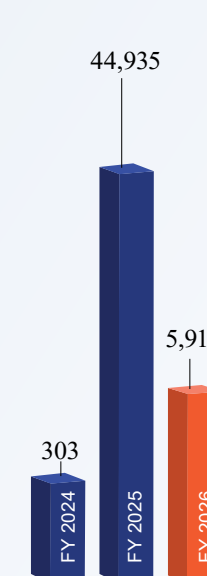
We recognise our responsibility to limit greenhouse gas emissions and align with the nation's climate goals. As a power generator relying significantly on lignite, we account for our emissions and work towards bringing down their intensity as our clean energy capacity grows, through efficiency improvements, clean technologies and disciplined investment in renewables.

Our Scope 1 emissions rose modestly in FY 2025-26, in step with higher generation across the group. Our Scope 2 emissions, by contrast, fell sharply to about an eighth of the previous year's level as we drew a far greater share of our auxiliary and administrative power from renewable sources. The direction of these two numbers captures our approach in miniature: The emissions is tied to the power that we generate move with demand, while the emissions within our own control continue to come down.

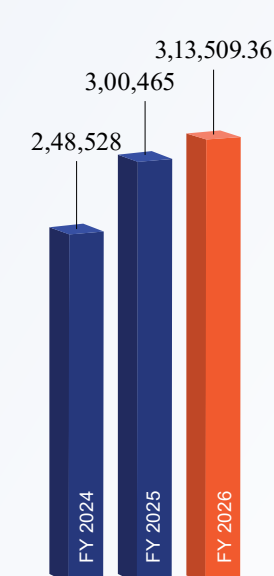
Scope 1 emissions (tCO₂e)



Scope 2 emissions (tCO₂e)



Direct energy (TJ)



Indirect energy (TJ)



Reducing GHG gas emissions

Our main lever for reducing greenhouse gas emissions is the steady expansion of our renewable portfolio, so that cleaner generation displaces a growing share of our fossil-based output over time. We are investing over ₹50,000 crore to scale our renewable capacity from around 1.43 GW to 10.11 GW by 2030, while our corporate target is to reach a 50% renewable share in our portfolio by 2030 and 77% by 2047, supporting India's goal of net-zero emissions by 2070. To give our renewable arm the room to grow with this momentum, the Cabinet Committee on Economic Affairs has approved a special exemption from the investment guidelines that apply to a Navratna company, enabling NLC India Renewables Limited to invest in green power projects free of the net-worth ceiling that would otherwise limit such investment.

Carbon capture research

We are also pursuing carbon capture at source, the harder part of the emissions problem for a thermal generator. Our research collaboration with the Indian Institute of Technology, Madras, established through a binding Memorandum of Understanding in May 2025 and fully funded by us, will be moving from a laboratory-scale study towards a pilot demonstration under Phase-II, and it reflects our intent to tackle carbon dioxide from combustion directly rather than through offsets alone.

Efforts towards energy management

Energy stewardship is an essential pillar of our sustainability strategy, underpinning both prudent use of national energy resources and the efficiency of our own operations. We pursue it through systematic replacement of conventional equipment with energy-efficient alternatives, regular maintenance, and upgrading our in-house expertise. These measures deliver tangible operational gains and build a culture of conservation across our mining and power operations.

Much of our conservation work in FY 2025-26 ran well ahead of the targets we set for it. We replaced 5,904 conventional light fittings with LED lamps, close to half as many again as our target for the year, and installed 134 automatic timers against a target of 40. We introduced 42 capacitor banks in the conveyor and equipment motors across our three mines to improve the power factor and cut reactive-power losses, replaced 327 ceiling fans with energy-efficient brushless DC motor fans, and extended dynamic loading systems across the conveyors of all three Neyveli mines.

To reduce diesel use across surface transport, mining equipment and cranes, we implemented a fuel automation system using RFID technology. We also marked Energy Conservation Week in December 2025 with awareness drives that reached our employees and the public and, as a new step this year, a class for the children at our Neyveli boys' school.

NATURAL CAPITAL

Green growth and decarbonisation

Advancing low-cost, low-carbon technologies of energy transition is central to how we plan our growth. We are laying out a decarbonisation roadmap across our operations and infrastructure, carried forward through capacity targets set out in our Corporate Plan 2030 and through our two dedicated green subsidiaries. This work aligns our expansion with India's wider transition to cleaner energy while strengthening the reliability of the power we supply.

Getting deeper into renewables

By diversifying our energy mix and reducing our carbon footprint, we continue to expand our renewable portfolio at pace, working towards the 10.11 GW target we have set for 2030. We are building this capacity both for our own account and in partnership. We are advancing solar and wind projects across states, including a 150 MW solar-wind hybrid project awarded by the Solar Energy Corporation of India, for which letters of award were issued to Ionx Wind Limited for a 100 MW solar project and to Enerture Technologies Private Limited for a 50 MW wind project.

We have secured a 600 MW solar project at Khavda in Gujarat through a power purchase agreement with Gujarat Urja Vikas Nigam Limited, and won a 500 MW solar tender from the Indian Renewable Energy Development Agency under the CPSU scheme, with development awarded to Tata Power Solar Systems Limited and Kosol Energie Private Limited. Through joint ventures, we are developing renewable projects at a larger scale still, including a 2,000 MW ultra-mega solar project under formation with TANGEDCO and a 5,000 MW solar programme through our joint venture with Coal India Limited.

Integrating green power into operations

We have drawn up a strategy with renewables claiming an increasing share of the energy that feeds our sites. We have installed captive solar plants across our townships and complexes, including rooftop solar on our non-residential buildings at Neyveli and a 200 kW floating solar array on the TPS-I lake, and a hybrid wind-solar system at our research centre. Small against the scale of the capacity we build for the grid, these installations reduce the carbon intensity of running our own operations and demonstrate the technologies we deploy at larger scale elsewhere.



Research in green technologies

Our energy transition is supported by research into the technologies that will shape it. We have strengthened our collaborations with academic and research institutions, we are carrying forward pilot projects in green hydrogen and in our lignite-to-methanol pathway, and developing advanced carbon capture as part of the agreement with IIT Madras.

Innovating energy storage

The supply of steady and reliable green power depends on storage. As part of our initiative to build storage capacity in our portfolio, we have rolled out our first large-scale battery energy storage system, a 250 MW/500 MWh project in Tamil Nadu awarded by TANGEDCO, secured through a purchase agreement with the Tamil Nadu Power Distribution Corporation Limited, for which the land agreement has been signed. This project allows us to store renewable generation and release it when the grid needs it most, enabling greater grid stability and the use of clean power we produce.

Diversifying to tap into opportunities

Our energy management extends into new businesses built on our core strengths. Our lignite-to-methanol facility offers a route to higher-value products from the resources we mine, consistent with the direction of India's energy transition. We are also exploring opportunities in electric-vehicle infrastructure, where rising demand and supportive government policy create the prospect of charging stations and associated energy-storage facilities along national and state highways, drawing on our combined expertise in solar power generation and battery storage. These opportunities extend the value of our resource base and our capabilities into the business of a cleaner energy economy.

NATURAL CAPITAL

Air Emissions

Our operations chiefly generate particulate matter from excavation, drilling, haulage and storage. Oxides of sulphur and nitrogen and fly ash are produced from combustion in our thermal units. We acknowledge these impacts and address them through control at source, continuous monitoring and a robust framework of compliance.

Controlling and reducing emissions

In our mining areas, we suppress the dust produced by mining. An extensive water-spraying system covers haul roads, conveyors, working faces, vehicle movement and bunker areas, supported by the practice of wet drilling, so that dust is contained before it can travel. Our electrically operated bucket wheel excavators and belt conveyors, maintained over three decades, keep the carbon load and the emissions of our mining materially lower than that in diesel-based extractions. The three-tier green belts we develop around our bunker and mining areas trap dust while adding to the green cover of the region.

In our thermal stations, we control emissions through the technology we have built into the plants. Electrostatic precipitators capture particulate matter, our supercritical boilers generate power more efficiently, and we are in the process of adopting flue gas desulphurisation to bring down sulphur emissions further. Our monitored sulphur dioxide readings remained above our desired levels, and the phased introduction of flue gas desulphurisation across our units is the response we are putting in place. We are also pursuing carbon capture at source through our 2025 pact with IIT Madras. The research collaboration is fully funded by us that moves from a laboratory study to a pilot demonstration, tackling carbon dioxide from combustion directly.

Ambient air quality monitoring

We monitor our air quality continuously and independently. The State Pollution Control Board conducts periodical surveys of ambient air quality in our mining units, and our own NABL-accredited laboratory at the Centre for Applied Research and Development monitors air quality on alternate days in line with our Consent to Operate. We have installed 13 ambient air quality stations in villages surrounding the industrial units. Ten of these are located in surrounding villages and monitored by a third-party NABL Accredited laboratory, the results are well within permissible limits and submitted to the statutory authorities. Continuous Ambient Air Quality Monitoring Systems are also installed at in and around our industrial units to monitor the Ambient Air Quality in real-time. During FY 2025-26, we recorded no incidents of environmental non-compliance.

	FY 2025-26	FY 2024-25	FY 2023-24
Particulate Matter (PM 10) (mg/Nm ₃)	35.35-108	26.4-56.0	27.20-95.6
Sulphur Dioxide (SO ₂) (mg/Nm ₃)	747-2345	165.9-2165.1	124.06-2627.185
Nitrogen Oxides (NO _x) (mg/Nm ₃)	110-395	110-334.3	101.95-343.63



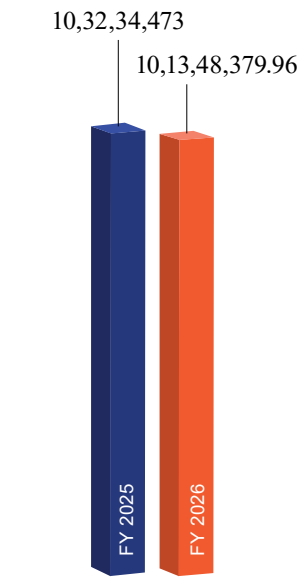
Water and Effluent Management

Our operations, particularly mining and thermal power generation, depend on a rigorous framework that ensures water is used efficiently, treated responsibly, and replenished wherever possible. By continuously improving how we handle water, we aim to protect the ecological balance and safeguard the needs of the communities around us.

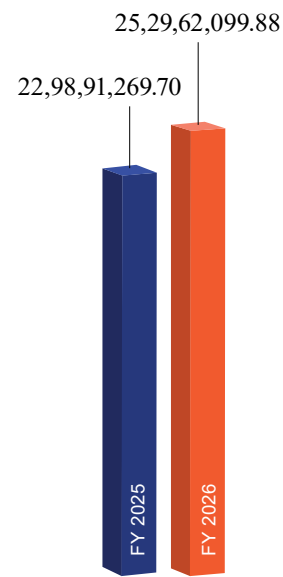
Our water story begins with the geology of the field itself. The lignite we mine at Neyveli lies beneath a confined aquifer, which has to be de-pressurised through controlled pumping before

mining can proceed safely. Rather than treat that pumped water as waste, we put it to use: the greater part feeds our thermal power stations, and the balance is sent to nearby villages for agricultural use, so that water raised for mining serves generation and farming before it returns to the land. Our total water withdrawal rose during the year, in step with the higher scale of our mining and generation, and the larger share of what we draw continues to be reused rather than discharged.

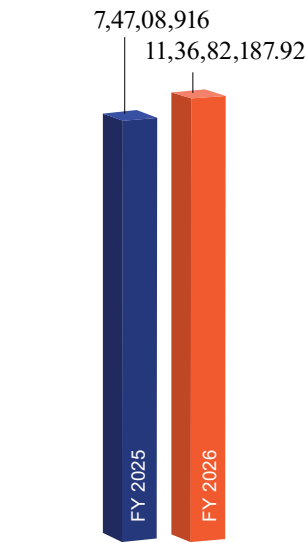
Water consumption (Kilo Litres)



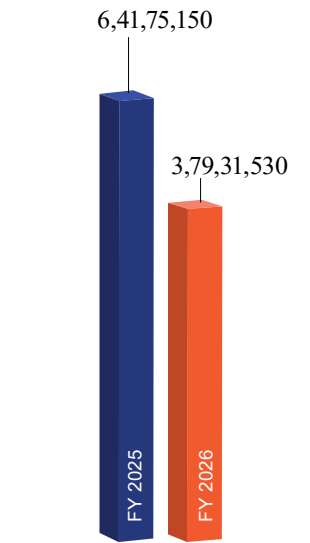
Water withdrawal (Kilo Litres)



Water discharge (surface, greenbelt, 3rd party domestic) (Kilo Litres)



Water recycled (greenbelt, irrigation, 3rd party domestic) (Kilo Litres)



We manage the quality of our water as carefully as the quantity. To control the suspended solids that mining washes into water through seepage and surface run-off, we have constructed siltation wells and weirs along the canals in and around our mines. The wastewater from our operations, from station blowdown, vehicle washing and domestic use, passes through sewage and effluent treatment plants across our sites and townships, and the treated water is returned to use for gardening, greenbelt development, industrial washing and irrigation. Our water and wastewater are sampled and tested every month by the Tamil Nadu Pollution Control Board or accredited laboratories, and the results stay within permissible limits.

Beyond using water well, we work to return it to the ground. Across our office premises and larger buildings, rainwater harvesting structures channel run-off through check dams and percolation wells, and our monitoring shows the water table recharging as a result. In the recharge zone of the Neyveli

groundwater basin, under the Government of India Coal Science and Technology scheme and with the technical assistance of IIT Madras, we have studied and built percolation ponds, recharge wells and check dams in the villages of Nadiyapattu and Maligampattu, and our continuous monitoring of piezometers has shown the percolation-pond technique to be the most effective for the Neyveli basin.

To check the decline in the pressure surface of the deep confined aquifer, we have also taken up artificial recharge through injection wells, in a global collaboration with Rheinbraun Engineering of Germany and IIT Madras, tested at depths of around 250 metres in the complex aquifer conditions of the Neyveli region. We monitor the resource regionally through observation wells established in consultation with the Central Ground Water Board, and we prepare our water balance from continuous data on pumping, water levels and quality.

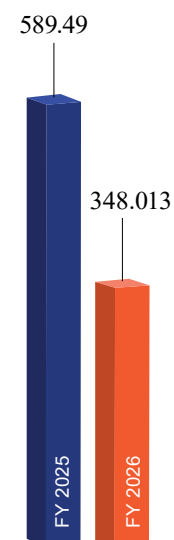
NATURAL CAPITAL

Waste Management

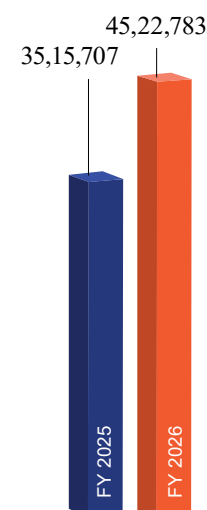
We pursue waste management as an essential pillar of our sustainable operations, with a strong emphasis on resource efficiency, environmental responsibility and regulatory compliance. We treat waste not simply as something to be disposed of, but as a valuable resource, and this conviction runs through our Board-approved Waste Management Policy, prepared by our Corporate Environment Cell and applied across all our establishments. The policy follows a clear waste hierarchy, prevention first, then minimisation, reuse, recycle and recovery, with disposal as the last resort, and it holds our business unit heads responsible for implementation, requiring them to report the quantity of waste generated against the previous year at each quarterly Board meeting.



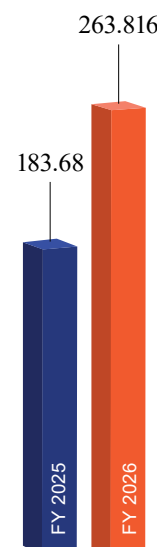
Hazardous waste (used oil, e-waste, soaked cotton) (Tonnes)



Non-hazardous waste (fly ash and MSW) (Tonnes)



Total waste generated (plastics, recyclables, e-waste, biomedical, batteries) (Tonnes)



At the centre of our waste management is the principle we practise as waste into wealth: the idea that a material should be used to its fullest before it is ever treated as waste. This philosophy is guided by the 6R approach, refuse, rethink, reduce, repair, reuse and recycle, and it shapes how we handle the largest of our byproducts. Fly ash, the residue of burning lignite and coal, is managed scientifically and channelled to cement and brick manufacturers, so that a byproduct of our generation becomes an input for the construction industry. Our research teams extend the value we draw from fly ash further still, into rare earth elements, geopolymers building materials and high-purity silica, work carried in detail in our Intellectual Capital.

Manufactured sand from overburden

A notable step in our circular-economy work is the conversion of mine overburden into manufactured sand. By processing the overburden from lignite mining into M-Sand, we offer a sustainable substitute for natural river sand, reducing the burden that sand mining places on riverine ecosystems while turning a mining byproduct into a material of value. This work reduces our reliance on natural resources and reinforces the framework of responsible resource management that our waste policy sets out.



Biodiversity conservation

We hold the conviction that economic growth and ecological preservation must proceed hand-in-hand. Safeguarding biodiversity is fundamental to our operations and to the environmental legacy we leave behind, and we approach it through the systematic reclamation of mined land, extensive afforestation, and the conservation of the habitats around our operations.

Land reclamation

Mining is a temporary use of land. At the project formulation stage of every mine, we prepare a comprehensive plan to rehabilitate the land our operations disturb, so that the ground returns to productive use as mining moves on. We backfill the mined-out areas and reclaim them through three complementary methods: physical reclamation by land levelling, dozing and the conservation of topsoil; chemical reclamation using soil amendments and inorganic fertilisers; and biological reclamation using bio-fertilisers, green manure and green leaf manure. The reclaimed land is put to use for agriculture, horticulture, pasture and the development of green belt. Through more than six decades of what we practise as clean and green mining, this reclamation has created a substantial green cover in and around our mining areas.

Cultivation on reclaimed land

We have taken our reclamation a step further, turning mined-out land back to agriculture through collaborative projects under the Ministry of Coal's Science and Technology programme. Under our Hi-Tech cultivation project, run with Annamalai University and Tamil Nadu Agricultural University, we grow vegetables on the inert soils of our mined-out lands at three Neyveli mines using drip irrigation and mulching. In our polyhouses, in collaboration with IISc Bengaluru, we raise high-quality vegetables through hydroponics, an automated, soil-free method that grows produce through a water circulation system. These projects show that land once mined can be returned to agricultural value.

Afforestation and green cover

We run afforestation programmes across our operations and raise saplings in our own polyhouses for planting. The three-tier green belts we develop around our bunker and mining areas trap dust, shelter wildlife and add to the green cover of the region.

During the FY 2025-26, NLCIL has reclaimed over 133 Ha of the mined out land and biologically reclaimed about 126 Ha with over 1.3 lakh tree plantation.

Avifaunal diversity, eco-tourism and habitat creation

A dedicated avifaunal study in Neyveli highlighted the region's richness in birdlife, documenting 107 species—77 terrestrial and 30 wetland varieties—across 59 families. While the majority (104 species) were classified as 'Least Concern' under the IUCN Red List (2016), three species were found to be 'Near Threatened', underscoring the importance of continued protective measures. This study provides a crucial baseline for future monitoring and conservation research, enabling NLCIL to adaptively manage habitats for avian species.

Mission LiFE

Mission LiFE, the Lifestyle for Environment initiative introduced by the Government of India at the 2021 United Nations climate summit, calls on individuals and communities to adopt sustainable lifestyles in harmony with nature. We have embraced its principles by weaving them into our operations and into our engagement with the communities around us, so that our environmental commitment reaches beyond our own boundaries into everyday behaviour.

NATURAL CAPITAL

Followings are the environments awareness programmes organised during the year.

1. Tree Plantation Events

As part of commitment towards Greener Community, during the events of Environmental Days such as World Forest Day, World Environment Day, World Soil Day etc., tree plantation events were conducted in all Units. The plantation events mark the importance of protection & conservation of our eco-system. Native tree species nurtured at horticulture division are generally utilised for the tree plantation events. Our greenbelt development projects serve as natural carbon sinks, contributing to cleaner air and enhancing employee well-being.



2. Walkathon

With a focus on promoting healthy lifestyles & awareness against Plastic Pollution, NLCIL organised an Walkathon in Neyveli. The event not only encouraged physical fitness but also brought the community together in a collective effort towards Environmental & Climate responsibility.



3. Distribution of Herbal Plants

NLCIL's distribution of medicinal/herbal saplings on World Environment Day demonstrates its commitment towards ecological conservation to directly support daily health. Encouraging families to cultivate native herbs—such as Tulsi, Neem, Karpooravalli, and Adathoda—promotes natural remedies for common ailments while preserving traditional wellness traditions. Furthermore, back-garden herbal planting enhances local green cover, improves air quality, and fosters a sustainable, self-reliant lifestyle.



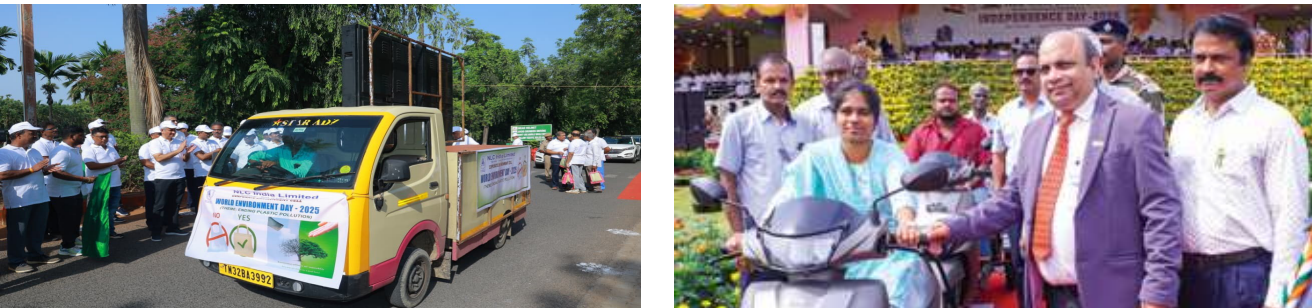
4. Waste to Wealth Expo

During the World Environment Day, NLCIL to encourage Reduce - Reuse - Recycle policy among its employees & general public, a Waste to Wealth Expo was conducted. The Expo displayed various items created from waste like old tyres, wires, wood, plastics etc. The event was well received by the general public and created awareness among school children.



5. e-Vehicle Awareness & Environmental skid for Public

During World Environmental Day, video awareness display was carried out by adopting a e-vehicle to reach out to a wider audience. NLCIL as a socially responsible CPSE, through its environmental skids encouraged Public for collective efforts for environmental protection & conservation. The effort marks NLCIL's environmental responsibility to reduce it carbon footprint through e-vehicle.



Performance at a glance (FY 2025-26)

Renewable capacity target by 2030	10.11 GW
Renewable share target by 2030	50%
Investment in renewable expansion	Over ₹50,000 crore
Scope 2 emissions	Reduced to about an eighth of the previous year
Environmental non-compliances in FY 2025-26	Nil

Linkage to Corporate Plan 2030: renewable capacity of more than 10 GW and a 50% renewable portfolio share by 2030, supporting India's net-zero 2070 goal.

Director's Report for the year 2025-26

Dear Members,

The Board of Directors is pleased to present the 70th Directors' Report outlining the performance, business activities and operations of your Company for the financial year ended March 31, 2026, along with the Audited Financial Statements, the report of the Statutory Auditors and the comments of the Comptroller and Auditor General (C&AG) of India.

This report not only covers the audited Financial Statements and statutory reports but also captures the Company's overall journey during the year—marked by resilience, progress and an unwavering focus on generating long-term value for all stakeholders.

Your Company continues to advance with strength and resolve, exploring new opportunities while steadfastly adhering to its core principles of integrity and sustainability. We remain dedicated to achieving sustainable growth that creates value for all stakeholders.



Major Highlights:

The Financial Year 2025-26 has been a period of noteworthy accomplishments for your Company, marked by consistent and all-round performance. The key highlights of achievements during the year are as follows:

PRODUCTION HIGHLIGHTS:

- All time Highest ever for any year since inception recorded in FY 2025-26:
 - Coal Production of 19.14 MT from Talabira II & III OCP.
 - Coal Dispatch of 17.69 MT from Talabira II & III OCP.
 - Renewable Power Generation of 2.26 BU (Billion Units).
- 5,960 MW installed thermal capacity across Neyveli and Barsingar, comprising 3,640 MW lignite-based and 2,320 MW coal-based JV capacity.
- With the COD of 660 MW Unit-3 of GTPP of NUPPL on 13th June 2026, NLCIL Group's thermal capacity has increased to 6,620 MW.
- Further with commissioning of 353 MW of Renewable Capacity including 300 MW in Rajasthan in January 2026 and 50 MW in Neyveli during April 2026 the Groups renewable portfolio reached 1,785 MW.
- Pachwara South Coal Mine (9 MTPA) commenced Coal Production on March 29, 2026.
- Obtained approval from the Ministry of Coal for the Mining Plan and Mine Closure Plan of Machhakata (Revised) OCP and New Patrapara South Coal Mine, marking a key milestone towards their operationalisation.
- Gross Power Generation of 28.94 BU achieved in FY 2025-26, including RE Generation of 2.26 BU.

FINANCIAL HIGHLIGHTS:

All time Highest ever recorded in FY 2025-26:

- All time Highest Ever Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) amounting to ₹7,475 crore as against ₹6,513 crore of previous year registering a growth of 14.78%.
- Profit Before Tax (PBT) of ₹3,875 crore as against ₹3,697 crore in the corresponding period of previous year, registering a growth of 4.82%.
- Profit After Tax (PAT) of ₹3,769 crore as against ₹2,714 crore in the corresponding period of the previous year, registering a growth of 38.91%.
- All time Highest ever Capital Expenditure of ₹9,131 crore achieved during the Financial Year 2025-26.
- Revenue from operations of ₹17,490 crore as against ₹15,283 crore in the corresponding period of the previous year, registering a growth of 14.44%.
- Total Income of ₹18,467 crore as against ₹16,889 crore in the corresponding period of the previous year, registering a growth of 9.34%.
- Market Capitalisation has touched its all-time high of more than ₹53,700 Crore on 14th May, 2026.
- The Net-worth stood at ₹21,525 crore compared to ₹18,723 crore of previous year registering a growth of 14.96%.
- 100% collection efficiency from power debtors.
- The Comptroller and Auditor General (C&AG) has issued NIL comments on the Company's Standalone and Consolidated Financial Statements during the supplementary audit for Financial Year 2025-26.



Operational Performance

Mining – Lignite

Your Company is presently operating three opencast Lignite Mines at Neyveli in the State of Tamil Nadu and one opencast Lignite Mine at Barsingsar in the State of Rajasthan. The total mining capacity of all the Lignite Mines is 30.10 Million Tonnes Per Annum (MTPA).

During FY 2025-26, the total overburden (OB) removal from the Lignite Mines stood at 1,543.39 Lakh Cubic Meter (LCM) as compared to 1,486.35 LCM in FY 2024-25. Lignite production during the year under review was 212.74 Lakh Tonnes (LT), as against 240.60 LT in the previous year.

Raw Lignite Sales (RLS) to TAQA (an Independent Power Producer) (IPP) – 250 MW Thermal Power Plant located in Neyveli, Tamil Nadu) under Long Term Fuel Supply Agreement and direct sales in the open market during the FY 2025-26 were 15.86 LT and 5.12 LT, respectively, compared to 17.02 LT and 6.37 LT in FY 2024-25.

Mining – Coal

Your Company also operates Talabira II & III OCP Coal Mine in Odisha, with a mining capacity of 20.00 MTPA, and Pachwara South OCP Coal Mine in Jharkhand, with a mining capacity of 9.00 MTPA. Mining operations at Talabira II & III OCP commenced in December 2019, with coal production commencing in April 2020. Pachwara South Coal Mine commenced mining operations in December 2025 and coal production in March 2026.

During FY 2025-26, the total overburden (OB) removal from the Coal Mines stood at 145.26 Lakh Cubic Meter (LCM), as compared to 203.00 LCM in FY 2024-25. Coal production during the year was 191.42 Lakh Tonnes (LT), compared to 172.02 LT in the previous year, reflecting a growth of 11.28%.

The Ministry of Coal (MoC), Government of India, vide notification dated 22nd May, 2026, permitted the sale of surplus coal from Talabira II & III OCP up to 85% of coal production for the year 2025-26, subject to certain conditions.

Coal dispatch from the Talabira II & III Coal Mine during FY 2025-26 stood at 176.87 LT as compared to 167.05 LT in the previous year, marking a growth of 5.88%.

The total combined mining capacity of lignite and coal for your Company stands at 50.10 MTPA.

Power

As on 31st March, 2026, the total installed Power generation capacity of your Company, stood at 3,942 MW. The total capacity of the NLCIL Group, including subsidiary companies NTPL, NUPPL and NIRL was 7,694 MW.

During FY 2025-26, the total NLCIL Thermal Power Generation (Gross) was 16.94 Billion Units (BU), as compared to 19.33 BU in FY 2024-25. Thermal Power Export during the year stood 14.26 BU, as against 16.56 BU in the previous year.

NLCIL Thermal Power Surrender during the FY 2025-26 was 2087.57 MU, as against 927.02 MU in the previous year. NLCIL Thermal Power Surrender including JVs during the FY 2025-26 was 6487.58 MU, as against 3279.56 MU in the previous year.

Total Renewable Power Generation (NLCIL & NIRL) during the FY2025-26 was 2.26 BU as against 2.09 BU in the Previous Year.

The total power generation of the NLCIL group including the Subsidiary Companies (viz., NTPL, NUPPL & NIRL) was 28.94 BU in FY 2025-26 compared to 27.87 BU in the previous year.

The total power generation of the NLCIL group including the Subsidiary Companies (viz., NTPL, NUPPL & NIRL) was 28.94 BU in FY 2025-26 compared to 27.87 BU in the previous year. NLCIL Thermal Power Surrender including JVs during the FY 2025-26 was 6,487 MU, as against 3,272 MU in the previous year.

The total power generation including power surrender of the NLCIL group including the Subsidiary Companies (viz., NTPL & NUPPL) was 35.43 BU in FY 2025-26 compared to 31.14 BU in the previous year.



Productivity

The output per man-shift achieved during the year 2025-26 along with comparable details of 2024-25 are given below:

Product	Unit	2025-26	2024-25
Lignite	Tonne	17.09	17.60
Power	KwHr	35,012	36,929

Financial Performance

During the year 2025-26, your Company on a Standalone basis had registered a revenue from operations of ₹10,863.92 crore as against ₹10,285.78 crore during the year 2024-25. The Profit Before Tax (PBT) and Profit After Tax (PAT) for the year 2025-26 were ₹3,038.81 crore and ₹2,525.07 crore respectively, as against ₹2,857.83 crore and ₹1,899.99 crore respectively during the previous year 2024-25.

On a consolidated basis, the total revenue from operations for the year 2025-26 was ₹17,489.53 crore as against ₹15,282.96 crore in 2024-25. The consolidated PBT and PAT for the year 2025-26 were ₹3,875.12 crore and ₹3,769.18 crore respectively as against ₹3,696.93 crore and ₹2,713.37 crore respectively in the year 2024-25.



The details of profit earned for the financial year 2025-26 and appropriation of the same are as follows:

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	10,863.92	10,285.78	17,489.53	15,282.96
Profit Before Tax	3,038.81	2,857.83	3,875.12	3,696.93
Tax Provision	513.74	957.84	105.94	983.56
Profit/(Loss) for the Period (PAT)	2,525.07	1,899.99	3,769.46	2,713.61
Appropriation				
Transfer (to)/from Interest Differential Fund Reserve	1.29	(0.94)	1.29	(0.94)
Transfer (to)/from PRMA Reserve Fund	0	0	0	0
Transfer to Contingency Reserve	(10.00)	(10.00)	(10.00)	(10.00)
Dividend (Interim/Final)	(707.19)	(416.00)	(707.19)	(416.00)

Shareholding of Government of India (GoI)

The Shareholding of the President of India as on 31.03.2026 in the Company was 72.20%. On 8th June 2026, the promoter of the Company, The President of India, acting through Ministry of Coal, Government of India had offered for sale of upto 4,15,99,498 equity shares which is 3.00% of the total paid up equity shares of NLC India Limited, through OFS - Stock Exchange mechanism. Further, 25,000 shares representing 0.0018% of the paid-up equity share capital of the Company were also offered to the employees of the Company under OFS. The number of shares and percentage of shares held by the Promoter before and after the disinvestment done through Offer for Sale were 100,11,56,562 equity shares (72.20% of the paid up equity share capital) of the Company and 96,33,63,407 equity shares (69.47% of the paid up equity share capital) of the Company.

Dividend

For the year 2025-26, the Board of Directors of your Company declared an Interim Dividend of 36% of paid-up share capital (₹3.60 Per equity share). Further, your Board has also recommended a final dividend of 2.5% of paid-up share capital (₹0.25 per equity share) subject to the approval of the shareholders at the ensuing Annual General Meeting. Accordingly, the total dividend for the FY 2025-26, on accrual basis, amounts to ₹533.86 crore, which is 38.5% of paid-up share capital.

The total dividend paid during FY 2025-26, including the final dividend for FY 2024-25 and interim dividend for FY 2025-26, amounts to ₹707.19 crore.

Transfer to Reserve

There is no amount proposed to be transferred to any specific reserves during the FY 2025-26.



Projects Under Implementation:

The details of projects under implementation are as under:

150 MW Hybrid (100 MW Solar + 50 MW Wind) RE Power Project (SECI)

Your Company participated in the Wind & Solar Hybrid Request for Selection (RfS) floated by Solar Energy Corporation of India (SECI) and emerged as a successful bidder for a capacity of 150 MW (comprising 50 MW Wind and 100 MW Solar) at a quoted tariff of ₹2.34 per Unit. The Letter of Award (LOA) has been received from SECI, and the Power Purchase Agreement (PPA) has been signed.

a) 50 MW Wind Power Project:

The LoA for the 50 MW Wind Power Project was issued and the Land Lease Agreement has been Executed. The Central Transmission Utility of India Limited (CTUIL) has granted in-principle connectivity, with the scheduled commencement dated being July 31, 2026. Out of total 25 Wind Turbine Generators (WTGs), erection of 13 WTG have been completed and balance 12 WTGs are in the process of erection.

b) 100 MW Solar Power Project:

LoA for the 100 MW Solar Power Project was issued, and final connectivity at the 220 kV level at Bhuj PS was granted by CTUIL on 06.06.2025, with the start date of connectivity being November 19, 2026. Against the total land requirement of approx 500 acres, around 200 acres of land have been transferred by the Contractor. Site execution is expected to commence upon completion of the required land acquisition. As a material development, SECI has initiated action under the SECI Hybrid Tranche-IV Scheme, and NLCIL has paid prescribed amount to SECI in lieu of encashment of the Bank Guarantee.

510 MW solar power project under CPSU scheme

Your Company has emerged as a successful bidder under the CPSU scheme tender issued by the Indian Renewable Energy Development Agency (IREDA) for setting up 510 MW solar power project. The Project is being executed in three phases: out of 510 MW, 300 MW in Rajasthan and 10 MW in Neyveli under the Smart City initiative have already been commissioned.

a) 200 MW Solar Power Project – Gujarat

The LoA for the 200 MW Solar Power Project was issued and Power Usage Agreement was signed with Telangana State DISCOMS on August 27, 2024. Connectivity has been granted at Bhuj Sub Station, with a Bay allotted. A Consultancy agreement has been entered between your Company and Power Grid Corporation of India Limited for the extension of one 220 kV bay at power grids Bhuj-1 Substation. Further, for 289 Ac of land lease agreement and for the balance required land identification and lease agreement is under progress. CTUIL vide its communication dated July 07, 2026 has revoked the connectivity. NLCIL is in discussion with MNRE and IREDA/CTUIL for restoration of connectivity. Site activities will be undertaken after completion of land acquisition and restoration of connectivity.

Projects Under Implementation under NIRL:

GSECL - Solar park, Gujarat (600 MW)

Gujarat Urja Vikas Nigam Limited (GUVNL) has floated tender for installation of 600 MW Solar power project with Greenshoe option at Gujarat State Electricity Corporation Ltd (GSECL) Solar Park, Khavda, Gujarat. Pursuant to the bidding process your Company was awarded 300 MW Solar Power Project. Subsequently, the Company exercised the Greenshoe option for an additional 300 MW capacity, for which the Letter of Award (LoA) was received from GUVNL. Order has been placed for supply of Modules and BoS (Balance of System). Construction activities at Site are progressing and the plant is expected to be commissioned in the FY 2026-27.

810 MW Solar in Rajasthan Area

Your Company was awarded 810 MW of Grid Connected Solar Power project under competitive bidding in the tender floated by Rajasthan Rajya Vidyut Utpadan Nigam Limited (RVUNL) for development at Pugal Solar Park, Bikaner, Rajasthan. Letter of Intent (LOI) was received from RVUNL. Owner's Engineering Consultant was appointed and BoS tender has been floated.

The Power Purchase Agreement (PPA) between NLC India Renewables Limited (NIRL), (a Wholly Owned Subsidiary Company of NLCIL) & RRVUNL was signed. This project has been Implemented and Support Agreement signed on September 26, 2025 between RVUNL & NLC India Renewables Limited (NIRL), (a Wholly Owned Subsidiary Company of NLCIL). Further, the Topography, drone survey & cube strength testing has been completed. Order has been placed for BoS (Balance of System)



and Tender Evaluation is progressing for supply of Modules. Construction activities at Site have started and the plant is expected to be commissioned in the FY 2027-28.

NLC Talabira Thermal Power Project (3 X 800 MW)

NLC Talabira Thermal Power Project (NTTTP), is a coal based thermal power project with an aggregate capacity 2400 MW, comprising three units of 800 MW capacity each. The project is proposed to be set up at Jharsuguda & Sambalpur District in the State of Odisha and will be linked to the allocated captive mine, Talabira Mines. The total estimated project cost is ₹27,212.96 crore.

The proposed plant will deploy state of the art Ultra Super-critical technology, in compliance with latest emission norms. All statutory approvals require for setting up the project including the Environmental Clearance have already been obtained. Power Purchase Agreement for the entire 2400MW have been signed already with TANGEDCO (for 1500MW), Puducherry DISCOM (for 100MW), KSEB Kerala (for 400MW) and GRIDCO Odisha (for 400MW).

The Engineering, Procurement, and Construction contract for the Talabira Thermal Power Project was awarded to M/s Bharat Heavy Electricals Ltd (BHEL) on January 12, 2024, with the formal Notice to Proceed issued on November 27, 2024. The first unit is scheduled to be commissioned within 63 months from the notice date, with subsequent units following at six-month intervals. On the land management front, land possession remains a critical area for NLCIL and secured possession of 815 acres for the main plant area revised by reengineering and remains as on March 31, 2026 with physical and financial progress of 1.9% and 12.68% respectively.

Battery Energy Storage System (BESS) with TNGECL

An LoA has been received from Tamil Nadu Green Energy Corporation Ltd (TNGECL) on June 20, 2025 following this, on June 22, 2025, NLC India Renewables Ltd (NIRL), a wholly owned Subsidiary of the Company won the Battery Energy Storage System (BESS) 250MW/500 MWhr project through a tariff-based competitive bidding process under the Viability Gap Funding (VGF) scheme and BESPA was signed on June 30, 2025. Land Lease Agreement has been signed between NIRL & TANTRANSCO on August 30, 2025. The project is proposed to be financed by KfW Germany. LOA was issued to M/s Pace Digitek Ltd on May 15, 2026 for supply of battery and other EPC activities. LOA issued for supply of transformer and PMC consultancy for the Project. The project is proposed to be financed by KfW Germany.

Overburden (OB) to M-Sand

NLCIL is implementing an M-Sand project in Neyveli for conversion of Overburden (OB) material into M-Sand, based on studies undertaken by CARD in association with IIT Madras. The 0.42 MTPA M-Sand Plant at Mine-IA was commissioned in April 2024 and is under commercialisation. An MoU was entered into with TAMIN on July 14, 2025 for M-Sand sales. The 1 MTPA M-Sand Plant at Mine-I was inaugurated by the Hon'ble Union

Minister of Coal and Mines on February 23, 2026, and TNPCB granted Consent to Operate (CTO) on April 22, 2026. These initiatives facilitate productive utilisation of OB material and promote sustainable resource management.

Lignite to Methanol

In view of the Government of India's Scheme for Promotion of Surface Coal/Lignite Gasification Projects, the NLCIL's Lignite-to-Methanol Project is being reviewed for implementation.

Thermal Power Station II 2nd Expansion

Thermal Power Station II 2nd Expansion (TPS II SE) is a lignite based Thermal Power Plant with a capacity of 1000 MW (with two units of 500 MW capacity each), proposed to be set up at Mudanai village (near Neyveli), Cuddalore District, Tamil Nadu and linked to Neyveli Lignite Mines. Land for the project is already in possession of NLCIL.

The Sub Critical exemption from Ministry of Power has been received for the 2X500MW project on 04th November, 2024. The Feasibility Report for 2x500 MW unit configuration was prepared with a base Project Cost of ₹11,652.65 crore. Activities for EC amendment were under progress. Further, the revised allocation of Power has been received from Ministry of Power on 04th July, 2025. The PPA Amendment based on the revised power allocation is under discussion with different beneficiaries. EC - Tender for Consultancy services for obtaining amendment to Environmental Clearance from MOEF & CC for TPS-II 2nd Expansion floated through GeM on 14.08.2026 with scheduled opening date on 15.09.2026. Technology Tie up by the bidders for 500MW subcritical lignite fired boilers due to the backdrop of global fossil fuel exit remains as a challenge and bid submission date was extended for three times as per the request of bidders and the last date of submission is 15.09.2026.



Mine-III (11.5 MTPA)

The Mine- III Project, with an approved capacity of 11.50 MTPA and encompassing a project area of 3893Ha, is proposed to be commissioned to fuel the requirement of TPS II 2nd Expansion at an estimated cost of ₹3,755.71 crore. The identified block contains a mineable reserve of 415 MT.

The process of obtaining all statutory and regulatory approvals for the commencement of mining operations is currently in progress. The MoC has accorded in-principal approval for the Mining Plan and Mine Closure Plan (Modification) of Mine-III on 23rd July, 2024. Administrative approval from Government of Tamil Nadu for Land Acquisition is in process.

The project is under review in view of the prevailing power surrender scenario.

Commercial Mining

North Dhadu (Western Part) Coal mine (3.0 MTPA)

The Mining Plan for North Dhadu (Western Part) Coal Mine in Latehar District, Jharkhand, was approved by the Ministry of Coal on 20th November, 2025. Your Company has issued the Letter of Award (LoA) for appointment of the Mine Developer and Operator (MDO) to M/s GRN Construction Pvt. Ltd. on 3rd November, 2025, followed by execution of the Coal Mining Agreement on 30th December, 2025. The Terms of Reference (ToR) were issued by the Ministry of Environment, Forest and Climate Change (MoEF&CC) on 7th February, 2026. The process for obtaining Environmental Clearance (EC) and Forest Clearance (FC) is underway, along with efforts for development of the railway siding.

Machhakata Coal Mine (30.0 MTPA)

Your Company emerged as the successful bidder for the Machhakata (Revised) Coal Mine in Angul district of Odisha on 04 July 2024. The mine has a normative production capacity of 30.0 MTPA and the Company signed the Coal Mine Development and Production Agreement (CMDPA) with the Ministry of Coal on 15 July 2024. The Vesting Order was issued on 05 September 2024 and the Geological Report was accorded by the Ministry of Coal on 26 March 2025. During FY 2025-26, approval for the Mine Plan and Mine Closure Plan was obtained on 17 March 2026. The Government of Odisha issued NoC for an additional 374.13 ha beyond the block boundary in February 2026. Land acquisition progressed with issuance of statutory notifications and receipt of NoC under Section 8(2) of the CBA (A&D) Act, 1957. Progress was also made towards Environmental and Forest Clearances, railway siding, socio-economic survey and appointment of MDO, with the MDO tender floated during January 2026. Preparatory activities for R&R, integrated township, coal transportation infrastructure and power-line diversions are also under progress.

New Patrapara South Coal Block (12.0 MTPA)

Your Company emerged as the successful bidder for the New Patrapara (South) Coal Mine, located in Angul district of Odisha, with a normative production capacity of 12.0 MTPA. The Coal Mine Development and Production Agreement (CMDPA) was

signed with the Ministry of Coal on 05 December 2024. During FY 2025-26, the Geological Report was approved by the Ministry of Coal in August 2025 and the Mine Plan and Mine Closure Plan were approved in January 2026, ahead of the CMDPA timeline. Land acquisition progressed with issuance of the statutory notification under the CBA (A&D) Act, 1957, along with completion of DGPS survey and preparation of the land schedule. Activities towards Environmental Clearance progressed with completion of the EIA baseline study and submission of the ToR application, while the Stage-I Forest Clearance application was submitted in March 2026. Further activities relating to land acquisition, appointment of MDO, Environmental, Forest & Wildlife Clearances and development of railway siding are under progress.

Critical Mineral Mines

Your Company was declared the preferred bidder for the Semhardih Phosphorite & Limestone Block and Raipura Phosphorite & Limestone Block in Balod district, Chhattisgarh, under Tranche-V auction of Critical and Strategic Mineral Blocks conducted by the Ministry of Mines in May 2025. The Performance Security was submitted in June 2025 and Letters of Intent (LoIs) for grant of Composite Licence were issued by the Government of Chhattisgarh in September 2025. Subsequently, Composite Licences were granted for both blocks and the Composite Licence deeds with the District Collector were executed during June 2026. During FY 2025-26, the Company obtained Forest Department NoC for drilling and sampling, and initiated pre-exploration activities. The Scheme of Prospecting for the Composite Licence was submitted to IBM, with land schedules, maps, plans and baseline environmental data progressed towards statutory submissions. The Company is also exploring opportunities for acquisition of Critical and Strategic Mineral assets overseas.

Your Company was declared as preferred bidder for Govindpur and Parvathapur Vanadium, Titanium & Aluminous Laterite block of in Sanga Reddy District, of Telangana subsequent to the Critical & Strategic mineral blocks E-auction held on 11th & 12th June, 2026 by Ministry of Mines, GoI.



Projects under formulation

The details of projects under formulation are as follows:

Green Energy

In alignment with the Government of India’s target of developing 500 GW of Non fossil fuel based capacity by 2030, your Company is actively pursuing opportunities in the Renewable Energy Sector as a key pillar of its future growth strategy. Business plans have been formulated to leverage these opportunities effectively, while ensuring that the existing thermal power fleet continues to operate with high efficiency, cost-effectiveness and reliability, thereby contributing to meeting the country 's growing energy demand.

All the operational and under construction Renewable Projects have been being transferred to NLC India Renewables Limited (NIRL) a 100% subsidiary of NLCIL. All new renewable projects are being developed under the umbrella of NIRL either directly or through Joint Venture (JV) mode with other entities. Your Company will explore possible opportunities for monetising renewable assets to support the future growth plans in the Renewable portfolio through IPO.

Business Development and Strategic Initiatives

During the year, your Company made significant progress in enhancing both its renewable and conventional energy portfolios through, driven by new project awards, execution of Joint Venture Agreements and Formation of Strategic Partnerships, as detailed below:

1. Letters of Award (LoA):

- 450 MW Hybrid Power Project with NTPC (Solar - 300 MW + Wind - 150 MW)

NLCIL received a Letter of Award (LoA) from NTPC Limited on 27.06.2025 for setting up of 450 MW ISTS (Inter State Transmission System) Connected Wind- Solar Hybrid Power Project. The project will be developed after signing of long term Power Purchase Agreement (PPA) for the project.

- 200 MW Wind Power Project with SJVNL

NLCIL received LoA from SJVN Ltd. On 28.02.2025 for development of 200 MW Wind Power Project. PPA has been signed with Bihar State Electricity Utility. NIRL in turn floated tender and engaged EPC Contractor for development of the said project on PAN India basis.

Further, during FY2025-26 and as on date NLCIL and its groupcompanies emerged as the successful bidder in the following competitive tenders: 110 MW Solar (NCRTC, UP), 600 MW Solar with 300 MW/1800



MWhr BESS (SECI), 900MW Solar Capacity with GUVNL (Gujarat), 600 MW Solar (NHPC, UP), and 250 MW/500 MWhr BESS (PSEB, Punjab). 200 MW wind floated by SJVNL, 200 MW Wind floated by GUVNL, 200 MW wind floated by SECI, 275 MWh BESS floated GUVNL, 50MWh BESS floated by West Bengal. Additionally, planning was progressed for 1000 MW SPP in Assam (through NARL JV), 2000 MW Solar (through NRRL JV), 99 MW Wind and 750 MW Pumped Storage Project in Odisha.

2. Joint Venture (JV):

With National Aluminium Company Limited (NALCO):

JV Agreement was signed on 08th July, 2026 for development of 4 X 270 MW (1080 MW) Coal Based Thermal Captive Power Plant at Angul, Odisha to Meet the Captive Power requirement of NALCO’s 0.5 MTPA Aluminium Smelter Expansion Project.

Through NLC India Renewables Limited:

- Incorporated a Joint Venture Company (JVC) with Assam Power Distribution Company Limited (APDCL) in the name of NIRL Assam Renewables Limited (NARL) on 7th May, 2025 with equity participation in the ratio of 51:49, to undertake Green Energy Projects in order to meet renewable energy obligations in the state of Assam.
- Incorporated a Joint Venture Company (JVC) with Rajasthan Rajya Vidyut Utpadan Nigam Limited (RVUNL) in the name of NIRL Rajasthan Renewables Ltd (NRRL) on June 2, 2025, with equity participation in the ratio of 74:26 to undertake 2 GW Renewable Energy Projects in the State of Rajasthan with Equity participation in the ratio of 74:26.

3. Incorporated a Joint Venture Company (JVC) with National Capital Region Transport Corporation (NCRTC) in the name of NIRL NCRTC Renewables Limited (NNRL) on 27th May, 2026, with equity participation in the ratio of 74:26 for development of 110 MW Solar Power Project at Uttar Pradesh.
4. JV Agreement signed on 29th May, 2025 with Mahatma Phule Renewable Energy and Infrastructure Technology Limited (MAHAPREIT) for establishing and undertaking O&M of Green Energy Projects.
5. JV Agreement Signed on 12th December, 2025 with PTC India Ltd for development of (500 MW Phase I) Renewable energy projects on PAN India basis.
6. JV Agreement Signed on 23rd June, 2026 with OREDA Ltd for establishment, of 1000 MW Green Energy Projects across the state of Odisha. Accordingly a Joint Venture Company has been incorporated in the name of NIRL OREDA Renewables Limited.(NORL)

3. Memorandum of Understanding:

1. MoU signed on 22nd June, 2026 with Indian Oil Corporation Limited (IOCL) for formation of a Joint Venture (JV) for the development of large scale Renewable Energy (RE) projects including Solar, Wind, Hybrid Power with or without Energy Storage such as Battery Storage and Pumped Storage Projects in the State of Tamil Nadu.
2. MoU signed on 10th June, 2026 with CSIR-CECRI, Karaikudi for Collaboration in Critical and Strategic Mineral beneficiation and Extraction Technologies.
3. MoU signed on 26th May, 2026 with IIT (ISM) TEXMiN, Dhanbad for critical and Strategic Mineral Exploration and Research.
4. MoU signed on 25th May, 2026 with NPCIL for development of Nuclear Power Projects through a JV Company.
5. MoU signed on 14th February, 2026 with NALCO for thermal and renewable energy collaboration.
6. MoU signed on 13th January, 2026 with Government of Gujarat for development of large-scale Renewable Energy Projects.
7. MoU signed on 6th August, 2025 with Bhabha Atomic Research, Mumbai for "Setting-up a Pilot Scale Demonstration facility for Recovery of Rare Earths from Lignite Coal Fly Ash.
8. MoU signed on 06th May, 2025 with M/s. IREL (India) Limited to cooperate and collaborate for development (Mining/Excavation/Refining etc.) of mutually agreed assets of critical mineral in general including REE by acquiring assets/sourcing raw materials domestically or internationally.
9. MoU signed on 14th May, 2025 with Indian Institute of Technology (IIT), Madras to develop efficient and economically viable Carbon Capture System technologies to reduce CO₂ Emissions from Lignite based Thermal Power Plants and to carry out proof of concept and lab scale study under Phase-I.
10. MoU signed on 10th September, 2025 with M/s. Khanij Bidesh India Limited (KABIL) to collaborate in the identification, acquisition, and Development of critical & strategic mineral projects on a global scale.



Corporate Plan 2030

Mining Projects

Your Company is presently operating three opencast lignite Mines at Neyveli in the State of Tamil Nadu and one opencast lignite Mine at Barsingsar in the State of Rajasthan, with a combined lignite mining capacity of 30.10 MTPA.

"In the lignite mining segment, Your Company proposes to commission Mine-III (11.5 MTPA) at Neyveli, Tamil Nadu linked to the TPS-II Second Expansion and Bithnok Lignite Mine (2.25 MTPA) in Bikaner district of Rajasthan. Upon commissioning, the aggregate lignite mining capacity is projected to reach 41.35 MTPA by FY 2029-30.

In the coal mining segment, Your Company operates Talabira II & III OCP in Odisha with a capacity of 20.0 MTPA. Further strengthening its coal mining portfolio, Pachwara South Coal Mine in Jharkhand commenced mining operations in December 2025, with a capacity of 9.0 MTPA.

Further, Your Company has secured three major commercial coal blocks, namely North Dhadu (Western Part) Coal Mine (3.0 MTPA) in Latehar District of Jharkhand, and Machhakata (Revised) Coal Mine (30.0 MTPA) and New Patrapara South Coal Mine (12.0 MTPA) in Angul District of Odisha.

The energy transition is also driving demand for minerals required for fertilisers, batteries, renewable energy technologies and other advanced industries. In line with this emerging requirement, Your Company has initiated diversification of its mining portfolio into critical and strategic minerals. In 2025, Your Company emerged as the preferred bidder for the Semhardih Phosphorite & Limestone Block and Raipura Phosphorite & Limestone Block in Balod District, Chhattisgarh, under the Ministry of Mines' auction of critical and strategic minerals. Letters of Intent for the two blocks were subsequently issued by the Government of Chhattisgarh, and exploration activities have been initiated.

During the month of June 2026 NLCIL Secured Two critical mineral blocks viz., Parvathapur Block and Govindpur Block in Sangareddy district of Telangana having deposits of Vanadium, Titanium, and Aluminous Laterite.

Your Company has envisaged developing a critical mineral mining capacity of 1.0 MTPA by FY 2029-30, while continuing to explore opportunities for additional critical and strategic mineral assets in India and overseas.

Consequently, with the planned lignite, coal and critical mineral projects, Your Company's total mining capacity is projected to exceed 100 MTPA by FY 2029-30.

Thermal Power Projects

Your Company is presently operating five lignite based thermal power stations - four at Neyveli, Tamil Nadu and one at Barsingsar, Rajasthan, with an aggregate capacity of 3,640 MW. In addition, through Joint Ventures, your Company operates:

- **NLC Tamil Nadu Power Limited (NTPL)** - a coal based thermal power plant of 1,000 MW (2 X 500 MW) capacity at Tuticorin, Tamil Nadu and
 - **Neyveli Uttar Pradesh Power Limited (NUPPL)** - a coal based thermal power plant 1980 MW (3x660MW) Capacity in Kanpur District of Uttar Pradesh.
- Upon implementation of the following coal and lignite-based thermal projects, the total thermal generation capacity is projected to reach 10,020 MW by 2030.
- **NLC Talabira Thermal Power Project (Phase I & II)** - capacity 3200 MW (4 X 800 MW) and
 - **TPS II 2nd Expansion** - lignite based Thermal Power Project of capacity 1,000 MW (2X500 MW).

Renewable Power Projects:

In the renewable energy segment, your Company through its WOS i.e. NIRL, plans to enhance its installed capacity from the current 1,785 MW to 10,110 MW by 2030, through the implementation of various solar, wind, BESS, PSP power projects. Presently more than 2 GW of RE Projects are under implementation in various States.

The Total Installed Power Capacity of Thermal and Renewable of NLCIL Group is estimated to reach 20,130 MW by 2030.

Diversification Projects:

Your Company has adopted the diversification strategy and has ventured and implemented 02 No's of OB to M-Sand, five EV Charging stations, 8 MWhr Battery storage & 4 MW Green Hydrogen electrolyser were under implementation. Further, MoU has been signed with WAPCOS, for the purpose of carrying out collaborative technical services and advisories for development of various schemes of Pumped storage, Reservoirs/Storage, Run of River Hydro-Power Projects in India.

Initially, the collaboration is to develop 700 MW Indigenous Pressurised Heavy Water Reactor (PHWR) based Nuclear Power Project and Feasibility report of some of these projects are also under preparation.

Further, MoU has been signed on 6th August, 2025 with BARC for setting up a pilot project at Neyveli for extraction of rare earth elements from fly ash and with IIT Madras to undertake advanced research on Carbon Capture Systems (CCS).

The total capital expenditure for mining, power generation, and diversification projects as mentioned above is likely to exceed ₹1.00 Lakh crore.



Ash Management at NLCIL

Your Company continues to pursue environmentally responsible and sustainable management of fly ash and bottom ash generated from its Thermal Power Stations, with emphasis on maximising beneficial utilisation and ensuring environmentally sound disposal in compliance with the applicable MoEF&CC Fly Ash Notifications and guidelines issued by the Ministry of Power (MoP).

The Company continues to achieve 100% utilisation of fly ash generated from its Thermal Power Stations through environmentally sound and approved avenues, including its use in cement, bricks, blocks and other value-added products. Bottom ash is managed through scientifically controlled disposal and beneficial utilisation, including its deployment in infrastructure and road projects, in accordance with applicable MoEF&CC notifications and guidelines. Appropriate measures are undertaken for the safe handling, transportation, containment and monitoring of ash to minimise potential environmental impacts.

As part of its continued efforts towards resource recovery and advancing circular economy principles, the Company is progressively promoting value addition and reducing dependence on ash disposal facilities. In a significant step towards this objective, the Company entered into a Memorandum of Understanding (MoU) with BARC on 06 August, 2025 for the extraction of Rare Earth Elements (REEs) from fly ash. A pilot plant is proposed to be established at Neyveli and is targeted to be operational by the end of 2027. This initiative is expected to support sustainable resource utilisation and contribute to the nation's critical mineral objectives.

Through these initiatives, the Company remains committed to responsible ash management, regulatory compliance, environmental protection and resource efficiency. The Company will continue to explore and implement innovative pathways for the beneficial utilisation, resource recovery and value creation from fly ash and bottom ash, in furtherance of its sustainability and circular economy objectives.



Subsidiaries/Joint Ventures:



NLC Tamil Nadu Power Limited (NTPL) – A Joint Venture between NLCIL and TNPGL Tuticorin Power Plant (1000 MW) in Tamil Nadu

NLC Tamil Nadu Power Limited (NTPL), a Subsidiary of your Company, operates a 1,000 MW coal-based thermal power plant at Tuticorin, Tamil Nadu.

Performance Highlights:

Particulars	FY 2025-26	FY 2024-25
Gross Power Generation (MU) (Excl. Power surrender)	5,278.13	5,236.45
Revenue from Operations (₹ crore)	3,426.64	4,430.38
Profit Before Tax (₹ crore)	697.78	1,086.43
Profit After Tax (₹ crore)	1,191.71	1,060.69

Further, the Board of Directors of NTPL declared an Interim Dividend of ₹1.2/-per equity share (12%) for FY 2025-26, which was paid in two Instalments (Eight Percent on 11.08.2025 and Four percent on 04.02.2026). During the supplementary Audit conducted by the C&AG for the Financial Year 2025-26, C&AG has issued NIL comments on its Financials.



Neyveli Uttar Pradesh Power Limited (NUPPL) – A Joint Venture between NLCIL & UPRVUNL Ghatampur Thermal Power Project (GTPP) (1,980 MW) linked to Pachwara South Coal Block (9.0 MTPA) in Jharkhand

Neyveli Uttar Pradesh Power Limited (NUPPL), a subsidiary company, is operating the 3 × 660 MW Ghatampur Coal-based Thermal Power Project (GTPP) at Ghatampur Tehsil, Kanpur Nagar District, Uttar Pradesh, at a Revised Cost Estimate (RCE-II) of ₹ 21,780.94 crore.

The Board, in its meeting held on 02.02.2026, accorded approval for Revised Cost Estimate-III (RCE-III) of the 3×660 MW Ghatampur Thermal Power Plant at ₹23,266.88 crore.

Subsequently, NUPPL, vide its letter dated 14.03.2026, submitted the RCE-III for the 3×660 MW Ghatampur Thermal Power Project to the Ministry of Coal (MoC) for approval. The proposal is presently under consideration/approval by the Government of India.

NUPPL has executed Power Purchase Agreements (PPAs) with Uttar Pradesh Power Corporation Limited (UPPCL) for the Generated power from the Plant.

Performance Highlights:

Particulars	FY 2025-26	FY 2024-25
Gross Power Generation (MU) (Excl. Power surrender)	4,468.14	1,208.73
Revenue from Operations (₹ crore)	3,350.37	700.50
Profit Before Tax (₹ crore)	302.90	(49.90)
Profit After Tax (₹ crore)	238.15	(49.90)



Coal Linkage & Fuel Supply

The coal requirement for GTPP is linked to the Pachwara South OCP. Mine development activities commenced in December 2025 and coal production commenced in March 2026.

The captive coal production is being ramped up progressively, with the rated capacity of 9 MTPA envisaged to be achieved in the fifth year of operation as per the approved mining plan.

Until the required level of captive coal production is achieved, GTPP Project continues to meet its coal requirement through bridge linkage coal from Coal India Limited (CIL) mines as per the recommendations of the Standing Linkage Committee (Long Term) [SLC(LT)].

Accordingly, SLC(LT), vide its recommendation dated 30.03.2026, approved 6.58 Million Tonnes of bridge linkage coal from CIL mines for FY 2026-27 on a tapering basis. Based on the recommendation, CIL has allocated coal from:

- Eastern Coalfields Limited (ECL) – 2.990 MT
- Northern Coalfields Limited (NCL) – 1.113 MT
- Central Coalfields Limited (CCL) – 1.074 MT

Furthermore, in order to meet out the operational coal requirements of GTPP, NUPPL has also signed an MoU for 2 MT with NLCIL's Talabira-II & III OCP Mines for FY 2026-27 and coal dispatch has started from 24.07.2026.

Project Progress & Expenditure

- The Project (GTPP & South Pachwara) achieved a Capital Expenditure (CAPEX) of ₹2,424.64 crore during FY 2025-26 against the annual target of ₹1,500 crore, achieving 161.64% of the target.

Coal Lignite Urja Vikas Private Limited (CLUVPL) – A Joint Venture Company between NLCIL & CIL

Your Company had entered into a Joint Venture Agreement with Coal India Limited (CIL) to implement conventional and non-conventional power projects by forming a JV Company with an equity participation of 50:50 each. The JV Company “Coal Lignite Urja Vikas Private Ltd” was incorporated on 10th November, 2020.

The Joint Venture Company has been entrusted with the development of renewable energy projects and, in this regard, has received a Project Management Consultancy (PMC) order from South Eastern Coalfields Limited (SECL) on 12th July, 2021 for establishing a 40 MW Solar Power Project at Bishrampur and Bhatgaon, Chhattisgarh. The Project has been implemented successfully. The Company is exploring development of other renewable projects on PAN India basis.

MNH Shakti Limited – A Joint Venture Company

Mahanadi Coalfields Limited, your Company and Hindalco jointly formed MNH Shakti Limited with an equity participation of 70:15:15 to implement 20.0 MTPA Coal Mining Project in Talabira, in the State of Odisha. The Talabira II & III Coal Blocks allocated for this purpose have been cancelled pursuant to the judgement of Hon’ble Supreme Court of India and the Coal Mines (Special Provisions) Ordinance, 2014. Consequently, the winding up of the Company has been proposed and the necessary statutory and legal formalities in the regard are currently under progress.

NLC India Renewables Limited – A Wholly Owned Subsidiary

Your Company has incorporated NLC India Renewables Limited (NIRL), as its wholly owned subsidiary on 14th June, 2023, with the objective of consolidating and managing its renewable energy assets. The incorporation of NIRL is a strategic step under the Asset Monetisation Plan of your Company, aimed at unlocking value and directing focused investments into the renewable energy sector. Under national asset monetisation pipeline, Your Company is in the process of monetising its renewable assets. BRLMs and other intermediaries has been appointed to take this forward.



Significant Developments:

The Cabinet Committee on Economic Affairs (CCEA) on 29th July 2025, approved an investment of ₹7,000 crore by NLCIL in NIRL. This approval allowing it to invest in various projects either directly or through joint ventures, beyond the limits prescribed by Navaratna Guidelines of DPE.

The following projects are under operation:

1. 709 MW, 500 MW, 130 MW, 10 MW and 10 MW Solar Power Projects at various locations of Tamil Nadu, 20 MW Solar Power Project with BESS at Andaman, 51 MW Wind Power at Tenkasi totalling to 1430 MW were transferred to the NIRL under a Business Transfer Agreement (BTA).
2. 300 MW Solar project located at Rajasthan was successfully commissioned on 23rd January, 2026, for which foundation stone was laid by Hon’ble Prime Minister of India on 16th February, 2024. The generated power is being supplied to RVUNL through Power Usage Agreement (PUA).
3. 50 MW Solar Power Project (SPP) located in Neyveli has successfully commissioned from 25th January, 2026.

The above Two projects (300 MW and 50 MW) have been transferred to NIRL w.e.f 01.09.202 through a separate Business Transfer Agreement. through a separate Business Transfer Agreement.

4. A 4 MW rooftop solar installation under the PM Surya Ghar Muft Bijli Yojana was commissioned on 31st May, 2026, across NLCIL and its Group office buildings, marking a significant milestone in advancing clean energy adoption and supporting the nation's renewable energy goals.

Apart from the above, the following projects are under execution;

S. No	Name of the Project	Capacity
1	Standalone BESS	
	BESS Project at Tamil Nadu. – TNGECL	250MW/500 Mwhr
2	Solar Power Project	
	IREDA under CPSE Scheme (Solar)	200 MW
	Hybird RE Solar Power Project - A	100 MW
	Solar Power Project at Gujarat. – GSECL Solar Park	600 MW
	Solar Power Project at Rajasthan. – RRVUNL	810 MW
3	Wind Project	
	Hybird RE Power Project - B	50 MW
	Wind Power Project - SJVNL	200 MW
4	Floating solar power project at Neyveli	1 MW

Further, apart from the list mentioned above NIRL directly or through JV Mode is developing various renewable energy projects for around 4 GW on PAN India basis.

NIRL has formed JV Companies with APDCL, RVUNL, NCRTC, OREDA and is in the process of collaborating with PTC, and MAHAPREIT for formation of joint venture Companies to develop various renewables projects.



NLC India Green Energy Limited – A Wholly Owned Subsidiary Company

Your Company has incorporated NLC India Green Energy Limited (NIGEL), as its wholly owned subsidiary on 13th October, 2023 to carry out other diversification Projects of your Company.

NLC Rajasthan Power Limited – A Joint Venture between NLCIL and RVUNL

NLC India Limited and Rajasthan Rajya Vidyut Utpadan Nigam Limited (RVUNL) entered into a Memorandum of Understanding (MoU) on 10th March, 2024, followed by a Joint Venture Agreement (JVA) signed on 23rd October, 2024 for the formation of a Joint Venture Company.

Accordingly, the JV Company, NLC Rajasthan Power Limited (NRPL), was incorporated on 2nd June, 2025, with equity participation in the ratio of 74:26 by NLCIL and RVUNL respectively. This JV Company will develop a 3x125 MW Lignite-based Thermal Power Station and to develop and operate lignite mines primarily to meet the fuel requirements of the proposed thermal power plant.

Joint Venture Companies Under NIRL

NIRL ASSAM RENEWABLES LIMITED(NARL) – A Joint Venture between NIRL and APDCL

NLC India Limited (NLCIL) and Assam Power Distribution Company Limited (APDCL) signed an MoU on 09th August, 2022, and subsequently it was amended on 18th August, 2023.

Pursuant to this, a Joint Venture Agreement (JVA) was signed on 10th January, 2025 between NIRL, a wholly owned subsidiary of the Company, and APDCL for the formation of a Joint Venture Company. Accordingly, the JV Company, NIRL Assam Renewables Limited (NARL), was incorporated on 7th May, 2025, with equity participation in the ratio of 51:49 by NIRL and APDCL respectively, for developing 1,000 MW Green Energy Projects across the State of Assam.

In line with this agreement, few sites have been identified for development of Solar Power Projects in the state of Assam.



NIRL RAJASTHAN RENEWABLES LIMITED (NRRL) – A Joint Venture between NIRL and RVUNL

NLC India Limited (NLCIL) and Rajasthan Rajya Vidyut Utpadan Nigam Limited (RVUNL) signed a Memorandum of Understanding (MoU) on 10th March, 2024, followed by a Joint Venture Agreement (JVA) signed on 23rd October, 2024 between NLC India Renewables Limited (NIRL) and RVUNL for the formation of a Joint Venture Company.

Accordingly, the JV Company, NIRL Rajasthan Renewables Limited (NRRL), was incorporated on 2nd June, 2025, with equity participation in the ratio of 74:26 by NIRL and RVUNL, respectively.

The primary objective of the JV Company is to establish and operate 2,000 MW Green Energy projects in the State of Rajasthan to meet the Renewable Purchase Obligation (RPO) of the State.

Few land parcels has been identified and assigned to the Company for development of Renewable Energy Projects. The various projects viabilities is under evaluation.



NIRL NRCTC RENEWABLES LIMITED (NNRL) – A Joint Venture between NIRL and NCRTC

NLC India Renewables Limited (NIRL), wholly owned subsidiary of the Company and National Capital Region Transport Corporation Limited (NCRTC) has incorporated a Joint Venture Company on 27th May, 2026 under the name NIRL NCRTC Renewables Limited (NNRL) with equity participation in the ratio of 74:26 by NIRL and NCRTC, respectively.

The primary objective of the JV Company is for setting up of 110 MW (AC) Grid Connected Solar PV Power Project in the state of Uttar Pradesh for Captive use of NCRTC. In this regard, land has been identified and BoS Tender has been floated for development of the Project.

NIRL OREDA RENEWABLES LIMITED (NORL) – A Joint Venture between NIRL and add OREDA Limited

NLC India Renewables Limited (NIRL), wholly owned subsidiary of the Company and OREDA Limited has incorporated a JV Company, under the name of NIRL OREDA Renewables Limited (NORL) on 31st August, 2026 with equity participation in the ratio of 51:49 by NIRL and OREDA, respectively.

The primary objective of the JV Company is for setting up of Green Energy Power Plant(s) in the state of Odisha as a primary objective.

Loan, Guarantees and Investments

Details of loans and investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the Financial Statements.

Deposits

The Company has not accepted any deposits from the public during the year.

Bonds, Borrowing & Credit Rating

During the financial year 2025-26, your Company has not issued any Bonds.

Commercial Paper

During the Financial year 2025-26, as part of optimising the financial cost, your Company had mobilised funds by issue of Commercial Papers in different tranches with different tenures for an aggregate value of ₹1,600 crore. The Commercial Papers issued earlier were redeemed on the due date as per the terms of allotment. Total value of Commercial Papers as on 31st March, 2026, was ₹800 crore.

Sales Bill Discounting

During the Financial year 2025-26, your Company has not availed the facility of Sales Bill Discounting as the DISCOMS/Debtors were promptly paying the dues within the prescribed timelines.

Credit Rating for Borrowings

During the year, your Company has retained AAA rating for Long Term Borrowings including issue of Bonds and A1+ for issue of Commercial Papers and working capital facilities from Credit Rating Agencies. The present Ratings are given below:



NLC INDIA LIMITED

Credit Rating assigned along with Outlook as on March 31, 2026

S. No.	Rating Agency/Particulars of Loan	Rating Assigned	Rated Amount (₹ crore)
1	ICRA		
	NCDs (Secured)	[ICRA] AAA (Stable)	2,000.00
			2,000.00
2	CRISIL		
	Working Capital Loan [State Bank of India]	CRISIL AAA/Stable	8,000.00
	NCDs [issued amount - ₹2,175 crore]	CRISIL AAA/Stable	2,500.00
	NNTP loan (SIB ₹581 crore and IOB ₹1,078 crore)	CRISIL AAA/Stable	1,426.60
	External Commercial Borrowings	CRISIL AAA/Stable	867.10
	Proposed Long Term Bank Loan Facility	CRISIL AAA/Stable	41.00
			12,834.70
3	CARE Ratings		
	Non Fund Based LT/ST BG [ICICI Bank]	CARE AAA; Stable/CARE A1+	772.00
	Punjab National Bank - NNTPS Loan	CARE AAA; Stable	1,200.00
	Commercial Paper	CARE A1+	6,000.00
			7,972.00
4	India Rating (Fitch Group)		
	Solar 709 MW [State Bank of India]	IND AAA/Stable	923.00
	NCDs (Secured)	IND AAA/Stable	2,000.00
	NCDs (Unsecured)	IND AAA/Stable	500.00
	Commercial Paper	IND A1+	6,000.00
	Sales Bill Discounting	IND A1+	2,000.00
			11,423.00
5	Infomerics valuation and Ratings		
	Solar 200MW [Bank of Baroda]	IVR AAA/Stable	916.00
			916.00
6	Acuite Ratings & Research		
	External Commercial Borrowings (SMBC, Axis)	ACUITE AAA/Stable	1,000.00
	Solar 300 MW [IndusInd Bank]	ACUITE AAA/Stable	950.00
			1,950.00



COMMERCIAL

Power Dues Realisation:

- During the year under review, your Company had received an amount of ₹8,658.96 crore out of the total billed value of

₹7,705.15 crore for the FY 2025-26 which includes instalment payments of the Previous periods, with this total collection efficiency is more than 100%.

- The outstanding power dues as on 31st March, 2026 was ₹1,671 crore as against ₹2,681 crore for the corresponding period of the previous year. The dues beyond the 45 days’ limit as on March 31, 2026 was ₹922 crore as against ₹1,597 crore for the corresponding period of the previous year.
- Pursuant to Business Transfer Agreement entered between NLCIL and NIRL during the year the renewable assets of NLC India Limited has been transferred to NLC India Renewables Limited (NIRL). The outstanding power dues of NIRL as on March 31, 2026 is ₹203.67 crore.
- Scheduling of power is being done in compliance with the MOP directives on LC - Payment priority mechanism.

Power Trading in Power Exchange

- During the year 2025-26, 280.82 MUs of Un-Requisitioned Surplus (URS) power were sold from NLCIL Thermal Power Stations in various segments of the Power Exchange, resulting in a gross revenue of ₹69.55 crore - a significant increase compared to 186.67 MUs and ₹59.89 crore in 2024-25.
- Whenever opportunity comes, the Company is continuously trading surrendered power from its thermal stations in DAM

& RTM market segment of Power Exchanges. During the year, Gross power surrender was 2083 MU out of which 869 MU (42%) is from NLDC under Ancillary Service Regulation to maintain Grid Frequency and Unit Shut Down (USD)/Reserve Shut down (RSD).

- The Company has also traded 421 MU of power in FY 2025-26 as against 259 MU in the year 2024-25 under Trading Licence which includes sale & purchase of power for various grid connected entities.

Regulatory

CERC has notified the Second Amendment to the CERC (Terms and Conditions of Tariff) Regulations, 2024-29, introducing significant changes to the tariff framework. The key amendments include revised provisions relating to Additional Capitalisation and recovery of Annual Extraction Cost in cases of power surrender. These amendments are expected to provide greater regulatory clarity in the treatment of various regulatory expenses.

- During the year, the Company received a favourable order from CERC in the long-pending regulatory matter relating to the TPS II Truing-up for the tariff period 2009-14.
- During the year, the Company made significant progress in the long-pending regulatory dispute relating to reimbursement of income tax paid under the Vivad Se Vishwas Scheme (VSVS). The Company successfully secured vacation of writ petitions in High Courts of Tamil Nadu, Kerala, Karnataka, with the matters being remanded to the CERC for adjudication. Consequently, the Company has initiated proceedings before CERC for resolution of the disputes.

Interaction with Stakeholders:

During the year under review, your Company has proactively undertaken multiple stakeholder engagement initiatives to foster transparency, enhance confidence, and strengthen long-term relationships. The measures undertaken include:

- **Investor Engagement:**
- Conducting Investor Meet/Conference to apprise institutional and retail investors of the Company's performance, strategic initiatives, and growth roadmap.
- Organising periodical investor calls to ensure timely communication on operational and financial updates.



- **Customer and Vendor Outreach:**
- Hosting Customer Meets and Vendor Meets to address operational issues, capture stakeholder feedback, and reinforce collaborative partnerships.



• Lenders' Meet:

- The Company has organised its 2nd Lenders' meet at Mumbai to engage with Lenders community for addressing various issues and to strengthen future collaborations for Capex plan of the Company.



• Corporate Communications:

- During FY 2025-26, the Company strengthened its Corporate Communications function to facilitate transparent, timely and consistent engagement with its diverse stakeholder groups. The Company disseminated information on its business performance, strategies, milestones, key projects, operational achievements, sustainability and CSR initiatives, and other significant developments through press releases, media engagement, digital and social media platforms, and internal communication channels.
- The Company continued to enhance stakeholder outreach, strengthen its corporate identity and promote awareness of its Environmental Social Governance (ESG) and sustainability initiatives. These efforts contributed to greater transparency, stakeholder engagement, public awareness and stakeholder confidence.

These continuous engagement efforts have significantly contributed to strengthening stakeholder confidence, ensuring alignment with the Company's strategic vision, and enhancing its reputation in the domestic and international markets.

Sustainability Development Measures

Scientific reclamation of mined-out land continued to remain one of the Company's flagship sustainability initiatives. During FY 2025-26, your Company successfully reclaimed more than 126 hectares of mined-out land through scientific bio-reclamation and ecological restoration techniques. With this achievement, the cumulative biologically reclaimed area has exceeded 2,900 hectares since inception, representing one of the largest mine reclamation programmes undertaken by any mining company in the country.



The reclaimed areas have been transformed into ecologically sustainable landscapes comprising dense plantations, forests, eco-parks, grasslands, wetlands, water bodies and habitats supporting diverse flora and fauna. These reclamation efforts have substantially contributed towards restoration of degraded land, enhancement of biodiversity, carbon sequestration, improvement of soil quality, prevention of erosion and strengthening of the regional ecological balance.

During the year, Your Company continued large-scale afforestation and plantation programmes under Mission GREEN through active participation of employees, schools, local communities and other stakeholders during World Environment Day, Van Mahotsav and other environmental awareness campaigns. These initiatives have strengthened environmental consciousness while contributing to enhancement of the green cover across the Company's operational areas.

Your Company also continued scientific ecological monitoring of reclaimed mine areas through reputed academic and research institutions for assessment of vegetation growth, biodiversity, biomass accumulation and ecosystem sustainability. These studies provide valuable inputs for continuous improvement in reclamation practices and long-term environmental planning.

In line with its commitment to sustainable land utilisation, Your Company continued initiatives for repurposing mined-out lands for renewable energy projects, water resource development, sustainable, apiculture, pisciculture and other productive post-mining land uses, thereby creating long-term environmental and socio-economic value.

Environmental Compliance and Resource Management

Your Company remains committed to maintaining the highest standards of environmental compliance across all mining, power generation and allied operations. A robust Environmental Management System (EMS) is implemented across all units to ensure compliance with statutory requirements and continual improvement in environmental performance.

During FY 2025-26, comprehensive environmental monitoring covering ambient air quality, stack emissions, water quality, noise levels and other environmental parameters was carried out through approved laboratories and continuous online monitoring systems. The monitored parameters remained within the prescribed regulatory standards, demonstrating the effectiveness of the Company's environmental management practices. As part of its continuous efforts to minimise environmental impacts, the Company further strengthened dust mitigation measures through extensive deployment of water sprinklers, fixed and mobile mist

cannons, high-pressure spray systems, mechanised road cleaning equipment and other advanced dust suppression technologies across mines, transportation corridors and material handling facilities.

The Company continued to promote water conservation through efficient water management practices, recycling and reuse of treated wastewater, optimisation of freshwater consumption and strengthening of wastewater treatment infrastructure across its operational facilities.

During the year, Your Company successfully obtained Consent to Operate (CTO) from the Tamil Nadu Pollution Control Board for the Water Treatment Plant, Modern Sewage Treatment Plant and Airport facilities, further reinforcing its commitment to statutory compliance and environmentally responsible infrastructure management.

In compliance with the provisions of the Environment (Protection) Act, 1986 and subsequent amendments relating to emission standards for thermal power plants, the Company continued implementation of various emission reduction measures, including Flue Gas Desulphurisation (FGD) systems and other pollution control technologies, in accordance with applicable regulatory requirements and implementation schedules.

Climate Action and ESG

Your Company continues to integrate climate considerations into its business strategy through enhanced resource efficiency, renewable energy development, scientific mine reclamation, afforestation, carbon sequestration and sustainable operational practices. Continuous efforts are being made to improve environmental performance, strengthen ESG governance, enhance climate resilience and contribute towards India's low-carbon development pathway.

The Company also continued strengthening its environmental data management systems, monitoring mechanisms and sustainability reporting framework to support transparent disclosure of environmental performance and facilitate informed decision-making.

Insurance

During FY 2025-26, the Company obtained Mega Insurance Policies for the Assets and Stocks of Production Units viz., Mines, Thermal and Renewable Energy (RE). The policy provide coverage for Material Damage (MD) of all Mine assets and Material damage (MD), Machinery Breakdown (MBD), Fire Loss of Profit (FLOP) and Machinery Loss of Profit (MLOP) of all Thermal and RE assets. In addition, the assets of Service Units are covered under the Standard Fire and Special Perils Policy (SFSP) along with Electronic Equipment Insurance (EEI), Transit Insurance and Public Liability Industrial Risk Insurance.





LAND ACQUISITION AND REHABILITATION & RE-SETTLEMENT

Land Acquisition and R&R Policy

Your Company is committed to minimising the socio-economic impact of land acquisition and displacement on Project Affected Persons (PAPs) through appropriate Rehabilitation & Resettlement (R&R) measures. Your Company implements R&R measures in accordance with the applicable provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (RFCTLARR Act), the rules and notifications issued thereunder, and the R&R policies, rules, Government Orders and guidelines of the respective State Governments, as applicable to the projects.

The R&R measures adopted by Your Company are, wherever applicable, in addition to and over and above the statutory entitlements prescribed under the applicable Central and State laws, policies and Government orders. The Company also provides additional rehabilitation, resettlement, livelihood and developmental measures based on the specific requirements of the projects and the applicable approved R&R framework.

Apart from development of Resettlement Centres (RCs) in the vicinity of projects, Your Company provides essential infrastructure and civic amenities at these centres to facilitate the smooth resettlement of eligible Project Affected Families (PAFs). Rehabilitation measures are supplemented by payment of statutory compensation and, wherever applicable, enhanced compensation/ex-gratia over and above statutory entitlements, with the support and coordination of the respective District Administrations.

A Grievance Redressal Mechanism is in place for addressing the grievances and representations of PAPs. Further, Your Company provides enhanced land compensation, wherever applicable, based on the prevailing Government Orders and approved R&R provisions, including payment of ex-gratia and settlement through Lok Adalats, based on applications received from eligible landowners who have handed over their lands and houses.

Your Company also supports capacity building and skill development of PAPs. One-year Post-Graduate programmes are provided to eligible PAPs possessing Engineering and Diploma qualifications through the National Power Training Institute (NPTI). Training is also provided to PAPs selected as SME Operator Assistant Trainees and Mines Support Service Trainees under the three-year training programme, thereby facilitating sustainable employment and livelihood opportunities.

Your Company has put in place a structured mechanism for providing monthly annuity to eligible Project Affected Families (PAFs) through an insurance company. In the first phase, PAFs relating to the acquired and possessed land have been mapped with the insurance company, with the remaining eligible PAFs to be covered in subsequent phases.

Research and Development (R & D)

The Centre for Applied Research & Development (CARD) continues to serve as the in-house R&D Centre of your Company and has been recognised by the Department of Science & Technology since 1975. CARD is accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL) in accordance with the international standard ISO/IEC 17025:2017.

During the year under review, the NABL accreditation of CARD laboratories was renewed for the disciplines of Mechanical, Chemical and Biological Testing on 23.01.2026, valid up to 22.01.2030. Further, the recognition of your Company's In-House R&D Unit was also renewed by the Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology, on 09.03.2026, valid up to 31.03.2029.

Further, during FY 2025-26, the following two patent applications were filed:

- "A System and Method for IoT-Enabled Nutrient Dosing and Environmental Monitoring in Vertical Farming"



- "Environmentally Sustainable and Eco-Friendly Geo Polymer Brick Composition and Method of Manufacturing Utilising Fly Ash, M-Sand and GGBFS"

CARD functions as a multidisciplinary research and technical support unit, contributing to innovation, operational efficiency, and sustainability across the Company's core sectors.

The major functions of CARD include:

- Undertaking Science & Technology (S&T) research projects aligned with the Company's strategic objectives.
- Conducting environmental monitoring, pollution assessment, quality control testing, consultancy, and technical services.
- Promoting technology development, patenting, and commercialisation based on R&D outcomes and pilot plant studies, as well as coordinating S&T projects undertaken across the Company.
- Providing institutional support to students, carrying out special studies for operational improvement, and supporting new initiatives and schemes.
- Delivering analytical and testing services for quality assurance of materials used in mining, power generation, and other service units, including services to external agencies on a chargeable basis.
- Undertaking research in key areas such as lignite utilisation, product diversification, by-product utilisation, solid waste management, wasteland reclamation, renewable energy, clean coal technologies, and implementation of real-time monitoring systems.

The total expenditure incurred on Research & Development during the year 2025-26 is **₹44.53 crore**.

Human Resource Development

Your Company recognises that its employees are its most valuable assets and the key drivers of growth and operational excellence. A conducive and enabling work environment is consistently provided to employees, thereby fostering high performance, innovation, and sustained engagement.



Training

In 2025-26, a total of 1012 training programmes were conducted comprising 523 planned and 1489 add-on programmes. Together, these programmes reached 39,778 participants, demonstrating Company's wide outreach and adaptability in addressing diverse training needs.

Planned programmes primarily focused on Behavioural Competencies, HR, Health & Well-being, and Safety. Notably, 129 behavioural competency programmes trained over 3478 employees, reinforcing company's focus on leadership and interpersonal effectiveness, additionally, HR functional training saw strong participation with nearly 1,848 attendees, highlighting internal capability enhancement in people management practices.

Add-on programmes complemented core training efforts with agile, high-impact interventions. The Skills Upgradation initiative alone trained more than 8121 participants emerging as the highest-engagement module. Management Development, Functional HR and Safety-related sessions also made significant contributions to professional growth and regulatory compliance.

Industrial Relations

Your Company continues to uphold the principle of participative management by maintaining regular bipartite meetings with Recognised Unions (collective bargaining agents) and Associations to address employee concerns in a constructive manner.

- The industrial relations climate remained cordial throughout FY 2025-26, with no man-hours lost due to industrial unrest.
- The Secret Ballot Election was conducted on April 25, 2025 by the Returning Officer/DCLC (Central), Chennai. Subsequently, on June 23, 2025, the NLC Labour Progressive Union and Kanaraga Thozhir Pirivu Anna Thozhir Sanga Peravai (ATP) were conferred recognition as collective bargaining agents.
- Guidelines issued for Empanelment of Banks for Corporate Salary Accounts and Extension of Exclusive Salary Account benefits to the Employees of NLCIL.
- Enhancement of Multipurpose Loan for Below Board Level Executives, Non-Unionised Supervisors and Unionised category of Workmen/Non-executives in the scheme was issued.
- Monetary relief was extended through the respective contractor employers to contract workmen deployed for dewatering works at Cuddalore, Villupuram and Chennai during 2024, along with regular employees, and the gratuity ceiling was enhanced from ₹20 lakh to ₹25 lakh.

The Company has been adjudged the winner of the "Organisation with Proactive ER Practices Award" at the National ER Conference & Awards 2025, organised by the Southern India Chamber of Commerce and Industry (SICCI) at Chennai.

Manpower

The total employee strength (including subsidiaries) stood at 9,735 as on March 31, 2026 as against 10,227 as on March 31, 2025.

Reservation of Posts

The group-wise representation of SC/ST/OBC as on 31st March, 2026 stands as follows:

Group	Total Strength	Strength of SC/ST/OBC			% of SC/ST/OBC		
		SC	ST	OBC	SC	ST	OBC
A	2,876	618	321	784	21.49	11.16	27.26
B	300	45	12	124	15.00	4.00	41.33
C	4,291	822	40	1,720	19.16	0.93	40.08
D	2,268	521	10	1,164	22.97	0.44	51.32
Total	9,735	2,006	383	3,792	20.61	3.93	38.95

However, more than required percentage of employees (covered in the Central list of OBC category) have been recruited on the strength of BC category prior to reservation for OBCs came to effect and continue to be on the rolls of the Company.



EMPLOYEES' WELFARE AND SOCIAL SECURITY SCHEMES

Educational facilities

Your Company recognises education as a cornerstone for social upliftment and continues to extend quality education to employee wards, children of contract workman, daily wage earners, and student from economically weaker sections of society residing in peripheral villages. Presently, 8 Schools are being run under the patronage of your Company with a total student strength of 3,755 during the year 2025-26.

Scholarship Schemes

Your Company provides educational assistance (scholarships) to the wards of employees (General, SC/ST, OBC category) and wards of Contract Workmen to pursue higher education (under graduate degree/diploma/professional courses) till the duration of the course subject to a maximum of five years.

Educational Assistance	Beneficiaries during FY 2025-26	Amount Disbursed
General	150	₹24,87,000/-
SC/ST	202	₹38,72,000/-
OBC	547	₹1,04,87,000/-
Total	899	₹1,68,46,000/-

Besides these schemes, your Company presents cash award to meritorious wards of employees who secure 80% & above in CBSE and 90% above in State Board 10th & 12th Std., exams.

Tuition Fee Concession:

Your Company reimburses the tuition fees every year (ranging from ₹25,660/- to 42,530/- per annum) for students belonging to SC/ST/OBC category (predominantly hailing from the surrounding villages of your Company's projects)studying the Jawahar Science College, Neyveli, patronised by your Company.



Category of students	Beneficiaries	Amount sanctioned (₹)
SC/ST (Excluding CSR)	53	₹14,61,490/-
OBC (Excluding CSR)	80	₹22,91,680/-
Total	133	₹37,53,170/-

Medical Facilities

Your Company has established a robust health care model for protecting, preserving and promoting the health and well-being of its workforce and the community. The model is time-tested with proven results, founded on the belief that a healthy workforce is the key driver of economic and organisational sustainability. Since the establishment of the NLC India Hospital (NLCIH) in 1962, your Company has continued to support and expand comprehensive medical services. NLCIL Hospital – a secondary level medical facility with a bed capacity of 350, catering not only to employees and their families but also to residents of peripheral villages. As part of fulfilling the social agenda of providing quality primary health care to external stakeholders, NLCIL hospital is treating rural patients free of cost in all its specialty departments on OP basis. By providing free access to quality medical care, NLCIL contributes to sustaining the livelihood of rural people as they need not have to spend on health care needs. An average of 1,000 patients are visiting every day in NLC India Hospital totalling to 3,65,000 patients a year. The facilities includes:

- Out-Patient Department (OPD) Services:** The Hospital's OPD services, supported by well-equipped diagnostic facilities, pharmacy and therapy services, catered to **3,65,449 patients** during the year. Treatment was provided across various specialties, including General Medicine, General Surgery, Obstetrics & Gynaecology, Paediatrics, Dermatology, Orthopaedics, Ophthalmology, ENT, Chest Medicine, Psychiatry, Dental and Ayurveda.
- In-Patient (IP) Services:** In-patient services were provided in General Medicine, General Surgery, Obstetrics & Gynaecology, Paediatrics, Orthopaedics, Ophthalmology and ENT, benefiting **7,362 patients** during the financial year.
- Laboratory and Blood Bank Services:** Laboratory services remained an integral part of patient care, with **more than 18 lakh in-house laboratory investigations** conducted during the year. Blood donation initiatives were also undertaken to meet emergency healthcare requirements.
- Radiology Services:** Radiology services were strengthened through the **upgradation of the Computed Radiography (CR) workstation**. Nearly **600 X-rays** were conducted for age assessment and around **6,000 chest X-rays** were undertaken as part of Tuberculosis screening programmes.
- Emergency and Casualty Services:** Round-the-clock Emergency and Casualty Services provided treatment to **47,416 patients** during the year. Emergency transportation was supported by **three Advanced Life Support (ALS) ambulances, one Basic Life Support (BLS) ambulance and 15 empanelled ambulances**, ensuring timely referral and emergency response.

- Industrial Medical Centre (IMC):** The IMC continued to play an important role in safeguarding occupational health by conducting statutory medical examinations.
- Occupational Hearing Health:** Workers engaged in hazardous mining locations were subjected to **audiometry** for the early detection of Noise-Induced Hearing Loss. Positive cases were followed up and rehabilitated through the ENT Department of the Hospital.
- Respiratory Health Screening:** All workers were subjected to **Lung Function Tests** for the early detection of respiratory problems. Positive cases were treated and followed up through the Chest Clinic of the Hospital.
- First Aid Training:** First Aid training was initiated for **Contract Indcoserve workers and SME IT personnel**, with the approval of the competent authority. Around **156 persons** were successfully trained during FY 2025-26.
- Ayurveda Services:** Ayurveda services continued to gain wider acceptance, with **24,264 OP consultations** and **2,329 Panchakarma therapy procedures** conducted during the year.
- Yoga Services:** **Six new Yoga batches**, involving nearly **300 participants**, were introduced during the year. Yoga therapy services were also provided to **38 new patients**.
- Ayurveda Day Care Facility:** A **Day Care treatment facility** was introduced at the Ayurveda Dispensary, Block-8, and was utilised by **72 patients** during the year.
- Physiotherapy Services:** More than **11,000 physiotherapy sessions** were provided during the year. To strengthen rehabilitation services, **Class-IV Laser Therapy equipment** was procured, installed and commissioned.
- Tertiary and Quaternary Care:** **24 hospitals** were empanelled for providing tertiary/quaternary care services to employees and beneficiaries.



- **Cardiac Screening:** Cardiac screening of all employees was commenced on 19.01.2026 as part of the Hospital's preventive healthcare initiatives.
- **Ambulance Services:** One new Advanced Life Support (ALS) ambulance was purchased and commissioned to further strengthen emergency medical transportation services.
- **First Aid Training for Non-Mining Establishments:** Administrative approval was obtained from the competent authority to initiate **First Aid Training through St. John Ambulance Association** for Thermal and other offices, excluding Mines.

In coordination with State health department, the following activities were conducted for the benefit of the general public.

- Family Welfare Services for achieving fertility control among the local population.
- Universal Immunisation programme for protecting children and adults against all infectious diseases.
- Integrated Counselling and Testing, Treatment facilities for HIV infected patients.
- Revised National Tuberculosis programme for prevention and treatment of TB among the local population.
- Occupational Health services that monitor health and well-being of workforce through medical surveillance programme.
- Community Health camps to reach out to rural population and create awareness on various health issues.
- Geriatric care services to the inmates of Anandha Illam run by the Company for care of elderly persons who have no family support.

Social Security Schemes:

- The Company has signed MoUs with Five Nationalised Banks for offering various social security support to the employees under Corporate Salary Package. Till date more than 20 claims has been settled by the Banks to support the family members of deceased employees. Also Company has tied-up with Four Banks for providing Social Security and other benefits to the Workmen of the Contract Employers who are awarded with the Contracts by NLCIL under Corporate Salary Package.
- Company has rolled out National Pension Scheme (NPS) to its employees to ensure flexible social security benefit and investment option.

Elders Home – Ananda Illam

To fulfil the special needs and requirements of the senior citizens, your Company runs ANANDA ILLAM in Neyveli. This elders home provides hospice & home care to the elders and help them to lead a happy and peaceful life with dignity. The employees of your Company also lend their helping hand by contributing a fixed amount every month from their salary to run the old age home.



Holiday Home facilities

As a part of employee welfare measures, your Company has resumed the concept of Holiday Homes for the benefit of employees and their families in 2025-26 to enhance their work life balance. The Holiday Homes facilities are available at popular tourist destinations of Ooty, Kodaikanal, Courtallam and Kanyakumari. As part of a process improvement initiative and to enhance administrative efficiency, the process of booking are digitised, enabling employees to have a seamless experience of online booking.

Compliance under Persons with Disabilities Act, 2016

Your Company has evolved a comprehensive policy for Persons with Disabilities (PwDs) as per the guidelines issued by DoPT for providing certain facilities/amenities to PwDs to meet their requirements and enable them to effectively discharge their duties. The strength of PwDs as on March 31, 2026 stood at 217.

“SNEHA” Opportunity Services and School

Your Company implements various social welfare measures towards the cause and upliftment of the Physically Challenged Persons through Neyveli Health Promotion and Social Welfare Society (NHPSWS), “SNEHA” Opportunity Services and School both patronised by your Company. This School imparts education and training to mentally challenged children (82 children: Boys-59 & Girls-23) which includes training in vocations like arts & crafts, candle making, paper cup & cover making, carpentry, gardening, cooking and doormat weaving.

Health Promotion and Social Welfare Society (NHPSWS)

Through the society, Tricycles, Wheel chairs, Hearing aids etc. are distributed at free of cost to the disabled persons during Independence Day and Republic Day celebrations. The society runs retail outlet shops namely VAIGHAI.

Implementation of Official Language Act, 1963

Your Company has made all concerted efforts to promote the Official Language Implementation Policy in line with the provisions and guidelines prescribed by Government of India under the Official Language Act, 1963. In line with the Policy of Government of India and the Provisions prescribed under the Official Language Act, 1963 your Company continues to promote the Official Language, the following activities undertaken throughout the year include:

- The Official Language Implementation Committee (OLIC) meetings were held quarterly under the chairmanship of the CMD, with



minutes shared with all stakeholders including MoC and TOLIC (Puducherry). Regular monitoring of Hindi usage at the unit level was carried out, and the Best Performance in OL Award was presented quarterly. Quarterly Progress Reports and Annual Assessment Reports were submitted to the Department of Official Language, MoHA, and the Ministry of Coal. The Hindi version of Annual Reports for NLCIL and its subsidiaries was also submitted to MoC.

- A total of 164 employees were enrolled in Hindi Correspondence Courses for 2025-26, with exam fees sponsored by the Company. Cash awards were given to successful candidates from 2024-25. OL inspections were conducted across various units, with appreciation received from the Ministry of Coal for efforts at RO/Delhi and Neyveli. NLCIL was awarded 1st Prize by TOLIC (Puducherry) for Best OL Implementation. Hindi Fortnight 2025 was celebrated with competitions and Kavi Sammelan, while Spoken Hindi classes, workshops, and translation activities continued across all units. Key documents, reports, and committee materials were regularly translated and submitted on time.

Women Empowerment - Forum of Women in Public Sector (WIPS):

WIPS NLCIL chapter was formed in 12th February, 1990 and is a Corporate Life Member in the SCOPE since 1990. The strength of women employees in the Company as on 31st March, 2026 stood at 757 constituting 7.77% of Company's human resource.

The following activities were organised by WIPS, NLCIL by developing their potentials:

- In pursuance of provisions of section 4 of Sexual Harassment of women at workplaces (Prevention, Prohibition and Redressal) Act, 2013 and Rule 13 (e) of Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Rule 2013, the internal complaint committee is constituted to deal with complaints relating to Sexual Harassment of Working women in the Company.



- For the benefit of the working women employees, “Anbalaya” a well-equipped Creche with trained personnel is in operation.
- The NLC India Limited chapter of WIPS has also organised and conducted several sports, cultural activities, group discussions for the benefit of women employees.
- The Company has undertaken Skill and Entrepreneurship Development Training programmes to empower women with practical skills and promote self-employment and sustainable livelihood opportunities. Training was provided in areas such as tailoring, beauty therapy, data entry, fashion jewellery, general duty assistance, handmade incense stick making, and sewing machine operation.
- The Company celebrated International Women's Day 2026 on 7th March 2026 in a grand manner, with the participation of eminent women achievers. The event was graced by Smt. V. Pushpa, Advocate & Senior Standing Counsel, Income Tax, High Court, Chennai, as the Chief Guest; Sqn Ldr. Archana Thiagarajan (Retd.), Indian Air Force veteran and India's deepest female freediver, as the Guest of Honour; and Smt. Vidisha Suman, Analytics and AI Expert, as the Special Invitee.



Safety

Your Company remains committed to strengthening **industrial safety** through proactive and innovative initiatives, continuous improvement in safety practices, and strict compliance with statutory requirements across all its Mines and Thermal Power Plants.

Key measures undertaken to ensure safety of personnel and equipment include:

- i. The Company promotes blast-free mining practices across its mining operations, using advanced equipment such as Bucket Wheel Excavators, belt conveyors, spreaders, and surface miners, as well as conventional mining equipment, to enhance safety and reduce the risks associated with blasting.
- ii. All HEMM and Specialised Mining Equipment (SME) deployed in the Mines and Thermal Plants has been fitted with AFDSS (Automatic Fire Detection and Suppression System) and all other safety devices as per statutory guidelines.
- iii. Adequate Sufficient Fire Extinguishers are provided at have been provided at strategic locations across in workshops, offices, SME, Conveyor Drive heads and other critical area, with regular inspection and maintenance to ensure readiness., etc. and regularly checked and updated.
- iv. Annual safety audits of all Mines are conducted by a multi-disciplinary Corporate Safety Team, while Thermal Power Plants undergo safety audits by accredited external agencies once in every two years.
- v. A new Corporate Safety Council Team, comprising formed consisting of Executives and Workmen from Different Units has been constituted to conduct ofmonthly safety inspection of designated units and present its findings to the NLCIL to make inspection of the pre-determined unit every month and present its findings to the respective Unit head for necessary correction. and his team.
- vi. Regular safety Conducting workshops & Training programmes are conducted across Mines and Thermal Power Units through established on Safety in Mines and Thermal units in every Unit Training centre, well established Group VTC, Power station Training Centre and L&DC.
- vii. Standard Operating Procedures (SOPs) have been established for all the activities of the mines and thermal plants and are strictly adhered to, ensuring safe, consistent, and standardised operations implemented.
- viii. Risk-based Safety Management Plans (SMPs) have been prepared and implemented for all major mining activities in accordance with the Coal Mines Regulations, 2017
- ix. Monthly safety committee meetings are conducted across all Mines and Thermal Power Plants, along with zonal, fire safety, and OEM safety meetings to review safety performance and address identified risks.
- x. Weekly Safety inspections of Mines, Thermal plants and REPP units are being carried out by Corporate Safety Executives and inspection report is submitted to concerned Units for compliance and improvement in safety standard.

- xi. The Company Industrial Medical Centre serves as a recognised First Aid Training Centre, conducting regular training for workmen in accordance with DGMS, DGFASLI and DISH/ CIF requirements, with batches trained every month.
- xii. NLCIL Industrial Medical Centre has been recognised as training centre for imparting First Aid Training that meets the requirements of the DGMS initiatives and also the requirements of the industries under the DGFASLI, DISH/CIF and batches of workmen are trained on first aid every month.
- xiii. Mobile phone use is prohibited in mine working areas with Walkie-Talkies provided for safe and effective communication.
- xiv. Respirable dust monitoring conducted in all the Mines of NLCIL for free silica assessment under regulation 143(14) of CMR, 2017 read with GSR 978(E) of 01/10/2018. Respirable dust monitoring and free silica assessment are regularly carried out across all Mines in compliance with Regulation 143(14) of the Coal Mines Regulations, 2017 and applicable statutory requirements.
- xv. Safety and Health Management System Audit has been conducted for all mines.
- xvi. Safety App- NLCIL Aran launched on National Safety Day, 2025 for reporting of unsafe observations, near misses for needful compliance.
- xvii. Mines Safety Week Observance 2025 conducted for all Mines as per DGMS guidelines.
- xviii. The 55th National Safety Day/National Safety Month 2026 was observed across the Corporate Office, Mines, and Thermal Power Plants of NLCIL to promote safety awareness and reinforce a strong safety culture.
- xix. RFID-enabled Smart LOTO System has been implemented in the conveyor system to strengthen equipment isolation, enhance personnel safety, and ensure safe maintenance operations.
- xx. A scientific study on slope stability of mine pits and dumps was conducted by NIT Rourkela to strengthen mine safety and slope management practices.



Awards & Recognition

In recognition of its various activities, your Company, has been conferred with the following awards during the year 2025-26:

★ The Company became the 1st Organisation in India to receive the IPMA Delta Competence Class 3 "Standardised" Certification at the IPMA Global Project Professional Forum 2026 held on 14th February, 2026.	★ Received the Prestigious SKOCH Gold Award for Outstanding Financial Performance on the theme “Governing Viksit Bharat”.	★ Received the ICAI Award for Excellence in Financial Performance.
★ Received three prestigious National Awards from the Public Relations Society of India (PRSI): First Place for Best e-Newsletter, First Place for Best PSU Implementing RTI, and Second Place for Best Annual Report.	★ Received the Greentech Award 2025 for excellence in Environmental Protection	★ Received the Greentech Corporate Leadership Award in ESG category.
★ Received the GeM Award for “Highest Procurement by Value by CPSEs in FY 2025-26,” recognising its exemplary contribution to public procurement through the Government e-Marketplace.	★ Thermal Units received the “Environment Excellence Gold Award – Thermal Sector (2025)” at the 1st GreenEnviro Environment Awards, in recognition of their exemplary environmental management, pollution control measures, and commitment to sustainable power generation.	★ NLCIL Thermal Units received the "Environment Excellence Gold Award – Thermal Sector (2025)" from the 1st GreenEnviro Environment Awards held at Lonavala, Maharashtra, in recognition of their outstanding environmental management practices, pollution control measures, and commitment towards sustainable thermal power generation.
★ Mine-IA, Barsingsar Lignite Mine and Talabira II & III OCP were awarded 5-Star Ratings under the Ministry of Coal’s Star Rating of Coal Mines for FY 2023-24 on 4 September 2025, with Mine-IA securing 1st position in India.	★ Mine-I received the Platinum Award under the Apex India Occupational Health & Safety (OHS) Awards 2025 at Udaipur on 20 November 2025 and the Platinum Award for Safety Excellence 2025 at Goa on 11 January 2026.	★ Mine-I secured 1st Prize in Safety Performance, Electrical Installations and Machinery Maintenance and 2nd Prize in Water Management, Mine Lighting and Mine Operations during the 65th Mines Safety Week held in 2025.

★ Mine-IA received the Platinum Award under the Apex India Green Leaf Award 2024 for environmental excellence on 9 May 2025.	★ Mine-II received the EXCEED OHS Champion Award in the Mining Category on 30 January 2026.	★ Barsingsar Lignite Mine secured the Overall First Prize in the Lignite Category at the 39th Mines Safety Week 2025-26 under NWZ, Ajmer Region, along with 11 awards across various categories.
★ Talabira II & III OCP secured First Prize in Safety Performance, Strata Control & Scientific Study and Overall Third Prize in the MDO-operated Mines Category during the Annual Mines Safety Fortnight 2025.	★ “TPS-I Expansion received the “Productivity Excellence Award – Thermal 2024-25” and “Sustainable Performance Award” at the 3rd National Power-Gen Leadership Award 2025, including the “Public Sector Excellence – Lignite Plant of the Year” award.	★ NLCIL received the CSR Times Award 2025, National Green Environment CSR Award 2025, and National CSR Award 2026 in recognition of its exemplary CSR initiatives in water augmentation, management, and sustainability.
★ NLCIL received the “Organisation with Proactive ER Practices Award” at the National ER Conference & Awards 2025, organised by SICCI.	★ For the second consecutive year, NLCIL received the “Award of Excellence” in Learning & Development at the 12th Governance Now PSU Awards 2026.	★ NLCIL received the Best Performance Award from TOLIC (Puducherry), MoHA, GoI, for excellence in the implementation of Official Language during FY 2025-26.
★ NLCIL was conferred the ‘Nishta Ki Pratishta’ I Prize by the Hon’ble Minister of Coal and Mines, in recognition of its commitment to Official Language implementation..	★ NLC India Hospital, Neyveli’s Jan Aushadhi Kendra was recognised as the Top Performer in Tamil Nadu for FY 2025-26 under the Pradhan Mantri Bhartiya Janaushadhi Pariyojana.	★ Barsingsar Lignite Mine received the Apex India Platinum Award for Occupational Health & Safety (OHS) for 2023 and 2024.



Risk Management

The Company operates under a robust, Board-sanctioned Integrated Risk Management Policy and Framework. In addition to setting clear criteria for prioritising enterprise risks, it explicitly defines the roles and accountabilities of all key personnel. In line with policy guidelines, a sub-board Internal Risk Review Committee evaluates risk exposures every quarter, while the overarching risk assessment and mitigation protocols are regularly examined by the Risk Management Committee, Audit Committee, and the Board of Directors.

To manage exposure on foreign currency borrowings, NLCIL maintains a dedicated Foreign Exchange Risk Management Policy (FERMP). This framework balances the minimisation of debt servicing costs against exchange rate and interest rate fluctuations, fully aligned with the organisation's risk tolerance.

The primary aim of the FERMP is to continuously recognise, measure, and track foreign exchange and interest rate sensitivities. It utilises selective hedging mechanisms to control risks within acceptable boundaries while ensuring strict adherence to governance standards. By placing stability and risk containment above speculative profit, the policy protects NLCIL's long-term financial health.

Vigilance

Your Company has a robust Vigilance Department headed by the Chief Vigilance Officer (CVO), at the level of Joint Secretary to the Government of India, who advises the CMD on vigilance matters and coordinates with the CVC and CBI.

The Department continues to promote integrity, transparency, and accountability through a proactive and preventive approach, with focus on strengthening internal controls, transparent procurement, and ethical project and operational practices.

During FY 2025-26, preventive vigilance initiatives were strengthened across the Corporate Office and major project locations. The Department identified systemic vulnerabilities and implemented Systemic Improvement Measures (SIMs) to strengthen controls and mitigate operational and financial risks.

The Vigilance Department has evolved into a proactive governance partner, supporting risk mitigation and operational excellence through preventive vigilance, digital initiatives, ethical awareness, and systemic improvements, while upholding the highest standards of integrity, transparency, fairness, and accountability.

Notable improvements made:

- Mines:**
 - Corporate (NTP) Network Time Protocol server on implemented & plugged the loopholes in the Integrated Weighment Tracking System (IWTS); Processing for admitting contract workmen for basic Vocational Training is now done through e-office mode.
 - Digitalisation of Land Records: For Neyveli region- A dynamic online Dashboard of land acquisition was developed and deployed successfully in NLCIL server on 19-11-2025.



- Diesel Decanting & Distribution System – The RFID based fuel dispensing system was implemented in Barsingsar Lignite Mine and Talabira II & III OCP during Feb 2026 and Aug 2025 respectively.
 - At NLCIL Neyveli mines, automation of diesel dispensing units using RFID technology and GPS based fuel monitoring and anti-theft management system has been implemented during Sep 2025.
- Thermal:** Improper maintenance of existing settling tanks in Thermal Power Station-II which led to loss of Lignite (through the drains) and damage caused to environment was resolved by commissioning new desilting equipment; Unauthorised Entry/Exit of vehicles to ash pond curtailed by installing boom barrier and deploying CISF to regulate and avoid entry of unauthorised vehicles and persons.
 - HR:** Launched twin grievance portals in 2025 — GRAPE for employees and CARE for retirees — ensuring transparent, efficient redressal aligned with DoPT and Vigilance guidelines. These digital platforms mark a major step in strengthening institutional support and welfare for serving and retired workforce. The official mascot “NEYON” was unveiled during NLCIL Raising Day 2025, symbolising a fresh brand identity and renewed organisational spirit. This milestone marked the beginning of a unified visual identity, strengthening employee engagement and public outreach. Post Retirement Felicitation scheme for honouring the retired employees of NLCIL for their lifelong contributions by granting a lump sum amount when they reach specific age milestones was introduced from 01-01-2026.
 - Procurement/Contract:** An automated system has been implemented in NeAT portal to generate pre-bid documents by capturing relevant inputs directly from the Purchase Requisition (PR). The system automatically incorporates technical specifications, commercial conditions, special conditions and other tender-specific clauses based on the procurement requirements. This eliminates repetitive manual data entry and significantly reduces the possibility of errors, omissions

- and missing tender-specific conditions during pre-bid document preparation.
- e) **General Hospital:** Lab test data, Billing module & Referrals are now integrated with Integrated Hospital Management System (IHMS); Responsibility of Contractor for Waste management is reinforced.
- f) **Disposal of scraps** is streamlined by ensuring weight at both units and Disposal yard (initially it was only at disposal yard); segregation of costly items (such as copper cables) during disposal of machine scrap introduced to generate more revenue.
- g) **Security:** SOP formulated for CCTV control room at Security Office for CCTV footage viewing/sharing, access control, exception reporting log, Authorisation of CCTV maintenance crew etc.
- h) **e-Auction:** Outsourcing of e-Auction platform to outside firm was gradually reduced and taken up through in house NeAT platform.
- i) **@NTPL:** Implemented biometric/digital attendance for contract workers; mandated independent verification of Police Verification Certificates (PVCs).
- j) **@NUPPL:** Strengthened surveillance in the township by installation of CCTV Cameras (32) inside Township; setting up of access control through 'face reader' for regulating entry/exit of contract workers; A book on Do's & Don'ts for Site Executives, containing HR, IR and Financial guidelines released.
- k) **@Talabira:** Digital Logistic Management System (DLMS) implemented and linked it with SAP Data (Sales).
- l) **@Barsingsar:** Fixed critical inventory thresholds at OHC Pharmacy; digitised records; strengthened inspection frequency.
- m) **IT initiatives:** Role based access control (RBAC) application and Software Requirement Management (SRM) launched.
- n) **Capacity building programme:**
- Conducted 4 sectoral interactive workshops (Mines, Thermal, Procurement, Finance) with focus on case studies and transparency issues.
 - Organised 11 training programmes, benefitting 675 executives (including new recruits), covering vigilance administration, GeM procurement, ethical awareness, case studies on purchase & contracts, CCTV/video analytics, and refresher courses on conduct rules.
- o) **Vigilance Awareness Week 2025** was observed under the theme "Vigilance: Our Shared Responsibility," and the department organised:
- Workshops:** To uphold integrity in procurement activities, workshops were conducted covering NLCIGH, Thermal Domain, Mines Domain and P&P Domain. From senior level executives to non-executives, Indcoserve workers/contract employees.

- Grama Sabhas:** Direct engagement with rural stakeholders in neighbouring villages to educate the public on their rights and anti-corruption mechanisms.
- Integrity Clubs:** Launched in 13 local schools, these clubs focus on building ethical foundations in the next generation of leaders.
- Mass Engagement:** Activities included a "placard competition," VAC Walkathons, and innovative "Poster Design by Rangoli" competitions.

Implementation of Integrity Pact

Your Company is committed to have most ethical business dealing with the Vendors, Bidders and Contractors of goods and services and deal with them in a transparent manner with equity and fairness. To achieve these goals, your Company is implementing the Integrity Pact Programme in co-operation with Central Vigilance Commission (CVC) and renowned International Non-Governmental Organisation, Transparency International India (TII). Integrity Pact with the suppliers/contractors for all Tenders with an estimate of ₹1 crore and above are monitored.

During the year 2025-26, two (2) Structured Meetings were held with Independent External Monitors (IEMs) for discussions on procurement and contract related issues. Also, the IEMs conducted two discussion meetings to evaluate the complaints raised by bidder. Nine (9) Review Meetings were conducted by the IEMs wherein the Orders covered under Integrity Pact were reviewed.

Cyber Security

During the year, your Company continued to strengthen its digital and cybersecurity capabilities through key initiatives aimed at enhancing operational efficiency, information security, governance, and business continuity. Major initiatives included:

- Implementation of Micro-Segmentation across critical infrastructure to strengthen workload isolation and mitigate lateral cyber threats.
- Implementation of IKE-based Machine Certificate Authentication for secure VPN access, restricting access to authorised corporate-managed devices.
- Progress towards ISO/IEC 27001:2022 ISMS Certification for the Data Centre and Disaster Recovery facilities.
- Strengthening of virtualisation, backup, disaster recovery, endpoint security, and network resilience to enhance cyber resilience and service availability.
- Enhancement of enterprise applications, dashboards, and analytical reporting to improve operational efficiency, monitoring, and decision-making.
- Strengthened cybersecurity through Micro-Segmentation, Machine Certificate-based VPN Authentication, Endpoint Detection & Response (EDR), and continuous security monitoring.

Your Company continued to strengthen its digital infrastructure by enhancing virtualisation, backup, disaster recovery, endpoint security, and network resilience, thereby improving service availability, business continuity, and cyber resilience.



Digital Culture

Your Company continued to strengthen its digital culture through technology adoption, secure digital governance, and process automation. Key initiatives during the year included:

- SAP ERP continued as the enterprise-wide platform supporting finance, materials management, human resources, project management, and other core functions.
- Implemented a Tender Templating System to enhance efficiency, transparency, standardisation, and compliance in procurement.
- Enhanced ESS, MSS, Logistics, Safety, and other enterprise applications to automate processes and improve user experience.
- Deployment of digital solutions including Tender Document Automation, Eco-Tourism Management and ARAN Safety Application.
- Enhanced the ARAN Safety Application to support technology-enabled occupational safety management across Coal Public Sector Undertakings.
- Expanded digital dashboards, analytics, and MIS for real-time performance monitoring and data-driven decision-making.
- Strengthened digital infrastructure through HCI, virtualisation, secure backup, disaster recovery, MPLS connectivity, and high-speed networks.
- Continued the shift towards paperless governance through e-Office, digital approvals, electronic document management, video conferencing, collaboration platforms, and electronic payments, improving efficiency, transparency, and sustainability.

Centralised Payment Process of Stores and Spares

In your Company, the respective unit account centre except for the materials purchased by Permanent Central Stores (PCS) and Mines Sub Stores (MSS) carried out payment for spares and other materials purchased by units. For PCS and MSS, accounts centres of Material Management Complex (MMC) and Mine I carried out the payment, respectively. Thus, the centralised payment implemented in March, 2024 has helped in controlling the payments and reducing the time taken for making the payments.

Compliance Monitoring

Your Company has set up a software based Legal Compliance Management System (LCMS) for effectively monitoring and ensuring compliances of all legal provisions applicable to the Company.

Corporate Social Responsibility

Your Company, as a socially responsible corporate citizen, continues to carry out developmental works in the surrounding villages, right from its inception, focusing on the socio economic development of the operating regions for achieving inclusive & sustainable growth.

Your Company is adopting a Corporate Social Responsibility Policy covering the various sectors of sustainable socio-economic development. Your Company focuses on healthcare, education, sanitation, safe drinking water, hunger, poverty and malnutrition eradication, women empowerment, gender equality, environment

sustainability, rural sports, protection of National Heritage, Arts and Culture, Rural Development, Water Resource Augmentation. The funds utilised for the CSR projects, programmes and activities selected for implementation are as per the CSR Policy of the Company which is available in the website in the following link https://www.nlcindia.in/webassets/csr/overview/NLCIL_CSR_Policy_2024.pdf. During the year 2025-26, your Company had spent ₹48.06 crore which is more than 2% of the average net profits of the Company for the last three years.

The details on specific Corporate Social Responsibility projects undertaken in compliance with Section 135 of the Companies Act, 2013 is placed as **Annexure- 1**.

Compliance under the Right to Information Act, 2005

Your Company continues to ensure full compliance with the provisions of the Right to Information Act, 2005 by facilitating transparency and timely response to RTI requests. Central Assistant Public Information Officers (CAPIOs) representing different functional areas, along with the Nodal Officer, Central Public Information Officer (CPIO), Appellate Authority and Transparency Officer have been nominated to address RTI Applications and Appeals in a time-bound manner.

During the year 2025-26:

- RTI Applications:** A total of 496 applications comprising 2544 Information Sought were received, out of which 479 applications were disposed of within the prescribed timelines. The remaining 17 applications were under process and not elapsed the mandatory period.
- First Appeals:** 91 First Appeals were received and disposed of fully in accordance with the provisions of RTI Act., 2005.
- Second Appeals:** Hearings were attended for 15 cases before the Central Information Commission (CIC) out of which, 13 decisions were favourable to NLCIL.



- **Third-Party Transparency Audit:** The Third-Party Transparency Audit for 2025-26 was carried out by **Indian Institute of Public Administration (Regional Branch), Puducherry** and got the audit score of **91.75%**. The audit report along with the certificate has been hosted on the RTI web-page of your Company’s website.

Compliance under Public Procurement Policy

In line with the Public Procurement Policy notified by the Ministry of Micro, Small and Medium Enterprises (MSMEs), your Company achieved total procurement of 60.09% from MSMEs during the year 2025-26, significantly exceeding the prescribed target of 25%.

Your Company has also been onboarded on the Trade Receivables e-Discounting System (TReDS) platform, which facilitates timely realisation of trade receivables of MSMEs through financing by multiple financiers, thereby enhancing their liquidity. The Company remains committed to supporting MSMEs by ensuring prompt payments and expanding procurement opportunities in accordance with Government of India guidelines and the Department of Public Enterprises (DPE) directives.

NLCIL has achieved full compliance with the Ministry of MSME (MoMSME) guidelines on the Trade Receivables Discounting System (TReDS) by onboarding all five TReDS platforms. During FY 2025-26, **C2FO** and **DTX** were onboarded in addition to the existing platforms—**RXIL**, **InvoiceMart**, and **M1Exchange**—thereby providing MSME vendors with enhanced access to bill discounting and improved liquidity.

Procurement through GeM Portal

During the year 2025-26, your Company (standalone) procured goods and services valued at ₹19,271.85 crore including the multiyear MDO contract for ₹16,700 crore through the Government e-Marketplace (GeM) Portal, in line with the directives of the Government of India to promote transparency, efficiency, and competitiveness in public procurement. The overall procurement figures of NLCIL and its JVs is ₹19,896.06 crore.

Continuous efforts are being made to enhance procurement through GeM by leveraging its various functionalities, including the “Custom Bid” facility introduced in 2020, enabling the Company to source customised requirements while ensuring wider vendor participation and cost efficiency.

Citizen's Charter

Your Company maintains Citizen's Charter, indicating details of clients, customers under different heads, different system of redressal of grievance etc., and the same is regularly updated.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars required under Section 134(3)(m) of the Companies Act, 2013 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished in **Annexure-II**.

Management Discussion & Analysis Report and Report on Corporate Governance

The Management Discussion & Analysis Report is furnished in **Annexure-III**. The report on Corporate Governance on the compliance of Corporate Governance conditions stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the DPE guidelines on corporate governance is furnished in **Annexure-IV**.

The Auditors' Certificate on the compliance of above Corporate Governance Conditions is furnished in **Annexure – V**.

Statutory Disclosures under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015

Annual Return

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available <https://www.nlcindia.in/webassets/investor/AR2024-25.pdf>

Particulars of Contracts or Arrangements with Related Parties

All related party transactions entered during the year 2025 - 26 were in the ordinary course of the business and are on an arm’s length basis. The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable to your Company. Members may refer to Note no. 40 to the financial statement which sets out related party disclosures pursuant to Ind AS-24.

Declaration by Independent Directors

The Independent Directors have given a declaration on meeting the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 & Regulation 25(8) SEBI (LODR) and they have registered their names in the Independent Directors' Databank.

Particulars of Employees

As per provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed Company is required to disclose the ratio of the remuneration of each Director to the median employee’s remuneration and details of employees receiving remuneration exceeding limits as prescribed from time to time in the Directors’ Report.

However, as per notification dated 05th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors’ Report.

Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31st March, 2026, there were 800 shares pending unclaimed in the Demat Suspense Account/unclaimed Suspense Account.



Material changes affecting financial position occurring between the end date of Financial Year and the date of the Report.

There are no material changes affecting the financial position of the Company between the end of the Financial Year and the date of this Report.

Sexual Harassment of Women at Workplace:

In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder, your Company has in place a robust policy and mechanism to prevent, prohibit, and redress complaints of sexual harassment at the workplace. An Internal Complaints Committee (ICC) has been constituted at the Corporate Office and all major Units/Projects to provide a safe and secure working environment for women employees and contract personnel.

The ICCs are empowered to receive and investigate complaints in a fair and impartial manner, ensuring strict confidentiality and adherence to statutory timelines. Awareness programmes and training sessions on prevention of sexual harassment are conducted periodically across the organisation to promote a culture of respect and inclusion.

With respect to the MoU signed by NLCIL with the Ministry of Coal for FY 2025-26, evaluation of MoU for the year 2025-26 is under process. The Target in respect of Main Parameters for the year 2025-26 is as follows:

S. No.	Name of Parameter	Unit	Weightage	Target for FY 2025-26	Actual Achievement for FY 2025-26
1	Revenue from Operations	₹ crore	5	19,360.00	15,282.26
2	Power Generation	MU	20	38,500.00	28,944.71
3	Coal Production	MT	10	21.68	19.14
4	Capital Expenditure	₹ crore	10	5,078.00	9,130.50
5	EBITDA (as a percentage of Total Income)	%	10	40.70	38.56
6	Return on Capital Employed	%	15	11.82	11.45
7	Asset Turnover Ratio	%	5	37.15	29.19
8	Procurement through GeM (as % of Total Procurement)	%	2	100.00	98.17
9	Trade Receivables (as number of days of Revenue from Operations)	No. of Days	4	62.00	62
10	Expenditure on R&D (including Innovations Initiatives, as percentage of previous 3 years average PBT) (1% of PBT = ₹36.97 crore)	%	4	1.50	1.55
11	Total Return to Shareholders	%	15	100.00	11.87
Total			100		15,282.26

Information pursuant to OM No. M-03/0006/2024-DPE(MoU) dated 24.03.2026. Attached as Annexure VIII

During the Financial Year 2025-26:

- (a) Number of complaints received: 1
- (b) Number of complaints disposed of: 1
- (c) Number of cases pending for more than 90 days: 0

Maternity Benefit to Women employees

The Company has duly complied with the applicable provisions of the Maternity Benefit Act, 1961 and the rules made thereunder. The Company ensures that all eligible women employees with less than two surviving Children are granted upto 180 days of Maternity Leave, flexible Nursing Breaks and other prescribed entitlements as per Maternity Benefits Act, 1961. The Company is committed towards fostering a supportive work environment that promotes the health, safety and welfare of its women employees.

MOU RATING:

NLC India Limited has been awarded a ‘Excellent’ rating by the Department of Public Enterprises (DPE) for its performance under the Memorandum of Understanding (MoU) signed with the Ministry of Coal for the FY 2024-25.

AUDITORS:

Statutory Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013, the Comptroller and Auditor General of India (C&AG) appointed M/s. PKF Sridhar and Santhanam LLP, Chartered Accountants and M/s. Sundaram & Srinivasan, Chartered Accountants, as the Joint Statutory Auditors of the Company for the Financial Year 2025-26.

The Board of Directors, on the recommendation of the Audit Committee, has fixed the Statutory Audit fees at ₹50.00 lakh plus applicable taxes for FY 2025-26, to be shared equally between the Joint Statutory Auditors.

The Board and the Audit Committee review the Auditors' findings, management responses, and action taken reports to ensure that appropriate remedial measures are implemented in a timely manner.

Branch Auditors

In accordance with Section 143(8) of the Companies Act, 2013, and as appointed by the C&AG, the following firms were engaged as Branch Auditors for FY 2025-26:

- M/s. N. Sarda & Associates, Chartered Accountants, appointed for auditing the Barsingsar Branch. The Board of Directors fixed the Branch Audit fees at ₹5.00 lakh plus applicable taxes.
- M/s. K. D. Lath & Co., Chartered Accountants, appointed for auditing the Talabira Branch. The Board of Directors fixed the Branch Audit fees at ₹5.00 lakh plus applicable taxes.

The Board of Directors and the Audit Committee, review their reports, and ensure that any observations or recommendations are acted upon promptly to maintain the integrity of financial reporting and compliance at the branch level.

Secretarial Auditors

In accordance with the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors, on the recommendation of the Audit Committee, appointed M/s. D. Hanumanta Raju & Co., Practicing Company Secretaries, as the Secretarial Auditor of the Company for the for a period of 5 Years as approved by the Shareholders of the Company at its 69th AGM held on 27th September, 2025.

The Secretarial Audit Report for the Financial Year 2025-26, along with the Management's reply to the observations of the Secretarial Auditors, forms part of this Report and is annexed hereto as **Annexure–VI**. The Secretarial Audit Reports of the Material Subsidiary Companies are also appended to the said Annexure.

The Secretarial Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other relevant laws, to the extent applicable, and that there are no

material qualifications, reservations, or adverse remarks, except as stated in the said report.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has duly maintained the prescribed Cost Accounts and Records for its Mines and Power Stations.

The Board of Directors, on the recommendation of the Audit Committee, appointed M/s Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Firm Registration No: 000030) as the Cost Auditors of the Company for the Financial Year 2025-26, to conduct the Audit of the aforesaid units. The remuneration payable to the Cost Auditors for the FY 2025-26 was ratified by the Members at the 69th Annual General Meeting of the Company held on 27th September, 2025.

The Board of Directors and the Audit Committee review the Cost Audit Reports for the Financial Year 2024-25 and it was filed with the Ministry of Corporate Affairs on 21st October, 2025, within the prescribed due date.

C&AG's Comments

In terms of Section 143(6)(b) of the Companies Act, 2013, the comments of the Comptroller and Auditor General of India (C&AG) on the Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2026 form part of this Annual Report and are annexed hereto as **Annexure VII**.

Adequacy of internal financial controls with reference to the Financial Statements

Pursuant to the provisions of Section 134(5)(e) of the Companies Act, 2013, your Company has laid down internal financial controls to be followed by the Company and such controls are adequate and were operating effectively as at 31st March, 2026. The internal control framework has been designed and implemented considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These controls ensure the orderly and efficient conduct of business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

The Board of Directors, through its Audit Committee, exercises oversight of the adequacy and effectiveness of the internal financial controls. Periodic internal audit reports, management reviews, and compliance reports are placed before the Audit Committee, which monitors the implementation of audit recommendations and ensures compliance with the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws.



Directors' Responsibility Statement as per Section 134(3)(c) & 134(5) of the Companies Act, 2013.

The Board of Directors declares that:

- a.

in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b.

the Directors had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that period;
- c.

the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d.

the Directors had prepared the annual accounts on a going concern basis;
- e.

the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f.

the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



BOARD OF DIRECTORS

Appointment

Details of appointment of Directors on the Board of the Company are as under:

- a. Shri Sanjeev Kumar Kassi, Joint Secretary, Ministry of Coal, has been appointed as an Additional Director (Part - time Official Director) w.e.f. 03rd April, 2025.
- b. Shri Sanoj Kumar Jha, Additional Secretary, Ministry of Coal, has been appointed as an Additional Director (Part - time Official Director) w.e.f. 9th May, 2025 and was entrusted with an Additional charge of Chairman and Managing Director of the Company w.e.f. 01st July, 2026.
- c. Shri Rajesh Pratap Singh Sisodia has been appointed as an Additional Director, (Director (Planning and Projects)) w.e.f. 02nd December, 2025.
- d. Shri Mangat Ram Sharma, I.A.S, Additional Chief Secretary to the Government of Tamil Nadu, Energy Department, as an Additional Director (Government Nominee Director) w.e.f. 16th January, 2026 w.e.f. 16th January, 2026.
- e. Shri Anil Meshram, I.A.S. Principal Secretary to Government of Tamil Nadu, Energy Department has been appointed as an Additional Director (Government Nominee Director) w.e.f. 03rd June, 2026.
- f. Shri Gopal Singh, Joint Secretary, Ministry of Coal has been appointed as an Additional Director (Government Nominee) w.e.f. 10th July, 2026.
- g. Shri Poonam Chandrakar has been appointed as an Additional Director (Independent Director) w.e.f. 16th July, 2026.

Cessation

The following Directors relinquished from the Board of Directors of the Company:

- a. Smt. Vismita Tej, Additional Secretary, Ministry of Coal ceased to be Government Nominee Director, w.e.f. 3rd April,2025 due to change in nomination.
- b. Shri. Sanjeev Kumar Kassi, Joint secretary, Ministry of Coal, ceased to be Part-time Official Director w.e.f. 1st May, 2025 due to change in nomination.
- c. Dr. Beela Venkatesan IAS, Director and Principal Secretary, Energy Department, Government of Tamil Nadu, ceased to be Government Nominee Director on 24th September, 2025 due to sudden demise.
- d. Dr. Vasant Ashok Patil ceased to be an Independent Director of the Company w.e.f. 28th March, 2026.
- e. Shri. Pradeep Kumar Saraogi ceased to be an Independent Director of the Company w.e.f. 28th March, 2026.
- f. Shri. M.T. Ramesh Ceased to be an Independent Director of the Company w.e.f. 28th March, 2026.
- g. Shri. M. Venkatachalam ceased to be Director (Power) w.e.f. 31st May, 2026 due to superannuation.

- h. Shri. Mangat Ram Sharma I.A.S. Additional Chief Secretary to Government of Tamil Nadu, Energy Department ceased to be Government Nominee Director w.e.f. 03rd June, 2026 due to Change in Nomination.
- i. Shri. M. Prasanna Kumar, ceased to be Chairman and Managing Director w.e.f. 01st July, 2026 due to superannuation.
- j. Shri. Sanoj Kumar Jha, Additional Secretary, Ministry of Coal, has been ceases as Government Nominee Director w.e.f. 10th July, 2026 and continued as Chairman and Managing Director (Additional Charge w.e.f. 01st July, 2026).

Your Directors wish to place on record their whole-hearted appreciation for the valuable guidance and services rendered by them during their tenure as Directors on the Board of the Company.

Key Managerial Personnel:

Shri. Prashant Vinay Kaushik ceased as Company Secretary and Compliance Officer of the Company w.e.f. 30th October, 2025.

Shri. Sushanta Kumar Panda was appointed as Company Secretary and Compliance Officer of the Company w.e.f. 30th October, 2025.

Further, pursuant to Section 152 of the Companies Act, 2013, Dr. Suresh Chandra Suman and Dr. Prasanna Kumar Acharya, Directors will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for the re-appointment.

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

Acknowledgement

The Board of Directors of your Company places on record its sincere appreciation for the continued support and guidance extended by the Ministry of Coal, Ministry of Power, Ministry of New and Renewable Energy, Ministry of Finance, Ministry of Environment & Forest and Climate Change, Ministry of Mines, Ministry of Personnel, Public Grievances and Pensions, Ministry of Jal Sakthi, Ministry of Industry, Ministry of Labour and Employment, Ministry of Railways, Ministry of Heavy Industries, Ministry of Road Transport and Highways, NITI Aayog, DIPAM, DPE, Central Electricity Authority, Central & State Government Departments, Central & State Electricity Regulatory Commissions, Andaman & Nicobar Islands Administration, State Electricity Boards and beneficiaries of Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Kerala, Uttar Pradesh, Gujarat, Odisha, Puducherry and Rajasthan and also the Joint Venture Partners, viz., Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL), Coal India Limited, Mahanadi Coalfields Limited and Hindalco.

The Board of Directors of your Company is pleased to acknowledge with gratitude the co-operation and continued support extended by the Governments of Tamil Nadu, Rajasthan, Uttar Pradesh, Jharkhand, Assam, Gujarat and Odisha, V.O.C. Port Trust, Tuticorin and the District Administrations of Cuddalore, Tuticorin,



Bikaner, Andaman & Nicobar, Sambalpur, Jharsuguda, Kanpur Nagar, Latehar, Angul and Dumka. The support and co-operation extended by the Comptroller and Auditor General of India, Statutory Auditors, Branch Auditors, Internal Auditors, Cost Auditor, Secretarial Auditor, Director General of Mines Safety, Directorate of Industrial Health & Safety, Boiler Inspectorates, Chief Inspector of Factories, the Director of Boilers, Central Pollution Control Board, State Pollution Control Board, Chief Controller of Explosives, Chief Vigilance Commissioner, Coal Controller Officers, Regional Labour Commissioner, Regional Provident Fund Commissioner and other Statutory Authorities, the Company’s Bankers, Financial Institutions and KfW of Germany, Vendors, Suppliers, Contractors and other valued Stakeholders need special mention and the Directors acknowledge the same.

Your Directors also wish to place on record their appreciation for the dedicated work put forth by the Employees at all levels.

The positive role played by the recognised Trade Unions and Associations of the Engineers and Officers in maintaining cordial industrial relations deserves special mention.

For and on behalf of the Board of Directors

Place: New Delhi

Date: 05th September, 2026 Chairman and Managing Director

Annexure – 1

Annual Report on CSR Activities

1. Brief outline on CSR policy of the Company.

NLCIL has been carrying out peripheral developmental activities for betterment of communities in the surrounding villages since inception.

The vision of NLCIL is to emerge as a leading Mining and Power Company, with social responsiveness accelerating Nation's growth.

NLCIL's Core Values

N – National Orientation

L – Learning and Development

C – Commitment for Excellence

I – Innovation and Creativity

L – Leadership and Loyalty

C – Customer Focus

O – Organisational Pride and Growing Together

M – Mutual Trust and Team Work

M – Motivation

I – Integrity, Accountability and Transparency

T – Total Quality and Total Wellness

S – Safety and Sustainability.

NLCIL has adopted a CSR Policy under which new/ongoing CSR projects/programme/activities are undertaken.

The CSR activities of NLCIL focus on sustainable development and inclusive growth, addressing the basic needs of the surrounding communities.

Aiding in the Socio economic development of the local State(s) in which NLCIL operates and also the country at large.

The CSR of NLCIL contributes to various sectors of development, as enumerated in the Schedule VII of the Companies Act. The major thrust areas are:

S. No	CSR Focus Area
1	Promoting Healthcare & Nutrition
2	Promoting Sanitation
3	Promoting Education
4	Promoting Employment Enhancing Skills
5	Protection of national heritage, art and culture
6	Measures for the benefit of armed forces veterans
7	Promoting Rural Sports
8	Rural development projects.
9	Disaster Management, including relief, rehabilitation and reconstruction activities

The CSR Committee of the Board of Directors of NLCIL monitors the CSR Activities.

The Board of Directors of NLCIL reviews the same from time to time and ensures that at least two percent of the average net profit of NLCIL for the last three years is spent by NLCIL on CSR.

2. Composition of Board level CSR Sub-committee:

Sl. No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	M.T. Ramesh*	Chairperson	4	4
2	Dr. Suresh Chandra Suman**	Member	4	4
3	Shri. M. Venkatachalam****	Member	4	4
4	Dr. Prasanna Kumar Acharya	Member	4	4
5	Shri. Samir Swarup***	Permanent Invitee	4	4

* Shri. M.T. Ramesh ceased as the Director of the Company w.e.f 27.03.2026.

** Dr. Suresh Chandra Suman became Chairperson of the Committee w.e.f 28.03.2026.

*** Shri. Samir Swarup became member of the committee w.e.f 28.03.2026.

**** Shri. M. Venkatachalam Ceased as the Director of the Company w.e.f 31.05.2026.



3. Provide the web-link(s) where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

The composition of CSR committee is available at

https://www.nlcindia.in/webassets/investor/Composition_of_Committees_as_on_28.03.2026.pdf

The CSR Policy approved by the Board is available at https://www.nlcindia.in/webassets/csr/overview/NLCIL_CSR_Policy_2024.pdf

The CSR projects approved by the board are available at

https://www.nlcindia.in/webassets/csr_reports/Interim_CSR_Budget_2025_26.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 if applicable.

The executive summary and Impact Assessment of CSR projects of FY 2023-24 is available at

https://www.nlcindia.in/webassets/csr_reports/Evaluation_& Impact_Assessment_Report_2023-24.pdf

The executive summary of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 is provided below:

Introduction: As part of its Corporate Social Responsibility (CSR) initiatives, NLCIL has undertaken wide range of social and developmental programmes in its operational areas and beyond, with a focus on community upliftment and fostering sustainable and inclusive growth.

During the FY 2023-24, the NLCIL has spent ₹47.36 crore CSR domains such as education, healthcare, drinking water, sanitation, water augmentation, skill development, rural sports, women's empowerment, and environmental sustainability among others. To evaluate the effectiveness and impact of these initiatives, IPE was entrusted to conduct impact assessment of 11 CSR projects. These projects have been completed for not less than one year to assess their effectiveness in addressing the developmental needs of communities within and beyond NLCIL's operational areas. The study majorly focused on measuring outcomes, concentrating on the transformations experienced by target communities, including socio-economic improvements and enhanced livelihood opportunities. NLCIL's commitment to sustainability in its CSR initiatives guaranteed a lasting transformative impact, facilitated by the active involvement of local stakeholders. This approach reinforced NLCIL's dedication in promoting meaningful change, transparency, and accountability in its CSR activities. Through these impact evaluations, NLCIL gained valuable insights into the achievements and outcomes of each project, further strengthening its commitment to fostering a positive societal impact.

Framework: The impact study adapted OECD DAC framework, a thorough evaluation methodology, to analyse each project's relevance, efficiency, effectiveness, impact, and sustainability. This approach guaranteed optimal implementation, efficient resource use, and alignment with strategic objectives. The rating of all the projects under OECD DAC framework parameters are calculated based on stakeholders' interactions. Weightage ratings are assigned to each parameter's scores using a 5-point rating scale (Very Low (1), Low (2), Moderate (3), High (4) and Very High (5).)

The table below depicts the evaluation rating all projects.

S. No	Name of the Project	OECD DAC framework Evaluation Parameters					Overall Impact
		Relevance	Efficiency	Effectiveness	Impact	Sustainability	
1	Healthcare measures and medical Treatment to the Common Public residing in Peripheral Villages of Neyveli	5	5	5	5	5	Very High (5)
2	Construction of box Culvert, RCC Vents, Approach Slab for Low Level Cause Way at 'B' Channel area at Sengal Odai near Kalkunam Village	5	5	5	5	5	Very High (5)
	Widening of Sengal Odai Water Channel Leading to Sundukuzhi Lake	5	3	5	5	4	Very High (5)
3	Construction of Check Dam across Periya Odai Near Sirumulai Village in Tittakudi Taluk of Cuddalore District	5	5	5	5	5	Very High (5)
4	Comprehensive Flood Protection Works to the Periya Odai from Wellington reservoir surplus Course to Confluence Point in Kazhudhur Odai near Sirumalai Village in Tittakudi Taluk of Cuddalore District	5	5	5	5	5	Very High (5)
5	Hygiene and Health Care Works of NLC schools, Kendriya Vidyalaya and education Department, supply of Covid Hygiene Kits to NLCIL run schools and other Hygienic and Healthcare works.	5	5	5	5	5	Very High (5)



S. No	Name of the Project	OECD DAC framework Evaluation Parameters					Overall Impact
		Relevance	Efficiency	Effectiveness	Impact	Sustainability	
6	Financial support Towards Purchase of Lab equipment for Diploma in mining at Annamalai University	5	5	5	5	5	Very High (5)
7	Tuition Fees for Jawahar Science College SC/ST & OBC students	5	4	4	4	5	High (4)
8	Educational Assistance towards Promoting Education of the Students of Kendriya Vidyalaya School	5	4	4	4	5	High (4)
9	Distribution of Sewing Machines to Widows in Tittakudi Constituency, Cuddalore District	5	5	4	5	5	Very High (5)
10	Financial Assistance to DRDA, Cuddalore Towards Renovation of Townhall Building (ongoing)	4	4	4	4	4	High (4)
11	Construction of Trauma Care Centre at Government General Hospital, Kuringipadi	5	3	3	4	5	High (4)

- Conclusion:** the CSR interventions implemented by NLCIL collectively demonstrate strong developmental impact across multiple sectors. Key achievements include improved healthcare access through hospital and trauma care strengthening; enhanced water security and agricultural productivity through check dams, flood protection works, and water-channel improvements; promotion of hygiene and quality education through school-based support and fee assistance; skill development and employability through mining education infrastructure; livelihood enhancement through sewing machine distribution to widows; and preservation of community heritage through town hall renovation. Together, these projects reflect an integrated and sustainable CSR approach that has improved socio-economic conditions, strengthened community resilience, and created long-term value for beneficiary populations while aligning with broader development priorities.
5. (a) Average net profit of the Company as per sub-section (5) of section 135. ₹2,243.42 crore

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135. ₹44.87 crore

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. ₹0.24 crore

(d) Amount required to be set off for the financial year, if any. ₹4.13 crore

(e) Total CSR obligation for the financial year [(b) + (c) - (d)]. ₹40.98 crore
6. (a) Amount spent on CSR Projects (both ongoing project and other than Ongoing Project): ₹45.82 crore

(b) Amount spent in Administrative Overheads : ₹2.24 crore

(c) Amount spent on Impact Assessment, if applicable: NIL

(d) Total amount spent for the Financial Year [(a) + (b) + (c)]: ₹48.06 crore

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)					
	Total Amount transferred to Unspent CSR Account as per Sub-section (6) of Section 135.			Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135.		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer	
₹48.06 crore	NIL	NIL	NIL	NIL	NIL	

(f) Excess amount for set off, if any:

Sl. No	Particular	Amount In ₹
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	44.87 crore
(ii)	Total amount spent for the Financial Year	48.06 crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.19 crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.24 crore
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.95 crore

The opening CSR excess expenditure available for carry forward (set-off) from FY 2024-25 was ₹4.13 crore. Further, an additional excess expenditure of ₹2.95 crore became available for set-off during FY 2025-26. Accordingly, the total CSR excess expenditure available for set-off against CSR obligations in the succeeding financial years amounts to ₹7.08 crore.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to unspent CSR Account under Sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency if any
					Amount (in ₹)	Date of Transfer		
1	2022-23	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	2023-24	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	2024-25	NIL	NIL	NIL	NIL	NIL	NIL	NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☒ No

If yes, enter the number of Capital assets created/acquired _____

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no., Municipal Office/Municipal Corporation/ Gram Panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of section 135:

Not Applicable

(Chairman and Managing Director)

(Chairman of CSR Committee)

Annexure – II

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy

i. The Active steps taken on Conservation of Energy during 2025-2026 and the impacts:

- 1. Energy Conservation is being achieved through regular maintenance, replacement of conventional equipment using energy efficient equipment and through innovative ideas using in-house expertise.
- 2. Multifarious methods were adopted to inculcate and imbibe the energy conservation measures in the industrial, Service units and in Administrative building also.
- 3. During this financial year more than 15 training programmes were organised in observance with promotion of fuel and energy conservation and one meeting was conducted towards EC measures.
- 4. The conventional lights are being replaced with contemporary energy saving LED lights. During this financial year 5904 Nos of conventional lights were replaced with LED lights which is 140.47% against the Target (4200) for 2025-2026.
- 5. 134 Nos. Auto timers were installed which is 335% against target (40 Nos.)
- 6. Capacitor banks are being introduced in phased manner in motors of conveyors in all the three mines Special mining equipment and transformers to improve power factor thereby reducing reactive power energy losses. During this financial year 42 Nos. capacitor banks are installed which is 87.5% against target (48 Nos.)
- 7. Dynamic loading systems are installed in all the three Mines.
 - a. Installed in 2 conveyors of Mine-IA achieving 100% of the target of 2 Nos.
 - b. inMine-1 materials were received and installed in three conveyors.
 - c. Already DLC is working in Lignite system of Mine-II.
- 8. 327 Nos of conventional ceiling fans were replaced with energy efficient Bush Less DC Motor (BLDC) Fans.
- 9. Two Number Solar water heaters were erected in General Hospital and Guest House.
- 10. Measures taken to reduce the consumption of diesel in various sectors (surface transport, mining equipment, cranes etc.) by implementing Fuel Automation system by installing RFID technology.
- 11. During this financial year the E-Vehicles procurement is Nil.

- 12. In TS-II, 9 Nos. of battery operated tricycles for canteen were procured.
- 13. Energy conservation week was conducted during 14.12.2025-20.12.2025. During this period wide publicity and awareness was made by issuing flyers to all employees. Flyers were issued to the public in Arch gate, Main Bazar to create awareness. As a new initiative, an awareness class was conducted in NLCIL Boys School to emphasize the importance of Energy Conservation among school children. Energy conservation banners were placed in vital and common places – Arch gate, CBS, Main bazaar, Schools, etc to create awareness towards energy conservation.

ii. The steps taken by the Company for utilising alternate source of energy

Measures are being taken to utilise alternate source of energy wherever permissible, to minimise the consumption of energy.

The following measures were implemented in various Industrial/Service units and Township.

- 1. 20 KW on grid Hybrid wind-solar system installed in CARD, Neyveli by Windstream Energy Technologies India Pvt Ltd (Through GeM), under operational.
- 2. 10MW Neyveli solar project under smart city scheme in Neyveli Township is under operational.
- 3. NLCIL with its expertise in Solar Power Plant has installed and commissioned 709 MW of Solar Power Plant for TANGEDCO.
- 4. 51 MW Wind Mills were commissioned inside Tamil Nadu.
- 5. 10 MW & 130 MW Solar Power Plant were installed and commissioned inside Neyveli Township.
- 6. 500 MW Solar Power Plants were installed and commissioned in Tamil Nadu.
- 7. 20 MW Solar Power Plants were installed and commissioned in Andaman & Nicobar islands.
- 8. 5.06 MW Solar Roof PV Panels were installed and commissioned in Neyveli Township and in its group companies.
- 9. 200 KW floating Solar Power Panels were erected and commissioned in TPS-1 lake.
- 10. NLCIL won 150 MW Solar-Wind hybrid project floated by Solar Energy Corporation of India (SECI). LoA issued to M/s Inox Wind Limited for development of 50 MW Wind Power Project, currently in advanced stage. LoA issued to M/s Enerture Technologies Pvt. Ltd. for development of 100 MW Solar Power Project, Land acquisition under progress.



- 11. NLCIL won 510 MW Solar tender from IREDA (Indian Renewable Energy Development Agency Limited) under CPSU scheme. LoA issued to M/s Tata Power Solar System Ltd., for development of 300 MW Solar Power Project. 300 MW Full Capacity commissioned on 23.01.2026. LoA issued to M/s Kosol Energie Pvt Ltd. for development of 200 MW Solar Power Project. Work under progress; SCOD extension under process with MNRE.
- 12. NLCIL secured Letter of Award for development of 600 MW Solar Power Project in GSECL Solar Park, Khavda. The project is developing through its wholly owned subsidiary NLC India Renewables by adopting the multi-packaging mode (Procurement of Critical Equipment + BoS). LoA placed on M/s Bondada Engineering Limited for BoS Package. Erection work under progress.
- 13. NLCIL secured Letter of Award for development of 810 MW Solar Power Project in RVUN Solar Park, Pugal. The project is being developed through its wholly owned subsidiary NLC India Renewables by adopting the multi-packaging mode (Procurement of Solar PV Modules + BoS). LoA placed on M/s Bondada Engineering Limited for BoS Package. Erection work under progress.
- 14. NLCIL secured Letter of Award from SJVN Limited for development of 200 MW wind power project on PAN India Basis. PPA Signed with SJVN by NLC India Renewables Limited (wholly owned subsidiary of NLCIL). LoA placed on M/s Inox Wind Limited for development of 200 MW WPP with 10 Yrs O&M.
- 15. NLC India Renewables Limited secured LoA for development of 250 MW/500 MWh BESS Project in three sub-stations of TANTRANSCO in the state of Tamil Nadu. Order Placed on M/s Pace Digitek for development of the project and LoA placed on M/s Indotech for supply of power transformers. BESPA signed with TNPDCCL for the project.
- 16. NLCIL and CIL have formed Joint Venture Company (CLUVPL) to erect and commission 5000 MW Solar Power Plant & received an order from M/s SECL for consultancy services for the 40 MW Solar Power Project.
- 17. Joint Venture Agreement under approval at TANGEDCO for formation of 2000 MW Ultra Mega Solar Power project.
- 18. NLCIL secured Letter of Award from NTPC Limited for development of 450 MW wind solar hybrid power project on PAN India Basis.
- 19. NLCIL secured LoA for development of 110 MW Solar Power Project in the state of UP under the captive mode for NCRTC. JV Company formed with NCRTC.
- 20. NIRL secured LoA for development of the 600 MW Solar with 300 MW/1800 MWhr BESS Project from SECI in January 2026.

- 21. NIRL Secured LoA for development of the 600 MW Solar Power Project from BSUL (Bundelkhand Saur Urja Limited) in Bundelkhand Solar Park.
- 22. NIRL Secured LoA for development of 200 MW Wind Power Project on PAN India basis from SECI in August 2026.
- 23. NIRL received LoA from GUVNL for development of 900 MW Solar Power Project in Gujarat. Power Off taker shall be GUVNL.

B. Technology Absorption

In pursuit of organisational excellence, industrial advancement and societal benefit, the Company continues to strengthen its research and innovation ecosystem through focused technology absorption initiatives. The Centre for Applied Research & Development (CARD) plays a pivotal role by collaborating with premier academic and research institutions to develop indigenous technologies, improve operational efficiency, and support sustainability initiatives.

(i) Efforts Made Towards Technology Absorption

1. Green Hydrogen:

As part of its commitment to clean energy transition and decarbonisation, NLCIL has initiated the establishment of a 4 MW Proton Exchange Membrane (PEM) electrolyser-based Green Hydrogen Plant at Neyveli, Tamil Nadu. The comprehensive Engineering, Procurement and Construction (EPC) contract was awarded to M/s. InSolare Energy Limited on 03.11.2025. The project is currently under implementation and is expected to contribute significantly towards the Company’s renewable energy portfolio and green hydrogen initiatives.

2. Optimisation studies for patent filing regarding application of humic acid for semiconductor applications

CARD, NLCIL has undertaken a collaborative R&D project with IIT Madras on “Optimisation studies for patent filing regarding application of humic acid for semiconductor applications” through Joint Development Agreement entered on 21.10.2025. The project focuses on exploring the potential of lignite-derived humic acid as an environmentally friendly and cost-effective material for optoelectronic applications, particularly light-emitting devices. The ongoing study aims to optimise thin-film formation and tailor optical emission properties in the visible spectrum (blue, green, and red) to enable patentable innovations. This initiative is expected to open new avenues for value-added utilisation of lignite and contribute towards sustainable semiconductor technologies.

3. Setting up a Pilot Scale Demonstration Facility for Recovery of Rare Earth Elements (REEs) from Lignite Coal Fly Ash

NLCIL has entered Memorandum of Understanding (MoU) with Bhabha Atomic Research Centre (BARC) on 06.08.2025 for “Setting up a Pilot Scale Demonstration Facility for Recovery of Rare Earth Elements (REEs) from Lignite Coal Fly Ash” at Neyveli. The project focuses on establishing a

pilot-scale facility to demonstrate an innovative process for extraction of REEs from lignite fly ash, transforming an industrial by-product into a valuable source of critical materials. Rare earth elements are strategic resources with applications in clean energy technologies, electronics, healthcare, advanced manufacturing and national security. Under this collaboration, BARC provides technological and R&D support including process design, engineering and operational guidance, while NLCIL is responsible for infrastructure creation, plant execution, operation and maintenance. This initiative is expected to enable sustainable fly ash management, promote indigenisation of critical materials and strengthen the Company’s role in emerging high-technology sectors.

4. **Pilot Project for Production of Biohydrogen using Biomass**

CARD, NLCIL has undertaken a collaborative R&D project with Alagappa University, Karaikudi on “Pilot Project for Production of Biohydrogen using Biomass”. The project focuses on developing sustainable hydrogen production through anaerobic fermentation of biomass and wastewater using microbial processes. The study aims to optimise biohydrogen generation systems and integrate carbon capture techniques to minimise emissions. This initiative is expected to support clean energy transition and promote alternative hydrogen production pathways. The project is ongoing, with preliminary activities including process planning and system development under progress.

5. **Study on Effect of Lignite-Derived Humic Acid on Microbial Diseases in Aquaculture Systems**

A collaborative R&D initiative has been taken up by CARD, NLCIL with Annamalai University, Chidambaram on “Study on effect of lignite-derived humic acid (HA) on microbial diseases of intensive brackish water aquaculture systems”. The project focuses on evaluating lignite-derived humic acid as a feed additive to improve fish health and reduce microbial infections. The study aims to enhance growth performance and develop commercially viable applications. This initiative is expected to expand value-added utilisation of lignite derivatives in aquaculture. The project is ongoing, with agreement formalisation completed and preparatory research activities initiated.

6. **Studies on Lignite Humic Acid and Its Value-Added Products for Agricultural Applications**

An R&D collaboration has been established between CARD, NLCIL and Tamil Nadu Agricultural University, Coimbatore on “Studies on Lignite Humic Acid and its Value-Added Products for Application in Important Crops of Tamil Nadu”. The project focuses on assessing humic acid as a bio-stimulant for improving crop yield and soil health across different agro-climatic regions. The study also aims to develop value-added formulations for agricultural use. This initiative is expected to promote sustainable agriculture practices. The project is ongoing, with field trials commenced across multiple locations using supplied samples.

7. **Development of New Material for Bucket Wheel Excavator Teeth and Life Enhancement**

A joint R&D project has been undertaken by CARD, NLCIL with National Institute of Technology, Tiruchirappalli (NITT) on “Development of new material for bucket wheel teeth and its life improvement”. The project focuses on developing advanced materials and improved designs to enhance wear resistance and durability of excavator components. The study aims to reduce downtime and improve mining efficiency. The project is ongoing, with material characterisation and laboratory testing activities in progress.

8. **Materials and Process Design for Alternative to Tungsten Carbide Bucket Teeth Inserts**

CARD, NLCIL in collaboration with Indian Institute of Science, Bangalore (IISc) is executing an R&D project on “Materials and Process Design for Alternative to Tungsten Carbide Excavator Bucket Teeth Inserts for Mining Industry”. The project focuses on developing cost-effective and high-performance alternative materials for mining applications. The study aims to improve durability and reduce reliance on expensive materials.

The project is ongoing, with alloy design completed and further material development and validation in progress.

9. **Beneficiation of Silica Sand for Solar-Grade Applications**

A collaborative R&D effort between CARD, NLCIL and Council of Scientific and Industrial Research - Institute of Minerals and Materials Technology (CSIR-IMMT), Bhubaneswar is underway on “Beneficiation studies for the production of high pure silica from silica sand for solar glass/panel/wafer manufacturing applications”. The project focuses on developing processes to upgrade silica purity suitable for solar applications. The study aims to reduce impurities and enable indigenous sourcing for solar industries. The project is ongoing, with beneficiation studies progressing and improved silica purity achieved at laboratory scale.

10. **Development of Metal Supported Solid Oxide Fuel Cells (MS-SOFCs) using Lignite Fly Ash**

CARD, NLCIL has initiated a collaborative R&D project with Annamalai University, Chidambaram on “Development of Indigenous Technology to Manufacture Metal Supported Solid Oxide Fuel Cells (MS-SOFCs) using the Materials derived from Lignite Fly Ash by Atmospheric Plasma Spray (APS) Technique”. The project focuses on developing indigenous fuel cell technology using lignite fly ash-derived materials. The study aims to create efficient and cost-effective energy conversion systems. The project is ongoing, with material preparation and preliminary research activities in progress.

11. **Microbial Technologies for Crop Cultivation under Agri-voltaic Systems**

An R&D project has been undertaken by CARD, NLCIL with Tamil Nadu Agricultural University, Coimbatore on “Microbial technologies for Crop Cultivation under Shade



– Agri-voltaic system”. The project focuses on studying crop growth and microbial interactions under solar-integrated agricultural systems. The study aims to enhance productivity and resource utilisation.

The project is ongoing, with crop cultivation activities initiated and growth monitoring underway.

12. **UV-Assisted Self-Cleaning Ceramic Membrane System for Water Recycling**

CARD, NLCIL is collaborating with National Institute of Technology, Rourkela (NITR) on “Design and Development of UV-Assisted Self-Cleaning Filters Using Ceramic Membranes for Recycling Circulating Water Blowdown from Thermal Power Stations”. The project focuses on developing advanced filtration systems for treatment and reuse of industrial wastewater. The study aims to improve efficiency and support zero liquid discharge practices. The project is ongoing, with system design completed and laboratory-scale development in progress.

13. **Drone-Based AI/ML System for Boiler Inspection**

A collaborative R&D project has been undertaken by CARD, NLCIL with Indian Institute of Technology, Hyderabad (IITH) on “Enhancing Boiler Inspection in Coal/Lignite Based Power Plant Using Drone with AI/ML and Thermal Imaging”. The project focuses on developing intelligent drone systems with thermal imaging and artificial intelligence for inspection of power plant boilers. The study aims to improve safety and enable predictive maintenance. The project is ongoing, with system design finalised and testing activities in progress.

14. **AI-Based Autonomous Lignite Dust Collection System**

CARD, NLCIL has taken up a collaborative R&D project with Indian Institute of Information Technology, Design and Manufacturing (IIITDM), Kancheepuram on “AI and vision integrated autonomous mobile lignite dust collection system for cleaning bunker floors”. The project focuses on developing an autonomous robotic system for safe and efficient removal of lignite dust. The study aims to reduce manual intervention and improve workplace safety. The project is ongoing, with system design and development activities under progress.

15. **Renewable Hydrogen Production from Biogas using Solar Heating**

A joint R&D initiative has been undertaken by CARD, NLCIL with Annamalai University, Chidambaram on “An innovative method for generating renewable hydrogen from biogas using advanced parabolic solar heating”. The project focuses on developing hydrogen production using solar-driven methane cracking from biogas. The study aims to utilise renewable energy for clean fuel generation. The project is ongoing, with process evaluation and system development activities in progress.



16. **Automated Conveyor Belt Monitoring and Defect Detection System**

CARD, NLCIL has undertaken a collaborative R&D project with Annamalai University, Chidambaram on “Automated Monitoring and Defect Detection System for Conveyor Belts in Mining Operations: Increasing Reliability and Efficiency through Real Time Data Interpretation and Rapid Response Alerts”. The project focuses on developing real-time monitoring systems using sensors and intelligent data processing for early defect detection. The study aims to enhance safety and operational reliability. The project is ongoing, with initial system development and implementation activities under progress.

(ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:**

- a) Development of indigenous technologies in mining and power sectors leading to improved equipment life, reduced dependency on imports, and enhanced operational efficiency.
- b) Strengthened R&D ecosystem through collaborations with premier institutions, fostering innovation and knowledge exchange.
- c) Advancement in clean energy initiatives such as green hydrogen and renewable technologies contributing to decarbonisation goals.
- d) Promotion of circular economy through projects involving fly ash utilisation, silica recovery, and sustainable material development.
- e) Enhanced environmental compliance and monitoring through advanced air and water quality technologies.
- f) Increased revenue generation and institutional capability building through expanded R&D and testing services.

(iii) **Imported technology (imported during last three years reckoned from the beginning of the financial year) – Nil**

The expenditure incurred on Research and Development for the year 2025-26 is ₹44.53 crore.

C. **Foreign exchange earnings and outgo**

Foreign Exchange Inflow : Nil
Foreign Exchange Outflow : ₹75.19 crore

For and on Behalf of the Board of Directors

Place: New Delhi
Date: 05th September, 2026 Chairman and Managing Director

Management Discussion and Analysis

Global Economy

Demonstrating strong fundamental resilience, the global economy maintained steady progress throughout CY25 across diverse regional markets and sectors. Worldwide economic output expanded by 3.5%, sustained by underlying momentum as markets successfully adapted to higher interest rates, normalising inflation, and shifting geopolitical dynamics. Advanced economies achieved a stable, sustainable growth pace of 1.9% while balancing tighter monetary frameworks and changing trade flows. However, trade policy uncertainties and potential cost pressures stemming from U.S. tariff impositions continue to cast a shadow over near-term global investment and market stability. Meanwhile, emerging and developing economies continued to serve as powerful growth engines, expanding by 4.5% on the back of vibrant domestic consumption and strategic public investments.

Global price pressures eased noticeably. Headline inflation moderated to 4.1%, supported by proactive monetary policies and stable energy costs during the year. While service sector inflation and policy shifts called for prudent capital allocation, businesses and investors navigated the year with strategic focus and measured confidence.

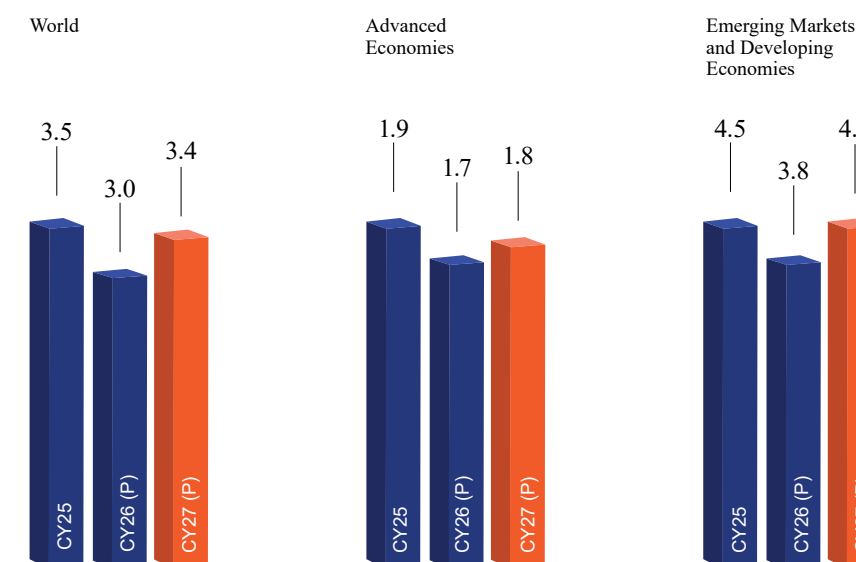
Outlook

According to the International Monetary Fund's (IMF) World Economic Outlook, July 2026, global growth is projected to moderate to 3.0% in CY26, before rising to 3.4% in CY27. Renewed geopolitical disruptions, driven largely by the West Asia war are pushing energy prices upwards and disrupting global trade flow, resulting in global inflation to increase to an estimated 4.7% in CY26. However, positive tailwinds include accelerated AI technology investment, ongoing real wage recovery, and accommodative monetary policy frameworks.

Growth in advanced economies is projected at 1.7% in CY26 and 1.8% in CY27, while emerging markets and developing economies demonstrate steady expansion at 3.8% in CY26 and 4.5% in CY27, sustained by robust internal demand and stable trade activity.

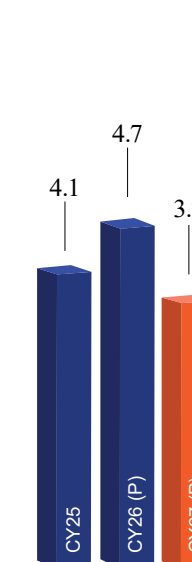


Region-wise Output (% y-o-y)



Source: World Economic Outlook, July 2026, IMF; P – Projected

Global Inflation Rate (%)



Source: World Economic Outlook, July 2026, IMF; P - Projected

India Economy

India's economy exhibited exceptional resilience in FY 2025-26, successfully navigating global market conditions through steady domestic fundamentals. According to the National Statistical Office (NSO), India's real GDP grew by a robust 7.7% during the year, underpinned by strong private consumption, vibrant services expansion and sustained public capital spending.

Over the past four years, average retail inflation, as measured by the Consumer Price Index (CPI), has followed a clear downward trajectory, declining steadily from 6.7% in FY 2022-23 to 1.7% in 2025-26. To further nurture growth and support long-term investment momentum alongside easing price pressures, the Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) maintained a calibrated easing framework, establishing the policy repo rate at 5.25% following progressive rate adjustments. This monetary flexibility was anchored by benign core inflation, which remained comfortably contained around 3.6%, even as input cost dynamics in key industrial sectors like metals and energy remained closely monitored.

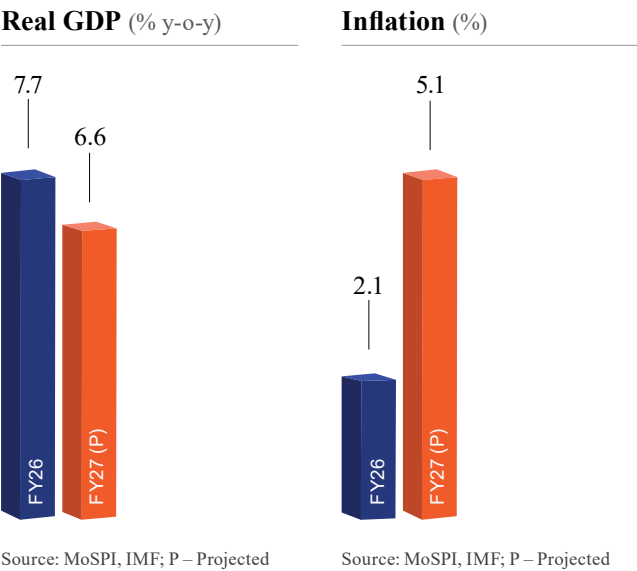
[Source: PIB, Economic Survey 2025-26]



Outlook

Looking ahead to FY 2026-27, economic growth is expected to remain steady at 6.6%, supported by a revival in urban consumption, aided by direct tax rationalisation, and resilient rural demand, driven by strong agricultural momentum following proactive climate-mitigation measures. Balanced input costs are expected to support corporate margins and fiscal stability, while improved real wages and stabilising core inflation will further lift discretionary spending, a key metric for the auto and retail sectors. The RBI is maintaining a data-dependent, neutral stance, using calibrated liquidity management to ensure price dynamics remain within target while supporting sustainable credit flows. Crucially, robust momentum across core infrastructure sectors, driven by surging electricity demand and expansion in mining, will reinforce high-capacity utilisation and private capital expenditure, fueling sustained long-term industrial momentum.

While international market shifts call for strategic adaptability, India's domestic growth trajectory remains securely anchored. Despite global energy price pressures and supply chain headwind stemming from the West Asia conflict, headline CPI inflation is projected to pick up from a low base of 2.1% in FY 2025-26 to a manageable 5.1% in FY 2026-27, with core inflation remaining well-contained. Quarterly CPI is expected to follow a stable trajectory: 4.2% in Q1, 5.1% in Q2, 5.9% in Q3, and 5.4% in Q4, with inflation risks viewed as broadly balanced. Real GDP expansion across quarters, 6.6% in Q1, 6.3% in Q2, 6.5% in Q3, and 6.8% in Q4, reflects a resilient domestic foundation for durable economic progress.



India’s Core Sector Growth and Index

India’s eight primary infrastructure industries are coal, crude oil, natural gas, refinery products, fertilisers, steel, cement, and electricity, carry a combined weight of 40.27% in the Index of Industrial Production (IIP), serving as a crucial gauge for overall industrial performance. As per the Ministry of Commerce and Industry, Government of India, the core sector recorded a growth of 2.7% in FY 2025-26, compared to the 4.5% expansion observed in FY 2024-25.

Core Industry Growth Rates

(y-o-y basis in %)									
Sector	Coal	Crude Oil	Natural Gas	Refinery Products	Fertilisers	Steel	Cement	Electricity	Overall Growth
Weight	10.33	8.98	6.88	28.04	2.63	17.92	5.37	19.85	100.00
FY 2024-25	5.1	-2.2	-1.2	2.8	2.9	6.8	6.3	5.2	4.5
FY 2025-26	-0.5	-2.8	-2.8	-0.1	-0.1	9.5	8.7	1.0	2.7

Source: Ministry of Commerce & Industry

Global Energy Sector

In CY25, the global energy sector demonstrated steady expansion, with global energy demand growing by approximately 1.3%, aligning with the decade average according to the Global Energy Review by the International Energy Agency (IEA). Demand was led by the power sector as global electricity consumption grew by nearly 3.0%, well above overall energy demand growth. Geographically, emerging and developing economies continued to drive over three-quarters of global energy demand growth. China remained the largest single contributor, while India maintained strong energy consumption momentum supported by robust industrial expansion. In advanced economies, energy demand stayed stable, with the US recording a 2.3% electricity demand increase driven by manufacturing and data centres, while European demand stabilised.

In the global energy supply mix in CY25, Solar PV became the single largest contributor to demand growth at over 25%, the first time a renewable source led global primary energy growth, followed by Natural Gas at 17%. Together, renewables and nuclear met nearly 60% of all new energy demand.

Natural Gas demand grew at a measured pace of around 1.2% to reach new highs, supported by steady industrial consumption in North America, Europe, and Asia, where gas continued to support power reliability alongside variable clean energy sources.

Global coal demand rose by 0.4% in 2025. China’s demand remained flat as renewables offset industrial shifts. Strong monsoons reduced India’s coal power generation. In contrast, US coal usage jumped 10%, driven by gas-to-coal switching and surging electricity demand.

Oil demand growth moderated to 0.7% in CY25, with its overall share in the energy mix continuing to adjust. Rapid electric vehicle adoption, with global annual sales exceeding 20 million units, constrained road fuel demand, though increases in aviation and petrochemical feedstocks provided offset.

Electricity demand was pronounced across emerging markets, led by China and Southeast Asia. In advanced economies, power consumption was driven by building cooling, industrial electrification, and digital infrastructure. Accelerated AI and data

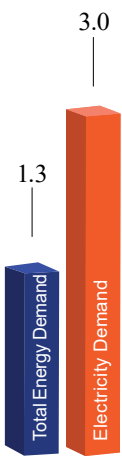


centre investments, with tech capital spending exceeding \$320 billion, alongside electric vehicle charging expansion, further heightened power needs.

Renewable energy sources expanded at a record rate. Solar PV generation added over 600 TWh, the largest annual increase ever recorded for any power technology, helping renewables overtake coal in global electricity generation share during H1 CY25. Furthermore, battery storage deployed a record 110 GW of new capacity.

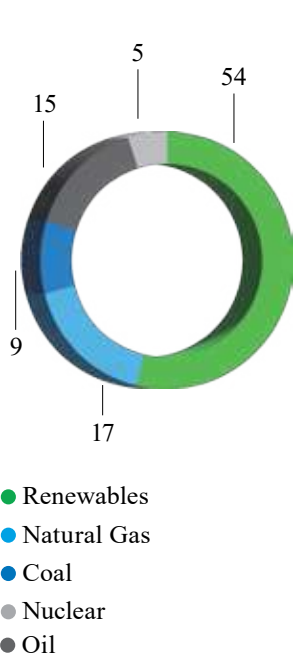
Key Global Growth Rates and the Share of Energy Demand Growth by Source, CY25

Key Global Growth Rates, CY25



Source: IEA Global Energy Review 2026

Global Energy Demand Increase in CY25 (8 EJ)(%)



Outlook

Looking ahead through CY26 and CY27, the global energy trajectory remains anchored in accelerating electrification and clean energy deployment. Global electricity demand is projected to expand at an average annual rate of nearly 3.6%, with emerging economies, led by China and India, driving the vast majority of this growth, according to the IEA’s Electricity 2026 report. Low-emissions sources, primarily renewables and nuclear power, are set to meet 100% of net global electricity demand growth over this period. Consequently, coal's share in the global power generation matrix is forecast to decline continuously, while solar PV is set to eclipse wind, nuclear, and hydropower to become the largest source of low-emissions generation.



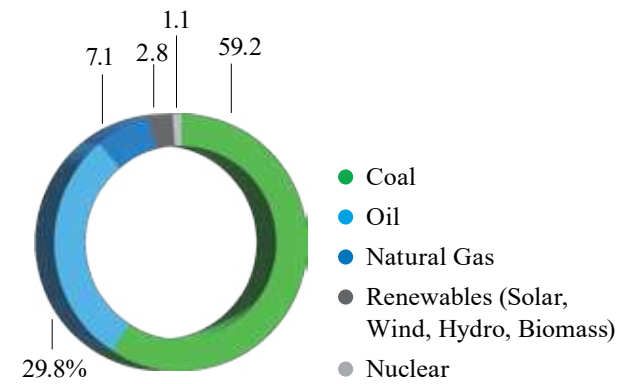
India’s Energy Sector

India continued to anchor global energy demand expansion in 2025, recording the world’s second-highest absolute increase in energy usage, a growth trajectory that surpassed the combined demand additions of all advanced nations. Strong macroeconomic momentum, accelerating industrialisation, and rising per capita energy needs drove this upward movement.

As per the Energy Statistics India 2026 publication by the Ministry of Statistics and Programme Implementation (MoSPI), the country’s Total Primary Energy Supply rose to 932.8 million tonnes of oil equivalent (MToe) during FY 2024-25, marking an annual expansion of 3.0%. Consumption remained firm across industrial manufacturing, transport, residential usage, and agriculture.

Fossil fuels retain the primary share in India’s energy matrix, with coal leading at 59% of total supply, followed by crude oil at 30%, natural gas at 7%, and clean energy sources. The industrial sector continues to be the dominant end-user, accounting for more than half of final energy consumption, followed by transport.

India Energy Mix – FY 2024-25 (%)



Outlook

According to the International Energy Agency (IEA), emerging and developing economies will account for nearly 80% of net global power demand expansion through 2030, with India serving as a primary anchor of this growth. As the world’s fastest-growing major economy, India is projected to lead global energy demand expansion, fuelled by sustained industrial development, rapid urbanisation, and broad-based economic momentum.

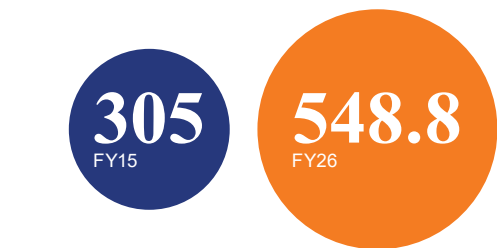
By 2035, India is projected to double its share of global consumption of energy, cementing its role as a key engine of the global energy transition. Electricity consumption is forecast to expand by an average of 6.4% annually, driven by grid infrastructure buildout, escalating cooling requirements, and accelerating nationwide electrification. Concurrently, India surpassed its target of 50% non-fossil installed generation capacity ahead of schedule, placing the nation firmly on track to exceed 60% non-fossil capacity by 2030.

India’s Power Sector – Installed Capacity and Generation

According to Ministry of Power statistics, India's total installed electricity generation capacity expanded to approximately 548.8 GW by mid-2026, marking a substantial increase from about 305 GW recorded in 2015-16. Thermal power generation, comprising coal, lignite, gas, and diesel, represents 251.5 GW, or 45.8% of the total mix. Meanwhile, non-fossil fuel installations (renewables, large hydro, and nuclear) grew to 297.4 GW (54.2%), comfortably

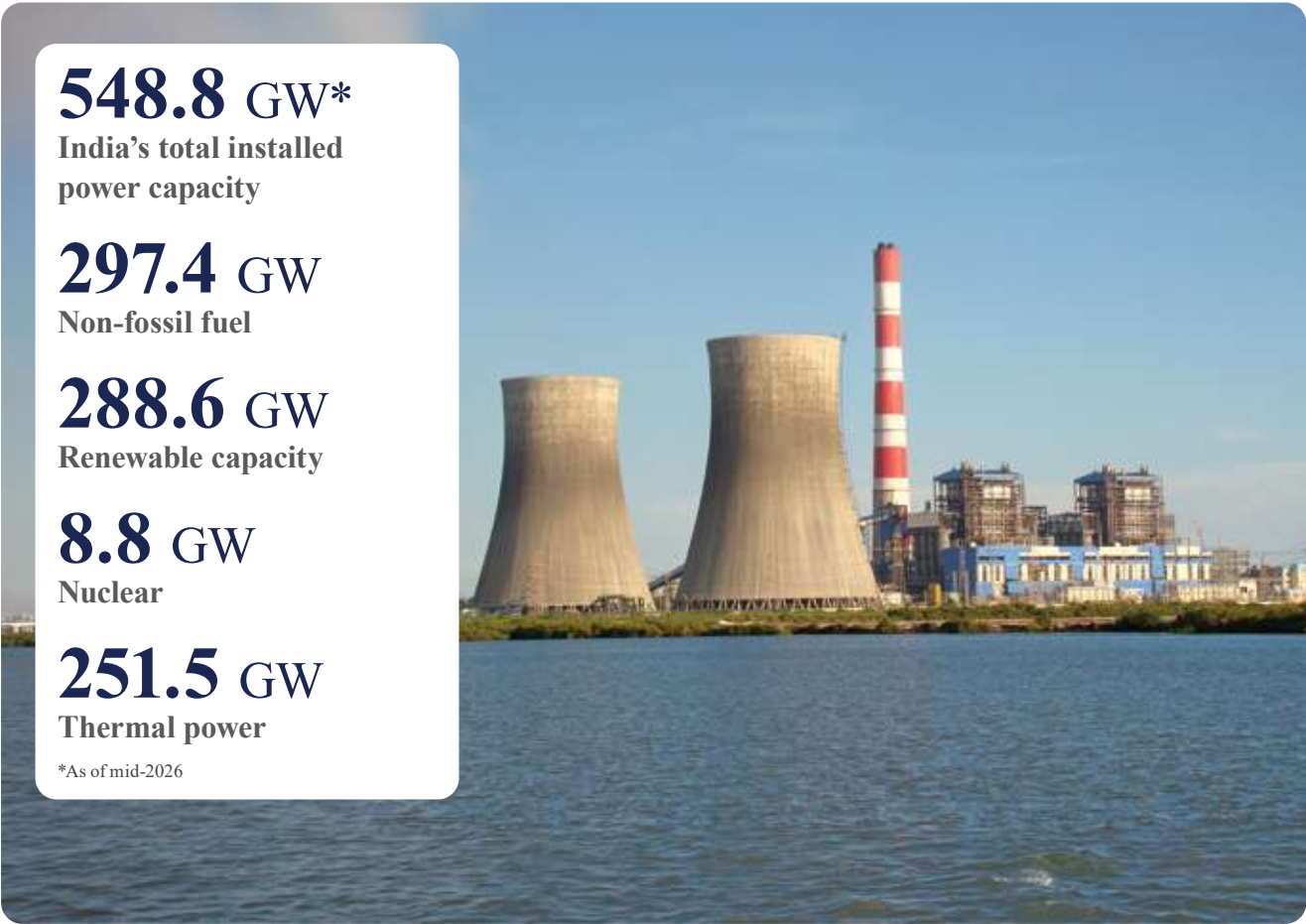
crossing the 50% non-fossil capacity benchmark. Within this segment, total renewable capacity rose to 288.6 GW, dominated by solar at 150.26 GW and wind at 57.4 GW, alongside 8.8 GW of nuclear capacity.

Rising Installed Capacity (GW) (Over the Years)

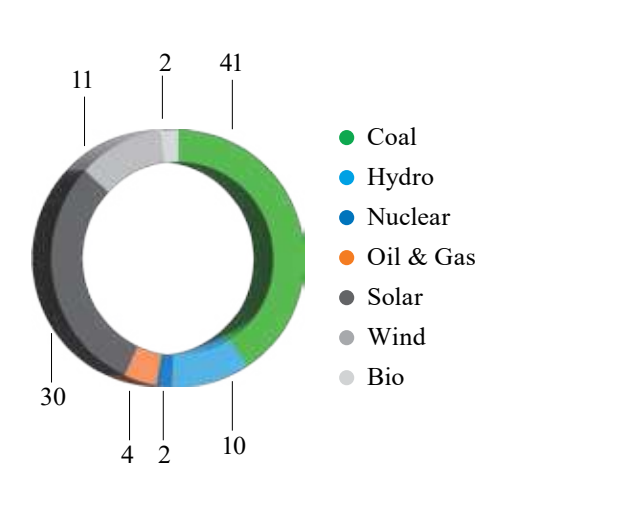


Source: Ministry of Power, GoI

India’s power sector remains among the most diversified globally, utilising conventional generation, including coal, lignite, gas, large hydro, and nuclear, alongside rapidly scaling renewable sources like solar, wind, biomass, and small hydro. Driven by robust peak electricity demand, India continues to aggressively expand both dispatchable and clean generation capacity, complemented by energy storage systems, to power ongoing economic growth while accelerating its 2070 net-zero pathway commitments.

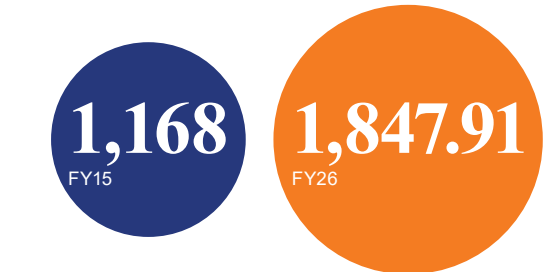


Source-wise Installed Power Capacity FY 2024-25 (%)



India’s power sector continues its robust expansion, driven by accelerating electricity consumption, grid modernisation, and comprehensive policy support across conventional and clean energy sources. Electricity generation has increased from 1,168 billion units (BU) in FY 2015-16 to 1,847.91 BU for FY 2025-26.

Growth in Power Generation (BU) (Over the Years)

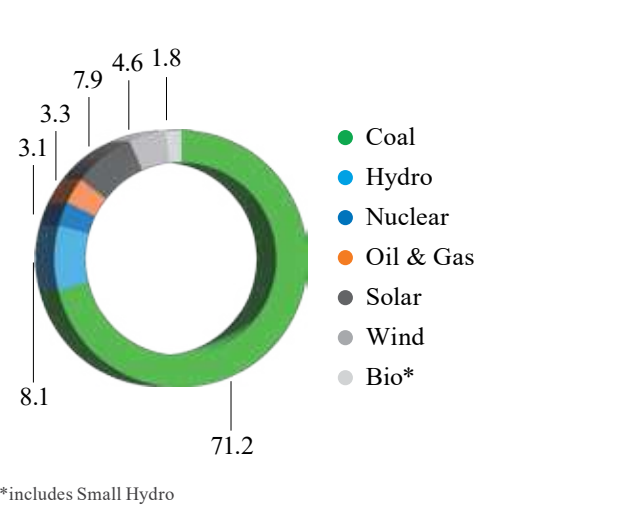


Source: Ministry of Power, GoI

The generation mix continues to be led by thermal sources, with coal-based generation contributing ~71.2% of total electricity output. Non-fossil sources, comprising solar, wind, hydro, biomass, small hydro, and nuclear, account for 25.5%. Within non-fossil output, non-hydro renewables (solar, wind, and biomass including small hydro) contributed ~14.3%, driven by record utility-scale capacity additions and improved capacity utilisation factors across key renewable regions.



Source-wise Power Generation FY 2024-25 (%)



*includes Small Hydro

Thermal Plant Load Factor (PLF)

In FY 2025-26, the overall Plant Load Factor for coal and lignite-based power stations registered at 65.57%, with the Central Sector achieving 63.40%, the State Sector recording 52.96%, and the Private Sector at 62.86%. NLCIL Barsingsar Thermal Power Station (BTPS-2 x 125MW) stands FIRST in ranking for the Annual PLF (73.35%) among all India Lignite Based TPS and it stood No.1 in Monthly PLF ranking for four times in FY 2025-26.

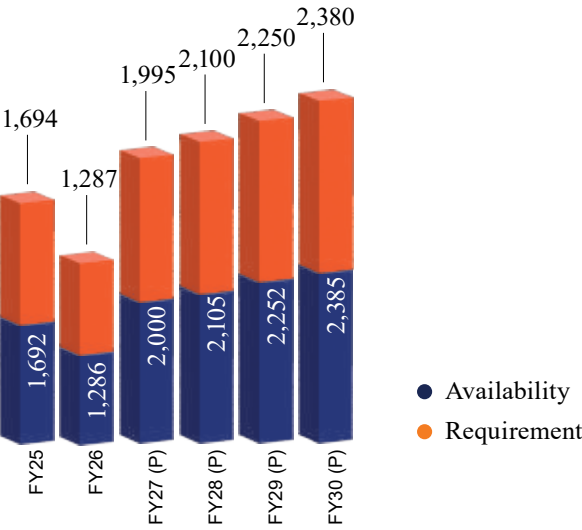
Sector	FY 2025-26 (%)	2024-25 (FY 2024-25 Actual) (%)	2023-24 (FY 2023-24 Actual) (%)
Central	63.40	75.32	75.09
State	52.96	63.23	64.70
Private	62.86	69.96	67.65
All India	65.57	69.45	69.09

Source: Ministry of Power, Govt. of India (Power Sector at a Glance/CEA)

Energy Demand and Supply Outlook

During FY 2025-26, national energy demand reached 1,287 BU, which was almost fully satisfied by a total supply of 1,286 BU, resulting in a marginal deficit of just 0.03%. Looking forward, electricity consumption is forecasted to expand at a compound annual rate of 5.5–6.0% over the next five years. Key growth catalysts include the completion of full Indian Railways electrification in FY 2025-26 and rapid metro expansion, which together are slated to push demand up by 120–125 BU by FY 2029–30. Furthermore, accelerated EV deployment is projected to add 40–50 BU, alongside significant momentum from industrial process electrification, data centre capacity scaling (requiring 2–3 GW), and expanding domestic manufacturing.

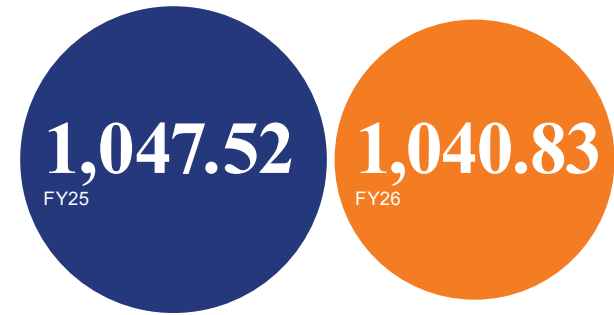
Energy Requirement vs. Availability (BU)



P — Projected, Source: CEA

India’s Coal Sector – Production, Supply and Imports

Coal Production (Million Tonnes)

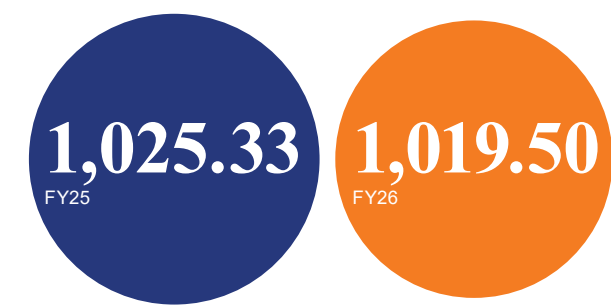


Source: Ministry of Coal, GoI

Serving as India's primary commercial energy source, coal has long powered the nation's economic growth and is set to remain indispensable for decades to come. Accounting for 42.9% of the total installed generation capacity, it dominates the national energy landscape.

Following the record extraction of 1,047.52 MT in FY 2024-25, domestic coal production stood at 1150.63 MT for FY 2025-26, maintaining a high baseline of domestic fuel availability.

Coal Supply (Million Tonnes)

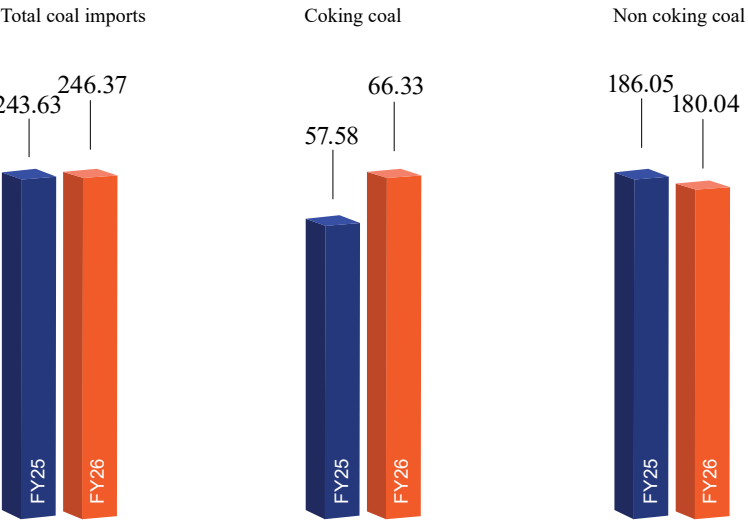


Source: Ministry of Coal, GoI

During FY 2024-25, nationwide coal supply stood at **1,025.33 MT**. In FY 2025-26, coal supply stood at **1,019.50 MT**, reflecting continued availability and distribution of coal across the country to meet the requirements of the power and other sectors.



Coal Imports Reduction (Million Tonnes)



Source: Ministry of Coal, GoI



Non-coking coal imports, primarily utilised for thermal power generation, declined to 180.04 MT in FY 2025-26 from 186.05 MT in FY 2024-25, registering a 3.23% reduction. This decrease reflects enhanced domestic coal supply and improved domestic availability to power utilities, helping curb thermal import reliance. However, total national coal imports rose slightly from 243.63 MT to 246.37 MT, driven by an increase in coking coal imports from 57.58 MT to 66.33 MT to support growing steel production needs.

Coal imports by thermal power plants declined significantly to 45.4 MT in FY2025-26, from 62.5 MT in FY2024-25, registering

a reduction of approximately 27.4%. The decline reflects improved domestic coal availability and increased domestic coal supplies to power plants, thereby reducing dependence on imported coal.

Coal Reserves in India

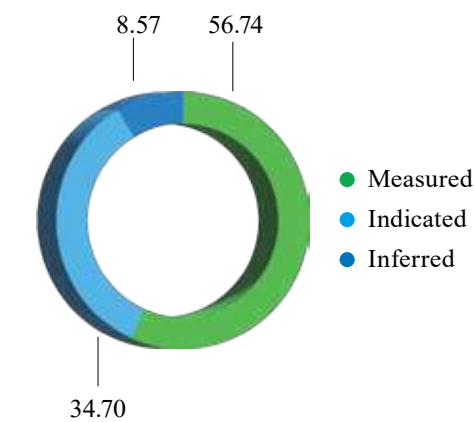
As of April 1, 2026, India's total coal resources were estimated at 411527.05 MT, while lignite resources stood at 48188.31 MT. Major coal reserves are located primarily in Odisha, Jharkhand, Chhattisgarh, West Bengal, Madhya Pradesh, Telangana, and Maharashtra.

State-wise Coal Resources (in Million Tonnes)

State	Measured	Indicated	Inferred	Grand Total
Odisha	63,929.08	33,930.09	8,896.44	106,755.61
Jharkhand	60,658.47	27,158.20	5,841.95	93,658.62
Chhattisgarh	47,716.41	37,047.77	1,643.45	86,407.63
West Bengal	19,238.76	11,487.40	4,208.97	34,935.12
Madhya Pradesh	17,405.15	11,558.01	5,924.10	34,887.26
Telangana	11,256.78	8,626.94	3,404.90	23,288.62
Maharashtra	8,384.64	3,272.45	2,421.30	14,078.39
Bihar	2,346.36	6,970.42	1,138.87	10,455.65
Andhra Pradesh	1,024.65	2,368.94	778.17	4,171.76
Uttar Pradesh	884.04	177.76	0.00	1,061.80
Meghalaya	103.33	16.65	469.59	589.57
Assam	464.78	57.21	3.02	525.01
Nagaland	11.89	39.33	468.86	520.08
Sikkim	0.00	58.25	42.98	101.23
Arunachal Pradesh	61.96	22.74	6.00	90.70
Total	233,486.30	142,792.15	35,248.59	411,527.05

Source: Geological Survey of India, GoI

Estimated Reserves of Coal in India (%)



Source: Geological Survey of India, Gol

Lignite Sector – Production & Supply

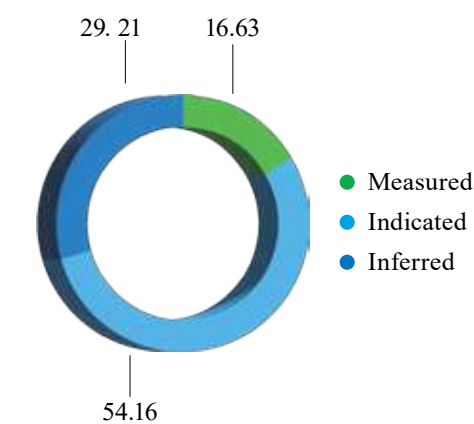
As per the Indian Coal and Lignite Resources-2026 released by Geological Survey of India, lignite reserves in the country are estimated at around 48,188.31 MT as on 01.04.2026. The major deposits are in the State of Tamil Nadu, followed by Rajasthan, Gujarat, Union Territory of Puducherry, Jammu and Kashmir, Kerala, Odisha, and West Bengal.

Lignite Reserves in India (in Million Tonnes)

State	Measured	Indicated	Inferred	Grand Total
Pondicherry	0.00	405.61	11.00	416.61
Tamil Nadu	5,476.00	22,211.09	10,636.35	38,323.44
Rajasthan	1,254.20	3,175.17	2,249.78	6,679.15
Gujarat	1,278.65	283.70	1,159.70	2,722.05
Jammu & Kashmir	0.00	20.25	7.30	27.55
Kerala	0.00	0.00	9.65	9.65
West Bengal	0.00	1.13	2.80	3.93
Odisha	5.93	0.00	0.00	5.93
Total	8,014.78	26,096.95	14,076.58	48,188.31

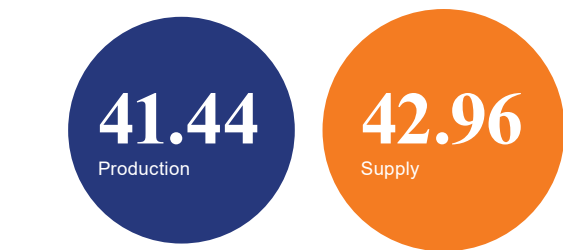
Source: Geological Survey of India, Gol

Estimated Reserves of Lignite in India (%)



Source: Geological Survey of India, Gol

Lignite Production vs. Supply in FY 2025-26 (Million Tonnes)



Source: Ministry of Coal, Gol

During FY 2025-26, national lignite production stood at 41.44 MT, while lignite supply stood at 42.96 MT, reflecting continued production and supply to meet the requirements of the power and other sectors.

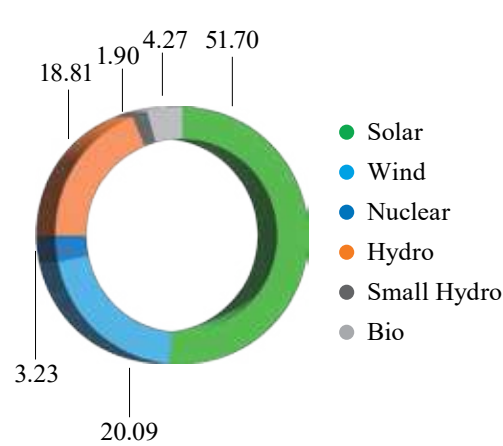


Moving towards green power

Anchored by robust policy frameworks and rapid technological adoption, the domestic power sector is executing a major strategic pivot toward renewable and low-carbon energy. This energy transition reflects a balanced national priority safeguarding long-term energy independence while advancing ambitious environmental goals.

The Ministry of New & Renewable Energy (MNRE) has played a pivotal role in steering India’s energy landscape towards decarbonisation, in alignment with the commitment made at COP26 to achieve 500 GW of installed electricity capacity from non-fossil fuel sources by 2030. As of 2026, India has achieved 297.36 GW of capacity from non-fossil fuel sources, including 288.58 GW from renewable energy and 8.78 GW from nuclear power. This accounts for a major portion of the nation's total installed power generation capacity, representing a major milestone in India’s clean energy transition and its broader climate goals.

Source-wise Installed Power Capacity FY 2024-25 (%)



Source: Central Electricity Authority (CEA), Ministry of Power, Gol

789 GW
Clean Energy Target by 2035

297.4 GW
Achieved from Clean Energy by June 2026

288.6 GW
From renewable energy 8.8 GW from nuclear energy

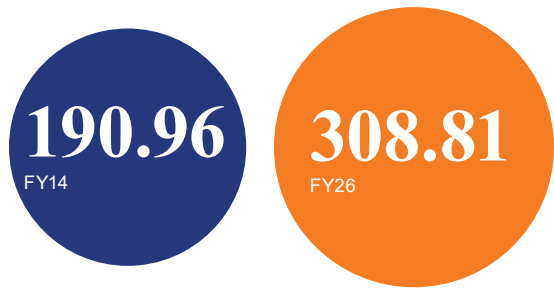
Renewable Energy Sector

Driven by focused policy initiatives, robust governance frameworks, and an expanding domestic manufacturing base, India’s renewable energy sector has made substantial strides in both generation and total capacity, establishing itself as a cornerstone of the national energy policy.

Reaching an installed capacity of 288.6 GW by March 2026 underscores India's commitment and technical capacity to expand green infrastructure. Beyond marking steady progress toward the nation's 500 GW target, this milestone cements India’s role as a global leader in clean energy adoption. Today, renewables play a crucial role in diversifying the national grid and safeguarding long-term energy security.

Over the past decade, total clean energy output expanded dramatically, moving from 190.96 billion units (BU) in 2014–15 to 308.81 BU during FY 2025-26. Consequently, renewable sources now account for roughly 26.20% of India's overall electricity output, up from 17.20% over the same period, demonstrating their vital contribution toward meeting surging energy needs while curbing greenhouse gas emissions.

Growth in Power Generation (BU) (Over the Years)



Source: Ministry of Power, GoI

Tax Write-Off & Accelerated Depreciation Rules for Rooftop Solar

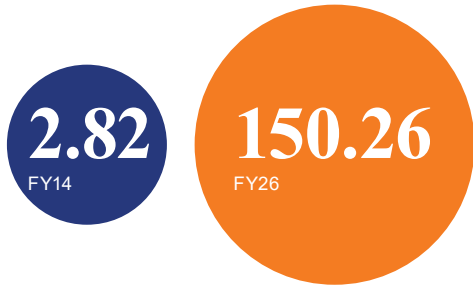
Under the self-owned CAPEX model, businesses can claim a 40% Accelerated Depreciation tax deduction under Section 32 in Year 1, significantly lowering taxable income compared to the standard 15% rate. Entities under the Old Tax Regime can add a 20% initial depreciation under Section 32(1)(iia) for a 60% total first-year write-off (unavailable under the 115BAA/115BAB concessional tax regimes). To get the full Year 1 deduction, the plant must be commissioned before October 3 (180 days of use). If commissioned after October 3 (<180 days), the allowable first-year claim is halved to 20% under concessional regimes or 30% under the old regime. These write-offs require direct ownership, excluding third-party OPEX/RESCO PPAs, and allow capitalising uncredited GST into the asset base.



Solar Power

Solar power leads India's shift toward clean energy. From just 2.82 GW in FY 2014–15, total solar capacity expanded 53.28x to reach 150.26 GW in FY 2025-26. A historic single-year addition of 29.70 GW during the year under review highlights this surging momentum. Today, solar forms the bedrock of the country's renewable energy basket, reinforced by expanding decentralised rooftop systems and a maturing local supply chain. Targeted policy mechanisms, ranging from dedicated solar park infrastructure to enhanced grid connectivity and local module manufacturing under the Make in India initiative, continue to drive this unprecedented scale-up.

Solar Power Installed Capacity Growth (GW)



Source: Ministry of Power, GoI

Manufacturing Boost (2014 to March 2026):

- Solar PV module capacity surged from 2.3 GW to 172 GW, a 74-fold increase
- Solar PV cell capacity grew from 1.2 GW to 38 GW, a 31-fold increase



Short-term Power Market in India

India's short-term power market, underpinned by evolving Deviation Settlement Mechanism (DSM) regulations, plays a critical role in satisfying the nation's dynamic energy demand. By granting operational agility to both buyers and sellers, it strengthens market efficiency, improves forecasting compliance, and enables real-time grid balancing as demand and generation profiles fluctuate.

Central Electricity Regulatory Commission data indicates that short-term trading comprised 17.7% of nationwide power generation during FY 2025-26, with long-term agreements and intra-state arrangements making up the remaining 82.3%. These figures highlight how short-term transactions deliver the necessary liquidity and market responsiveness to stabilise the grid.

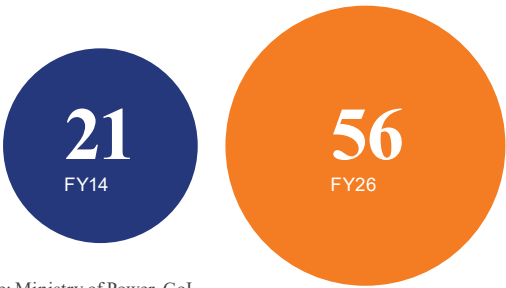


Wind Energy

India's wind power landscape continues its upward trajectory. Over the past decade, nationwide installed capacity expanded by more than 160%, growing from a 21 GW baseline in FY 2014–15 to 56 GW by FY 2025-26. This expansion was propelled by a landmark single-year addition of 6.05 GW during FY 2025-26.

Total electricity generated from wind reached 91.40 BU over the same fiscal period, contributing 5.15% to the national power grid. Concurrently, domestic supply chains have matured, with 14 Indian manufacturers now producing 31 type-certified turbine variants. Backed by an annual domestic manufacturing capability of 18 GW, the sector remains well-equipped to drive future onshore and offshore installations.

Wind Power Installed Capacity Growth (GW)



Source: Ministry of Power, GoI

Key Features of CERC's 2026 Second Amendment Regulations on Power Markets and Tariff Structures

- **Designation of Grid-India as MCO:** The CERC (Power Market) 2nd Amendment officially designates the Grid Controller of India Limited (Grid-India) as the single Market Coupling Operator (MCO). Grid-India oversees centralised price discovery and uniform market clearing across both the Day-Ahead (DAM) and Real-Time (RTM) electricity markets.
- **Unified Market-Clearing Price (UMCP):** Instead of individual power exchanges independently calculating local clearing prices, power exchanges submit anonymised, standardised bid data directly to the MCO. The MCO runs a centralised algorithm to compute a single, uniform market-clearing price across all platforms.
- **Tariff Integration for Energy Storage Systems (ESS):** Battery Energy Storage Systems (BESS) co-located with generation or transmission assets are integrated into a multi-part billing structure. This splits remuneration into Fixed Capacity Charges (for availability) and Energy Charges (for actual charge/discharge usage).
- **Normative Storage Performance Standards:** The 2nd Amendment Tariff framework sets explicit performance baselines for storage projects, requiring a minimum 90% availability benchmark to claim full capacity charges and an 85% Round-Trip Efficiency (RTE) target, along with structured financial incentives for operational efficiency gains.



Growth Trends and Market Dynamics

From FY 2009-10 through FY 2024-25, short-term power trading (inclusive of DSM) expanded from 65.90 BU to an all-time high of 238.35 BU, registering a compound annual growth rate (CAGR) of 8.9% that consistently outpaced total electricity generation growth over the same period.

In FY 2024-25, aggregate short-term trades and Deviation Settlement Mechanism (DSM) reached 238.35 BU, marking a 9.22% increase over the 218.22 BU recorded in FY 2023-24.

Excluding DSM (32.14 BU), power exchange transactions and bilateral trading accounted for 206.21 BU in FY 2024-25. In monetary terms, the short-term sustained its upward valuation trajectory into FY 2024-25.

Cross-Border Electricity Trade

India is a net exporter of electricity to Bangladesh and Myanmar, maintains seasonal bi-directional power trade with Nepal (which now exports substantial surplus hydropower to India during monsoon months), and remains a net importer of electricity from Bhutan.

Cross-Border Trade of Electricity between India and Its Neighbouring Countries (MU), FY14 to FY 2024-25

Year	Bhutan (+)	Nepal (-)	Bangladesh (-)	Myanmar (-)	Net Export/Import by India
2013-2014	5,555.18	840.37	1,448.19	0.00	3,266.62
2014-2015	5,109.48	997.17	3,271.89	0.00	840.42
2015-2016	5,555.07	1,469.59	3,654.4	0.00	431.08
2016-2017	5,863.58	2,021.21	4,419.61	3.23	(580.47)
2017-2018	5,611.14	2,388.96	4,808.83	5.07	(1,591.72)
2018-2019	4,657.07	2,798.84	5,690.31	6.67	(3,838.75)
2019-2020	6,310.73	2,373.06	6,987.94	8.61	(3,058.88)
2020-2021	9,318.17	1,865.05	7,551.99	9.24	(108.11)
2021-2022	7,670.34	1,921.09	7,301.74	8.8	(1,561.29)
2022-2023	6,379.95	158.05	8,622.14	9.8	(2,410.04)
2023-2024	3,862.78	154.08	8,413.52	8.47	(4,713.29)
2024-2025	4,466.45	497.29 (+)	8,118.27	9.01	(3,163.54)

Source: CERC, (-) Export, (+) Import



Renewable Energy Certificates (RECs)

A total of 187.20 Lakh Renewable Energy Certificates (RECs) were traded across power exchanges and bilateral licensee channels during FY 2025-26, representing a 5% year-over-year rise from the 178.29 Lakh RECs cleared in FY 2024-25.

Under the framework established by the CERC REC Regulations 2022, the former division between solar and non-solar certificates was phased out in favour of a single, unified REC instrument. To incentivise emerging and capital-intensive clean technologies, this mechanism incorporates certificate multipliers, boosting both market appeal and financial feasibility for a broader range of renewable power projects.

Growth of Renewable Energy Certificates Transacted on Power Exchanges and Bilaterally through Traders, 2011-12 to 2024-25

Year	Number of Buyers	Number of Sellers	Number of RECs Transacted (Lakh)
2011-12	397	197	10.15
2012-13	802	683	25.90
2013-14	1,083	1,044	27.49
2014-15	821	1,378	30.62
2015-16	1,332	1,512	49.55
2016-17	1,760	1,588	64.88
2017-18	1,140	1,088	162.00
2018-19	988	830	126.00
2019-20	830	820	89.28
2020-21*	277	523	9.21
2021-22*	541	749	84.60
2022-23	520	820	82.50
2023-24	493	723	138.53
2024-25	484	364	343.09

*As per Hon’ble APTEL Order trading sessions of RECs at both the Power Exchanges was suspended from Jul’20 to Oct’21 and resumed from Nov’21 as per Hon’ble APTEL Order dated 09.11.2021.

Note: 2022-23 onwards includes RECs traded bilaterally through Trading Licensees.

Source: NLDC



Key Features of the CERC’s 2026 First Amendment Regulations on Renewable Energy Certificates (RECs)

- **Validity of RECs:** Certificates issued remain valid until redeemed, with no fixed expiry date.
- **Eliminated Floor and Forbearance Price:** Prices are discovered on power exchanges or mutually agreed via traders, with CERC holding intervention powers during abnormal volatility, extreme price spikes/drops, or severe volume fluctuations.
- **REC Fungibility & RCO Compliance:** Solar/non-solar categorisations remain replaced by a unified REC contract. Under the 2026 amendment, RECs also integrate Virtual Power Purchase Agreements (VPPAs) and serve as an official compliance tool for Designated Consumers meeting Renewable Consumption Obligations (RCOs) under the Energy Conservation Act.
- **Certificate Multiplier:** Multipliers promote less mature or capital-intensive technologies (e.g., offshore wind at 4.0x, biomass/hydro at 3.0x) by enhancing their market value. Under the 2026 framework, multipliers are assigned based on tariff, technology maturity, and grid value, remaining valid for 15 years from project commissioning. Pre-existing projects commissioned prior to December 5, 2022 are excluded from multiplier adjustments.
- **Transactions through Trading Licensees & VPPAs:** Trading through licensed traders provides long-term bilateral visibility. Furthermore, VPPA-linked RECs transfer directly to designated consumers to meet RPOs/RCOs; while excess VPPA certificates can be carried forward for future compliance, they cannot be resold on power exchanges.

Multipliers for different RE Technologies

RE Technologies	Tariff Range (₹/ kWh)	Certificate Multiplier
On Shore Wind and Solar	<=4	1
Hydro	4-6	1.5
Municipal Solid Waste and Non-Fossil Fuel based Cogeneration	6-8	2
Biomass and Biofuel	8-10	2.5



Critical Minerals

Driven by the National Critical Mineral Mission (NCMM), critical minerals, including lithium, cobalt, nickel, rare earth elements, and copper, form the strategic backbone of clean energy technologies, powering solar modules, wind turbines, electric vehicles (EVs), grid-scale energy storage systems, and green hydrogen electrolyzers.

Critical minerals are vital for economic development and national security, but geographic concentration creates strategic supply vulnerabilities. To secure self-reliance, the government launched the National Critical Mineral Mission (NCMM) spanning FY 2024-25 to 2030–31. Building on the 30 critical minerals identified by the Ministry of Mines, 24 are listed under Part D of Schedule I of the amended Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act). Under this framework, the Central Government holds exclusive authority to auction mining leases, composite licenses, and exploration licenses. Under NCMM, over 100 critical mineral blocks are targeted for central auctions to accelerate domestic exploration, processing, and recycling.

150.26 GW
India’s current solar capacity

The 30 Critical Minerals

01 Antimony	16 REE#
02 Gallium	17 Tellurium
03 Lithium	18 Zirconium
04 Phosphorus	19 Cobalt
05 Strontium	20 Hafnium
06 Tungsten	21 Nickel
07 Beryllium	22 Rhenium
08 Germanium	23 Tin
09 Molybdenum	24 Selenium
10 Potash	25 Copper
11 Tantalum	26 Indium
12 Vanadium	27 PGE*
13 Bismuth	28 Silicon
14 Graphite	29 Titanium
15 Niobium	30 Cadmium

*PGE – Platinum, Palladium, Rhodium, Ruthenium, Iridium, Osmium

#REE – Lanthanum, Cerium, Praseodymium, Neodymium, Promethium, Samarium, Europium, Gadolinium, Terbium, Dysprosium, Holmium, Erbium, Thulium, Ytterbium, Lutetium, Scandium, Yttrium

Usage of Critical Minerals



Solar Energy: Critical minerals such as silicon, tellurium, indium, and gallium are vital for photovoltaic (PV) cell production. India’s current solar capacity of 150.26 GW is heavily dependent on these minerals.



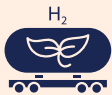
Wind Energy: Rare earth elements like dysprosium and neodymium power wind turbine permanent magnets. India aims to expand its wind capacity from 57 GW to 140 GW by 2030, requiring a steady mineral supply.



Electric Vehicles (EVs): Lithium, nickel, and cobalt are essential for lithium-ion batteries. Under PM E-DRIVE, India targets 30% EV adoption by 2030, driving surging demand for these critical minerals.



Energy Storage: Advanced grid-scale energy storage systems rely directly on lithium, cobalt, and nickel.



Green Hydrogen & Fuel Cells: Critical rare earth elements such as Cerium (Ce), Lanthanum (La), Yttrium (Y), Gadolinium (Gd), Samarium (Sm), Scandium (Sc), Neodymium (Nd) and Praseodymium (Pr) are essential for high-performance green hydrogen production and fuel cell technologies, serving as key materials in electrolytes, electrodes, catalysts and electrolysis systems.



CCUS: Critical rare earth elements such as cerium, lanthanum, yttrium, gadolinium and scandium are used in advanced catalysts, sorbents and ceramic membranes to enhance CO₂ capture, separation and conversion efficiency in CCUS systems.

Key Highlights of the Mines and Minerals (Development and Regulation) (MMDR) Amendment Act, 2026

- **Capping of State Levies (Section 9D):** Introduces a new section prohibiting state governments from imposing additional taxes, cesses, or levies on mineral rights or mineral-bearing lands, whether based on quantity, value, or royalty, except under conditions specifically prescribed by the Central Government.
- **Union Regulation over Mineral-Bearing Lands:** Amends Section 2 of the principal Act to explicitly bring "mineral-bearing lands" under the direct regulatory scope of the Central Government to establish a single, nationwide mineral taxation regime.
- **Treatment of Past State Levies:** Declares any uncollected or pending state-level mineral tax demands invalid. However, taxes or cesses already deposited or recovered by state governments prior to the commencement of the Act remain non-refundable.
- **Rule-Making Authority (Section 13):** Expands the Central Government's powers to frame uniform rules and parameters governing any future levies states may be permitted to impose, ensuring predictable operating costs for mining entities.
- **Protection of Core Revenues:** Preserves state receipts from auction premiums, royalties (Section 9), District Mineral Foundation (DMF) contributions (Section 9B), and National Mineral Exploration Trust (NMET) contributions (Section 9C).

National Critical Mineral Mission (NCMM)

To secure these resources, the Government of India launched the National Critical Mineral Mission (NCMM) with Cabinet approval in January 2025 to establish a robust framework for self-reliance in the critical mineral sector. Under this mission, the Geological Survey of India (GSI) has been tasked with conducting 1,200 exploration projects from FY 2024-25 to FY 2030–31.

Objectives of NCMM

Meeting India's commitments, reaching net-zero emissions by 2070, generating half of its power from clean sources by 2030, and lowering economic emissions intensity by 45% against 2005 benchmarks, depends heavily on the National Critical Mineral Mission (NCMM). The mission underpins these climate targets by establishing a self-sufficient critical mineral value chain through expanded domestic mining, active private participation, strategic foreign alliances, and modernised regulatory frameworks to secure essential green tech supply chains.

Battery Storage

India's Battery Energy Storage Systems (BESS) market is poised for transformative growth, driven by the nation's target of achieving 500 GW of non-fossil energy capacity by 2030 and the critical need for grid stability. According to the National Electricity Plan (NEP 2022–32) released by the Central Electricity Authority (CEA), India's energy storage capacity requirement is projected to reach 82.37 GWh by FY 2026-27, comprising 47.65 GWh from Pumped Storage Projects (PSP) and 34.72 GWh from BESS. This requirement rises significantly to 411.4 GWh by FY 2031–32 (175.18 GWh from PSP and 236.22 GWh from BESS). Furthermore, the CEA projects that by 2047, storage needs will expand to 2,380 GWh (540 GWh from PSP and 1,840 GWh from BESS) to support India's Net Zero 2070 target.

This Accelerated Growth is Primarily Driven by



Renewable Energy Integration: India's installed renewable capacity reached approximately 288.5 GW, rapidly pushing towards 500 GW non-fossil fuel capacity by 2030. BESS is critical for managing the intermittency of solar and wind power, enabling round-the-clock (RTC) clean energy supply and ensuring grid stability.



Increasing EV Deployment: The swift expansion of electric mobility across India is generating substantial demand for battery energy storage systems, primarily within charging networks to manage demand surges and stabilise power delivery.



Declining Battery Costs: Global lithium-ion battery pack prices have continued their downward trajectory, making BESS solutions increasingly economically viable and accelerating adoption. Driven by rapid LFP chemistry adoption and manufacturing overcapacity, stationary storage battery pack prices fell, while average cell costs are projected to decline further to \$68/kWh by 2030.



Policy Support: Robust policy support underscores the Indian government's commitment, driven by the National Framework for Energy Storage Systems (2023), the ₹18,100 crore Production-Linked Incentive (PLI) for Advanced Chemistry Cell (ACC) manufacturing, and dedicated Viability Gap Funding (VGF). To expand beyond the initial 13.2 GWh BESS targets, an extra ₹5,400 crore in VGF allocation will finance 30 GWh of standalone storage capacity. Additionally, grid integration remains incentivised via an extended Inter-State Transmission System (ISTS) waiver through June 30, 2028.



Green Hydrogen

India is the world's third-largest producer and consumer of hydrogen, following China and the United States, with an annual demand of approximately 7.5 Million Metric Tonnes Per Annum (MMTPA), primarily consumed in crude oil refining and fertiliser manufacturing. However, the vast majority remains grey hydrogen produced from fossil fuels via steam methane reforming. With national hydrogen demand expected to increase nearly threefold by 2040, the core priority is transitioning this growth toward green hydrogen produced using renewable energy.

Recognising this strategic imperative, the Government of India launched the National Green Hydrogen Mission (NGHM). With direct PLI electrolyser and green hydrogen production allocations actively underway in FY 2025-26, NGHM aims to position India as a global clean energy hub, enhancing energy self-reliance, cutting emissions, and creating extensive employment in green technology sectors.

National Green Hydrogen Mission: Progress

Launched in January 2023 with a ₹19,744 crore outlay through 2030, the National Green Hydrogen Mission has transitioned from policy planning to active operational execution under its core SIGHT (Strategic Interventions for Green Hydrogen Transition) programme:



Production Allocations: SECI has allocated a cumulative 862,000 tonnes per annum of green hydrogen production capacity across 18 winning bidders under SIGHT Mode-1 incentives.



Electrolyser Manufacturing: 3,000 MW/year of domestic electrolyser manufacturing capacity has been awarded to 15 companies backed by ₹4,440 crore in PLI support.



Industrial Offtake Agreements: Offtake discovered includes 724,000 tonnes per annum of green ammonia for 13 fertiliser plants and 20,000 tonnes/year for oil refineries.



Pilot Projects & Mobility: Over ₹1,000 crore sanctioned for active pilot projects, deploying 37 hydrogen buses/trucks across 10 routes and establishing green hydrogen hubs/clusters.



2030 Baseline Targets: Remains anchored toward achieving 5 MMTPA green hydrogen output, adding ~125 GW dedicated renewable capacity, cutting 50 MMT CO₂ annually, and unlocking ₹8 Lakh crore in investment.



Energy Access and Efficiency in India

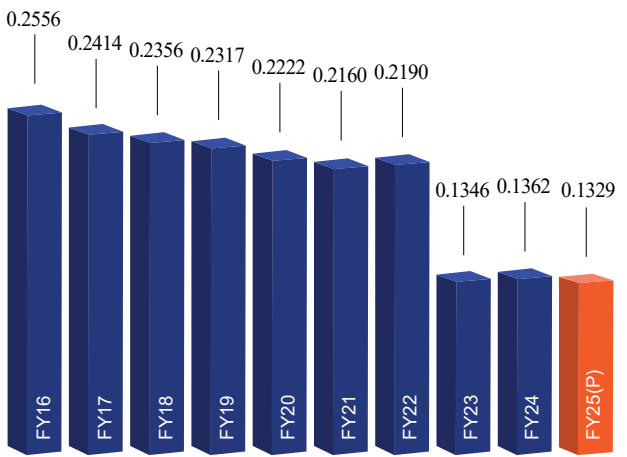
India achieved 100% census village electrification in April 2018, followed by universal household connectivity under Saubhagya. Advancing SDG 7, India has shifted from basic access to 24x7 reliable power under the Revamped Distribution Sector Scheme (RDSS), while targeting last-mile tribal homes through PM-JANMAN. Furthermore, initiatives like PM Surya Ghar empower households to generate clean rooftop solar power, reinforcing sustainable and self-reliant energy access nationwide.

Energy Intensity and Per Capita Energy Consumption:

Energy intensity measures the volume of energy required to yield one unit of GDP at constant prices, serving as a vital gauge of a nation's macroeconomic efficiency. Meanwhile, Per Capita Energy Consumption (PEC) reflects total annual energy use divided by the mid-year population. While both metrics primarily track conventional energy streams, they can undercount non-conventional energy usage, particularly across rural regions.

Demonstrating sustained progress, India's overall energy intensity fell to 0.1329 Mega Joules per rupee in FY 2024-25 (P). This steady reduction underscores growing productive efficiency, proving that India is extracting greater economic value relative to its energy input over time.

Energy Intensity in India (Mega Joules Per Rupee) *



P – Projected; Source: Energy Statistics India 2026, Ministry of Statistics and Programme Implementation

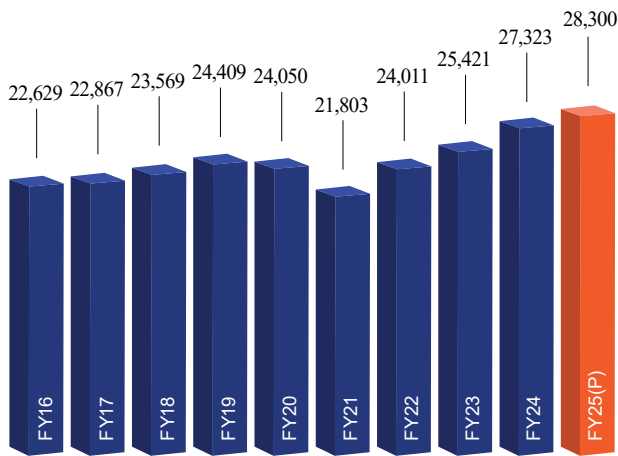
* The abrupt change in the Intensity figure from FY: 2022-23 onwards is due to shifting of base year of GDP from FY 2011-12 to FY 2022-23. The figures of the previous years will be updated once the back-series data of GDP will be finalised.



Per Capita Electricity Consumption

India’s per capita primary energy consumption increased from 22,629 Mega Joules/person in FY 2015-16 to 28,300 Mega Joules/person in FY 2024-25 (P), indicating a growing demand for energy.

Per Capita Primary Energy Consumption in India (Mega Joules/Person)



P – Projected; Source: Energy Statistics India 2026, Ministry of Statistics and Programme Implementation

Outlook

Outcomes of COP30: Turning Climate Pledges into Implementation

Held in Belém, Brazil, from November 10 to November 21, 2025, the COP30 summit brought together over 190 countries in the Amazon to turn climate pledges into concrete execution. Building on the Baku framework, nations reaffirmed the goal to mobilise \$1.3 trillion annually by 2035 and formally launched the ‘Baku-to-Belém Roadmap’ implementation mechanics. The conference introduced the flagship Tropical Forests Forever Facility (TFFF) with \$10 billion in initial pledges to reward forest conservation. Additionally, countries submitted updated Nationally Determined Contributions (NDCs) aligned with the 1.5°C threshold.

While the summit advanced nature-based solutions, several developing nations, including India, raised strong concerns over the slow disbursement of the \$300 billion annual climate finance core target and persistent trade barriers under green industrial policy. Progress was made on operationalising Article 6 carbon markets and scaling up adaptation funding mechanisms. Looking ahead to COP31 in Türkiye, the global focus will shift toward monitoring early NDC execution, enforcing climate finance delivery, and ensuring a just, equitable transition for developing economies.

India Goals

As India charts its path towards COP31 and beyond, it stands at the intersection of global climate ambition and developmental imperatives. Guided by ‘People, Planet, Progress’, India leverages domestic innovation to scale clean energy while championing climate finance equity and access for developing nations.

Key Steps in India’s Climate Action and Carbon Innovation Strategy

- Long-Term Decarbonisation & Target Trajectory:** India remains committed to Net Zero emissions by 2070, supported by NDC milestones of 500 GW non-fossil capacity and a 45% reduction in emissions intensity by 2030.
- Compliance Carbon Trading Framework:** India is advancing its compliance Carbon Credit Trading Scheme (CCTS) under the Energy Conservation (Amendment) Act, establishing regulated carbon credit certificates (CCCs) across major industrial sectors.
- Green Hydrogen & Clean Energy Expansion:** Backed by the National Green Hydrogen Mission and a non-fossil energy base reaching ~297 GW (including ~288 GW renewables), India is building global export capabilities in clean energy.
- Equity-Driven Climate Finance Advocacy:** Heading into COP31, India leads calls for accountable, grant-based climate finance and equitable delivery of the New Collective Quantified Goal (NCQG) for developing nations.
- Adaptation & Infrastructure Resilience:** India continues prioritising adaptation, allocating over 5% of GDP toward resilience in agriculture, water infrastructure, coastal management, and disaster risk reduction.
- Demand-Side Action via Mission LiFE:** India champions demand-side sustainability, driving global adoption of low-carbon behavioural choices and circular economy principles.
- Multilateral Alliances & Climate Leadership:** Through leadership in the International Solar Alliance (ISA), Global Biofuels Alliance, and G77+China, India advocates for a just energy transition, technology transfer, and equity.



SWOT Analysis

Strengths

- Resource Security:** Access to substantial coal, lignite, and water reserves, providing a dependable raw material base for continuous power output.
- Balanced Energy Mix:** Deep operational footprint spanning fossil fuel extraction, conventional thermal generation, and clean energy projects.
- Proven Leadership:** Experienced executive team with a strong track record in strategic execution and operational oversight.
- Financial Stability:** Sustained revenue growth, steady profitability, and disciplined fiscal governance.
- Resource Conservation:** Advanced hydrological and groundwater management practices ensuring efficient resource usage.
- Industrial Harmony:** Collaborative labour relations maintaining a stable, motivated workforce and operational continuity.
- Open-Cast Mining Excellence:** Extensive mastery in large-scale open-cast lignite extraction using modern specialised mining equipment (SME) technology.
- Targeted R&D Capabilities:** In-house research focus driving innovation across mine exploration, spatial planning, and process technology.
- Long-Term Revenue Visibility:** Revenue stability secured via pit-head power generation setups and long-term Power Purchase Agreements (PPAs).
- Contractual Mining Mastery:** Demonstrated operational expertise in Mine Developer & Operator (MDO) frameworks and complex outsourced project execution.

Weaknesses

- Cost Inflation in Mining Operations:** Mounting operational expenditures that squeeze operating margins and lower overall productivity.
- Adverse Strip Ratio Dynamics:** Higher volumes of waste rock and topsoil (overburden) required to reach deposit seams, escalating extraction costs and straining equipment capacity.

Opportunities

- Rapid Urbanisation & Industrial Expansion:** Surging demand for base-load power driven by ongoing nation-wide infrastructure development and city growth.
- Commercial Power Trading:** Revenue optimisation opportunities unlocked through dynamic energy exchange markets and strategic trading instruments.

- Rising Per Capita Consumption:** Sustained growth in consumer electricity demand, reflecting nationwide economic development and rising living standards.
- Renewable Sector Investment:** Favourable policy landscapes and financial incentives encouraging aggressive green energy project deployment.
- Universal Electrification Commitments:** State-led initiatives aimed at expanding grid reliability and last-mile energy accessibility.
- Strategic Alignment with Atmanirbhar Bharat:** Strong growth potential by prioritising indigenous technology, domestic supply chains, and localised equipment sourcing.
- Next-Generation Energy Platforms:** Diversification into high-growth clean technologies, including green hydrogen, battery storage solutions (BESS), pumped hydro systems, and rare earth element extraction.
- Critical Minerals & Gasification Ventures:** Strategic expansion into advanced resource processing, such as underground coal gasification (UCG), surface coal gasification (SCG), and strategic mineral exploration.

Threats

- Heavy Pumping & Drainage Expenses:** High expenditures linked to dewatering operations that inflate overall operational overhead.
- Underutilised Asset Base:** Sub-optimal capacity usage across power generation assets and mining pits, leading to reduced efficiency.
- Renewable Energy Transition Pressures:** Accelerating clean-energy adoption and policy mandates threatening traditional thermal power market share.
- Land Acquisition & R&R Bottlenecks:** Delays and cost overruns stemming from complex land procurement, higher compensation claims, and local displacement challenges.
- Global Supply Chain & Trade Disruptions:** Geopolitical friction and international trade volatility impacting equipment sourcing and fuel supply reliability.
- Deferred Receivables & Liquidity Strain:** Cash flow and working capital constraints caused by prolonged payment cycles from off-takers.
- Evolving Regulatory Compliance:** Unpredictable shifts in environmental norms and power sector policies creating operational and financial compliance risks.



Company Overview

Established in 1956, Navratna PSU NLC India Limited (NLCIL) stands as a premier enterprise in lignite extraction and power production nationwide. Having spearheaded innovations in brown coal mining, the organisation has broadened its footprint into coal mining, clean energy ventures. Environmental responsibility and sustainable development remain foundational pillars, reinforced by robust CSR programmes. NLCIL views local communities not as external stakeholders, but as an indispensable partner in its long-term growth story.

Mining

Lignite Mining

- NLCIL operates 3 open-cast lignite mines at Neyveli of 28 MTPA capacity and one at Barsingsar, Rajasthan of 2.10 MTPA capacity. Nationally, all-India lignite output reached 41.44 MT, with NLCIL contributing over half (24.06 MT).

Coal Mining

- NLCIL operates the 20 MTPA Talabira II & III OCP in Odisha and recently commenced coal production at the 9 MTPA Pachwara South Coal Block in Jharkhand in March 2026.
- Under commercial coal block auctions, NLCIL won North Dhadu (3 MTPA) in Latehar District, Jharkhand, Machhakata (30 MTPA), and New Patrapara (12 MTPA) in Angul District, Odisha.
- Talabira II & III produced a record 19.14 MT and dispatched 17.69 MT in FY 2025-26, supplying linked plants like NTPL Tuticorin alongside merchant e-auctions.
- Project activities, mining plans, and statutory approvals are actively progressing, with commercial mine openings targeted around FY 2028-29 to FY 2029-30.

Critical Minerals

- NLCIL secured composite licenses for the Semhardih block (~428 MT limestone, ~4 MT phosphorite) and the Raipura block (~170 MT limestone, ~15 MT phosphorite) in Chhattisgarh. Tenders have been floated for detailed geological exploration.
- In June 2026 NLCIL Secured Two critical mineral blocks viz., Parvathapur Block and Govindpur Block in Sangareddy district of Telangana having deposits of Vanadium, Titanium, and Aluminous Laterite.
- Additionally, an MoU was signed between BARC and NLCIL on August 6, 2025, to establish a pilot-scale demonstration facility for recovering rare earth elements (REE) from lignite fly ash. Tender for this project has been floated for engaging EPC contractor for the said project.

Power Generation

Thermal Power

- NLCIL operates four pit-head lignite thermal power stations at Neyveli aggregating 3,390 MW, alongside the 250 MW Barsingsar Thermal Power Station (BTPS) in Rajasthan.
- Operates a 2x500 MW coal-based Thermal Power Station at Tuticorin through subsidiary NLC Tamil Nadu Power Limited (89:11 JV between NLCIL and TNPGL).
- Operates a 3x660 MW coal-based Thermal power station in Uttar Pradesh through subsidiary Neyveli Uttar Pradesh Power Limited (NUPPL) (51:49 JV between NLCIL and UPRVUNL).
- Reached a total operational thermal base of 6,620 MW, with a roadmap to reach 10,020 MW by 2030 anchored by the 3,200 MW Odisha Pithead TPS (Phase-I), 1,000 MW TPS-II 2nd Expansion in Neyveli and 375 MW in Rajasthan.



Renewable Energy

- The Company operates 1,785 MW of total renewable assets, including 1,429 MW of solar power plants across Tamil Nadu and Andaman & Nicobar Islands, 51 MW wind power in Tirunelveli, Tamil Nadu, and 5 MW of rooftop solar.
- Fully commissioned the 300 MW Barsingsar Solar Project in Rajasthan in January 2026 under the CPSU Scheme.
- First CPSE to cross 1 GW solar capacity in India and an active member of the International Solar Alliance (ISA).
- Achieved an all-time high renewable generation of 2.26 Billion Units (BU) in FY 2025-26.
- Wholly owned subsidiary NLC India Renewables Ltd. (NIRL) received LoAs for a 250 MW/500 MWh BESS from TNGECL, 600 MW Solar + 1,800 MWh BESS from SECI, and 500 MWh BESS from PSPCL, 600MW SPP from BSUL,900MW SPP from GUVNL, 200MW WPP from SECI.
- Further NIRL has Won the bidding in the recent 200 MW Wind Tender from SJVN, another 200 MW Wind tender from GUVNL, 50 MW/200 MWh BESS from WBSEDCL & 275MW BESS from GUVNL.
- Secured LoAs for a 200 MW wind project from SJVN and a 450 MW ISTS-connected wind-solar hybrid project from NTPC.
- Through NIRL, Four New JV Companies Incorporated viz., with NCRTC (110 MW Solar), RUVNL (2000 MW Solar), APDCL (1000 MW Solar) and OREDA (1000 MW Solar/Wind), to expand renewable presence across India.
- Transferred operational and under construction renewable assets to NIRL, with Government approval obtained for NIRL asset monetisation plan in FY 2026-27.
- Targeting a total renewable capacity of 10,110 MW (~10.1 GW) by 2030, with 5,810 MW of projects currently under construction and active development.

Current Capacities

Mining Capacity (50.10 MTPA)	Power Generation (8,405 MW) (Including JVs)
Lignite: 30.10 MTPA	Lignite Based: 3,640 MW
Coal: 20 MTPA	Coal Based: 2,980 MW
	Solar: 1,734 MW
	Wind: 51 MW

Planned Capacity Addition till 2030

Mining Capacity (104.35 MTPA)	Power Generation (20,130 MW) (Including JVs)
Lignite: 44.85 MTPA	Lignite Based: 4,015 MW
Coal: 58.50 MTPA	Coal Based: 6,005 MW
Critical Minerals: 1 MTPA	Solar: 9,709 MW
	Wind: 401 MW



- NLCIL targets a total capacity of 104.35 MTPA in Mining and 20,130 MW in Power Generation.
- Projected Capital Expenditure (up to 2030) of ₹1.01 Lakh crore with a debt-equity ratio of 70:30 for Thermal & Mining projects and 80:20 for Renewable projects.

NLCIL has contributed significantly to the nation's socio-economic development for nearly seven decades. NLCIL's strategy minimises environmental impact through eco-restoration, massive afforestation, rainwater harvesting, 100% fly ash utilisation, biodiversity conservation, adoption of green & environmentally friendly Circulating Fluidised Bed Combustion (CFBC) Technology, effective emission control measures and effective water/energy management, conserving 7.27 MU of energy in FY 2025-26. Independent agencies rated NLCIL's ESG performance with a 61.2 CareEdge score and 59.0 ICRA score. In FY 2025-26, CSR investments reached ₹48.06 crore, benefiting over 9 Lakh people.

Global Benchmark in Project Governance: IPMA Delta Level 3 Certification

NLC India Limited (NLCIL) became the first organisation in India to achieve the IPMA Delta Level 3 (Standardised) certification from the International Project Management Association. IPMA Delta assesses the overall project management maturity of an entire enterprise across three dimensions: individual competence, project management processes, and organisational governance. Achieving Level 3 (Standardised) confirms that NLCIL has institutionalised fully defined project, programme, and portfolio management standards that are consistently applied across its mining and energy verticals, directly supporting its Vision 2030 project expansion targets.



Key Safety Initiatives

- Safety and Health Management System Audit has been conducted in all the mines of NLCIL as per the guidelines of MoC and uploaded in National Coal Mines Safety Report (NCMSR) portal of MoC.
- Mobile Safety App- NLCIL Aran Mobile App launched for reporting of unsafe observations, near misses of all the units of NLCIL for needful compliance.
- Women employment in the mine: Separate SOPs were formulated.
- Blast free mining is also being practiced in Barsingsar mines for both OB and Lignite through Conventional Mining Equipment. At Talabira Mines, blast free mining is done in case of extraction of coal by the use of Surface miner.
- Safety in Conveyor belts:
 - Pre-start Audio-Visual Alarm -Conveyor Start Siren & Hooter, Pre start Audio Visual Alarm (in local Language through Public address system) installed in Drive heads to alert the workmen.
 - Audio Visual Blinker (AVB) system: AVB system installed at middle of the conveyor belt.
 - LOTO Indicator lamp installed in conveyor Systems.
 - Digital LOTO System: RFID-SMART LOTO system has been installed in Mine-II for ensuring safety.
- Thermal Safety:
 - Safety Audit of Thermal Power Plants are conducted by National Safety Council once in every two years and the observations have been implemented in a proper way.

The Company adheres to high standards in safety, quality, energy efficiency, clean mining, and emission controls, fulfilling DPE Guidelines on Sustainable Development for CPSEs.

Strategic Energy Roadmap

In alignment with India’s goal of achieving Viksit Bharat 2047 and its national commitment to Net-Zero emissions by 2070, NLCIL is driving a strategic transition to support the national target of 500 GW of non-fossil capacity by 2030, NLCIL’s Corporate Plan 2030 targets a 20,130 MW power portfolio (with 10.11 GW from renewables) and a total mining capacity exceeding 100 MTPA. Extending this roadmap to 2047, NLCIL envisages increasing its renewable energy share to 77% of its generation portfolio. This long-term transformation is supported by key clean technology initiatives.

Business Performance

In FY 2025-26, NLC India Limited delivered a record-breaking performance, achieving its highest-ever annual coal output at 19.14 Million Tonnes from Talabira II & III OCP. Standalone power generation reached 19.20 Billion Units (28.95 BU on a consolidated basis), including an all-time high 2.26 Billion Units from green energy. Reinforcing its aggressive infrastructure and capacity expansion, NLCIL achieved its highest-ever annual capital expenditure of ₹9,131 crore.

Portfolio-wise Major Achievements

Mining

- Talabira-II & III OCP achieved its highest-ever annual coal production of 19.14 MT and dispatches of 17.69 MT in FY 2025-26.
- Achieved coal production commencement at the 9 MTPA Pachwara South OCP in Jharkhand in March 2026.
- At Talabira II & III OCP, the Digital Logistics Management System across mining operations for real-time dispatch monitoring and transparency is implemented.



- Strategic coal supply tie-ups from Talabira-II & III OCP to major power producers, including DVC (2.0 MTPA under a 1-year MoU) and NTPC thermal stations under MoUs.

Thermal

- NUPPL (3 x 660 MW) Ghatamphur Thermal Plant achieved Commercial Operation of all the three Units since June 2026.
- TPS2 Expn Unit-1 FBHE Modification was completed successfully in May 2025, and the average monthly availability improved to 90% and touched 100% in December 2025.
- BTPS (2×125 MW) stands FIRST in ranking for the Annual PLF (73.35%) among all-India Lignite-Based TPS, against the overall National Plant Load Factor of 65.57% registered for coal and lignite-based power stations in FY 2025-26, as well as standing No. 1 in Monthly PLF ranking four times in FY 2025-26.
- NTPL recorded its second-highest Plant Availability Factor (PAF) of 89.87%, surpassing the CERC norm of 85% and with a 6.5% increase in Plant Availability Factor (PAF % YoY).
- NLCIL, including its Joint Venture Units, achieved its highest-ever Annual Thermal Power generation (including surrender) of 33,174 MU in FY 2025-26, surpassing the previous best record of 29,983 MU.
- Contract signing between BHEL and NLCIL was completed on September 17, 2025, for EPC works of the 3×800 MW NLC Talabira Thermal Power Project in Odisha(Phase-I), and construction activities are in progress. For NTTTP Phase-II (1x800 MW) MoEF&CC granted ToR on July 3, 2025, for EIA studies towards EC fulfilment, targeting the award of contract in FY 2026-27. MoP has allocated the remaining 400 MW to Odisha (Home State) via letter dated February 10, 2026, over and above the initial PPA signed with GRIDCO for 400 MW.
- BTPS (2×125 MW) commenced biomass addition on March 16, 2026, in compliance under "SAMARTH - Sustainable Agrarian Mission on use of Agri-Residue in Thermal Power Plants" as per the Ministry of Power.
- Tender floated for TPS-II Second Expansion Project at Neyveli (2×500 MW) on a Single EPC package through the NeAT portal on ICB basis on December 10, 2025, with the bid submission date extended till September 2026.
- Feasibility study to set up a 375 MW (3×125 MW) lignite-based thermal power plant with three separate packages for achieving a competitive tariff was taken up in continuation to the formation of NRPL at Gurha, Rajasthan with RVUNL.
- An MoU was signed between BARC & NLCIL on August 6, 2025, for "Setting up a pilot-scale demonstration facility for recovery of rare earths from lignite coal fly ash," and approval for tender floating is in progress.
- An MoU was signed between IIT Madras & NLCIL on May 14, 2025, for a collaborative research programme on "CO₂ Capture & Regeneration Using Ionic Liquids (ILs) and Ionic Liquids-Amine Blend Systems."

In FY 2025-26, NLCIL delivered strong capital execution across its power portfolio. Capital expenditure reached an all-time high of ₹9,131 crore, with thermal and renewables-linked project investments forming the core driver for accelerating Ghatampur

construction, 300 MW Solar Project execution, Talabira site development, and operational asset upgrades.

These achievements demonstrate NLCIL’s focus on timely project delivery, efficiency enhancement, and capacity growth across lignite and coal-based assets. By combining operational excellence with strategic investments, the Company reinforced its position as a leading power producer, ready to meet the nation’s growing energy demands.

Renewable Power and Sustainability

- Achieved an all-time high annual green energy generation of 2.26 BU in FY 2025-26, mitigating ~1.9 million tonnes of CO₂ emissions.
- Fully commissioned the 300 MW Barsingsar Solar Project in Rajasthan in January 2026, marking NLCIL's largest single-location solar plant.
- Commissioned 4 MW Roof Top Solar project across different locations of Neyveli, NTPL, Barsingsar & NUPPL
- Awarded contracts for internal EV charging stations (5 locations) and rooftop/floating solar installations across company premises.

Financial and Strategic Growth

- Reached new record market highs with stock price touching ₹387+ and market capitalisation crossing ₹50,000+ crore following strong operational and financial execution.
- Raised a \$200 million Japanese Yen term loan via ECB to fund ongoing project expansion.
- Loan agreement signed with KfW Germany for \$100 Million Euro to fund Renewable projects.
- Received the "NIL Comments" report from the Comptroller and Auditor General of India (C&AG) for both standalone and consolidated financial statements for the Financial Year 2025-26
- Maintained 100%+ collection efficiency against billing, significantly liquidating aged power DISCOM dues and strengthening operational cash flows.
- Institutionalised the board-level ESG Committee to oversee enterprise sustainability, climate risk management, and decarbonisation strategies.
- Declared and distributed interim and final dividends in alignment with DPE guidelines, continuing a long track record of uninterrupted payouts.
- Successfully filed True-Up Tariff Petitions for the 2019-24 control period and Multi-Year Tariff (MYT) Petitions for 2024-29 with CERC for all thermal power stations and linked mines (including subsidiaries) prior to statutory deadlines.
- Reduced annual finance costs by over ₹150 crore through strategic debt refinancing and interest rate optimisation across NLCIL, NTPL, and NUPPL.
- Streamlined finance operations through team centralisation, end-to-end automation of vendor and employee payments, and expanded execution via the TReDS platform for MSME suppliers.

Projects Won by NLCIL through Competitive Bidding

Mining

- Machhakata Coal Mine, Angul, Odisha: Received approval of the Mining Plan on 17 March 2026. Steps were initiated for obtaining Environment and Forest Clearances. Land acquisition under the Coal Bearing Areas (Acquisition and Development) Act, 1957 progressed with notifications under Section 4(1) issued on 6 June 2025, Section 7(1) on 17 December 2025 and Section 8(2) on 25 February 2026.
- New Patrapara South Coal Mine (12 MTPA), Angul, Odisha: Received final approval of the Mining Plan and Mine Closure Plan on 5 February 2026. Steps were initiated for obtaining Environment and Forest Clearances. Land acquisition under the Coal Bearing Areas (Acquisition and Development) Act, 1957 commenced with notification under Section 4(1) issued on 11 November 2025.
- Critical and Strategic Minerals: NLCIL emerged as the Preferred Bidder for the Semhardih Phosphorite & Limestone Block and Raipura Phosphorite & Limestone Block in Balod district, Chhattisgarh, in the Tranche-V auction conducted by the Ministry of Mines on 27 May 2025. Letters of Intent for Composite Licence were issued by the Government of Chhattisgarh on 2 September 2025, and Composite Licences were subsequently granted on 24 April 2026 for undertaking detailed geological exploration in both blocks.
- NLCIL also Secured Two critical mineral blocks viz., Parvathapur Block and Govindpur Block in Sangareddy district of Telangana having deposits of Vanadium, Titanium, and Aluminous Laterite in June 2026.

Renewables

- Received Letter of Award (LoA) on February 28, 2025, from SJVN Limited to develop a 200 MW Wind Power Project at a discovered tariff of ₹3.74/kWh.
- Wholly owned subsidiary NLC India Renewables Ltd. (NIRL) secured LoA on June 22, 2025, for a 250 MW/500 MWh Battery Energy Storage System (BESS) project under the Viability Gap Funding (VGF) scheme via tariff-based competitive bidding from TNGECL (BESPA signed with TNPDCL for 12 years).
- Received Letter of Award (LoA) from NTPC Limited on June 27, 2025, to establish a 450 MW ISTS-connected Wind-Solar Hybrid Power Project to supply hybrid power to NTPC for 25 years under a Power Purchase Agreement (PPA).

Eco-friendly Measures Taken by NLCIL

- Commissioned the Overburden (OB) to Sand Processing Plant at Mine-IA and Mine-I to produce construction-grade sand.
- Advancing plans to develop 2x50 MW Pumped Storage Projects in Neyveli mine voids (Feasibility Report prepared), along with large-scale projects planned at Palar-Porathalar

(4x275 MW/1,100 MW) in Tamil Nadu and Salandi (500 MW) in Odisha.

- Implemented construction of the 50 MW Solar Power Project at Neyveli for clean energy generation.
- Executed the Letter of Award (LoA) for establishing a pilot 4 MW Solar-Powered Green Hydrogen Project (PEM electrolyser) at Neyveli.
- Installing Flue Gas Desulphurisation (FGD) systems across thermal units, including NNTPS, NTPL, and NUPPL Ghatampur, to strictly comply with national SOx emission standards.

Capex FY 2025-26

Particulars	Budget 2025-26 (₹ crore)	Actual 2025-26 (₹ crore)	% Actuals w.r.t. Budget 2025-26
NLCIL - STANDALONE	₹2,678.31	₹4,615.54	172.33%
NLCIL - CONSOLIDATED	₹5,078.31	₹9,130.50	179.79%

Way Forward (FY 2026-27)

- Ramp-up of coal production at Pachwara South OCP (9 MTPA normative capacity) as per the approved mining plan to meet the dedicated fuel requirement for the Ghatampur Thermal Power Project.
- Commissioning of the following renewable power projects:
 - 600 MW Solar (GUVNL, Khawda Solar Park, Gujarat),
 - 250MW BESS in Tamil Nadu (TNGCEL).
 - 50 MW Wind in Gujarat.
 - 200 MW Solar in Gujarat
 - 100 MW Solar in Gujarat
- Under-Construction & Development Pipeline:
 - On-Site Solar: 1 MW Floating Solar in Neyveli.
 - Gujarat Solar Expansion: 300 MW (100 MW + 200 MW) utility-scale solar projects in Gujarat.
 - Rajasthan RE Joint Venture: Development of the 810 MW solar power project in Rajasthan in partnership with RRVUNL.
 - NLC India Renewables Limited has also secured the in-principal approval from the Government of Odisha (GRIDCO) for development of 2x49.5 MW Wind Power Project in the state of Odisha. The project is proposed to set up at Papadahandi in Nabarangpur District of Odisha.
 - NLC India Renewables Limited has also secured the in-principal approval from the Government of Odisha (GRIDCO) for development of 750 MW Pumped storage power Project in the state of Odisha.



Financial Performance

A detailed discussion and analysis of financial statements is furnished below. Reference to Note(s) in the following paragraphs refers to the Notes to the Standalone Financial Statements for the Financial Year 2025-26 placed elsewhere in this report.

The items of the Balance Sheet are as discussed below:

1. Property, Plant & Equipment (PPE), RoU Asset, Intangible Asset, Capital Work-in-Progress and Assets under Development (Note-2 to Note-6):

Particulars	As at March 31 st		
	2026 (₹ crore)	2025 (₹ crore)	% Change
Gross Block of PPE (Note-2)	24,919.20	28,601.21	-12.87%
Net Block of PPE (Note-2)	14,010.68	17,376.73	-19.37%
Net Block - RoU Asset (Note-3)	148.70	76.52	94.33%
Net Block of Intangible Assets (Note-4)	249.61	211.23	18.17%
Capital Work-in-Progress (Note-5)	4,864.40	4,319.55	12.61%

During the year, the gross block of Property, Plant and Equipment (PPE) decreased by ₹3,682.01 crore, while the net block decreased by ₹3,366.05 crore. The reduction in both the gross and net block of PPE was primarily attributable to the transfer of solar assets to NIRL, a wholly owned subsidiary, pursuant to the Business Transfer Agreement (BTA), as well as depreciation charged on assets during the year. These reductions were partially offset by the capitalisation of the

300 MW Barsingsar Solar Project, SME investments in Mine IA and Mine II, FBHE modifications in TPS II Expansion, and the acquisition of lands in the Neyveli and Talabira Mines.

The net block of Right-of-Use (ROU) Assets increased by ₹72.18 crore during the year, primarily due to the addition of Talabira township land. This increase was partially offset by the periodic depreciation of ROU assets.

The net block of Intangible Assets increased by ₹38.38 crore, mainly on account of the allotment fees paid for the North Dhadu Coal Project. The increase was partially offset by the periodic amortisation/depreciation of intangible assets.

CWIP increased by ₹544.85 crore during the year, primarily due to expenditure incurred on the Talabira Thermal Power Project, land acquisition for Talabira Mines, FGD Project of NNTPS, and 50 MW Solar Project (Mine-II Captive). This increase was partially offset by the capitalisation of the 300 MW Solar Project at Barsingsar.

2. Non- Current Financial Assets (Note-7) and other Non-Current Assets (Note-8):

a. Investments in Subsidiaries, Associate and Joint Venture Companies (Note-7a)

The break-up of investments in Subsidiaries, Associate and Joint Venture Companies is as follows:

Particulars	As at March 31 st (₹ crore)	
	2026	2025
Investment in Subsidiaries	8,398.52	5,086.24
Investment in Joint Venture	0.01	0.01
Investment in Associates	5.27	5.27



The change in Investments in subsidiaries is on account of:

- Additional subscription to equity shares ₹10 per Share of ₹312.24 crore (PY: ₹331.75 crore) of NUPPL, through a right issue. However, the percentage of holding remains unchanged.
- Additional investment of ₹3,000.00 crore (PY ₹119.65 crore) in NLC India Renewable Limited (NIRL), a wholly owned subsidiary of NLCIL.

b. Non-Current Trade Receivables (Note-7b)

As per the Late payment surcharge rules notified by Ministry of Power on June 3rd, 2022, one DISCOM has opted for ₹734.56 crore under the interest-free installment scheme within the specified cut-off date. The dues of such beneficiary have been presented at fair values as per the requirements of Ind AS 109, and the non-current balances of dues as at 31st March of the current year and the previous year are as follows:

Particulars	As at March 31 st (₹ crore)	
	2026	2025
Unsecured – Considered Good	-	58.03

c. Non-Current Loans (Note-7c)

The Unsecured Loans to subsidiary include, Inter Corporate Loan (SMBC- External Commercial Borrowing) given to NIRL on cost to cost basis.

The secured loans and unsecured loans to employees include house building loans, vehicle loans, multipurpose loans, etc. The loans outstanding as at 31st March of the current year and the previous year are as follows:

Particulars	As at March 31 st (₹ crore)	
	2026	2025
Loans to Related Parties	513.35	-
Loans to employees	9.64	7.85

d. Other Non-Current Financial Assets (Note-7d)

Mine Closure Deposit:

As per the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, Escrow Accounts have been opened in the name of "Coal Controller Escrow Account NLC India Limited" for each captive mine and the balances held in these escrow accounts are presented as 'Mine closure deposit'.

As per the earlier mine closure guidelines dated 29th May, 2020, up to 50% of the total deposited amount including interest accrued in the escrow account shall be released after every five years in line with the periodic examination of the closure plan. During the year, a sum of ₹ 4.39 crore was released pursuant to an order received from the Coal Controller in respect of Barsingsar Mine for the period 2016-17 to 2020-21.

Interest earned on the escrow account is added to the mine closure deposit account on renewal. All the deposits are renewed every year.

Derivative Asset:

The Derivative Asset represents the fair value of the Call Spread derivative contract entered with ICICI bank for hedging the foreign currency exposures associated with the SMBC External Commercial Borrowing (ECB). As the option premium under the Call Spread structure is payable on a deferred basis, its fair value is determined and recognised as a derivative asset at the reporting date.

Particulars	As at March 31 st (₹ crore)	
	2026	2025
Mine Closure Deposit	657.86	604.31
Derivative Asset	29.13	-

e. Other Non-Current Assets (Note-8)

Particulars	As at March 31 st (₹ crore)	
	2026	2025
Capital Advances	2,723.71	1,658.40
Advances Other than Capital Advances	-	123.5

The increase in capital advances is primarily attributable to advances paid for the Talabira Thermal Power Project, acquisition of land for the Talabira and Neyveli Mines, and the 200 MW Solar Power Plant Project in Gujarat during the year. These advances were made to support the ongoing development and expansion of the Company's mining and power generation infrastructure.

3. Current Assets (Note-9 to Note-12):

The current assets as at 31st March, 2026 and 31st March, 2025 and the changes therein are as follows:

Particulars	As at March 31 (₹ crore)		% Change
	2026	2025	
Inventories (Note 9)	1,612.29	1,370.04	17.68%
Investments (Note 10a)	0.61	1.40	-56.43%
Trade Receivables (Note 10b)	1,856.83	2,460.41	-24.53%
Cash and Cash Equivalents (Note 10c)	90.13	163.47	-44.86%
Bank balances other than cash and cash equivalent (Note 10d)	125.96	125.72	0.19%
Loans (Note 10e)	319.41	714.4	-55.29%
Other Financial Assets (Note 10f)	23.32	26.28	-11.26%
Current Tax Assets (Net) (Note 11)	0	134.2	-100.00%
Other Current Assets (Note 12)	1,144.29	1,256.92	-8.96%

a. Inventories (Note-9)

The increase in the inventory is mainly on account of the increase in the closing stock of Coal and other regular stores & spares like conveyor spares, Metals & Electrodes, Fuels, Pipes and conveyor spares etc., during the current year compared with the previous year.

b. Investments (Note – 10a)

Reduction in Investments Mutual Funds during the current year compared with the previous year.

c. Trade Receivables (Note-10b)

Trade receivables have decreased primarily due to the realisation of long-outstanding dues, favourable CERC orders, and a reduction in the loss allowance on trade receivables consequent to the realisation of outstanding amounts.

d. Cash and Cash Equivalents (Note-10c)

The movement in cash and cash equivalents is on account of maturity of short-term deposits. The deposits are generally maintained for a period of less than three months to ensure liquidity.

e. Bank balances other than cash and cash equivalent (Note-10d)

There were no material changes during the year.

f. Loans (Note-10e)

During the current financial year, based on the short-term funding arrangement with the subsidiaries, the Company has extended loan to NUPPL, NIGEL & NIRL amounting to ₹290 crore (PY- ₹555 crore), NIL (PY - ₹98.55 crore) & ₹ 7.00 crore (PY- ₹41.94 crore) respectively, as on March 31, 2026.

The loan balances to employees mainly represent secured loans of various nature such as House Building Loan, Car/ Scooter Loan, and unsecured loans such as Multipurpose Loans, etc., during the year.

g. Other Financial Assets (Note-10f)

There were no material changes during the year.

h. Other Current Assets (Note-12)

The decrease in other current assets is primarily attributable to the receipt of deposits previously made with the VAT authorities during the current year. This was partially offset by the creation of plan assets for earned leave obligations based on an actuarial valuation conducted during the year.

4. Assets held for Sale (Note-13):

All units of Thermal Power Station -I (TPS - I) have been retired from operation subsequent to 30.09.2020. The net block of TPS-I assets as on 31.03.2024 were reclassified as



Assets held for sale as per the requirements of IND AS 105. Estimated net sale proceeds of the retired assets is expected to be above the residual value of assets appearing in the books.

NLC India Limited issued a Letter of Award dated 30 March 2023 for sale of the decommissioned TPS-I plant for a total consideration of ₹600.09 crore to M/s. Priya Blue Industries Pvt Limited. The entire lot of Plant & Machinery including Civil Structures has been divided into Twelve Segments keeping in view the locations and ease of dismantling and lifting of material of various segments. Till 31.03.2026, NLCIL received amount for four segments amounting to ₹238.20 crore and sale order has been issued for three segments.

During the year written down value of assets amounting to of ₹ 5.93 crore has been disposed off and profit on the same amounting to ₹89.34 crore has been accounted.

5. Regulatory Deferral Account Debit Balances (Note-14):

Expense/income recognised in the Statement of Profit & Loss, to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations, is recognised as 'Regulatory deferral account balances'. The Company reviews its regulatory balances at each reporting date, and the adjustments arising from the above are adjusted in regulatory deferral balances from the year in which the same becomes recoverable from or payable to the beneficiaries.

Regulatory deferral account debit balance consists of various incomes which accrue to the Company from its DISCOMs due to various actions of the Regulator.

During the current financial year, the regulatory account balance has increased by ₹338.96 crore as compared to the previous financial year, mainly due to the following -

- As per CERC regulations 2024-29, security expenses, water charges and capital spares will be allowed separately after prudence check. By considering the

- regulations, regulatory income of ₹ 137.06 crore in respect of those charges for the year ended 31st March 2026 are accounted in regulatory deferral account debit balances. Regulatory Asset cumulative balance in this regard as on 31.03.2026 is ₹ 312.81 crore.
- b. As the Company continues to bill beneficiaries based on the latest available Tariff Order applicable for the previous control period (2019-24), in accordance with the regulations, until the Tariff Order for the current control period (2024-29) is issued. During the year O&M difference amounting to ₹ 119.21 crore arising between last approved 2019-24 tariff order in respect of Thermal power plants and normative O&M applicable for the current control period 2024-29 is considered under regulatory deferral account debit balances. Regulatory Asset cumulative balance in this regard as on 31.03.2026 is ₹ 187.51 crore.
- c. The Company undertakes concurrent Mine Closure activity. In line with the Mine Closure Guidelines issued by Ministry of Coal, GoI, actual expenses incurred on mine closure up to a maximum of 50% of the Mine Closure Deposit along with interest in Escrow Account can be withdrawn on verification in every five years. Further, an amount of ₹ 32.84 crore (PY: ₹ 23.92 crore) has been considered as regulatory income/assets based on the revised mine plan. Regulatory Asset cumulative balance in this regard as on 31.03.2026 is ₹ 125.08 crore.
- d. Exchange differences (KfW Loan) arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised on an undiscounted basis as Regulatory deferral account debit/ credit balance. Accordingly, an amount of ₹ 170.34 crore for the year ended March 31, 2026 has been accounted for as ‘Regulatory deferral account debit balance’ (PY: ₹ 120.48 crore).

7. Non-Current and Current Liabilities:

Details of Schedules	31 st March, 26 (₹ crore)	31 st March, 25 (₹ crore)	Difference
Long-term borrowings including current maturities of long-term borrowings (Note-17a & 21a)	6,511.83	7,524.97	-1,013.14
Lease Liabilities (Note-17b & 21b)	24.46	36.38	-11.92
Other Non-Current Financial Liabilities (Note-17c)	422.3	245.89	176.41
Provisions (Non-Current) (Note-18)	132.3	152.54	-20.24
Deferred Tax Liabilities (Net) (Note-19)	2,345.67	3,867.49	-1,521.82
Other Non-Current Liabilities (Note-20)	771.78	767.33	4.45
Current Borrowings excluding current maturities of long-term loan (Note-21a)	3,645.53	-	-
Current Trade Payable (Note-21c)	777.96	1,233.62	-455.66
Other Current Financial Liabilities (Note-21d)	391.44	657.49	-266.05
Other Current Liabilities (Note-22)	1,601.68	2,057.71	-456.03
Provisions (Current) (Note-23)	966.15	1,209.93	-243.78
Current Tax Liabilities (Net) (Note -24)	185.88	-	185.88



6. Total Equity (Note-15 & Note-16):

The total Equity of the Company at the end of the financial year 2025-26 increased to ₹19,270.18 crore from ₹17,465.17 crore in the previous year, an increase of 10.33%. The major reasons for the same are tabulated below:

Particulars	Total Equity (₹ crore)	Book Value per Share (₹)
Opening balance as on 1 st April, 2025	17,465.17	125.95
Add: Profit for the year	2,512.20	18.12
Less: Appropriations of Dividend	707.19	5.10
Balance as on 31st March, 2026	19,270.18	138.97

The President of India holds 1,00,11,56,562 of shares constituting 72.20% of total share capital and the remaining 27.80% shares are held by Public & Domestic Institutional Investors as on 31.03.2026.



The details of Non-Current and Current Liabilities are discussed below:

a. Long-term borrowings including Current maturities of long-term borrowings (Note-17a & 21a)

Particulars	31-Mar-26 (₹ crore)	31-Mar-25 (₹ crore)
Borrowings in non-current financial liabilities (Note-17a)	5,960.32	5,006.74
Current maturities of non-current borrowings included in current liabilities (Note-21a)	551.51	2,518.23
Total borrowings	6,511.83	7,524.97

The reduction in total borrowings is mainly due to the repayment of NLCIL Bonds series -II 2020 and series -I 2021, project-specific loans and transfer of 709 MW loan due to BTA, which is partially offset by External Commercial Borrowings taken during the year.

b. Lease Liabilities (Note-17b & 21b)

To meet its operational requirements, including maintaining offices and guest houses at various locations, leasing land for the construction of townships, providing vehicles for official use, the Company has entered into various lease agreements with different parties. The lease liability represents the present value of future lease payments outstanding as at 31 March 2026. The reduction in the lease liability was primarily attributable to the transfer of lease assets to NIRL, a wholly owned subsidiary, pursuant to the Business Transfer Agreement (BTA), as well lease payments during FY 2025-26.

c. Other Non-Current Financial Liabilities (Note-17c)

Other non-current financial liabilities represent liabilities related to capital expenditure commitments. These liabilities increased by ₹176.41 crore in FY 2025-26, primarily due to various projects being under construction during the year.

d. Provisions (Note-18)

The non-current portion of the Retirement Travel Allowance (RTA) provision has been classified under this head. The movement in the balance during the year is primarily due to the impact of the actuarial valuation carried out at the reporting date.

e. Deferred Tax Liabilities (Net) (Note-19):

Deferred Tax Liabilities (Net) decreased from ₹3,867.49 crore as at 31 March 2025 to ₹2,345.67 crore as at 31 March 2026. The net decrease of ₹1,521.82 crore during FY 2025-26 was primarily attributable to the transfer of Deferred Tax Liability (DTL) of ₹1,079.59 crore from NIRL pursuant to the Business Transfer Agreement (BTA), and the reversal of DTL amounting to ₹419.35 crore in the books of NLCIL consequent to the change in the applicable tax rate.

f. Other Non-Current Liabilities (Note-20)

Non-current liabilities increased by ₹4.45 crore during FY 2025-26, primarily due to an increase in mine closure liabilities on account of mine closure plan. This increase was largely offset by the transfer of deferred income balances relating to the 10 MW, 20 MW, and 130 MW solar power projects to NIRL pursuant to the Business Transfer Agreement (BTA).

g. Current Borrowings excluding current maturities of long-term loan (Note-21a)

Current borrowings increased by ₹ 3,645.53 crore on account of T-bill and commercial paper.

h. Current Trade Payable (Note-21c)

The Trade Payables have decreased by ₹455.66 crore during the current financial year mainly on transfer of Solar Assets & liabilities on account BTA.

i. Other Current Financial Liabilities (Note-21d)

Other financial liabilities comprise current financial obligations such as liabilities towards capital purchases, unclaimed dividends, and accrued interest on both long-term and short-term borrowings.

The balance decreased by ₹266.05 crore during FY 2025-26, primarily due to the repayment of current capital liabilities and the reduction in accrued interest consequent to the redemption/repayment of bonds during the year.

j. Other Current Liabilities (Note-22)

Other current liabilities include unutilised revenue grant, advances & deposits, and other liabilities w.r.t employees, statutory, etc. The liabilities has reduced by ₹456.03 crore in the current financial year, mainly due to Business Transfer Agreement for solar assets and liabilities transfer to NIRL and settlement of withheld dues relating to vendors.

k. Provisions (Note-23)

The current portion of provisions decreased during FY 2025-26, primarily due to a reduction in provisions relating to Post-Retirement Medical Amenities (PRMA) and earned leave liabilities based on the latest actuarial valuation. This decrease was partially offset by the provision for differential mining charges and HPC wages pertaining to Talabira Mines, which remain under dispute.

8. Regulatory Deferral Account Credit Balances (Note-25):

The amount under regulatory deferral liabilities as on 31.03.2026 relates to the impact arises out of various regulatory orders for the previous tariff periods:

- a. **TPS II** - Following APTEL's favourable order and CERC's subsequent final order allowing actual SFC for energy charge computation and inclusion of the residual value of LEP assets in capital cost, the Company reversed the regulatory deferral liability of ₹128.41 crore during FY 2025-26.



- b. Regulatory liability has been provided towards sharing of Non-tariff income arising from sale of lignite for an amount of ₹ 65.99 crore during the year in respect of Barsingsar mines on account of outside lignite sales.
- c. Based on CERC's orders relating to the tariff period 2009-14, the Company raised debit notes of ₹694.33 crore on TANGEDCO, including interest of ₹417.63 crore. Although TANGEDCO challenged the interest component, both the Madras High Court and CERC provided favorable directions to the Company. Subsequently, APTEL directed TANGEDCO to pay 50% of the disputed amount pending final adjudication. Considering these developments and management's assessment of recoverability, the Company reversed the regulatory deferral liability of ₹417.63 crore during FY 2025-26.
- d. In FY 2022-23, the Company billed ₹386.51 crore to various DISCOMs towards income tax recoverable under the CERC Tariff Regulations in relation to payments made under the Vivad Se Vishwas Scheme (VSVS), 2020. While ₹68.39 crore has been realised, the balance amount remains under dispute and is subject to ongoing litigation involving various DISCOMs. Recent court orders from the Madras, Kerala, and Karnataka High Courts have directed the parties to approach CERC for adjudication, and the Company has accordingly initiated proceedings before CERC. Considering that the matter remains sub judice, the Company has continued to recognise a regulatory deferral liability of ₹386.51 crore, along with accrued interest of ₹25.06 crore, resulting in a total regulatory deferral liability of ₹411.57 crore as of 31 March 2026.
- e. Pursuant to BTA, Assets and liabilities relating to Solar Projects has been transferred to NIRL.

9. Total Income (Note-26 & Note-27)

The major reasons for variations in Revenue from Operations from the previous year are briefly explained below:

Sl. No.	Particulars	FY 2025-26 (₹ crore)	FY 2024-25 (₹ crore)	Change (₹ crore)
A.	Revenue			
1	Sale of Power	7,611.79	7,323.59	288.20
2	Sale of Lignite	640.96	604.76	36.20
3	Sale of Coal	2,522.51	2,246.39	276.12
4	Fly Ash & Other By-products	99.80	89.58	10.22
5	Consultancy & other services	42.85	40.72	2.13
6	Less: Transfer to CWIP & Rebate	53.99	19.26	34.73
	Revenue from Operations	10,863.92	10,285.78	578.14
B.	Other Income			
1	Interest on deposits, loans to Subsidiaries, loan to employees & others	466.79	194.06	272.73
2	Provisions written back	219.86	259.12	-39.26
3	Dividend from Subsidiary Companies and JVs	234.18	194.74	39.44
4	Others (Net off transfer to CWIP)	250.2	553.46	-303.26
	Total Income	1,171.03	1,201.38	-30.35

A. Revenue from Operations (Note-26):

- (a) The revenue from sales of Power has increased by ₹ 288.20 crore mainly due to:
- During the current year, CERC approved NLCIL's petition to treat the Mineral-Bearing Land Tax as a statutory charge and include it in the landed cost of lignite for recovery through Energy Charges (ECR). Pursuant to CERC's order dated 15.01.2026, NLCIL recognised ₹379.07 crore as recoverable differential Energy Charges for the period April 2025 to March 2026.
 - During the FY 2024- 25, based on the CERC review petition order received for Neyveli Mines w.r.t control period FY 2014-19 for principal amount of ₹ 375.93 crore credit note to DISCOMS towards billed vs. revised Truing up order.
- (b) Revenue from lignite sales increased by ₹36.20 crore, primarily due to a higher average realisation per tonne from TAQA and Barsingsar lignite e-auction sales. The increase was partially offset by a reduction in the quantity of lignite sold during the period.
- During the FY 2024- 25, Power sales decreased by ₹392.42 crore due to the sharing of Non-Tariff Income gains from lignite e-auction sales with Discoms for the control period 2019-24. This includes a reduction of ₹71.51 crore relating to NNTPS, TPS I Expansion, TPS II, and TPS II Expansion (Mine IA lignite e-auctions) and ₹320.91 crore relating to the Barsingsar Unit (Barsingsar lignite e-auctions).
 - The increase of above power sales is partly offset by reduction of power export by 2152.72 MU as compared to previous year and favourable CERC orders during the previous year.

- (c) Revenue from coal sales increased by ₹276.12 crore, primarily due to higher e-auction coal sales and the impact of credit notes issued to NTPL in the previous year towards sharing of non-tariff income gains and coal price reductions. The increase was partially offset by lower e-auction coal prices and reduced coal sales to NTPC.

B. Other Income (Note No. 27)

The Other income of the Company has reduced ₹30.35 crore during the current year as compared to the previous year, mainly due to:

- a. Miscellaneous income decreased by ₹307.88 crore mainly due to,
- During the previous year, the Company has received CCO Approved Mine Closure Claim of ₹139.53 crore in the previous year whereas it stands ₹4.39 crore for the current year.

- Miscellaneous income decreased by ₹172.74 crore, primarily because ₹125.91 crore of income recognised in FY 2024-25 from liquidated damages (Availability Guarantee and Performance Guarantee) and back charges imposed by TPS II Expansion on BHEL was not recorded in the current year.

- b. The above reduction is partially offset by

- Dividend income from subsidiary and joint venture companies (NTPL and CLUVPL) increased by ₹39.44 crore and profit on sale of assets rose by ₹52.19 crore compared to the previous year.
- Interest income from regulatory orders increased by ₹283.02 crore, mainly due to the recognition of ₹166.98 crore following an APTEL order relating to TPS-II tariff matters and ₹85.06 crore pursuant to a CERC order on income tax for the linked mines of TPS-I Expansion.

10. Expenses (Note No-28 to 32)

The details of various expenses and movement with previous year are as follows:

EXPENSES	Note	FY 2025-26 (₹ crore)	FY 2024-25 (₹ crore)	Change (₹ crore)
Changes in Inventories	28	(73.4)	(205.08)	131.68
Employee Benefit Expenses	29	2,433.36	2,997.20	(563.84)
Finance Costs	30	513.9	562.5	(48.6)
Depreciation & Amortisation Expenses	31	1,452.88	1,368.10	84.78
Other Expenses	32	5,557.96	5,081.68	476.28
Total Expenses		9,884.70	9,804.40	80.3

The total expenses have increased mainly due to the following reasons:

Note 28

Stock expenses increased by ₹131.68 crore, mainly due to a higher closing stock of lignite and coal compared to the opening stock. However, the stock movement during the current year was lower than that of the previous year, resulting in the increase in stock-related expenses.

Note 29

Employee benefit expenses decreased by ₹ 563.84 mainly due to PRMA provision recognised in the previous year, reduction in provisions for Earned Leave and UIS, and lower employee costs arising from retirements, partially offset by new recruitments (average MIP count reduced from 9,911 to 9,207). However, these reductions were partly offset by higher gratuity provisions due to an increase in the gratuity limit and higher DA rates.

Note 30

Finance costs have decreased by ₹ 48.60 crore mainly due to the redemption of NLCIL bonds, restructuring of PFC loans, and lower benchmark interest rates linked to repo and Treasury Bill rates. Although outstanding borrowings increased during

the year, the additional loans were utilised for the Barsingsar 300 MW Solar Project and SBI ECB for the NNTPS FGD Project, with the related interest being capitalised to project costs rather than charged to finance expenses.

Note 31

The depreciation and amortisation expense has increases by ₹ 84.78 crore primarily due to additions to plant and machinery, capitalisation of new assets including the Barsingsar 300 MW Solar Project, and higher amortisation of land.

Note 32

The increase in other expenses by ₹476.28 crore is primarily due to Levy of new tax – TN Mineral Bearing Tax of ₹ 250 per ton, increase of coal reserve price, Royalty and MDO charges etc. However, this was partly offset by an reduction in diesel, fuel consumption, spares consumption and other factors.

11. Net Movement in Regulatory Deferral Account Balances Income/(Expenses) - Net (Note-33)

The decrease in Net movement in regulatory income/increase of regulatory expenses by ₹286.51 crore is mainly due to:

- a. During the current year, regulatory liability for NTI with respect to Barsingsar mines to the extent of ₹ 65.99 crore has been provided by the year
- b. The Company received a review petition order from CERC on May 19, 2024, regarding the 2014-19 tariff period for Neyveli mines, resulting in a payable of ₹635.81 crore (including ₹237.41 crore in interest) and a regulatory liability withdrawal of ₹1,273.30 crore after adjusting the interest amount in FY 2024-25.
- c. In FY 2024-25, APTEL issued an order on the profit-sharing and incentives for TPS-II (2009-14), which was remanded to CERC. The revised order, effective March 29, 2025, led to an reversal of regulatory for an amount of ₹ 778.07 crore.
- d. During the previous year, NTI has been passed on to the beneficiaries, accordingly the provision recognised earlier, an amount of ₹ 418.81 crore has been reversed in the books of accounts.
- e. The above, reduction is partially offset by
 - Pending issuance of the Tariff Order for the control period 2024-29, the Company continues to bill beneficiaries based on the tariff orders applicable for 2019-24 and has recognised ₹119.21 crore as regulatory income towards the O&M cost differential for thermal power plants.
 - As per the CERC Tariff Regulations, 2024-29, security expenses, water charges and capital spares are recoverable separately, subject to prudence check.

Details of significant changes in Key Financial Ratios:

Name of Ratio	FY 2025-26	FY 2024-25	Variation (%)
Current Ratio	0.64	0.81	(21.80)
Debt - Equity Ratio	0.53	0.43	22.34
Interest Service Coverage Ratio	9.74	8.51	14.42
Inventory Turnover Ratio	7.29	8.51	(14.34)
Debtor Turnover Ratio	4.97	2.86	73.78
Operating Margin	20.27	19.36	4.70
Net Profit Margin	21.49	16.58	29.61
Debt Service Coverage Ratio (DSCR)	1.62	3.32	(51.15)
Long Term Debt to Working Capital Ratio	(2.71)	6.89	(139.40)

Reasons for variations beyond 25%:

a. Debtor Turnover Ratio

The increase of Debtors turnover ratio is primary attributable to increase of revenue from operations and reduction in average trade receivables, driven by the collection of amounts previously withheld under regulatory orders and also improved collection efficiency in power sector dues as compared to previous year.

b. Net Profit Margin:

The increase in the Net profit margin mainly on account of increase of profit as compared to previous year.

- Accordingly, ₹137.06 crore has been recognised as regulatory income
- Following CERC's order on Lignite Input Price for 2009-14, the Company raised debit notes of ₹694.33 crore on TANGEDCO, including interest of ₹417.63 crore for TPS-I. Although TANGEDCO challenged the interest claim, CERC upheld the Company's entitlement to interest in its order dated 8 November 2024. TANGEDCO's appeal before APTEL remains pending; however, APTEL directed TANGEDCO to pay 50% of the disputed amount through an interim order dated 12 February 2025. Based on these developments and management's assessment, the Company reversed the regulatory deferral liability of ₹417.63 crore during FY 2025-26.
 - Based on the final CERC order dated 27 March 2026 for the 2009-14 truing-up of TPS-II, the Commission allowed actual Specific Fuel Consumption (SFC) for energy charge computation, approved inclusion of the residual value of LEP assets in capital cost, and permitted the corresponding Annual Fixed Charges (AFC). Consequently, the Company reversed the Regulatory Deferral Liability of ₹128.41 crore during FY 2025-26.

c. Debt Service Coverage Ratio

The reduction in the debt service coverage ratio mainly on account of increase of repayment loans i.e. NLCIL bonds-series -II 2020, series -I 2021 and other project term loans.

d. Long Term Debt to Working Capital Ratio

The reduction in the Long-Term Debt to Working Capital ratio is mainly due to working capital turning negative as current liabilities increased, driven by the issuance of T-bills and commercial paper.

The Company's net-worth has increased from ₹17,465.17 crore to ₹19,270.18 crore during the current financial year. This growth in net-worth is primarily attributed to the profits earned by the Company during the year, as well as the movement in income and expenses, as detailed above.



Human Resource Domain

Human Resources at NLC India Limited continued to play a pivotal role in enabling organizational resilience, fostering employee engagement, and aligning workforce capabilities with the Company's long-term strategic vision. During FY 2025–26, HR initiatives were directed towards strengthening human capital, enhancing welfare measures, and embedding a culture of innovation and sustainability.

Workforce Induction and Promotions A total of 692 employees were inducted into the permanent rolls, including 41 under Fixed Term Employment. In a landmark welfare measure, 397 contract workmen were regularized, reinforcing NLCIL's commitment to inclusive growth. Promotions were extended to 582 employees across executive and non-executive cadres, ensuring career progression and motivation. Simultaneously, 1,214 separations were managed with due compliance and dignity.

Policy Innovations Multiple employee-centric policies were introduced, including extension of mobile/tablet reimbursement to non-executives, visual aid reimbursement, and a Family Floater Group Medclaim Policy covering employees and dependents across projects and liaison offices. Launch of grievance portals : GRAPE for employees and CARE for retirees, strengthened transparency, welfare, and post-retirement Felicitation Scheme.

Employee Engagement and Welfare Engagement initiatives included the renovation of industrial canteens with modern facilities, recognition of contract workmen through welfare measures and conduct of structured meetings with the representatives of recognized unions and associations. Large-scale participation in International Yoga Day (11,000 students and employees) and campaigns such as Swachhata Hi Seva and Special Campaign 5.0 reinforced wellness, sustainability, and community responsibility. The Neyveli Book Fair 2025 attracted 1.6 lakh visitors, promoting literacy and cultural enrichment.

Learning and Development NLCIL conducted 388 structured training programs spanning 580 program days across technical,

behavioural, and statutory domains. The onboarding of 148 Graduate Executive Trainees and Diploma Engineer Trainees was marked by global IPMA Level D certification, positioning them for international project management standards. Deputation training programs benefitted 1,268 employees, while Mission Karmayogi sensitized 2,356 executives on citizen-centric governance. Digital resilience was strengthened through ISO 27001 training, and institutional memory preservation initiatives archived 25 critical lessons learnt.

Township and Welfare Infrastructure Township administration saw the development of a Para Sports Ground for persons with disabilities, digitization of land records, and renovation of quarters into a Ladies Trainee Hostel. Healthcare initiatives included preventive screenings, modernized facilities, and outreach programs, ensuring holistic welfare for employees and communities.

Innovation and Employee Ideation The My-Idea Portal recorded an all-time high of 792 ideas, with 188 evaluated for feasibility, reflecting a culture of innovation and participative management. Employee submissions under New Year Resolutions 2026 were institutionalized into corporate resolutions, reinforcing inclusivity in organizational visioning.

Compliance and CSR HR ensured smooth conduct of union elections, RTI and CPGRAMS disposal, and sensitization on new labour codes. CSR investments of ₹48.06 crore impacted healthcare, education, and infrastructure, extending NLCIL's social footprint.

Conclusion

The HR domain at NLCIL during FY 2025–26 exemplified a balanced approach of policy innovation, employee welfare, capability building, and compliance, positioning human capital as a driver of sustainable growth. NLCIL's HR strategy integrated statutory compliance, inclusivity, and innovation, thereby reinforcing its role as a socially responsible and future-ready enterprise.



Risk Management

The Company operates under a robust, Board-sanctioned Integrated Risk Management Policy and Framework. In addition to setting clear criteria for prioritising enterprise risks, it explicitly defines the roles and accountabilities of all key personnel. In line with policy guidelines, a sub-board Internal Risk Review Committee evaluates risk exposures every quarter, while the overarching risk assessment and mitigation protocols are regularly examined by the Risk Management Committee, Audit Committee, and the Board of Directors.

To manage exposure on foreign currency borrowings, NLCIL maintains a dedicated Foreign Exchange Risk Management Policy (FERMP). This framework balances the minimisation of debt servicing costs against exchange rate and interest rate fluctuations, fully aligned with the organisation's risk tolerance.

The primary aim of the FERMP is to continuously recognise, measure, and track foreign exchange and interest rate sensitivities. It utilises selective hedging mechanisms to control risks within acceptable boundaries while ensuring strict adherence to governance standards. By placing stability and risk containment above speculative profit, the policy protects NLCIL's long-term financial health.

Risk Management Practices in NLCIL

Our Integrated Risk Management Policy approved by the Board aimed at systematically identifying, managing and mitigating risks.

The Risk management policy of the Company states that, “NLCIL, as a leading Navaratna CPSE in Mining and Power generation (Thermal & Renewable), recognises that, managing risk is critical for sustainable development and in the pursuit of Business objectives. NLCIL is thus committed to the effective and efficient management of risk to achieve the Company’s vision and mission in line with the risk-reward appetite of its stakeholders”.

In NLCIL, the risks are broadly classified as Strategic, Business and Operational under nine functional areas. The risks are mapped on a matrix of severity of impact and likelihood of occurrence and prioritised as Active, Passive & Mitigated Risks. As on June 30, 2026, 7 (Seven) Active risks, 20(Twenty) Passive Risks & 30 (Thirty) mitigated risks are being monitored on a regular basis.

NLCIL has a well-defined organisational structure for carrying out the risk management activities. The risks are being reviewed and monitored on regular intervals at various levels of the Company.

- Review of all Active Risks by the Board of Directors on half yearly basis
- Review of all Active Risks by the Audit Committee on half yearly basis
- Review of all Active Risks by Risk Management Committee (RMC), a Sub-Committee of Board of Directors, on half yearly basis
- Review of Active and Passive Risks by Internal Risk Review Committee (IRRC) comprising of one member nominated from each of the Directorate, on quarterly basis
- Review of all Risks by Corporate Risk cell once in two months
- Identifying, Reporting, Reviewing, Monitoring and evolving Mitigation plans by Unit Level Risk Owners (Unit Heads) supported by Risk Managers

Following are the 7(seven) active risks being monitored regularly at Risk Managers, Internal risk review committee, Risk Management Committee, audit committee levels.

- Land Acquisition and availability delay for NLCIL’s operations
- Safety in NLCIL ‘s operations
- Monitoring the status of all projects to avoid Cost Over-run & Time Over-run



- Sustained operation of CFBC boiler in TPS II E
- Increasing trend of power surrender
- Forfeiture of agreed tariff due to delay in commissioning of solar projects within control period
- Implications of Bithnok Thermal Power Project & Barsingsar Thermal Power Project Expansion, put on hold.

Internal Control

The Company has well-established Internal Control Systems and Procedures commensurate with its size. The Company has in place an approved and well laid out manuals for Delegation of Powers (DoP), Purchase, Contracts and HR Manuals. The internal audit is conducted by external firms including Chartered and Cost Accountants covering all offices and units and their reports are periodically reviewed by the Audit Committee.

The Audit Committee periodically interacts with Internal and Statutory Auditors to assess the adequacy of Internal Control Systems and also supervises the financial reporting process through review of periodical Financial Statements. Further, the accounts of the Company are subject to C & AG audit in addition to the propriety audit conducted by them.

The effectiveness of compliance of Service Rules and Office Orders are subjected to periodical HR audit carried out with an objective to identify the deficiency/deviations and for initiating appropriate corrective measures. HR audit has been carried out Unit-wise, during the year focusing on evaluating the correctness/accuracy in complying with the rules and procedures on identified areas in HR.

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 Standalone

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:

- Regarding the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone 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
- 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 Standalone Financial Statements. Statutory Auditors are required to review the adequacy and operating effectiveness of such internal financial control over financial reporting and furnish a separate audit report on such review as required by Companies Act, 2013 along with the audit report on financial statements.

Cautionary Statement

Statement in the Directors’ Report, describing the Company’s strengths, strategies, projections and estimates are forward looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied depending upon economic conditions, Government policies and other incidental factors and hence it is cautioned not to place undue reliance on the forward.

Report on Corporate Governance

Annexure - IV

Mandatory Requirements

Company's Philosophy on Code of Governance

Your Company is committed to achieve and maintain the highest standards of Corporate Governance in letter and spirit. Your Company's philosophy on good Corporate Governance involves transparency, empowerment, accountability, equity, integrity and taking efforts to continually enhance the stakeholders' value by contributing to society. This includes complying with applicable laws, ensuring timely disclosures, promoting responsible decision-making, and fostering a culture of fairness and trust across all levels of the organisation.

Your Company's Corporate Governance framework ensures effective engagement with our stakeholders and which help us to evolve with changing time.

The governance standards are benchmarked globally, and your Company strives to adopt the emerging best practices being followed worldwide.



Board of Directors

Composition

As on 31st March, 2026, the Board of Directors of your Company comprised an Executive Chairman, Five Executive Directors and two Non-Executive Government Nominee Directors.

The composition of the Board of the Company represents an optimum combination of experience, skills and knowledge across diverse domains, including manufacturing, finance, economics, law, governance, public relations, Government/Public Policy etc. This diversity equips the Board to discharge its responsibilities with exceptional effectiveness. The Directors take active part in the deliberations at the Board and Committee Meetings by offering valuable guidance and expert insights to the Management on various aspects of business, strategy, governance, compliance, etc. and play a critical role in shaping key decisions, driving sustainable growth, and enhancing the Company's long term value.

The particulars regarding composition of Board of Directors as on 31st March, 2026 details of other directorships & Membership/ Chairmanship of Committees of Directors are furnished below:

Sl. No.	Name (Sarvashri/Dr.)	Designation	Other Directorships held	Directorship in Listed Entity	Other Committee * Memberships		Name of the Listed Entity in which Directorship held and Category of Directorship
					As Member	As Chairman	
Executive Directors							
1	Prasanna Kumar Motupalli ¹	Chairman and Managing Director (CMD)	7	--	--	--	--
2.	Suresh Chandra Suman	Director (Mines)	2	--	2	--	--
3.	Samir Swarup	Director (Human Resource)	1	--	2	1	--
4.	M. Venkatachalam ²	Director (Power)	3	--	4	2	--
5.	Prasanna Kumar Acharya	Director (Finance)	6	--	4	--	--
6.	Rajesh Pratap Singh Sisodia	Director (Planning & Projects)	5	--	2	1	--
Non-Executive Directors							
7.	Sanoj Kumar Jha ³	Government Nominee Director	1	1	2	1	Bharat Coking Coal Limited Nominee Director
8.	Mangat Ram Sharma ⁴	Government Nominee Director	7	--	--	--	-

*Membership of Audit Committee and Stakeholders Relationship Committee have been considered.

¹ Shri. Prasanna Kumar Motupalli ceased to be director in the Company, consequent to attaining the age of superannuation w.e.f. 01.07.2026.

² Shri. M. Venkatachalam ceased to be director in the Company, consequent to attaining the age of superannuation w.e.f. 31.05.2026.

³ Shri. Sanoj Kumar Jha ceased to be the Government Nominee Director of the Company with effect from 07.07.2026, pursuant to the withdrawal of nomination by the Nominating Authority. Further, he has been entrusted with additional charge of the post of Chairman and Managing Director (CMD) with effect from 01.07.2026.

⁴ Shri. Mangat Ram Sharma ceased to be Government Nominee director w.e.f. 03.06.2026 on account of withdrawal of nomination by nominating authority.

Shri. Vasant Ashok Patil, Shri. Pradeep Kumar Saraogi and Shri. M T Ramesh, the Independent Directors of the Company, appointed by the MoC, ceased as Directors of the Company w.e.f. 28.03.2026, consequent to expiry of their term.

Shri. Anil Meshram was appointed as a Government Nominee director w.e.f. 03.06.2026 on account of change in nomination by nominating authority.

Shri. Gopal Singh was appointed as Government Nominee Director of the Company w.e.f. 10.07.2026 on account of Change in Nomination by Nominating Authority.

Shri. Poonam Chandrakar was appointed as Independent Director of the Company w.e.f. 16.07.2026

Board Meetings Procedures & Attendance of Directors at Board Meetings and at the last Annual General Meeting

The Meetings are generally scheduled well in advance and the notice of each Board meeting is given to each director. The Board Members endeavour to attend and participate in all Board meetings, unless he/she is unable to attend the meeting on account of reasonable cause for which leave of absence is requested, which is considered by the Board for approval. Video-conference (VC)

facility is also provided in case any director is unable to attend the meeting physically but wishes to participate through VC.

Detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by detailed Notes and Presentation(s) if any, is sent to each Director at least seven days before the date of the Board or Committee Meeting(s) except in cases where Meetings are convened at a shorter notice to transact urgent business matters.

To enable the Board to discharge its responsibilities effectively and take informed decisions, the Chairman and Managing Director apprises the Board at every Meeting of the overall performance/ achievements of your Company.

The Company has complied with the provisions of Secretarial Standards on Board Meetings (SS-1) issued by the Institute of Company Secretaries of India with respect to convening of Board Meetings during the year.

Following 11 Meetings of the Board of Directors were held during the financial year 2025-26 and the gap between the two meetings did not exceed one hundred and twenty days.

11th April, 2025, 19th May, 2025, 7th July, 2025, 7th August, 2025, 2nd September, 2025, 27th September, 2025, 9th October, 2025, 29th October, 2025, 12th January, 2026, 10th February, 2026 and 26th March, 2026.

The attendance of the Directors at the above-mentioned Board Meetings and at the 69th Annual General Meeting held on September 27, 2025, are listed below:

Attendance of Board & AGM for the FY-2025-26

Name of Director (Shri/Smt./Dr.)	Whether attended AGM on 27 th September, 2025	11.04.2025	19.05.2025	07.07.2025	07.08.2025	02.09.2025	27.09.2025	09.10.2025	29.10.2025	12.01.2026	10.02.2026	26.03.2026	Total Meetings Attended/ Entitled	Attendance in (%)
Prasanna Kumar Motupalli ^o	Yes												11/11	100%
Suresh Chandra Suman	Yes												11/11	100%
Samir Swarup	Yes												11/11	100%
M. Venkatachalam [£]	Yes												11/11	100%
Prasanna Kumar Acharya	Yes												11/11	100%
Rajesh Pratap Singh Sisodia [*]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A				3/3	100%
Vismita Tej [#]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	0%
Sanjeev Kumar Kassi ^{\$}	N.A		N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	1/1	100%
Sanoj Kumar Jha [%]	Yes	N.A											10/10	100%
Beela Venkatesan [^]	N.A						N.A	N.A	N.A	N.A	N.A	N.A	1/5	20%
Mangat Ram Sharma ^{&}	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A			1/2	50%
M.T. Ramesh [@]	Yes												10/11	90.91%
Vasant Ashok Patil [@]	Yes												11/11	100%
Pradeep Kumar Saraogi [@]	Yes												10/11	90.91%
Anil Meshram ⁺	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	0%
Gopal Singh ^o	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	0%
Poonam Chandrakar [*]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	0%

[#] Ceased to be Govt. Nominee Director w.e.f. 03.04.2025

[§] Appointed as Govt. Nominee Director w.e.f. 03.04.2025 and ceased on 01.05.2025

[%] Appointed as Govt. Nominee Director w.e.f. 09.05.2025 and subsequently was appointed as CMD (AC) w.e.f. 01.07.2026.

[^] Ceased as Govt. Nominee Director w.e.f. 24.09.2025

^{*} Appointed as Executive Director w.e.f. 02.12.2025

[&] Appointed as Govt. Nominee Director w.e.f. 16.01.2026 and ceased w.e.f. 03.06.2026

[@] Independent Directors viz., M.T. Ramesh, Vasant Ashok Patil and Pradeep Kumar Saraogi, ceased as directors of the Company, consequent to their tenure completion on 28.03.2026.

[£] Ceased as Executive Director w.e.f. 31.05.2026

⁺ Appointed as Govt. Nominee Director w.e.f. 03.06.2026

^o Ceased as CMD w.e.f. 01.07.2026

[©] Appointed as Govt. Nominee Director w.e.f. 10.07.2026

[¥] Appointed as Independent Director w.e.f. 16.07.2026

Chairman | Member

Attended Physically

Attended Through Video Conference

Leave of Absence



Disclosures- Relationship between Directors inter-se:

None of the Directors/Key Managerial Personnel of the Company were inter-se related as on 31st March, 2026.

Details of Shares and convertible instruments held by Non-Executive Directors

As per the declarations received, none of the Non-Executive Directors held any equity shares or convertible instruments of the Company as on March 31, 2026.

Web-link of Familiarisation Programme imparted to Independent Directors:

Directors are imparted training organised from time to time by other agencies/institutions with a view to augment leadership qualities, knowledge and skills. The training also enables them to get a better understanding of sector as well as the Company.

During the Board and Committee Meetings, the Independent Directors are regularly being familiarised with the business model, strategies, operations, functions, policies and procedures of the Company.

From time to time Directors are also briefed about changes/developments in corporate and economic scenario including Legislative/Regulatory changes.

Familiarisation programmes to Independent Directors is available at https://www.nlcindia.in/investor/familiarisation_programme_indpnt_dir_10052024.pdf

Core skills/expertise/competencies of Board of Directors

The Board of Directors comprises highly qualified professionals with extensive expertise and vast experience in their respective domains, aligned with the Company’s business requirements and sectoral focus, thereby enabling the Board to function effectively and efficiently.

Apart from CMD, the composition of Board as approved by the Government of India (GOI), consists of the Functional Directors viz. Director (Mines), Director (Finance), Director (Planning & Projects), Director (Power) and Director (Human Resource).

The functional Directors are appointed on the Board of the Company by the Ministry of Coal, Administrative Ministry on the basis of recommendations of Public Enterprises Selection Board (PESB) after obtaining approval of competent authority and completing due formalities in this regard.

The Nominees of Ministry of Coal and Government of Tamil Nadu are generally senior officers at the level of Additional Secretary and Principal Secretary, respectively.

The Independent Directors are notified for appointment by Ministry of Coal and they are selected by the Search Committee constituted by the Department of Public Enterprises.

The Independent Directors being appointed on the Board are selected from various fields and possess vast experience and by virtue of their experience and exposure, provide guidance to Board on all important issues and are involved in the decision-making process.

The Board had identified the skills/expertise/competencies required for effective functioning of the Company. Further, the Board members are having following skill/experience/competence required for effective functioning of the business and affairs of the Company:

Sl. No.	Skills/expertise/competencies	M Prasanna Kumar	Sanoj Kumar Jha	Mangat Ram Sharma	Suresh Chandra Suman	M. Venkata-chalam	Samir Swarup	P. K Acharya	Rajesh Pratap Singh Sisodia	M.T. Ramesh	Vasant Ashok Patil	Pradeep Kumar Saraogi
1	Technical/Engineering											
2	Mining											
3	Energy and Power											
4	Finance, Accounting, Banking & Taxation											
5	Legal & Regulatory Framework											
6	Projects & Strategic Planning											
7	Management and Administration											
8	Human Resources & Public Relations											
9	Government/ Public Policy											

Sl. No.	Skills/expertise/competencies	M Prasanna Kumar	Sanoj Kumar Jha	Mangat Ram Sharma	Suresh Chandra Suman	M. Venkata-chalam	Samir Swarup	P. K Acharya	Rajesh Pratap Singh Sisodia	M.T. Ramesh	Vasant Ashok Patil	Pradeep Kumar Saraogi
10	Corporate Governance & Risk Management	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
11	Marketing & Stakeholder Management	✔	✔		✔	✔			✔	✔		✔
12	IT & Cyber Technology	✔										
13	Academics and Research & Development	✔			✔	✔		✔	✔		✔	
14	Leadership with long term Vision	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
15	Commercial	✔		✔	✔			✔	✔			
16	Ethics	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔

Independent Directors

Based on the declarations received from the Independent Directors viz, Shri. M.T Ramesh, Dr. Vasant Ashok Patil and Shri. Pradeep Kumar Saraogi, the Board of Directors has confirmed that the independent directors meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management of the Company.

Further, the Independent Directors have included their names in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Upon completion of the tenure of all three Independent Directors viz., Dr. Vasant Ashok Patil, Shri. M.T. Ramesh, Shri. Pradeep Kumar Saraogi ceased to be directors on the Board of the Company w.e.f. 28.03.2026. As on 31st March, 2026, the Company did not have any Independent Director on its Board. Subsequently, the Ministry of Coal, the Administrative Ministry, vide its Letter No. 21/21/2022-Estt (B) was appointed Shri. Poonam Chandrakar as an Independent Director on the Board of the Company, w.e.f 16.07.2026. Being a Government Company, the power to appoint Directors vests with the President of India as per the Articles of Association. The Ministry of Coal, the Administrative Ministry, has been requested to expedite the appointment of the requisite number of Independent Directors to ensure compliance with applicable provisions.

Detailed reasons for the resignation of an independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided:

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

Separate Meeting of Independent Directors:

As per the requirement of Schedule IV of the Companies Act, 2013 and Rules made thereunder read with Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall meet at least once in a financial year without the presence of Non-Independent Directors and Members of the Management of the Company.

In compliance of the aforesaid provisions, a separate meeting of Independent Directors was held on 10th February, 2026, wherein the Independent Directors assessed the performance of Non-Independent Directors and the Board of Directors as a whole. Further, the Independent Directors reviewed the performance of the Chairperson of the Company and also the quality, quantity & timeliness of flow of information between the Company’s management and the Board.



Audit Committee

During the Financial Year 2025-26, the Committee comprised of three Independent Directors and One Executive Director viz., Dr. Vasant Ashok Patil as the Chairperson, Shri. M.T. Ramesh, Shri. Pradeep Kumar Saraogi and Dr. Suresh Chandra Suman as its members.

As on 31st March, 2026, all the Independent Directors ceased to be directors on the Board of the Company w.e.f. 28th March, 2026, consequent to expiry of their term. Being a Government Company, the power to appoint Directors on the Board of the Company vests with the President of India. In order to comply with the provisions of SEBI (LODR) Regulations, 2015, the Ministry of Coal (MoC), Administrative Ministry, is being periodically apprised with regard to the requirement of appointing requisite number of Independent Directors on the Board of the Company.

Hence, the Audit Committee as presently constituted is not in compliance with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, Section 177 of the Companies Act, 2013, and the DPE Guidelines on Corporate Governance. The Ministry of Coal, the Administrative Ministry, has been requested to expedite the appointment of the required number of Independent Directors so as to comply with the applicable guidelines.

(i) Terms of Reference:

The terms of reference conform to the requirements of the provisions of Companies Act, 2013, the Listing Regulations and DPE Guidelines on Corporate Governance.

(ii) Composition of the Committee:

Upon cessation of all three Independent Directors w.e.f. from 28th March, 2026, consequent to the expiry of their term, the Company does not have any Independent Directors on its Board as on 31st March, 2026. Accordingly, the Committee has been reconstituted. As on 31st March, 2026, the Committee comprised of Five Executive Directors viz., Shri. Samir Swarup as its Chairperson, Dr. Suresh Chandra Suman, Dr. Prasanna Kumar Acharya, Shri. M. Venkatachalam and Shri. Rajesh Pratap Singh Sisodia, as its members. Subsequently, with the cessation of Shri. M. Venkatachalam, w.e.f. 31st May, 2026, the Committee was further reconstituted with Shri. Samir Swarup as its Chairperson, Dr. Suresh Chandra Suman, Dr. Prasanna Kumar Acharya and Shri. Rajesh Pratap Singh Sisodia, as its members. Further, with the appointment of Shri. Poonam Chandrakar, Independent Director, w.e.f. 16.07.2026, the Committee was further reconstituted with Shri. Poonam Chandrakar as its Chairperson, Dr. Suresh Chandra Suman, Dr. Prasanna Kumar Acharya and Shri. Samir Swarup as its members.

(iii) Following 8 Meetings of the Audit Committee were held during the financial year 2025-26 and the gap between the two consecutive meetings did not exceed one hundred and twenty days:

Attendance of Audit Committee for the FY-2025-26

Name of Director (Shri/Smt./Dr.)	19.05.2025	07.07.2025	07.08.2025	02.09.2025	27.09.2025	29.10.2025	10.02.2026	09.03.2026	Total Meetings Attendee/ Entitled	Attendance in (%)
	Hybrid	Through V.C	Hybrid	Through V.C	Hybrid	Hybrid	Hybrid	Hybrid		
Vasant Ashok Patil ^{&}	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	8/8	100
M.T. Ramesh [*]	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	8/8	100
Pradeep Kumar Saraogi [*]	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	8/8	100
Suresh Chandra Suman	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	8/8	100
Samir Swarup [@]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
M Venkatachalam ^{\$}	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Prasanna Kumar Acharya [#]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Rajesh Pratap Singh Sisodia [#]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Poonam Chandrakar [^]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

& Ceased as Chairman of the Committee w.e.f. 28.03.2026

* Ceased as Member of the Committee w.e.f. 28.03.2026

@ Appointed as Chairman of the Committee w.e.f. 28.03.2026 and continues as Member of the Committee w.e.f 16.07.2026

Appointed as Member of the Committee w.e.f. 28.03.2026

\$ Appointed as Member of the Committee w.e.f. 28.03.2026 and ceased as member w.e.f. 31.05.2026

^ Appointed as Chairman of the Committee w.e.f. 16.07.2026

Chairman | Member

Ⓜ | Ⓜ Attended Physically

Ⓜ Attended Through Video Conference

Ⓜ Leave of Absence

The Company Secretary acts as the Secretary to the Committee.

Nomination and Remuneration Committee

During the FY 2025-26, the Committee comprised three Independent Directors viz. Shri. M.T. Ramesh as the Chairperson, Dr. Vasant Ashok Patil and Shri. Pradeep Kumar Saraogi as its Members.

As on 31st March, 2026, all the Independent Directors ceased to be directors on the Board of the Company w.e.f. 28th March, 2026, consequent to expiry of their term. Being a Government Company, the power to appoint Directors on the Board of the Company vests with the President of India. In order to comply with the provisions of SEBI (LODR) Regulations, 2015, the Ministry of Coal (MoC), Administrative Ministry, is being periodically apprised with regard to the requirement of appointing requisite number of Independent Directors on the Board of the Company.

Hence, the Nomination and Remuneration Committee as presently constituted is not in compliance with the provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Section 178 of the Companies Act, 2013, and the DPE Guidelines on Corporate Governance. The Ministry of Coal, the Administrative Ministry, has been requested to expedite the appointment of the required number of Independent Directors so as to comply with the applicable guidelines.

(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. The scope & terms of reference of Nomination and Remuneration Committee in terms of the provisions of the Companies Act, 2013 and the Listing Regulations is limited to below Board Level employees only and for finalising the Performance Related Pay (PRP) for Executive Directors, Executives and Non-Unionised Supervisors, as per DPE guidelines.

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 recognised unions under the Industrial Disputes Act.

(ii) Composition of the Committee:

Upon cessation of all three Independent Directors w.e.f. from 28th March, 2026, consequent to the expiry of their term, the Company did not have any Independent Directors on its Board as on 31st March, 2026. Accordingly, the Committee has been reconstituted. As on 31st March, 2026, the Committee comprised of Five Executive Directors viz. Shri. Rajesh Pratap Singh Sisodia as its Chairperson, Dr. Suresh Chandra Suman, Shri. Samir Swarup, Shri. M Venkatachalam and Dr. Prasanna Kumar Acharya as its members. Subsequently, with the cessation of Shri. M Venkatachalam, w.e.f. 31st May, 2026, the Committee was further reconstituted with Shri. Rajesh Pratap Singh Sisodia as its Chairperson, Dr. Suresh Chandra Suman, Shri. Samir Swarup and Dr. Prasanna Kumar Acharya as its members. Further, with the appointment of Shri. Poonam Chandrakar, Independent Director, w.e.f. 16.07.2026, the Committee was further reconstituted with Shri. Poonam Chandrakar as its Chairperson, Shri. Samir Swarup and Dr. Prasanna Kumar Acharya as its members.

(iii) The Nomination and Remuneration Committee shall meet at least once in a financial year. The details of Nomination and Remuneration Committee meetings held during the financial year 2025-26 and attendance of members of the Committee are as under:

Attendance of Nomination and Remuneration Committee for the FY-2025-26

Name of Director (Shri/Smt./Dr.)	11.04.2025	07.07.2025	02.09.2025	12.01.2026	10.02.2026	26.03.2026	Total Meetings Attended/ Entitled	Attendance in (%)
	Hybrid	Through V.C	Through V.C	Through V.C	Hybrid	Through V.C		
M.T. Ramesh ^{&}							6/6	100
Vasant Ashok Patil [*]							6/6	100
Pradeep Kumar Saraogi [*]							6/6	100
Rajesh Pratap Singh Sisodia [@]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Suresh Chandra Suman [#]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Samir Swaup [#]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
M Venkatachalam [%]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Prasanna Kumar Acharya [#]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Poonam Chandrakar [^]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

& Ceased as Chairman of the Committee w.e.f. 28.03.2026

* Ceased as Member of the Committee w.e.f. 28.03.2026

@ Appointed as Chairman of the Committee w.e.f. 28.03.2026 and ceased w.e.f 16.07.2026

Appointed as Member of the Committee w.e.f. 28.03.2026

% Appointed as Member of the Committee w.e.f. 28.03.2026 and ceased w.e.f. 31.05.2026

^ Appointed as Chairman of the Committee w.e.f. 16.07.2026

The Company Secretary acts as the Secretary to the Committee.

Chairman | Member

Attended Physically

Attended Through Video Conference

Leave of Absence



Remuneration of Directors

i. No remuneration is being paid to Part-time Official Directors and hence, no separate criteria has been laid out in this regard.

The Part-time Non-Official Directors (i.e., Independent Directors) were paid sitting fee @ ₹40,000/- per meeting for attending the meetings of the Board and ₹30,000/- per meeting for the meetings of the committees thereof.

ii. The details of remuneration paid to the Executive Directors during the financial year 2025-26 are as under:

Name of the Director (Sarvashri)	Salary for the year (in ₹)	Benefits (in ₹) (PF+PEN+PRMA)	Performance Related Pay# (in ₹)
Prasanna Kumar Motupalli	58,90,727.00	15,13,256.00	26,21,870.00
Suresh Chandra Suman	59,86,601.00	11,24,623.00	21,61,189.00
Samir Swarup	82,31,699.00	11,95,792.00	23,34,662.00
M. Venkatachalam	58,33,642.00	11,59,809.00	22,28,028.00
Prasanna Kumar Acharya	41,58,752.00	8,72,132.00	16,48,399.00
Rajesh Pratap Singh Sisodia	18,73,441.00	4,20,421.00	-

#PRP: FY 2023-24 Final- FY 2024-25 Tentative 90%

*PF, Pension, PRMA, Others

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 financial year 2025-26, no bonus/commission was paid and no Stock Options were issued to the Directors.

iii. The details of sitting fees paid to the Independent Directors during the financial year 2025-26 are as under:

Name of the Director (Sarvashri)	Sitting fee paid for (in ₹)	
	Board Meetings	Committee Meetings
1. M.T. Ramesh	4,00,000	6,90,000
2. Vasant Ashok Patil	4,40,000	6,30,000
3. Pradeep Kumar Saraogi	4,00,000	4,80,000

iv. Performance Evaluation of Directors:

Ministry of Corporate Affairs (MCA) vide General Circular dated 05th June, 2015 has exempted Government Companies from the provisions of Section 178 (2) of the Companies Act, 2013, which requires NRC Committee to specify the manner of performance evaluation of Board of Directors, Committee of Board of Directors and individual Director by the Nomination & Remuneration Committee. Further, the aforesaid MCA Circular has granted exemption to listed Government Companies from the provisions of Section 134(3)(p) of the Companies Act, 2013 which requires the Company to provide a statement indicating the manner of formal annual evaluation of the performance of the Board and that of its Committees and individual Director in its Board’s Report, in case the directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case may be, the State Government as per its own evaluation methodology. Further, MCA vide its Notification dated 05th July, 2017 exempted with the provisions of Schedule IV of the Companies Act, 2013 w.r.t. performance evaluation of Directors for the Government Companies, in case the matters of performance evaluation are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Governments and such requirements are complied with by the Government companies.

Stakeholders’ Relationship Committee

During the year, the Committee comprised of three members viz. Shri. Pradeep Kumar Saraogi, Independent Director as its Chairperson and Dr. Suresh Chandra Suman & Dr. Prasanna Kumar Acharya, Functional Directors as its Members.

As on 31st March, 2026, all the Independent Directors ceased to be directors on the Board of the Company w.e.f. 28th March, 2026, consequent to expiry of their term. Being a Government Company, the power to appoint Directors on the Board of the Company vests with the President of India. In order to comply with the provisions of SEBI (LODR) Regulations, 2015, the Ministry of Coal (MoC), Administrative Ministry, is being periodically apprised with regard to the requirement of appointing requisite number of Independent Directors on the Board of the Company.

Hence, the Stakeholders’ Relationship Committee as presently constituted is not in compliance with the provisions of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations and Section 178 of the Companies Act, 2013. The Ministry of Coal, the Administrative Ministry, has been requested to expedite the appointment of the required number of Independent Directors so as to comply with the applicable guidelines.

(i) Terms of Reference:

The terms of reference of the Committee, inter-alia, includes considering and resolving the grievances of security holders including the Debenture holders of the Company and all other matters specified under the Act, the Listing Regulations or any other role as may be prescribed by law or by the Board of Directors from time to time.

(ii) Composition of the Committee:

Upon cessation of all three Independent Directors w.e.f. 28th March, 2026, consequent to the expiry of their term, the Company did not have any Independent Directors on its Board as on 31st March, 2026. Accordingly, the Committee has been reconstituted. As on 31st March, 2026 comprised of Four Executive Directors viz., Shri. M. Venkatachalam as its Chairperson, Dr. Suresh Chandra Suman, Dr. Prasanna Kumar Acharya and Shri. Samir Swarup as its members. Subsequently, with the cessation of Shri. M. Venkatachalam, on 31st May, 2026, the Committee was further reconstituted with Dr. Suresh Chandra Suman as its Chairperson, Dr. Prasanna Kumar Acharya and Shri. Samir Swarup as its members. Further, with the appointment of Shri. Poonam Chandrakar, Independent Director, w.e.f. 16.07.2026, the Committee was further reconstituted with Shri. Poonam Chandrakar as its Chairperson, Dr. Suresh Chandra Suman and Dr. Prasanna Kumar Acharya as its members.

(iii) The details of Stakeholders’ Relationship Committee meetings held during the financial year 2025-26 and attendance of members of the Committee are as under:

Attendance of Stakeholders’ Relationship Committee for the year FY-2025-26

Name of Director (Shri/Smt./Dr.)	27.09.2025	Total Meetings Attended/Entitled	Attendance in (%)
	Hybrid		
Pradeep Kumar Saraogi [§]		1/1	100
Suresh Chandra Suman [%]		1/1	100
Prasanna Kumar Acharya		1/1	100
M Venkatachalam [@]	N.A	N.A	N.A
Samir Swaup [#]	N.A	N.A	N.A
Poonam Chandrakar [^]	N.A	N.A	N.A

§ Ceased as Chairman of the Committee w.e.f. 28.03.2026
% Appointed as Chairman of the Committee w.e.f. 04.06.2026 and continues as Member of the Committee w.e.f. 16.07.2026
@ Appointed as Chairman of the Committee w.e.f. 28.03.2026 and Ceased w.e.f. 31.05.2026
^ Appointed as Chairman of the Committee w.e.f. 16.07.2026

Chairman | Member

  Attended Physically

 Attended Through Video Conference

 Leave of Absence

The Company Secretary acts as the Secretary of the Committee.



(iv) Name, Designation and address of Compliance Officer:

Shri. Sushanta Kumar Panda
Company Secretary and Compliance Officer
NLC India Limited
No. 135, EVR Periyar High Road, Kilpauk, Chennai -600010.
Email: investors@nlcindia.in

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

(vi) Details of Shareholders’/Investors’ Complaints:

During the financial year 2025-26, four (4) complaints were received from the shareholders/investors generally pertaining, to non-receipt of dividend & request for hard copy of the Annual Report and all complaints have been attended/resolved to the satisfaction of the Shareholders. As of date, there are no pending complaints pertaining to the year under review.

Risk Management Committee

Regulation 21 of the SEBI Listing Regulations mandates constitution of the Risk Management Committee. The Committee is required to lay down the procedures to inform the Board about the risk assessment and minimisation procedures and the Board shall be responsible for framing, implementing and monitoring the Risk Management Plan of the Company. Accordingly, the Board has constituted a Risk Management Committee (“RMC”).

During the FY 2025-26, the Committee comprised of Six (6) Directors viz. Dr. Vasant Ashok Patil, Independent Director as the Chairperson and Dr. Suresh Chandra Suman, Shri. Samir Swarup, Shri. M. Venkatachalam, Dr. Prasanna Kumar Acharya and Shri. Rajesh Pratap Singh Sisodia as its Members.

As on 31st March, 2026, all the Independent Directors ceased to be directors on the Board of the Company w.e.f. 28th March, 2026, consequent to expiry of their term. Being a Government Company, the power to appoint Directors on the Board of Directors of the Company vests with the President of India. In order to comply with the provisions of SEBI (LODR) Regulations, 2015, the Ministry of Coal (MoC), Administrative Ministry, is being periodically apprised with regard to the requirement of appointing requisite number of Independent Directors on the Board of the Company.

Hence, the Risk Management Committee as presently constituted is not in compliance with the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. The Ministry of Coal, the Administrative Ministry, has been requested to expedite the appointment of the required number of Independent Directors so as to comply with the applicable guidelines.

(i) Terms of reference:

The terms of reference conform to the requirements of the provisions of Companies Act, 2013 and the SEBI Listing Regulations.

(ii) Composition of the Committee:

Upon cessation of all three Independent Directors w.e.f. from 28th March, 2026, consequent to the expiry of their term, the Company did not have any Independent Directors on its Board as on 31st March, 2026. Accordingly, the Committee has been reconstituted. As on 31st March, 2026 comprised of Five (5) Executive Directors viz. Dr. Prasanna Kumar Acharya as its Chairperson, Dr. Suresh Chandra Suman, Shri. Samir Swarup, Shri. M Venkatachalam and Shri. Rajesh Pratap Singh Sisodia as its members. Subsequently, with the cessation of Shri. M Venkatachalam, w.e.f. 31st May, 2026, the Committee was further reconstituted with Dr. Prasanna Kumar Acharya as its Chairperson, Dr. Suresh Chandra Suman, Shri. Samir Swarup, and Shri. Rajesh Pratap Singh Sisodia as its members. Further, with the appointment of Shri. Poonam Chandrakar, Independent Director, w.e.f. 16.07.2026, the Committee was further reconstituted with Dr. Prasanna Kumar Acharya as its Chairperson, Dr. Suresh Chandra Suman, Shri. Rajesh Pratap Singh Sisodia and Shri. Poonam Chandrakar as its members.

(iii) The details of Risk Management Committee meetings held during the year 2025-26 and attendance of members of the Committee are as under:

Attendance of Risk Management Committee for the FY-2025-26

Name of Director (Shri/Smt./Dr.)	19.05.2025	07.08.2025	02.09.2025	29.10.2025	10.02.2026	26.03.2026	Total Meetings Attended/ Entitled	Attendance in (%)
	Hybrid	Hybrid	Through V.C	Hybrid	Hybrid	Through V.C		
Vasant Ashok Patil [§]							6/6	100
Samir Swarup [*]							6/6	100
Suresh Chandra Suman							6/6	100
Prasanna Kumar Acharya [@]							6/6	100
M. Venkatachalam ^{&}							6/6	100
Rajesh Pratap Singh Sisodia [%]	N.A	N.A	N.A	N.A			2/2	100
Poonam Chandrakar [^]	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

% Appointed as Member of the Committee w.e.f. 02.12.2025

§ Ceased as Chairman of the Committee w.e.f. 28.03.2026

@ Appointed as Chairman of the Committee w.e.f. 28.03.2026

& Ceased as Member of the Committee w.e.f. 31.05.2026

* Ceased as Member of the Committee w.e.f. 16.07.2026

^ Appointed as Member of the Committee w.e.f. 16.07.2026

Chairman | Member

Attended Physically

Attended Through Video Conference

Leave of Absence

The Company Secretary acts as the Secretary to the Committee.

Corporate Social Responsibility Committee:

Section 135 of the Companies Act, 2013 mandates constitution of the Corporate Social Responsibility (“CSR”) Committee.

During the FY 2025-26, the Committee comprised of Four (4) Directors viz. Shri. M.T. Ramesh, Independent Director as the Chairperson and Dr. Suresh Chandra Suman, Shri. M. Venkatachalam and Dr. Prasanna Kumar Acharya, Executive Directors, as its Members.

As on 31st March, 2026, all the Independent Directors ceased to be directors on the Board of the Company w.e.f. 28th March, 2026, consequent to expiry of their term. Being a Government Company, the power to appoint Directors on the Board of Directors of the Company vests with the President of India. In order to comply with the provisions of SEBI (LODR) Regulations, 2015, the Ministry of Coal (MoC), Administrative Ministry, is being periodically apprised with regard to the requirement of appointing requisite number of Independent Directors on the Board of the Company. The Ministry of Coal, the Administrative Ministry, has been requested to expedite the appointment of the required number of Independent Directors so as to comply with the applicable guidelines.

(i) Terms of reference:

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

(ii) Composition of the Committee:

Upon cessation of all three Independent Directors w.e.f. 28th March, 2026, consequent to the expiry of their term, the Company did not have any Independent Directors on its Board as on 31st March, 2026. Accordingly, the Committee has been reconstituted. The Committee as on 31st March, 2026 comprised of Five (5) Executive Directors viz. Dr. Suresh Chandra Suman as its Chairperson, Dr. Prasanna Kumar Acharya, Shri. Samir Swarup, Shri. M Venkatachalam and Shri. Rajesh Pratap Singh Sisodia as its members. Subsequently, with the cessation of Shri. M Venkatachalam, w.e.f. 31st May, 2026, the Committee was further reconstituted with Dr. Suresh Chandra Suman as its Chairperson, Dr. Prasanna Kumar Acharya, Shri. Samir Swarup and Shri. Rajesh Pratap Singh Sisodia as its members. Further, with the appointment of Shri. Poonam Chandrakar, Independent Director, w.e.f. 16.07.2026, the Committee was further reconstituted with Dr. Suresh Chandra Suman as its Chairperson, Shri. Poonam Chandrakar, Dr. Prasanna Kumar Acharya and Shri. Rajesh Pratap Singh Sisodia as its members.



(iii) The details of Corporate Social Responsibility Committee meetings held during the financial year 2025-26 and attendance of members of the Committee are as under:

Attendance of Corporate Social Responsibility Committee for the FY-2025-26

Name of Director (Shri/Smt./Dr.)	11.04.2025	27.09.2025	12.01.2026	26.03.2026	Total Meetings Attended/Entitled	Attendance in (%)
	Hybrid	Hybrid	Through V.C	Through V.C		
M.T. Ramesh [§]					4/4	100
Suresh Chandra Suman [@]					4/4	100
Prasanna Kumar Acharya					4/4	100
M. Venkatachalam [%]					4/4	100
Samir Swarup [#]	N.A	N.A	N.A	N.A	N.A	N.A
Rajesh Pratap Singh Sisodia [©]	N.A	N.A	N.A	N.A	N.A	N.A
Poonam Chandrakar [*]	N.A	N.A	N.A	N.A	N.A	N.A

§ Ceased as Chairman of the Committee w.e.f. 28.03.2026

% Appointed as Member of the Committee w.e.f. 28.03.2026 and ceased w.e.f. 31.05.2026

@ Appointed as Chairman of the Committee w.e.f. 28.03.2026

Appointed as Member of the Committee w.e.f. 28.03.2026 and ceased w.e.f. 16.07.2026

© Appointed as Member of the Committee w.e.f. 28.03.2026

* Appointed as Member of the Committee w.e.f. 16.07.2026

Chairman | Member

Attended Physically

Attended Through Video Conference

Leave of Absence

The Company Secretary acts as the Secretary to the Committee.

Environmental, Social and Governance (ESG) Committee:

The Securities and Exchange Board of India (SEBI) has introduced a mandatory reporting framework on Environmental, Social, and Governance (ESG) parameters through the Business Responsibility and Sustainability Report (BRSR). Under this framework, the top 1,000 listed entities, determined on the basis of market capitalisation, are required to furnish comprehensive disclosures on their ESG practices and performance.

In this context, the Company has voluntarily constituted a Board Level ESG Committee to oversee its ESG objectives, monitor progress on ESG related initiatives, and guide the adoption of sustainable business practices, including measures to address climate change and to provide long-term value for all stakeholders.

(i) Terms of reference:

The scope of the ESG committee will include but not limited to the following:

- (i) To support the Board in directing the Company's vision and strategy for Environmental, Social, and Governance issues.
- (ii) To review/recommend, amendments to the Sustainability & ESG policies or management systems, as and when required;
- (iii) Oversight of important decisions, monitoring of development in relation to the set vision, and evaluation of the Company's ESG policies, initiatives, and objectives to guarantee their ongoing efficiency.
- (iv) Review of ESG reporting in compliance with national and global sustainability/ESG indices and recommendations.
- (v) Review and noting of the Business Responsibility and Sustainability Report, in addition to any other similar report.
- (vi) Review the policies, Standards, Guidelines, and action plans regarding the sustainable development of the Company's projects and operations, social, economic, and environmental responsibility in the regions where the Company operates.

(ii) Composition of the Committee:

As on 31st March, 2026, the Committee comprised of Six (6) Directors viz. Shri. Prasanna Kumar Motupalli as its Chairperson, Dr. Suresh Chandra Suman, Shri. Samir Swarup, Shri. M. Venkatachalam, Dr. Prasanna Kumar Acharya and Shri. Rajesh Pratap Singh Sisodia, Executive Directors, as its members. Subsequently, with the cessation of Shri. M Venkatachalam, w.e.f. 31st May, 2026, the Committee was reconstituted with Chairman and Managing Director as its Chairperson, Dr. Suresh Chandra Suman, Shri. Samir Swarup, Dr. Prasanna Kumar Acharya and Shri. Rajesh Pratap Singh Sisodia, Executive Directors, as its members. Further, with the appointment of Shri. Poonam Chandrakar, Independent Director, w.e.f. 16.07.2026, the Committee was further reconstituted with Dr. Prasanna Kumar Acharya as its Chairperson, Shri. Poonam Chandrakar, Dr. Suresh Chandra Suman, Shri. Samir Swarup and Shri. Rajesh Pratap Singh Sisodia as its members.

(iii) The details of Environmental, Social and Governance Committee meetings held during the financial year 2025-26 and attendance of members of the Committee are as under:

Attendance of Environmental, Social and Governance Committee for the FY-2025-26

Name of Director (Shri/Smt./Dr.)	02.09.2025 Through V.C	Total Meetings Attended/Entitled	Attendance in (%)
Prasanna Kumar Motupalli ^{\$}		1/1	100
Vasant Ashok Patil [%]		1/1	100
Suresh Chandra Suman		1/1	100
M. Venkatachalam [@]		1/1	100
Samir Swarup		1/1	100
Prasanna Kumar Acharya ^{&}		1/1	100
Rajesh Pratap Singh Sisodia [#]	N.A.	N.A.	N.A.
Poonam Chandrakar [^]	N.A.	N.A.	N.A.

Appointed as Member of the Committee w.e.f. 02.12.2025

% Ceased as Member of the Committee w.e.f. 28.03.2026

\$ Ceased as Chairman of the Committee w.e.f. 01.07.2026

@ Ceased as Member of the Committee w.e.f. 31.05.2026

& Appointed as Chairman of the Committee w.e.f. 16.07.2026

^ Appointed as Member of the Committee w.e.f. 16.07.2026

Chairman | Member

  Attended Physically

 Attended Through Video Conference

 Leave of Absence

The Company Secretary acts as the Secretary to the Committee.

(iv) ESG Ratings

The highest ESG ratings assigned to the Company was 61.2 which was provided by Care ESG Ratings Limited.



Senior Management

Particulars of senior management including the changes therein since the close of the previous financial year

Details of the Executive Directors i.e. one level below of the Board as on 31st March, 2026:

Shri. Devendra Pratap Singh	ED/ CEO NIRL	Shri. Ramachandra R Parashar	ED/Management Services., CP&PM, Corporate Contracts, MM, Disposal & I.E Wing
Shri. Vijayakumar S	ED/BP-GM Office	Shri. Anandaramanujam K	ED/NTPL CEO
Shri. Rangasamy O	ED/NNTPP - Operation Service Monitoring Group	Shri. Durai Kumar S	ED/CEO/NUPPL
Shri. Jagadish Chandra Mazumdar	ED Talabira - II&III OCP	Shri. Anbuchelvan B	ED/REPP, CTO Civil & CEC
Shri. Jasper Rose I S	ED/Mines, Services, Land & Lignite to Methanol Project	Shri. Rajmohan S	ED SME, Conv., Transport, M-III & Long Term Mine Plg.
Shri. Mathi K	ED/Thermal Projects	Shri. Venkata Suryanarayana Murthy D	ED/Corporate Legal, NLC India Hospital & CSR
Shri. Santhosh CS	ED/NTTPP, Sambalpur	Shri. Cheruku Dayanand	ED Coal Coordination(PSCB, North Dhadu, Machakata, Patrapara and Critical Mineral Blocks (Stationed at Angul)
Shri. Ashok Kumar Mali	ED/CFO-NUPPL	Shri. Hemant Kumar	ED/Safety

Details of the Executive Directors retired during the year and retired after the closure of Financial Year 2025-26:

Shri. T Vanchinathan	ED/Thermal	Smt. Rani Alli G	ED/MM, Contracts, Disposal, CARD, IE Wing, CPPM, CTO Civil & CEC
Shri. Anandaramanujam k	ED/NTPL CEO-Secretary	Shri. Hariramakrishnan N	ED/Finance & Commercial
Shri. Ashok Dattatraya Keote	ED/SME, Conv., Transport, M-III & Long Term Mine Planning.	Shri. Prabhu Kishore K	ED/(CC & Liaison) & CRM
Shri. Hemant Kumar	ED/Safety	Shri. Eraniyan A	ED/CVO Vigilance
Shri. Ravisekar M	ED/NSU	Shri. Mohan S	ED/Mine-II
Shri. Sudhakaran C S	ED/Mine-I	Shri. Chandrasekhar B	MMC & Card
Shri. Sukumar P	ED/Medical	Shri. Basker A	ED/Mine-I
Shri. Rajeevan V	ED/Corporate Office	Shri. Rangasamy O	ED/NNTPS
Shri. Saravanan V	ED/TPS-II	Shri. Solomon Luther King D	ED/Corporate Office
Shri. Ponnupandian S	ED/TPS-II Expansion	Shri. Senthil Kumar G	ED/NNTPS
Shri. Bala Sundara Paranthagan	ED/TPS-I	Shri. Nedunjezhian R	ED/Mine-IA
Shri. Rajasekaran V	ED/Corporate Office		

General Body Meetings:

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

Meeting/Year	Date & Time	Venue
AGM (FY 2022-23)	26 th September, 2023, 11.00 Hrs	Through Video Conferencing
AGM (FY 2023-24)	25 th September, 2024, 15.00 Hrs	Through Video Conferencing
AGM (FY 2024-25)	27 th September, 2025, 15.00 Hrs	Through Video Conferencing

Special Resolutions

Special Resolution was passed at the 69th AGM held on 27.09.2025 for the following three resolutions:

- Re-appointment of Shri. Meethale Thundiyil Ramesh (DIN: 07313892) as an Independent Director of the Company.
- Appointment of Dr. Vasant Ashok Patil (DIN: 09352913) as an Independent Director of the Company.
- Appointment of Shri. Pradeep Kumar Saraogi (DIN: 03083365) as an Independent Director of the Company.

Postal Ballot

No special resolution was passed through Postal Ballot during the previous year.

Any decision for matters requiring approval of shareholders through Special Resolution/Ordinary Resolution by way of postal ballot shall be obtained as per the procedures laid down under the Companies Act, 2013 and the rules made thereunder.

Means of Communication

The quarterly and yearly financial results are furnished immediately to the Stock Exchanges where the Company’s equity shares are listed. The quarterly financial results are generally published in Financial Express, Business Standard (English) and Dinamani (Tamil). The financial results are also made available on the Company’s website at www.nlcindia.in and on the website of the Stock Exchanges. The Company’s official news releases, other press coverage, all the events/information as per the provisions of the Listing Regulations are being displayed on the website of the Company. Investors/Analysts presentations, transcript and audio of the Investors Meet/Calls are periodically uploaded on the website of the Company, besides furnishing the same to the stock exchanges.

General Shareholder Information:

AGM for FY 2025-26: Date, Day, Time: 29th September, 2026, Tuesday, 15:00 Hours IST.

Venue: The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated 22nd September, 2025 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of AGM.

The unclaimed Dividend Account details as on 31st March, 2026 is as under:

Sl. No.	Account for the Year	Balance Amount as on 31.03.2026 (in ₹)	Due date for transfer to IEPF Authority
1.	2018-2019 (Interim)	17,82,455.64	23.04.2026*
2.	2019-2020 (Interim)	33,43,291.83	01.04.2027
3.	2020-2021 (Interim)	5,32,243.00	17.03.2028
4.	2020-2021 (Final)	10,64,055.50	01.11.2028
5.	2021-2022 (Interim)	10,38,532.50	05.04.2029
6.	2021-2022 (Final)	11,05,232.50	03.11.2029
7.	2022- 2023 (Interim)	15,81,781.00	16.03.2030
8.	2022-2023 (Final)	12,08,526.00	31.10.2030
9.	2023-2024 (Interim)	9,13,924.00	10.03.2031
10.	2023-2024 (Final)	16,19,391.50	04.11.2031
11.	2024-2025 (Interim)	14,95,422.00	10.03.2032
12.	2024-2025 (Final)	13,12,630.50	02.11.2032
13.	2025-2026 (Interim)	33,05,752.60	17.05.2033
Total		2,03,03,238.57	

* The unclaimed dividend amount has been transfer to the Investor Education and Protection Fund (IEPF) Authority on 16th May, 2026.

Financial Calendar for the year 2025-26

Results for the quarter ending 30 th June, 30 th September & 31 st December.	Within 45 days from the end of the quarter or such other extended date as may be permitted by SEBI
Audited Yearly results	Within 60 days from the end of the financial year or such other extended date as may be permitted by SEBI

Payment of Dividend

During the year ended 31st March, 2026, final dividend of ₹ 1.50 per equity share (15%) for FY 2024-25 was paid on 24th October, 2025 after obtaining approval of shareholders at the 69th Annual General Meeting of the Company. The Board of Directors had also declared an Interim Dividend of ₹ 3.60/- per equity share (36%) on 12th January, 2026 and the same was paid on 10th February, 2026.

Unclaimed Dividend Account Details:

As per Section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules, 2016 (“the Rules”), companies are required to transfer the dividends that has remained unpaid/unclaimed for a period of seven years from the date of transfer of such dividend to unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, as per the aforesaid provisions, the shares in respect of which dividends have not been paid or claimed for seven consecutive years or more shall be transferred to the IEPF.



Disclosures with respect to demat suspense account/unclaimed suspense account:

Sl. No.	Particulars	Details
a.	aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	6 shareholders, 1200 shares
b.	number of shareholders who approached listed entity for transfer of shares from suspense account during the year	13 shareholders, 2600 shares
c.	number of shareholders to whom shares were transferred from suspense account during the year	13 shareholders, 2600 shares
d.	number of shareholders and Shares Credited to Suspense Escrow Demat Account during the year	11 shareholders, 2200 shares
e.	aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	4 shareholders, 800 shares

The voting rights on these shares shall remain frozen until the rightful owner claims the shares. The Company has appointed a Nodal Officer under the provisions of IEPF Rules, the details of which are available on the website of the Company at the Web-link: <https://www.nlcindia.in/website/en/investors/corporategovernance/contact.html>.

Further, the Company has also appointed Deputy Nodal Officer to assist the Nodal Officer to, inter alia, verify the claim(s) and co-ordinate with the IEPF Authority.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2026 on the Company’s website at the Web-link: https://www.nlcindia.in/website/en/investors/financials/iepf_details.html and on the website of the Ministry of Corporate Affairs at the Web-link: <https://www.mca.gov.in/content/mca/global/en/home.html>.

Details of unclaimed Dividend amount and Shares transferred to IEPF

During the financial year 2025-26, the following shares and dividends were transferred to IEPF:

Dividend Account	Unclaimed Dividend amount (₹)	Unclaimed Shares
2017-2018 (Interim)	21,58,844	30,660
2017-2018 (Final)	1,42,393	20,836

Listing on Stock Exchanges and payment of listing fees

The equity shares and debentures of the Company are presently listed with the BSE Limited and National Stock Exchange of India Limited. Listing fees have been paid to both the Stock Exchanges up to the financial year 2025-26.

Name and address of the Stock Exchange
BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.



Registrar and Share Transfer Agent:

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

Address:

2nd Floor, ‘Kences Towers’, No.1, Ramakrishna Street,

North Usman Road, T. Nagar, Chennai-600017.

Tel. No.:044-28140801-803[FaxNo.:044-28142479]

E-mail id: corpserv@integratedindia.in/cinward@integratedindia.in.

Share Transfer System:

Trading in Ordinary (Equity) Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Letter of Confirmation being issued in case of loss/duplicate of share certificates etc. However, the requirement for issuance of a Letter of Confirmation has been withdrawn with effect from 02.04.2026. Any Letter of Confirmation issued prior to this date may continue to be used by investors for dematerialisation within the prescribed timeline.

Pursuant to Regulation 40 of Listing Regulations, no requests for effecting transfer of securities have been processed unless the securities are held in the dematerialised form with effect from 1st April, 2019. However, this restriction shall not be applicable to request received for effecting transmission or transposition of physical shares. Further, SEBI has mandated that securities shall be issued only in dematerialised mode while processing duplicate/unclaimed suspense/renewal/exchange/endorsement/subdivision/consolidation/transmission/transposition service requests received from physical securities holders.

SEBI has also mandated furnishing of PAN, contact details, bank account details and nomination by holders of physical securities. Further, the Shareholders holding shares in physical form may kindly note that SEBI, vide its various circulars has mandated that dividend shall be paid only through electronic mode with effect from 1st April, 2024. Hence the holders of physical securities are requested to update their details with the Company/RTA by submitting requisite ISR Forms which are available on website of the Company at the Web-link: <https://www.nlcindia.in/website/files/investors/financials/investorservicerequest/3.pdf> to avoid delay in receipt of dividend.

The Shareholders holding shares in physical form are requested to get their shares dematerialised at the earliest to avoid any inconvenience in future while transferring the shares. Shareholders are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account to seek guidance in the demat procedure.

The Shareholders may also visit website of depositories viz. National Securities Depository Limited viz. <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited viz. <https://www.cdslindia.com/Investors/open-demat.html> for further understanding of the Demat procedure.

Shareholding Pattern

The Shareholding Pattern of the Equity Share Capital of the Company as on 31st March, 2026 is as under:

Account for the Year	No. of Shares	% to Total
President of India	100,11,56,562	72.20
Financial Institution – State Government	5,97,02,910	4.31
Financial Institution - Banks	239	0
Insurance Companies	6,16,93,778	4.45
Mutual Fund	13,16,53,809	9.49
NBFCs	2,755	0
Corporate Bodies	63,33,857	0.46
Foreign Portfolio Investors – Corporate 1 & 2	5,01,42,164	3.62
NRI	27,65,577	0.20
Resident Individual/Employees	6,83,96,321	4.94
Clearing Member	33,799	0
Others	47,54,838	0.35
Total	1,38,66,36,609	100

Distribution of Shareholding as on 31st March, 2026

No. of equity shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of shareholding
1-500	289972	93.62	2,05,61,094	1.4828
501-1000	10412	3.36	84,78,240	0.6114
1001-2000	4683	1.51	71,83,208	0.5180
2001-3000	1586	0.51	40,91,727	0.2951
3001-4000	669	0.22	24,19,223	0.1745
4001-5000	650	0.21	31,10,742	0.2243
5001-10000	911	0.29	69,04,388	0.4979
10001 and above	849	0.27	1,33,38,87,987	96.1959
Total	309732	100	1,38,66,36,609	100

Dematerialisation of shares and liquidity

As on 31st March, 2026, the equity shares of the Company numbering to 1,38,50,82,499 (99.89%) 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.

Commodity price risk/foreign exchange risk and hedging activities:

For the FY 2025-26, Commodity Price Risk and Commodity Hedging Activity: Not applicable.

Plant locations

Mine-I (including Expansion) Mine-IA, Mine-II (including Expansion), TPS-I, TPS-I Expansion, TPS-II and TPS-II Expansion, Neyveli New Thermal Power Station 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, Maranthai, Pudur, Ettankulam, Seliyanallur, Subbaiahpuram & Therkkupatti (Tirunelveli District), Senkulam, Pulangal, Sethupuram, Parattanatham & Thoppalakarai (Virudhunagar District), Avathandai, M. Pudukulam, Kumuthi, Kadamangalam (Ramanathapuram District), Onamakulam (Tuticorin District), 51 MW WTGs in Kazhuneerkulam (Tirunelveli District) all in the State of Tamilnadu. Talabira-II & III Coal open cast Mines at Sambalpur and Jharsuguda in the State of Odisha. A Thermal Power Plant of the Subsidiary Company (NTPL) is in operation at Tuticorin, in the State of Tamil Nadu. The Thermal Power Plant at Ghatampur in the State of Uttar Pradesh is operational, while the Pachwara South Coal Mine at Dumka in the State of Jharkhand is being developed by the Subsidiary Company (NUPPL). Development activities and coal production at the mine have already commenced.



Address for correspondence

Shareholders/Investors may send their correspondence to the Company Secretary to the Registered Office at No. 135, EVR Periyar High Road, Kilpauk, Chennai – 600 010 (Tel. No. 044 - 28369139). Shareholders may also send their communication electronically to investors@nlcindia.in, the exclusive e-mail-id provided.

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

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

Address: 2nd Floor, ‘Kences Towers’, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017.

Tel. No.: 044-28140801-803 Fax No.: 044-28142479 E-mail id: corpserv@integratedindia.in.

Credit Ratings for Borrowings

During the year, your Company has retained AAA rating for Long Term Borrowings including issue of Bonds and A1+ for issue of Commercial Papers and working capital facilities from Credit Rating Agencies. The present Ratings are given below:

Sl. No.	Rating Agency/Particulars	Rated Amount (₹ crore)	Rating Assigned
1	ICRA		
	NCDs (Secured)	2,000.00	[ICRA]AAA (Stable)
		2,000.00	
2	CRISIL		
	Working Capital Loan [State Bank of India]	8,000.00	CRISIL AAA/Stable
	NCDs [issued amount - ₹ 2,175 crore]	2,500.00	CRISIL AAA/Stable
	NNTP loan (SBI ₹ 581crore and IOB ₹ 1,078 crore)	1,426.60	CRISIL AAA/Stable
	External Commercial Borrowings	867.10	CRISIL AAA/Stable
	Proposed Long Term Bank Loan Facility	41.00	CRISIL AAA/Stable
		12,834.70	
3	CARE Ratings		
	Non Fund Based LT/ST BG [ICICI Bank]	772.00	CARE AAA; Stable/CARE A1+
	Punjab National Bank - NNTPS Loan	1,200.00	CARE AAA; Stable
	Commercial Paper	6,000.00	CARE A1+
		7,972.00	
4	India Rating (Fitch Group)		
	Solar 709 MW [State Bank of India]	923.00	IND AAA/Stable
	NCDs (Secured)	2,000.00	IND AAA/Stable
	NCDs (Unsecured)	500.00	IND AAA/Stable
	Commercial Paper	6,000.00	IND A1+
	Sales Bill Discounting	2,000.00	IND A1+
		11,423.00	
5	Infomerics valuation and Ratings		
	Solar 200MW [Bank of Baroda]	916.00	IVR AAA/Stable
		916.00	
6	Acuite Ratings & Research		
	External Commercial Borrowings (SMBC, Axis)	1,000.00	ACUITE AAA/Stable
	Solar 300 MW [Indusind Bank]	950.00	ACUITE AAA/Stable
		1,950.00	

Other Disclosures:

(i) The policies on related party transactions and ‘material subsidiaries’ are available at <https://www.nlcindia.in/webassets/investor/PolicyOnRelatedPartyTransactions.pdf>

https://www.nlcindia.in/webassets/investor/policy_on_material_subsidaries.pdf

During the year, the Company did not enter into any contracts/ arrangements/transactions with any Related Party which are not on an arm’s length basis and no material contracts/ arrangements were entered into with them at an arm’s 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) The Company has complied with the requirements of the SEBI Listing Regulations and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India except that the Company is non-compliant with the requirements relating to the composition of the Board of Directors, as the number of Independent Directors on the Board of the Company is below 50% of the total Board strength of the Board of Directors, and the appointment of at least one independent woman director has not been made. The Company is also non-compliant with the requirements relating to the constitution of the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. Further, the requirement of appointment of at least One Independent Director from the Board of the Company on the Board of Unlisted Material Subsidiary Company has also not been complied with. The required policies/criteria for appointment of Directors on the Board was not formulated by the Nomination and Remuneration Committee. The explanations for non-compliance as stated above have been given in **Annexure-VI**.

The Stock Exchanges have levied penalty for non-compliance with respect to the composition of the Board of Directors and the Company has represented to the Exchanges for waiver of penalty levied since the Company is a Government Company and the power to appoint Directors vests with the administrative Ministry.

Your Company has received a notice from National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with regard to non-compliance of Regulation 57 of the SEBI (LODR) Regulations, 2015, for delay in submission of Certificate related to payment obligation on bonds and both the exchanges have imposed a fine of ₹ 14,160/- (including GST) each, in FY 2024-25 for the said non- compliance. Also your company has paid the fine to both Stock Exchanges.

Except the above, there were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related 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 Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises, SEBI and other guidelines, to the extent applicable. The policy shall deem to cover the amendments, if any, issued by any of the regulatory authorities and/or Govt. of India from time to time.

Being a Central Public Sector Enterprise (CPSE), the Company is required to comply with the revised guidelines dated 18th November, 2024 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 4 % of Net-worth, whichever is higher subject to the maximum dividend permissible under the extant legal provisions. Nonetheless, CPSE are expected to pay the maximum dividend permissible under the Act under which CPSE has been set up, unless lower dividend proposed to be paid is justified on a case to case basis after the analysis of the following aspect:

- Net-worth 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.in/webassets/investor/dividenddistributionpolicy_06072025.pdf

(iv) Your Company continues to assure utmost commitment towards the highest standards of morals and ethics in the conduct of business. The employees have been provided comprehensive access to lodge any complaint. All the employees of the Company and its subsidiaries are encouraged and expected to raise their concerns. The Company has formulated Vigil Mechanism/Whistle Blower Policy in accordance to the Companies Act, 2013, read with the Rules prescribed thereunder and the SEBI Listing Regulations. It is affirmed that no personnel had been denied access to the Audit Committee.

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

For FY 2025-26, 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) Disclosures in relation to the Sexual Harassment of Woman at work place:

During the financial year 2025-26, one complaint were received and it have been resolved and as such, no case is pending at the end of the year.

Particulars	FY 2025-26
No. of complaints filed during the financial year	1
No. of complaint disposed off during the year	1
No. of cases pending as at end of the financial year	0

(vii) Details of administrative, office and financial expenses for the year under review and for the previous year are available in the annual accounts. No Presidential Directive was received during the year and also in the last three years.

(viii) Items of expenditure debited in the books of accounts, which are not for the purposes of the business: Nil

(ix) Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management: Nil

(x) Disclosure on Loans and advances in the nature of loans to firms/Companies:

During the financial year 2025-26, no loan or advances in the nature of loan has been given to firms/companies in which directors are interested except loan provided to the Subsidiary and Joint Venture Companies.

(xi) Certification from Company Secretary in Practice:

D. Hanumanta Raju & Co, Company Secretaries, Hyderabad has issued a certificate as required under the SEBI Listing

S. No.	Name of Material Subsidiaries	Date of Incorporation	Place of Incorporation	Name of Statutory Auditor	Date of appointment of Statutory Auditor
1	NLC Tamil Nadu Power Limited	18 th November, 2005	Chennai	Govind and Bala Associates	13/09/2025
2	Neyveli Uttar Pradesh Power Limited	09 th November, 2012	Lucknow	M/s Mittal Gupta & Co	12/09/2025

(xvi) Disclosure of certain types of agreements binding listed entities -

Information disclosed under clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations: Not Applicable

As regards adopting discretionary requirements, the following are stated:

The Board

As on 31st March, 2026, 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.

Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI/Ministry of Corporate Affairs or any such Statutory authority. The same is placed at **Annexure-6A**.

(xii) Details of total fees paid to statutory auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part, are as follows:

(₹ in crore)		
Type of service	FY 2025-26	FY 2024-25
Audit fees	1.13	1.10
Tax Audit fees	0.12	0.16
Others	0.52	0.67
Total	1.77	1.93

(xiii) During the year, the Company has not raised funds through preferential allotment or qualified institutions placement, hence disclosure as specified under Regulation 32(7A) of the SEBI Listing Regulations is not applicable.

(xiv) Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Nil

(xv) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

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 website www.nlcindia.in for the information of shareholders and other investors.

All significant events and information about the Company are uploaded in the Company's website 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 financial year 2025-26 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

Internal audit is being conducted in a hybrid manner involving outsourced internal auditors by engaging firms of Chartered Accountants/Cost and Management Accountants and In-house internal audit by experienced executives drawn from multi-disciplinary domains such as Mining, Thermal, Renewable energy, Finance etc., attached to the Internal Audit Department.

Independent Directors Meeting

Disclosure is given separately in this report

Compliance

The Company has complied with all the conditions of Corporate Governance as stipulated in the SEBI Listing 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

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: New Delhi
Date: 05th September, 2026

Chairman and Managing Director



Annexure - V

Certificate on Corporate Governance

TO
THE MEMBERS OF
NLC INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by **NLC INDIA LIMITED** (“the Company”), for the year ended on March 31, 2026, as per Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) for the period 1st April, 2025 to 31st March, 2026 and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE), Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations and DPE Guidelines, except for:

As required under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have at least fifty percent of the Board as Independent Directors, if the Chairman of the Company is an Executive Director. However, it has been observed that:

During the period from 1st April, 2025 to 24th September, 2025, the Company had 10 (Ten) Directors including 5 (Five) Executive Directors, 2 (Two) Nominee Directors and 3 (Three) Independent Directors. During the aforesaid period the Company had to appoint 4 (Four) more Independent Directors including one Independent Women Director.

During the period from 25th September, 2025 to 01st December, 2025, the Company had 9 (Nine) Directors including 5 (Five) Executive Directors, 1 (One) Nominee Directors and 3 (Three) Independent Directors. During the aforesaid period the Company had to appoint 3 (Three) more Independent Directors including one Independent Women Director.

During the period from 2nd December, 2025 to 15th January, 2026, the Company had 10 (Ten) Directors including 6 (Six) Executive Directors, 1 (One) Nominee Directors and 3 (Three) Independent Directors. During the aforesaid period, the Company based on the Board composition was required to appoint 4 (Four) more Independent Directors including one Independent Women Director.

During the period from 16th January, 2026 to 27th March, 2026, the Company had 11 (Eleven) Directors including 6 (Six) Executive Directors, 2 (Two) Nominee Directors and 3 (Three) Independent Directors. During the aforesaid period, the Company based on the Board composition was required to appoint 5 (Five) more Independent Directors including one Independent Women Director.

During the period from 28th March, 2026 to 31st March, 2026, the Company had 8 (Eight) Directors including 6 (Six) Executive Directors and 2 (Two) Nominee Directors. During the aforesaid period, the Company based on the Board composition was required to appoint 8 (Eight) Independent Directors including one Independent Women Director.

The constitution of Audit Committee of the Company was not as per Regulation 18(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t requisite number of Independent Directors in the committee during the period from 28.03.2026 to 31.03.2026.

The constitution of Nomination and Remuneration Committee of the Company was not as per Regulation 19(1) & (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t requisite number of Non-Executive/ Independent Directors in the committee during the period from 28.03.2026 to 31.03.2026.

The constitution of Stakeholders & Relationship Committee of the Company was not as per Regulation 20(2) & (2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t requisite number of Non- Executive/ Independent Directors in the committee during the period from 28.03.2026 to 31.03.2026.

The constitution of Risk Management Committee of the Company was not as per Regulation 21(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t requisite number of Independent Directors in the committee during the period from 28.03.2026 to 31.03.2026.

As required under Regulation 24(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall appoint atleast one Independent Director of the Company on the Board of Directors of Unlisted Material Subsidiary. However, it has been observed that the Company has not complied with the aforesaid Regulation w.r.t material subsidiaries i.e., NLC Tamil Nadu Power Limited and Neyveli Uttar Pradesh Power Limited during the year.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 29.08.2026

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS MOHIT KUMAR GOYAL
PARTNER
FCS: 9967, CP NO: 12751
UDIN: F009967H001277871
PR No. 6326/2024



Secretarial Audit Report

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
NLC INDIA LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NLC INDIA LIMITED** (a Navaratna PSU) having **CIN:L93090TN1956GOI003507** and having its registered office at No.135, EVR Periyar High Road Kilpauk, Chennai, Tamil Nadu- 600 010 (hereinafter called the ‘**Company**’). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026, according to the provisions of:

- (i) The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) Securities and Exchange Board of India (**Issue of Capital and Disclosure Requirements) Regulations, 2018- (Not applicable to the Company during the period under review);**
 - (e) Securities and Exchange Board of India (**Share Based Employee Benefits and Sweat Equity) Regulations, 2021- (Not applicable to the Company during the period under review);**
 - (f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- (**Not applicable to the Company during the period under review);**
 - (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- (**Not applicable to the Company during the period under review);**
 - (i) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
 - (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Corporate Governance Guidelines issued by Department of Public Enterprises (**“DPE”**) vide their OM. No. 18(8)/2005-GM dated May 14, 2010.

(vii) Other laws **specifically** applicable to the Company include:

- A. The Mines Act, 1952 and the rules made thereunder.
- B. Coal Mines Regulations, 1957.
- C. DGMS Guidelines on Periodic Medical Examination for Mines.
- D. Mines Vocational Training Rules, 1966.
- E. The Electricity Act, 2003 and the rules made thereunder.
- F. Indian Boiler Act, 1923 and the regulations made thereunder.
- G. Explosives Act, 1884 and the rules made thereunder.
- H. Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008.
- I. Mines and Mineral (Development and Regulation) Act, 1957.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

- The constitution of the Board of Directors of the Company did not have at least one-third of total number of Directors as Independent Directors during the period from 01.04.2025 to 24.09.2025 and 02.12.2025 to 31.03.2026 as required under Section 149(4) of the Companies Act, 2013.
- As required under Section 149 of Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014, there was no Woman Director on the Board of the Company from 25.09.2025.
- The constitution of Corporate Social Responsibility Committee of the Company was not in compliance of Section 135 of Companies Act, 2013 during the period from 28.03.2026 to 31.03.2026 due to cessation of Independent Directors w.e.f. 27.03.2026.
- As required under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have at least fifty percent of the Board as Independent Directors, if the Chairman of the Company is an Executive Director. However, it has been observed that:
 - During the period from 1st April, 2025 to 24th September, 2025, the Company had 10 (Ten) Directors including 5 (Five) Executive Directors, 2 (Two) Nominee Directors and 3 (Three) Independent Directors. During the aforesaid period the Company had to appoint 4 (Four) more Independent Directors including one Independent Women Director.
 - During the period from 25th September, 2025 to 01st December, 2025, the Company had 9 (Nine) Directors including 5 (Five) Executive Directors, 1 (One) Nominee Directors and 3 (Three) Independent Directors. During the aforesaid period the Company had to appoint 3 (Three) more Independent Directors including one Independent Women Director.
 - During the period from 2nd December, 2025 to 15th January, 2026, the Company had 10 (Ten) Directors including 6 (Six) Executive Directors, 1 (One) Nominee Directors and 3 (Three) Independent Directors. During the aforesaid period, the Company based on the Board composition was required to appoint 4 (Four) more Independent Directors including one Independent Women Director.
 - During the period from 16th January, 2026 to 27th March, 2026, the Company had 11 (Eleven) Directors including 6 (Six) Executive Directors, 2 (Two) Nominee Directors and 3 (Three) Independent Directors. During the aforesaid period, the Company based on the Board composition was required to appoint 5 (Five) more Independent Directors including one Independent Women Director.
 - During the period from 28th March, 2026 to 31st March, 2026, the Company had 8 (Eight) Directors including 6 (Six) Executive Directors and 2 (Two) Nominee Directors. During the aforesaid period, the Company based on the Board composition was required to appoint 8 (Eight) Independent Directors including one Independent Women Director.
- The constitution of Audit Committee of the Company was not as per Regulation 18(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of Companies Act, 2013 w.r.t requisite number of Independent Directors in the committee during the period from 28.03.2026 to 31.03.2026.



- The constitution of Nomination and Remuneration Committee of the Company was not as per Regulation 19(1) & (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013 w.r.t requisite number of Non-Executive/Independent Directors in the committee during the period from 28.03.2026 to 31.03.2026.
- The constitution of Stakeholders & Relationship Committee of the Company was not as per Regulation 20(2) & (2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013 w.r.t requisite number of Non- Executive/Independent Directors in the committee during the period from 28.03.2026 to 31.03.2026.
- The constitution of Risk Management Committee of the Company was not as per Regulation 21(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t requisite number of Independent Directors in the committee during the period from 28.03.2026 to 31.03.2026.
- As required under Regulation 24(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall appoint atleast one Independent Director of the Company on the Board of Directors of Unlisted Material Subsidiary. However, it has been observed that the Company has not complied with the aforesaid Regulation w.r.t material subsidiaries i.e., NLC Tamil Nadu Power Limited and Neyveli Uttar Pradesh Power Limited during the year.

We further report that:

The Board of Directors of the Company is duly constituted. *However, the appointment of Independent Directors and woman director is not as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE Guidelines on Corporate Governance/Companies Act 2013 respectively.* The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. In terms of Articles of Association of the Company all appointments to the Board are made by the Government of India.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance except for those related to Unpublished Price Sensitive Information and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the Board of Directors of the Company at their meeting held on 27.09.2025 have approved to avail External Commercial Borrowing upto Euro 100 Million from KfW (Kreditanstalt fur Wiederaufbau), German based Development Financial Institution through bilateral arrangement.

We further report that during the period under review:

- BSE Limited and National Stock Exchange of India Limited have individually imposed an aggregate fine of ₹ 29,79,500/- including GST for non-compliance with the requirements pertaining to the composition of Board of Directors and Composition of Committees as per Regulation 17(1), 18(1), 19 (1) and (2), 20 (2) and (2A), 21(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company had replied to the Stock Exchanges on the said matter stating that, being a Government Company, as per Articles of Association of the Company, the power to appoint Directors on the Board of the Company vests with the President of India. Ministry of Coal, the Administrative Ministry, has been requested periodically to expedite for the appointment of required number of Independent Directors so as to comply with the statutory requirements. Further, the stock exchanges were requested to waive the fine imposed on the Company. Till date, the Company has not paid any fine in this regard.

**For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES**

**CS MOHIT KUMAR GOYAL
PARTNER
FCS: 9967; CP NO: 12751
UDIN: F009967H001046497
PR NO: 6326/2024**

**Place: Hyderabad
Date: 07.08.2026**

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

‘Annexure A’

To
The Members,
NLC INDIA LIMITED

Our report of even Date is to be read along with this letter:

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES**

**CS MOHIT KUMAR GOYAL
PARTNER
FCS: 9967; CP NO: 12751
UDIN: F009967H001046497
PR NO: 6326/2024**

**Place: Hyderabad
Date: 07.08.2026**



REPLY TO THE OBSERVATIONS OF THE SECRETARIAL AUDITOR

Sl. No	Secretarial Auditor’s observation (as per S. No. of the Report)	Management Reply/Explanation
1.	The constitution of the Board of Directors of the Company did not have at least one-third of total number of Directors as Independent Directors during the period from 01.04.2025 to 24.09.2025 and 02.12.2025 to 31.03.2026 as required under Section 149(4) of the Companies Act, 2013.	Being a Government Company, as per the Articles of Association of the Company, the power to appoint Directors including the independent directors on the Board of the Company vests with the President of India. The Company has periodically requested Ministry of Coal, the Administrative ministry, to expedite for the appointment of required number of Independent Directors so as to comply with the statutory requirements.
2.	As required under Section 149 of Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014, there was no Woman Director on the Board of the Company from 25.09.2025.	Being a Government Company, as per the Articles of Association of the Company, the power to appoint Directors including the Women director on the Board of the Company vests with the President of India. The Company has periodically requested Ministry of Coal, the Administrative ministry, to expedite for the appointment of required number of Women Director so as to comply with the statutory requirements
3.	The constitution of Corporate Social Responsibility Committee of the Company was not in compliance of Section 135 of Companies Act, 2013 during the period from 28.03.2026 to 31.03.2026 due to cessation of Independent Directors w.e.f. 27.03.2026.	Being a Government Company, as per the Articles of Association, the power to appoint Directors, including independent directors on the Board of the Company vests with the President of India. The Company has periodically requested Ministry of Coal, the Administrative ministry, to expedite for the appointment of required number of Independent Directors so as to comply with the statutory requirements.
4.	As required under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have at least fifty percent of the Board as Independent Directors, if the Chairman of the Company is an Executive Director. However, it has been observed that: • During the period from 1st April, 2025 to 24th September, 2025, the Company had 10 (Ten) Directors including 5 (Five) Executive Directors, 2 (Two) Nominee Directors and 3 (Three) Independent Directors. During the aforesaid period the Company had to appoint 4 (Four) more Independent Directors including one Independent Women Director. • During the period from 25th September, 2025 to 01st December, 2025, the Company had 9 (Nine) Directors including 5 (Five) Executive Directors, 1 (One) Nominee Directors and 3 (Three) Independent Directors. During the aforesaid period the Company had to appoint 3 (Three) more Independent Directors including one Independent Women Director. • During the period from 2nd December, 2025 to 15th January, 2026, the Company had 10 (Ten) Directors including 6 (Six) Executive Directors, 1 (One) Nominee Directors and 3 (Three) Independent Directors. During the aforesaid period, the Company based on the Board composition was required to appoint 4 (Four) more Independent Directors including one Independent Women Director. • During the period from 16th January, 2026 to 27th March, 2026, the Company had 11 (Eleven) Directors including 6 (Six) Executive Directors, 2 (Two) Nominee Directors and 3 (Three) Independent Directors. During the aforesaid period, the Company based on the Board composition was required to appoint 5 (Five) more Independent Directors including one Independent Women Director. • During the period from 28th March, 2026 to 31st March, 2026, the Company had 8 (Eight) Directors including 6 (Six) Executive Directors and 2 (Two) Nominee Directors. During the aforesaid period, the Company based on the Board composition was required to appoint 8 (Eight) Independent Directors including one Independent Women Director.	Being a Government Company, as per the Articles of Association of the Company, the power to appoint Directors including the independent directors on the Board of the Company vests with the President of India. The Company has periodically requested Ministry of Coal, the Administrative ministry, to expedite for the appointment of required number of Independent Directors so as to comply with the statutory requirements.

Sl. No	Secretarial Auditor’s observation (as per S. No. of the Report)	Management Reply/Explanation
5.	The constitution of Audit Committee of the Company was not as per Regulation 18(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of Companies Act, 2013 w.r.t requisite number of Independent Directors in the committee during the period from 28.03.2026 to 31.03.2026.	Being a Government Company, as per the Articles of Association of the Company, the power to appoint Directors including the independent directors on the Board of the Company vests with the President of India. The Company has periodically requested Ministry of Coal, the Administrative ministry, to expedite for the appointment of required number of Independent Directors so as to comply with the statutory requirements. The Ministry of Coal yet to appoint the Independent Directors.
6.	The constitution of Nomination and Remuneration Committee of the Company was not as per Regulation 19(1) & (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013 w.r.t requisite number of Non-Executive/Independent Directors in the committee during the period from 28.03.2026 to 31.03.2026.	Being a Government Company, as per the Articles of Association of the Company, the power to appoint Directors including the independent directors on the Board of the Company vests with the President of India. The Company has periodically requested Ministry of Coal, the Administrative ministry, to expedite for the appointment of required number of Independent Directors so as to comply with the statutory requirements. The Ministry of Coal yet to appoint the Independent Directors.
7.	The constitution of Stakeholders & Relationship Committee of the Company was not as per Regulation 20(2) & (2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013 w.r.t requisite number of Non- Executive/Independent Directors in the committee during the period from 28.03.2026 to 31.03.2026.	Being a Government Company, as per the Articles of Association of the Company, the power to appoint Directors including the independent directors on the Board of the Company vests with the President of India. The Company has periodically requested Ministry of Coal, the Administrative ministry, to expedite for the appointment of required number of Independent Directors so as to comply with the statutory requirements. The Ministry of Coal yet to appoint the Independent Directors.
8.	The constitution of Risk Management Committee of the Company was not as per Regulation 21(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t requisite number of Independent Directors in the committee during the period from 28.03.2026 to 31.03.2026.	Being a Government Company, as per the Articles of Association of the Company, the power to appoint Directors including the independent directors on the Board of the Company vests with the President of India. The Company has periodically requested Ministry of Coal, the Administrative ministry, to expedite for the appointment of required number of Independent Directors so as to comply with the statutory requirements. The Ministry of Coal yet to appoint the Independent Directors.
9.	As required under Regulation 24(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall appoint atleast one Independent Director of the Company on the Board of Directors of Unlisted Material Subsidiary. However, it has been observed that the Company has not complied with the aforesaid Regulation w.r.t material subsidiaries i.e., NLC Tamil Nadu Power Limited and Neyveli Uttar Pradesh Power Limited during the year.	The Company has from time to time communicated to Ministry of Coal, the Administrative Ministry, for appointment of one Independent Director from the Board of the Company on the Board of Directors of its unlisted material subsidiaries.

For and on Behalf of the Board of Directors

Place: New Delhi

Date: 05th September, 2026

Chairman and Managing Director



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
NLC TAMIL NADU POWER LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NLC TAMIL NADU POWER LIMITED** having CIN: **U40102TN2005GOI058050** and having its registered office at No.135, EVR Periyar High Road Kilpauk, Chennai, Tamil Nadu- 600 010 (hereinafter called the ‘**Company**’). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026, according to the provisions of:

- (i) The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder; **(Not applicable to the Company during the period under review)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the period under review)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the period under review);**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the period under review);**
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **(Not applicable to the Company during the period under review);**
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **(Not applicable to the Company during the period under review);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **(Not applicable to the Company during the period under review);**
 - (h) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - **(Not applicable to the Company during the period under review);**
 - (i) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
 - (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Corporate Governance Guidelines issued by Department of Public Enterprises (‘‘DPE’’) vide their OM. No. 18(8)/2005-GM dated May 14, 2010.

(vii) Other laws specifically applicable to the Company include:

- A. The Electricity Act, 2003 and the rules made thereunder.
- B. Indian Boiler Act, 1923 and the rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013.
- (ii) The Listing Agreements entered into by the Company with BSE Limited with respect to Listing of Commercial Papers;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

- As required under the DPE Guidelines, the Board of Directors of the Company shall comprise of at least one-third of the Board as independent directors in case the Chairman is non-executive director. Therefore, the Company is yet to appoint 3 (Three) Independent Directors.
- The Composition of Audit Committee and Nomination and Remuneration Committee are not as per DPE guidelines due to non appointment of Independent directors on the Board of the Company.
- The quorum at the Audit Committee meetings is not as per DPE guidelines due to non appointment of Independent directors on the Board of the Company.
- As required under Section 149 of Companies Act, 2013 read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014, there was no Woman Director on the Board of the Company from 01.04.2025 to 31.03.2026.

We further report that

The Board of Directors of the Company is duly constituted. However, the appointment of Independent Directors/woman director is not as per the provisions of the DPE Guidelines on Corporate Governance/Companies Act 2013 respectively. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting member’s views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the Company has not transferred unspent Corporate Social Responsibility (CSR) amount of ₹ 47.34 Lacs for the FY 2025-26 in respect of other than ongoing projects, to a Fund specified in Schedule VII of the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.

We further report that during the period under review, the Company has redeemed Commercial Papers aggregating to ₹ 500 crores on maturity.

**For D. HANUMANTA RAJU & CO
COMPANY SECRETARIES**

**CS MOHIT KUMAR GOYAL
PARTNER
FCS: 9967, CP NO: 12751
UDIN: F009967H000714110
PR NO: 6326/2024**

**Place: Hyderabad
Date: 30.06.2026**

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



‘Annexure A’

To
**The Members,
NLC TAMIL NADU POWER LIMITED**

Our report of even Date is to be read along with this letter:

- Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For D. HANUMANTA RAJU & CO
COMPANY SECRETARIES**

**CS MOHIT KUMAR GOYAL
PARTNER
FCS: 9967, CP NO: 12751
UDIN: F009967H000714110
PR NO: 6326/2024**

**Place: Hyderabad
Date: 30.06.2026**

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
NEYVELI UTTAR PRADESH POWER LIMITED
CIN: U40300UP2012GOI053569
Reg. Office: KH 419, G. N. Extension, Gomti Nagar,
Lucknow-226010, Uttar Pradesh.
E-mail id: cosec.nuppl@nlcindia.in

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Neyveli Uttar Pradesh Power Limited, CIN:U40300UP2012GOI053569** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- i. maintenance of various statutory registers and documents and making necessary entries therein;
- ii. forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
- iii. service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- iv. notice of Board and various Committee meetings of Directors;
- v. Meetings of Directors
- vi. notice and convening of Annual General Meeting held on 16th September, 2025;
- vii. minutes of the proceedings of the Board Meetings, Committee and Members Meetings;
- viii. approvals of the Board of Directors, Committee of Directors, Members and Government authorities, wherever required;
- ix. Committees of Directors and appointment and reappointment of Directors;
- x. payment of remuneration to Directors and Managing Director and Key Managerial Personnel;
- xi. appointment and remuneration of Statutory Auditors, Secretarial Auditors and Internal Auditors;
- xii. transfer of Company's shares, issue and allotment of shares;
- xiii. contracts, registered office and publication of name of the Company;
- xiv. report of the Board of Directors;
- xv. investment of Company's funds;
- xvi. generally, all other applicable provisions of the Act and the Rules there under;
- xvii. The Company has, in our opinion, proper Board-processes and compliance mechanism and has complied with the applicable statutory provisions, Act(s), rules, regulations, guidelines, applicable secretarial standards, etc., mentioned above and as stipulated under the Memorandum and Articles of Association the Company.

We have examined the books, papers, minute books, forms & returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
(Not applicable to the Company during the Audit period)



- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and the Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(Not applicable to the Company during the Audit period)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(Not applicable to the Company during the Audit period)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable to the Company during the Audit period)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(Not applicable to the Company during the Audit period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(Not applicable to the Company during the Audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(Not applicable to the Company during the Audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit period)
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
(Not applicable to the Company except Regulation 24 during the Audit period)

We further report that other laws specifically applicable to the Company include:

- a) The Coal Bearing Areas (Acquisition and Development) Act, 1957 and the Rules made thereunder.
- b) The Mines Act, 1952 and the rules made thereunder.
- c) Coal Mines Regulations, 1957.
- d) DGMS Guidelines on Periodic Medical Examination for Mines.
- e) Mines Vocational Training Rules, 1966.
- f) Mines and Mineral (Development and Regulation) Act, 1957.
- g) The Electricity Act, 2003 and the Rules made there under.
- h) Indian Boiler Act, 1923 and the Rules made there under.
- i) Explosives Act, 1884 and the rules made thereunder.
- j) Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008.

We further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under our audit as the same falls under the review of statutory audit and by other designated professionals.

We have also examined the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (Standards).
- (ii) Guidelines on Corporate Governance issued by the Department of Public Enterprises applicable to Central Public Sector Enterprises (DPE Guidelines).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except for the following:

1. The composition of the Board of Directors did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.
2. The composition of the Audit Committee did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.
3. In the absence of Independent Directors on the Board, the requirement to have an Independent Director as the Chairman of the Audit Committee and Nomination and Remuneration Committee as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.
4. In the absence of requisite number of Independent Directors on the Board, the requirements with respect to quorum for the meetings of Audit Committee of the Board of Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.
5. The requirement to have at least one Woman Director on its Board has not been complied with as per the provisions of the Act.

We further report that:

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally adequate notice was given to all Directors to convene the Board Meetings. Agendas and detailed note on agendas were sent at least seven days in advance/at a shorter notice as per the provisions of the Act/Regulations and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which were not included in the agenda or circulated at a shorter notice, were considered with the permission of the Chairman and with the consent of majority of the Directors present in the Meeting.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

- (i) Public/Right/Preferential issue of shares/debentures/sweat equity, etc.
- (ii) Redemption/buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger/amalgamation/reconstruction, etc.
- (v) Foreign technical collaborations.

For MMA & PARTNERS,
COMPANY SECRETARIES
(F.R. N. P2015UP081000)

CS SUKHMENDRA KUMAR
PARTNER
CP. No.: 21707
M. No: A37552
UDIN:A037552H001084941
Peer Review Cert. No. 3163/2023

Date- 12.08.2026
Place- Ghatampur

Note: This report is to be read with our letter which is annexed as **Annexure-A** and forms an integral part of this report.



‘Annexure A’

To,
The Members,
NEYVELI UTTAR PRADESH POWER LIMITED
CIN: U40300UP2012GOI053569
Reg. Office: KH 419, G. N. Extension, Gomti Nagar,
Lucknow-226010, Uttar Pradesh.
E-mail id: cosec.nuppl@nlcindia.in

Our Secretarial Audit Report of even date for the Financial Year 2025-26 is to be read along with this letter.

Management’s Responsibility

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor’s Responsibility

2. We have obtained reasonable assurance about whether the statements prepared, documents or Records maintained by the Company are free from misstatement.
3. The audit has been conducted as per the applicable Auditing Standards.
4. We have the responsibility to only express our opinion on the evidences collected, information received and Records maintained by the Company or given by the Management.
5. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
6. We believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
7. Wherever required, we have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events etc.
8. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the basis of relevant and appropriate audit evidences to ensure that correct facts are reflected in secretarial records.
9. The company has followed applicable laws, act, rules or regulations in maintaining their Records, documents, statements, or have complied with applicable laws or rules while performing any corporate action.
10. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Modified Opinion

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except for the matters described under “Basis of opinion” and We conclude that:

- a. there is due compliance with the applicable laws in terms of timelines and process; and
- b. the Records as relevant for the audit verified by me as a whole are free from Misstatement and maintained in accordance with applicable laws.

Basis of opinion

1. The composition of the Board of Directors did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.
2. The composition of the Audit Committee did not comply with the requirements to have requisite number of Independent Directors as prescribed under the DPE Guidelines on Corporate Governance.

3.

In the absence of Independent Directors on the Board, the requirement to have an Independent Director as the Chairman of the Audit Committee and Nomination and Remuneration Committee as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.
4.

In the absence of requisite number of Independent Directors on the Board, the requirements with respect to quorum for the meetings of Audit Committee of the Board of Directors as prescribed in the DPE Guidelines on Corporate Governance has not been complied with.
5.

The requirement to have at least one Woman Director on its Board has not been complied with as per the provisions of the Act.

Disclaimer

11.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
12.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company so far it is not concerned with our audit related matters.

For MMA & PARTNERS,
COMPANY SECRETARIES
(F.R. N. P2015UP081000)

CS SUKHMENDRA KUMAR
PARTNER
CP. No.: 21707
M. No: A37552
UDIN:A037552H001084941
Peer Review Cert. No. 3163/2023

Date- 12.08.2026
Place- Ghatampur



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
NLC INDIA LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of NLC INDIA LIMITED having CIN: L93090TN1956GOI003507 and having its registered office at No.135, EVR Periyar High Road Kilpauk, Chennai, Tamil Nadu- 600 010 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para-C, Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment in Company
1.	Dr. Suresh Chandra Suman	09549424	11/05/2022
2.	Mr. Prasanna Kumar Motupalli	08456692	12/01/2023
3.	Mr. Samir Swarup	09648745	27/02/2023
4.	Mr. Mangat Ram Shrama	01367512	16/01/2026
5.	Mr. Rajesh Pratap Singh Sisodia	10224070	02/12/2025
6.	Mr. Sanoj Kumar Jha	11100701	09/05/2025
7.	Mr. Venkatachalam Manickam	10045337	26/04/2023
8.	Dr. Prasanna Kumar Acharya	09625170	15/01/2024

As the Company is a Central Public Sector Enterprise under administrative control of Ministry of Coal/Government of India, the President of India appoints all members of the Board. Our responsibility is to express an opinion on this, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS MOHIT KUMAR GOYAL
PARTNER
FCS: 9967; CP NO: 12751
UDIN: F009967H001046497
PR NO: 6326/2024

Date: 07.08.2026
Place: Hyderabad



Annexure - VII

C&AG Comments

No 250/ DGA(M&C)/Kol/AMG-II/Accounts/NLCIL/SFS/2025-26/2026-27

कार्यालय, महानिदेशक लेखापरीक्षा
(खान और कोयला)
निजाम महल, कोलकाता-700 020
एवं
1, काउंसिल हाउस स्ट्रीट,
कोलकाता-700001


SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

OFFICE OF THE DIRECTOR
GENERAL OF AUDIT
(MINES & COAL)
NIZAM PALACE, KOLKATA-700 020
&
1, COUNCIL HOUSE STREET,
KOLKATA-700001

CONFIDENTIAL

To
The Chairman,
NLC India Limited,
No 135, EVR Periyar High Road,
Kilpauk, Chennai,
Tamil Nadu-600010

Subject: Comments of the Comptroller & Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the Standalone financial statements of NLC India Limited for the year ended 31 March 2026.

Sir,

I forward herewith the comments of the Comptroller & Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the standalone financial statements of NLC India Limited for the year ended 31 March 2026.

The receipt of this letter may please be acknowledged.

Encl: As stated.

Yours faithfully,

(Biren Parmar)
Additional Deputy Comptroller & Auditor General of India

Place: Kolkata
Dated: 31 JUL 2026

Phone: +033-2287 5380
+033-22489674

E-mail: dgaminescoal@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NLC INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2026

The preparation of financial statements of NLC India Limited for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 13 May 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NLC India Limited for the year ended 31 March 2026 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(Biren Parmar)

Additional Deputy Comptroller & Auditor General of India

Place: Kolkata

Dated: 31 JUL 2026



कार्यालय, महानिदेशक लेखापरीक्षा
(खान और कोयला)
निजाम महल, कोलकाता-700 020
एवं
1, काउंसिल हाउस स्ट्रीट,
कोलकाता-700001

No. 257 DGA(M&C)/Kol/AMG-II/Accounts/NLCIL/CFS/2025-26/2026-27


OFFICE OF THE DIRECTOR
GENERAL OF AUDIT
(MINES & COAL)
NIZAM PALACE, KOLKATA-700 020
&
1, COUNCIL HOUSE STREET,
KOLKATA-700001

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

CONFIDENTIAL

To
The Chairman,
NLC India Limited,
No 135, EVR Periyar High Road,
Kilpauk, Chennai,
Tamil Nadu-600010

Sub: Comments of the Comptroller & Auditor General of India under section 143(6)(b) read with section 129(4) of the Companies Act, 2013 on the Consolidated financial statements of NLC India Limited for the year ended 31 March 2026.

Sir,

I forward herewith the comments of the Comptroller & Auditor General of India under section 143(6)(b) read with section 129(4) of the Companies Act, 2013 on the Consolidated financial statements of NLC India Limited for the year ended 31 March 2026.

The receipt of this letter may please be acknowledged.

Encl: As stated.

Yours faithfully,



(Biren Parmar)

Additional Deputy Comptroller & Auditor General of India

Place: Kolkata
Dated: 31 JUL 2026

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NLC INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2026

The preparation of consolidated financial statements of NLC India Limited for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 13 May 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of NLC India Limited for the year ended 31 March 2026 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of NLC India Limited and its subsidiaries as listed in the Annexure-1 but did not conduct supplementary audit of the financial statements of subsidiaries as listed in the Annexure-2 for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

**For and on behalf of the
Comptroller & Auditor General of India**


(Biren Parmar)

Additional Deputy Comptroller & Auditor General of India

Place: Kolkata

Dated: 31 JUL 2026

Annexure - VIII

Information Pursuant to OM No. M-03/0006/2024-DPE (MoU) dated 24.03.2026

The NLCIL MoU for FY 2025-26 was signed between the Ministry of Coal and NLCIL on a consolidated basis. During the year, your Company delivered a resilient performance across major parameters. The key achievements against the targets of the MoU 2025-26 are as follows:

1. **Coal Production and Power Generation:** NLCIL achieved a consolidated coal production of 19.14 Million Tonnes (MT). The consolidated power generation achieved was 28,944.71 Million Units (MU). During FY 2025-26, the power surrender in respect of NLCIL and Its Subsidiaries is 6,487.58 MU. Considering the power surrender, the power generation for FY 2025-26 is 35,432.29 MU.
2. **Revenue from Operations:** NLCIL Group achieved a Revenue from Operations of ₹ 17,489.53 Crore during the financial year.
3. **Financial Strength and Ratios:** NLCIL maintains a robust financial risk profile, supported by prudent capital deployment, steady internal cash generation, adequate liquidity, and a comfortable debt-servicing position.

EBITDA as a percentage of Total Income	Return on Capital Employed	Asset Turnover Ratio
40.48%	11.49%	30.01%

4. **Capital Expenditure (CAPEX):** NLCIL Group incurred a total CAPEX of ₹ 9,130.50 Crore on an accrual basis.
5. **GeM Procurement:** NLCIL and its subsidiaries (NTPL and NUPPL) registered a procurement of Goods & Services worth ₹ 2,344.88 Crore through the Government e-Marketplace (GeM) portal. This represents 85.58% of the total procurement of ₹ 2,740.07 Crore.
6. **MSME Enablement**

i. **Procurement from MSEs:** During the year, NLCIL and its subsidiaries procured ₹1,425.78 Crore (52.03%) from MSEs, surpassing the 25% statutory target. Procurement from SC/ST-owned MSEs reached ₹129.35 Crore (4.72%), while procurement from women-owned MSEs reached ₹ 117.24 Crore (4.28%). The total annual procurement made by NLCIL and its subsidiaries (NTPL and NUPPL) during the year stood at ₹2,740.07 Cr*

*Excluding Primary fuel, Secondary fuel, steel, cement, project procurement, including Renovation & Modernisation, and procurement from Original Equipment Manufacturer (OEM)/ Original Equipment Supplier (OES)/ Proprietary Article Certificate (PAC) as per Order of the Development Commissioner, Ministry of MSME vide letter No. F. No. 21(9)/2017-MA(Pt-I) (E-17230) dated 31st August 2021.

- ii. **Timely Payments to MSE Vendors:** NLCIL ensured prompt payments to MSEs, with zero payments delayed beyond 45 days during the financial year.

Total Payments made beyond 45 days				Total Payments made	
Total value of Invoices (₹ Crore)	Total No. of Invoices	No. of suppliers involved	Total Amount Involved (₹ Crore)	Total No. of invoices	Total No. of suppliers engaged in annual procurement
0	0	0	1,122.50	17,421	2,958

- iii. **Onboarding on TReDS Platforms:** NLCIL and its operational subsidiaries have onboarded on all operating Trade Receivables Discounting System (TReDS) platforms facilitating timely access to liquidity for MSEs through invoice discounting. The platform-wise onboarding dates are as follows:

Platform	NLCIL	NTPL	NIRL
RXIL	03.03.2024	03.12.2025	08.11.2025
MIXchange	29.04.2024	30.03.2026	26.02.2026
Invoice-Mart	25.03.2019	01.11.2019	09.09.2025
C2TReDS	17.11.2025	29.05.2026*	28.02.2026
DTX	02.02.2026	31.03.2026	26.11.2025

* NTPL: All necessary documents were submitted to ₹2TReDS on 27.03.2026; however, the onboarding formalization was completed on 29.05.2026 due to technical processing requirements.

NUPPL: NUPPL Plant was under construction during the financial year 2025–26 and post COD onboarding will be completed during 2026-27.



7. **Trade Receivables Management:** The Company continued to prioritize receivables management throughout the year. As at 31st March 2026, trade receivables aggregated to ₹ 3,337.69 Crore, which included unbilled revenue of ₹ 1,511.26 Crore subsequently invoiced after the reporting date. On excluding unbilled revenue, net receivables equate to nearly 38 days of revenue from operations, evidencing the robustness of the Company’s billing framework and the rigor maintained in collection practices.
8. **Research & Development and Innovation:** During the year, an expenditure ₹ 44.53 Crore was incurred on R&D, representing 1.55% of the Average PBT.
9. **Shareholder Value Creation and Market Performance:** NLCIL's market capitalization has improved from ₹33,926.84 crore at the close of the previous FY to ₹37,245.06 crore at the end of the current FY. In addition to capital appreciation, the company has paid a total of ₹707.18 crore as dividends, achieving a Total Returns to Shareholders (TRS) of 11.86%.
10. **Employee Health and Safety Initiatives:** NLCIL conducted Initial Medical Examinations (IME) for 3,197 employees and contract workmen at the time of recruitment and engagement, with a percentage achievement of 100%. Periodical Medical Examinations (PME) were successfully conducted for 1,347 personnel aged 50 and above (against a target of 761, as per Rule 29B of the Mines Rules, 1955) and 2,932 personnel below 50 years (against a target of 2,137, as per Rule 29B of the Mines Rules, 1955).

Business Responsibility and Sustainability Reporting (BRSR)

Section A – General Disclosures

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L93090TN1956GOI003507
2	Name of the Listed Entity	NLC India Limited ('NLCIL')
3	Year of incorporation	1956
4	Registered office address	No. 135, EVR Periyar High Road, Kilpauk, Chennai - 600010, Tamil Nadu
5	Corporate address	Block - 1, Neyveli - 607 801, Cuddalore District, Tamilnadu
6	E-mail	investors@nlcindia.in
7	Telephone	044-28360027, Fax: 044-28360057
8	Website	https://www.nlcindia.in/website/en/
9	Financial year for which reporting is being done	2025-26
10	Name of the Stock Exchange(s) where shares are listed	a) BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 b) National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
11	Paid-up Capital	₹ 1,386.64 crore
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Shri Sushanta Kumar Panda, Company Secretary Telephone: 044-28369139 E-mail: cosec@nlcindia.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures made under this report are made on a consolidated basis for NLCIL.
14	Name of assessment or assurance provider	SR Asia
15	Type of assessment or assurance obtained	Reasonable Assurance

II. Products/services

16 Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Electricity supply	Electric power generation	82%
2	Mining	Mining of coal and lignite	17%

17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product/Service	NIC Code	% of total Turnover contribute
1	Electric power generation	35102	82%
2	Sale of Coal	5101	13%
3	Sale of Lignite	5201	4%

III. Operations

18 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	24	9	33
International	-	-	-

19 Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	10
International (No. of Countries)	NA



b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on types of customers

The Company caters to a diverse customer base by providing energy and auxiliary services to state distribution companies. The Company also has a fuel supply contract with TAQA Neyveli Power Company Pvt. Ltd., Neyveli, an independent power producer, for its thermal power plant, along with an MoU with NTPC for a period of five years and with DVC for one year for the supply of coal to its thermal power plants. Lignite is sold through the e-auction route to industries for power generation, refractories, and other allied uses. NLCIL is also engaged in power trading, under which commercial enterprises, industrial consumers and power consumers purchase power surrendered by DISCOMs. Coal produced from the Talabira mines is also sold through the e-auction route to power sector consumers, including those in the Non-Regulated Sector (NRS).

IV. Employees

20 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Employees and workers						
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent (D)	3,554	3,255	91.59	299	8.41
2	Other than Permanent (E)	38	30	78.95	8	21.05
3	Total employees (D + E)	3,592	3,285	91.45	307	8.55
Workers						
4	Permanent (F)	6,181	5,723	92.59	458	7.41
5	Other than Permanent (G)	25,959	24,716	95.21	1,243	4.79
6	Total workers (F + G)	32,140	30,439	94.71	1,701	5.29

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1	Permanent (D)	63	60	95.24	3	4.76
2	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D + E)	63	60	95.24	3	4.76
Differently abled Worker						
4	Permanent (F)	154	124	80.52	30	19.48
5	Other than Permanent (G)	45	45	100.00	0	0
6	Total workers (F + G)	199	169	84.92	30	15.08

21 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	0	0
Key Management Personnel	1	0	0

22 Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	Turnover rate in FY 2025-26			Turnover rate in FY 2024-25			Turnover rate in FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.37%	9.60%	9.38%	12.49%	8.44%	12.15%	2.58%	0.64%	2.41%
Permanent Workers	13.85%	10.83%	13.62%	11.57%	9.61%	11.42%	0.05%	0.18%	0.06%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23 Names of holding/subsidiary/associate companies/joint ventures

S. no	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	NLC Tamil Nadu Power Limited (NTPL)	Subsidiary	89%	Yes
2	Neyveli Uttar Pradesh Power Limited (NUPPL)	Subsidiary	51%	Yes
3	Coal Lignite Urja Vikas Private Limited (CLUVPL)	Joint venture	50%	No
4	MNH Shakti Limited (MNH)	Joint venture	15%	No
5	NLC India Green Energy Limited (NIGEL)	Subsidiary	100%	Yes
6	NLC India Renewables Limited (NIRL)	Subsidiary	100%	Yes
7	NIRL Rajasthan Power Limited	Joint venture	74%	Yes

VI. CSR Details

24 (i). Whether CSR is applicable as per section 135 of Companies Act, 2013:

Yes

(ii). Turnover (in ₹)

₹ 17,489.53 Crore

(iii). Net worth (in ₹)

₹ 21,524.76 Crore

VII. Transparency and Disclosures Compliances

25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	(If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Yes	https://www.nlcindia.in/website/en/investors/corporategovernance/contact.html	Nil	Nil	Nil	Nil	Nil	Nil
Communities	Yes	https://pgportal.gov.in/	590	20	Necessary efforts are being taken to redress the pending grievances at the earliest.	297	6	NIL
Shareholders	Yes	https://www.nlcindia.in/website/en/investors/corporategovernance/contact.html	4	0	NIL	2	2	NIL
Employees and workers	Yes	http://nlcintra.nlcindia.com/corp_pers/files/gr.pdf	24	9	Necessary efforts are being taken to redress the pending grievances at the earliest.	7	3	2 grievances pending as on 31.03.2025 have been disposed on 30.07.2025
Customers	Yes	https://pgportal.gov.in/	Nil	Nil	Nil	NIL	NIL	NIL



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	(If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Value Chain Partners	Yes	https://www.nlcindia.in/webassets/tenders/vendor/Vendor%20Grievance%20Policy%20rv1%2018082022.pdf	Nil	Nil	Nil	NIL	NIL	NIL
Others	Yes	https://web.nlcindia.in/webcount/Document/Complaint_Policy.pdf	Nil	Nil	Nil	NIL	NIL	NIL

26 Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Community Engagement	Risk	The communities form as a key stakeholder considering the nature of the business.	Communities are engaged through skill development and contract employment and several CSR projects.	Positive
2	Health & Safety	Risk	Risk of accidents that could result in impacting the health and safety of the relevant stakeholders due to the nature of operations.	- NLCIL has implemented various measures to mitigate the risk of accidents including the following: 30 water sprinklers and 6 fog cannons deployed for dust suppression. - Respirable dust monitoring and free silica assessment done under CMR 143(14) & GSR 978(E). - Crisis Management Plan prepared and implemented for all mines. - Mine illumination maintained as per CMR 178 & GSR 981(E).Noise survey conducted as per DGMS Tech. Circular No. 1 of 2011. - PPE supply and usage ensured as per CMR 241 & 242. - Onsite facilities like rest shelters, drinking water, and first-aid are provided. - Surface miner deployed for blast-free coal extraction in Talabira II & III OCP. - All HEMM equipped with Automatic Fire Detection and Suppression System (AFDSS). - ALL SME machines deployed in Mines are equipped with AFDSS. - Fire extinguishers placed at strategic locations and regularly maintained. - Sufficient-capacity fire tenders deployed at all mine locations for emergency response. - In Electrical sub stations, Automatic emulsifier system for Transformers are installed for fire safety. - Safety Management Plans (SMPs) prepared and implemented for all NLCIL mines as per CMR-2017 Regulation 104. This is being reviewed in every six months. - SMPs are based on hazard identification and risk assessment and reviewed every six months. - Standard Operating Procedures (SOPs) developed and implemented for all mine activities. - All workers, including contractors, undergo Initial Medical Examination (IME) before mine deployment. - Periodical Medical Examinations (PME) conducted every three years for all workers. - Reflective Jackets procured and distributed to all the persons working in shifts in Mines. - Circular issued regarding Precautions during dozer operations in night hrs.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				- Availability and working condition of the surveillance cameras have been checked periodically and ensured properly. - Additional object(roller) protection pull cord switch at about 8 frames distance from V-wiper frame of Tail end is provided in the conveyors for all benches. - PPE inspection squad was formed and ensured for 100% utilisation of PPEs. - Regular Mock drill and demonstration on Fire Fighting and First Aid are being conducted. - Monthly Pit Safety Committee meeting is being conducted along with participation of workers. - Regular preventive maintenance in the Machineries/ equipment's, Schedule Checklist for all HEMM is ensured. - Regular Safety Talk & Tool Box meeting are being conducted in every shift. - Monthly illumination Survey is being done as per DGMS guidelines. - RFID Barrier, CCTV, Geo-fencing has been provided at NLCIL Mines. - Safety Initiatives in Conveyor Systems: - Pre-start Audio-Visual Alarm -Conveyor Start Siren & Hooter, Pre start Audio Visual Alarm (in local Language. through Public address system) installed in Drive heads & Tail ends to alert the workmen. - Audio Visual Blinker(AVB) system: Audio-Visual Blinker(AVB) system installed at middle of the conveyor belt. - LOTO Indicator lamp installed in conveyor Systems. - Digital LOTO System: RFID-SMART LOTO system has been installed in Top bench conveyor system of Neyveli Mine-II for ensuring safety. - As a digital initiative on Safety compliance, NLCIL ARAN mobile app has been developed for instant uploading of Safety observations (Unsafe acts/Unsafe conditions) for quick compliance.	
3	Air Emissions	Risk	The main sources of emission of pollutants are: - Drilling and excavation activity - Transportation of lignite/ coal - Storage yard & Haul roads - Stack emissions - Ash handling system	NLCIL has implemented various measures to mitigate emissions, including the following: - Installation of water sprinkler and fog cannon systems. - Motor Graders have been deployed in mines for making of Haul Roads - Utilising water sprinklers on haul roads. - Road sweeping machines have been deployed in NLCIL Mines for dust control in mine roads. - Surface miner deployed in Coal Mines of NLCIL is being fitted with automatic dust suppression system by simultaneous cutting and water spraying arrangement System. - While excavation of lignite by Bucket Wheel excavators, Simultaneous water spraying is done for suppression of dust. - Employing vehicle-mounted water sprayers and pressurised mobile water sprinkling systems for internal mine roads. - Water spray systems installed at strategic locations along conveyor system for suppression of dust. - In conveyor Systems, buffer arrangements are provided along transfer points for prevention of dust propagation. - Installing water spray pipelines at working faces. - Establishing fixed water sprinkler guns in the bunker area. - Introducing a fog cannon dust suppression system in the Coal Stock Yard. - Equipping facilities with electrostatic precipitators. - Progressing towards the implementation of flue gas desulfurisation. - Ambient Air Quality Monitoring System installed for continuous air quality monitoring.	Negative



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Land Acquisitions	Risk	Delay for NLCIL's operations related to mining activities.	- R&R (Rehabilitation and Resettlement) policy in place, which compensates over and above the requirements under 'The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013' (RFCT LARR Act). - Providing employment opportunities to project affected persons through skill development and contractual employment besides engagement in agriculture and farming.	Negative
5	Resource availability	Opportunity	Availability of abundant resource	- Improvement in operating parameters to effective usage of resources - Adoption of resource efficient technology	Negative
6	Renewable Energy	Opportunity	Renewable energy is one of the key focus areas of NLC as a long-term strategy.	Development of renewable energy deployments are being ventured.	Positive
7	Regulatory Compliance	Risk	Evolving regulatory frameworks across environmental, labour, and governance domains pose compliance risks. Non-adherence can lead to legal penalties, operational disruptions, reputational damage, and financial loss.	We take a proactive approach to compliance by implementing robust management systems, conducting regular audits, and maintaining active engagement with regulatory authorities. These measures not only ensure adherence to evolving standards but also cultivate a culture of accountability and risk resilience across our operations.	Positive
8	Water and Effluent Management	Risk	The major pollutant that is present in the seepage and surface water is Suspended Solids. Other pollutants such as Bio-chemical Oxygen Demand, Chemical Oxygen Demand, Total Suspended Solids, Total Dissolved Solids, Oil & Grease etc., are generated from the vehicle washing & domestic waste from the mines.	- Every industry is equipped with the necessary Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) to ensure that treated waste water meets environmental standards. - Implementation of rainwater harvesting within NLCIL premises. - Facilitation of artificial groundwater recharge using the gravity method in designated recharge zones. - Enhancement of groundwater levels through the artificial recharge technique through injection wells.	Negative
9	Governance	Risk	Being a regulated entity, compliance in all aspects is a priority	- NLCIL has formulated policies that focus on essential elements of Environmental, Social, and Governance (ESG) to steer the Company's culture. - The company offers training and awareness initiatives to combat corruption and prevent anticompetitive practices. - Efforts are made to educate stakeholders about updates in regulatory standards. - The company employs risk management practices under the supervision of the Board. - Comprehensive training and guidance on the code of conduct are provided to all stakeholders.	Negative
10	Training, education and development	Opportunity	Given the NLCILs forray into Renewable energy generation and diversification projects, it is imminent to train the manpower to make them future ready for successfully executing all future projects.	NLCIL has started many ambitious projects under its renewable arm and diversification of business is also explored wherever possible. In this regard, training on Solar, Hybrid Projects, BESS, Pumped Storage will make NLCIL human resource sustain future projects and challenges. Also, ambitious projects such as Underground Coal Gasification, OB to M-Sand, Carbon Capture, Critical Mineral Mining required competent persons to successfully execute the projects. Training will make relevant persons ready for all such diversification targets.	Positive
11	Climate Strategy	Risk	Given the carbon-intensive nature of the operations, it is crucial for to develop a climate strategy that aligns with the evolving regulatory landscape and compliance requirements of carbon markets.	The company has ventured into renewable power and aims to expand further in the sector. Additionally, Research and Development team (CARD) is focused on creating innovative solutions to reduce the carbon footprint.	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Innovation and Digitisation	Opportunity	We are convinced that ongoing innovation is essential to foster ecofriendly advancements and establish an employee-friendly workplace.	We hold the conviction that continuous innovation is necessary to encourage environmentally conscious solutions and cultivate a workplace that is conducive to employee well-being.	Positive
13	Sustainable Supply Chain	Opportunity	In our commitment to delivering uninterrupted power to our customers, we recognise the significance of maintaining a sustainable supply chain.	- Establishing guidelines for a sustainable supply chain. - Conducting capacity-building programmes for suppliers that focus on environmental, social, and economic aspects to ensure mutual benefits. - Voluntary collection of Environmental, Social, and Governance (ESG) data from suppliers.	Positive
14	Ethics and integrity	Opportunity	As a regulated entity it is essential to maintain the highest standards of ethics in the organisation.	- Ethics, as a fundamental value, are integrated into all business processes, ensuring adherence to principles of ethics and integrity. - Implementation of policies such as the code of conduct, whistleblower protection, complaint resolution, and prohibition of unethical business dealings. - Full compliance with laws and regulations to maintain a transparent and corruption-free work environment. - Installation of display boards in all offices urging visitors to resist coercion and to report any corrupt activities directly to the Chief Vigilance Officer.	Positive
15	Biodiversity Preservation	Opportunity	We intend to conserve and promote the biodiversity in the areas which have been reclaimed after mining.	Ensure and implement responsible business practices in areas of high biodiversity value.	Negative
16	Decommissioning of Old Plants	Risk	Some of our plants have attained their end of life. We would be decommissioning such plants.	The process of plant decommissioning is regulated by the standards set by the Ministry of Power (MoP). Ensure safety and security of individuals and the minimisation of environmental impact throughout the decommissioning phase.	Negative
17	Operational Efficiency and Plant Reliability	Opportunity	Operational efficiencies are key parameter for resource conservation	We are in the process of implementing supercritical boilers that feature reduced fuel consumption and can lower CO ₂ emissions. We are also embracing Green mining technologies to reduce the environmental footprint of our mining operations.	Positive



Section B: Management and Process Disclosures

Sr. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity’s policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes, Company policies are given approval by the Board, depending on the type of policy and the related regulatory needs								
	c. Web Link of the Policies, if available	Whistle blower policy - https://web.nlcindia.in/webcount/Document/whistleblow.pdf Complaint handling policy - https://web.nlcindia.in/webcount/Document/Complaint_Policy.pdf Archival Policy - https://www.nlcindia.in/investor/ArchivalPolicy.pdf Nomination and Remuneration Policy - https://www.nlcindia.in/investor/Remuneration-policy13032019.pdf Policy for Materiality of Event - https://www.nlcindia.in/investor/policy_materiality_event.pdf Policy on Material Subsidiary - https://www.nlcindia.in/investor/policy_on_material_subsidaries.pdf Policy on Related Party Transaction - https://www.nlcindia.in/investor/policy_on_related_party_transactions.pdf Cyber Security Policy - https://www.nlcindia.in/webassets/policy/cybersecurity/cyber-policy-17-22.pdf Vendor grievance policy - https://www.nlcindia.in/webassets/tenders/vendor/Vendor%20Grievance%20Policy%20rv1%2018082022.pdf Waste Management Policy - https://www.nlcindia.in/webassets/sustain_policy/WasteManagementPolicy.pdf ESG Policy - https://www.nlcindia.in/webassets/sustain_policy/ESG_policy_28082023.pdf Dividend Distribution Policy - https://www.nlcindia.in/investor/dividenddistributionpolicy_15042017.pdf Policy for Investment in Surplus Funds - https://www.nlcindia.in/investor/policyforSTD07122018.pdf Environment Policy of NLC - https://www.nlcindia.in/webassets/sustain_policy/ESG_policy_28082023.pdf CSR Policy - https://www.nlcindia.in/webassets/csr/overview/NLCIL_CSR_Policy_2024.pdf Code of Conduct - https://www.nlcindia.in/webassets/investor/codeconduct.pdf Code of conduct for prevention of Insider Trading - https://www.nlcindia.in/investor/code_conduct_trading.pdf Code of Practices and Procedures for disclosure of Unpublished Price Sensitive Information - https://www.nlcindia.in/investor/Code%20of%20Practices%20and%20Procedures%20for%20Fair%20Disclosure%20of%20Unpublished%20Price%20Sensitive%20Information06042019.pdf Health & Safety Policy - https://www.nlcindia.in/webassets/general_info/NLC_Safety_policy.pdf Code of Conduct to regulate, monitor and report trading - https://www.nlcindia.in/investor/code_conduct_trading.pdf Disaster management Plan - https://www.nlcindia.in/webassets/sustain_policy/NNTPS_DISASTER_PLAN_2025.pdf https://www.nlcindia.in/webassets/sustain_policy/MINES_DISASTER_PLAN_2025.pdf								
2	Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	- ISO 45001-2018- Safety Management System and ISO - ISO 9001 - 2015 Quality Management System - ISO 14001-2015 – Environmental Management System - ISO 17025:2017 - Competence of Testing & Calibration Laboratories - ISO 50001-2018-Energy Management System								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	NLCIL has set an ambitious growth objective to become a significant player in the energy sector, with a goal to boost its power generation capabilities to 20,130 MW by the year 2030. To achieve self-reliance in fuel supply, the company intends to increase its lignite extraction capabilities from the present 30.10 million tonnes per annum (MTPA) to an impressive 44.85 MTPA. The Current Coal capacity is 20 MTPA and the targeted coal capacity by 2030 is 58.50 MTPA. Additionally, it plans to substantially raise its coal mining capacity from the current 20.00 MTPA to an outstanding 62.00 MTPA. In addition, the Company plans to establish a critical minerals mining capacity of 1.00 MTPA by 2030, reinforcing its commitment to supporting India's strategic mineral security and reducing dependence on imports. Furthermore, NLCIL is focused on significantly expanding its renewable energy capacity to 10,110 MW by 2030, up from its current capacity of 1,734 MW.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Refer Director's Report								

Governance, leadership and oversight

7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Sustainability remains at the core of NLCIL’s vision of providing reliable energy while upholding environmental stewardship and social responsibility. In the short-term, the Company will focus on strengthening ESG governance, enhancing regulatory compliance, and improving operational efficiencies. Over the medium to long term, NLCIL aims to diversify its energy portfolio by progressively increasing renewable capacity, reducing carbon intensity, and promoting inclusive socio-economic development in the regions where it operates.

During FY 2025-26, NLCIL achieved notable progress in expanding renewable energy projects, advancing afforestation and land reclamation programmes, and sustaining community development initiatives. At the same time, challenges remain in balancing energy security with environmental imperatives, reducing emissions, and ensuring safety excellence. Looking ahead, the Company will continue to align its sustainability roadmap with national priorities and global ESG trends, while pursuing the targets set under the BRSR framework.

8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

The ESG Committee also oversees the implementation of various sustainability initiatives across the Company and periodically apprises the Board of Directors of its observations, progress, and recommendations for consideration and approval.

9 Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details

Yes. NLCIL has constituted an Environmental, Social and Governance (ESG) Committee of the Board, entrusted with the responsibility of decision-making, monitoring, and reviewing sustainability-related matters. The Committee provides strategic direction to the Company’s sustainability agenda covering Environmental, Social and Governance (ESG) aspects and ensures alignment with applicable statutory requirements and the Business Responsibility and Sustainability Reporting (BRSR) framework.

The ESG Committee also oversees the implementation of various sustainability initiatives across the Company and periodically apprises the Board of Directors of its observations, progress, and recommendations for consideration and approval.

10 Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action					Yes				
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances					Yes				

11 Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Even though all the policies are not covered for independent assessment/evaluation on their workings, the Company has done evaluation and impact assessment of the CSR activities through external agency Institute of Public Enterprises (IPE), Hyderabad.

12 If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

All principles are covered by our ESG policy



SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle - 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Principle - 2

Businesses should provide goods and services in a manner that is sustainable and safe

Principle - 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Principle - 4

Businesses should respect the interests of and be responsive to all its stakeholders

Principle - 5

Businesses should respect and promote human rights

Principle - 6

Businesses should respect and make efforts to protect and restore the environment

Principle - 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Principle - 8

Businesses should promote inclusive growth and equitable development

Principle - 9

Businesses should engage with and provide value to their consumers in a responsible manner

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:			
Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	3	- Rashtriya Karmayogi by Capacity Building Commission - Government to Government Collaboration - Underground Coal Gasification	44.4%
Key Managerial Personnel	8	- Cyber Crimes against Women - Regulatory Framework & Business Dynamics of NLCIL - TPS Role In Ensuring Renewable Energy Reliability - Rashtriya Karmayogi-Large Scale Jan Seva Programme - National Seminar On Emerging South-Growth Beyond Metros - AI a Practical Introduction For Everyday Office Use - India’s Energy Future: A Practical Workshop For Everyone - Digital Security	62.5%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	1310	Behavioural Contract & Purchase CSR Awareness Environment Renewable Business Development Finance HR Mining Power Technology Health and Well-being Management Development Quality & ISO Safety Skill Development Skills Upgradation Statutory Programme Women Empowerment	95.80%
Workers	409	Safety Skill Development and Upgradation Statutory Programme Women Empowerment CSR Awareness Health and Well-being Statutory	90.20%

2 Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
	NGRBC Principle	Name of the regulatory enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding fee	NIL	NIL	NIL	NIL	NIL
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment		NIL	NIL	NIL	NIL
Punishment		NIL	NIL	NIL	NIL



3 Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable	

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

"NLCIL has established comprehensive internal regulations that address anti-bribery and anti-corruption measures. In its dedication to upholding ethical standards, NLCIL has partnered with reputable entities like the Central Vigilance Commission (CVC) and Transparency International India (TII) to establish the Integrity Pact Programme. This programme ensures rigorous oversight of all tender processes involving amounts over ₹ 1 crore, enforcing a stringent integrity agreement between NLCIL and its vendors/contractors. <https://www.nlcindia.in/webassets/tenders/general/IntegrityPactProgram03022025.pdf>

5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2025-26	FY 2024-25
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6 Details of complaints with regard to conflict of interest:

	FY 2025-26		FY 2024-25	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7 Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest

Not applicable, as there are no fines.

8 Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of account payables	54	86

9 Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter			FY 2025-26	FY 2024-25
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	NA	NA
	b.	Number of trading houses where purchases are made from	NA	NA
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a.	Sales to dealers/distributors as % of total sales	82%	82%
	b.	Number of dealers/distributors to whom sales are made	32	27
	c.	Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	89%	84%
Share of RPTs in	a.	Purchases (Purchases with related parties/Total Purchases)	0.00%	12.49%
	b.	Sales (Sales to related parties/Total Sales)	2.99%	14.36%
	c.	Loans & advances (Loans & advances given to related parties/Total loans & advances)	19%	76%
	d.	Investments (Investments in related parties/Total Investments made)	100%	100%

Leadership Indicators

1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
4	1. To encourage greater participation of MSEs, SC/ST entrepreneurs, and Women entrepreneurs in procurement activities, thereby promoting inclusive growth and fostering entrepreneurship. 2. Showcased the materials being procured by NLCIL to the vendors by encouraging them to manufacture the products & to become part of NLCIL supply chain through tendering and trial order methods 3. To encourage greater participation of by explaining our mode of procurement, Trial order and GeM Purchase Guideline	60%

2 Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

- Yes, the Company has the following policies to avoid/manage the conflict of interest, applicable on stakeholders of the Company.
1.

Code of Conduct for Board Members and Senior Management Personnel.
2.

Code of Internal procedure and Conduct for regulation, monitoring and reporting of trading by designated person in Securities of the Company.
3.

Code of Practices and Procedures for disclosure of Fair Unpublished Price Sensitive Information.
4.

Whistle Blower Policy.
5.

Complaint Handling Policy.
6.

Policy for Materiality of Event.
7.

Policy on Related Party Transaction

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26	FY 2024-26	Details of improvements in environmental and social impacts
R&D	23%	44%	Development of technologies for carbon emission reduction, clean and renewable energy production (through solar, wind and BESS projects) , biomass and waste utilisation, water recycling, sustainable agriculture, resource efficiency, and improved occupational health and safety through AI-enabled monitoring and autonomous systems.
Capex	60%	98%	

2 Details on Sustainable Sourcing

a. Does the entity have procedures in place for sustainable sourcing?

Yes

b. If yes, what percentage of inputs were sourced sustainably?

Lignite/Coal Linkage:

- 100% of lignite requirement for the power generation is sourced sustainably by locating the power station at pithead reducing the energy required for transportation. The transport is also being done through Electrically Operated Conveyor system powered by the Electricity generated from the TPPs.
- 100% of coal requirement for the proposed NLC Talabira Thermal Power Project is sourced sustainably from Talabira II & III Coal Mines, Odisha.



The bulk of the resources utilised by NLCIL are obtained through environmentally responsible methods, mainly from the Company’s own coal and lignite mines. Additionally, the Company is vigorously assessing and applying sustainability evaluations for its vendors to ensure that sustainability is integrated throughout its entire supply chain.

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a)	Plastics & Recyclables (including packaging)	The Plastics & other recyclable wastes are generated from Township Area. These are being collected through waste collection agency and the same is being disposed to authorised recyclers by the Agency.
(b)	E-waste & Batteries	The E-waste (end of use electronics) generated from the Units are collected through the Disposal Yard. After collection of the same is being disposed to authorised recyclers through E-Auction.
(c)	Hazardous waste	The Hazardous waste generated from the Units are collected & stored in designated sheds. After collection of the same is being disposed to authorised recyclers through E-Auction/Agreement between the end users.
(d)	Fly Ash	The Fly Ash Generated from the Thermal Power Plants are being collected in Ash Silos and the same is being disposed to Brick manufacturers, Cement Manufactures, etc., in line with Fly Ash Notification. The same is reported to Statutory Authorities on periodical basis.
(e)	Over Burden	The Over Burden (OB) generated during the Mining process is preserved & re-used for refilling & biological reclamation of the mined out area as per the mine closure plan. In addition, extract of sand from OB is being undertaken.

4 Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No

However, the following activities are being undertaken by NLCIL as responsible Environmental measures.

1.

Plastic Waste: The plastic wastes are collected by Agency in Township and disposed through recyclers.
2.

E-Waste & Batteries: The E-waste & Batteries is collected through Disposal Yard and is disposed through authorised recyclers. NLCIL is categorised as Bulk consumer. Hence, EPR not applicable.
3.

Fly Ash: The Fly Ash generated from the Thermal Power Plants are being collected in Ash Silos and the same is being disposed to Brick manufacturers, Cement Manufactures, etc., in line with Fly Ash Notification. The same is reported to SPCB on periodical basis.

Leadership Indicators

1 Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

LCA has not been carried out.

2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

LCA has not been conducted through CEC.

Name of Product/Service	Description of the risk/concern	Action Taken
Not Applicable		

3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Nil. No recycled or reused materials are being used in production activities/providing services.

	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Indicate input material	NA	NA
Qualitative Response (Name of Material)		

4 Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics & recyclables (including packaging)	0	0	180.16 T	0	0	109.96 T
E-waste	0	0	38.93 T	0	0	18.56 T
Hazardous waste	0	0	243.30T	0	0	463.70 T
Batteries	0	0	28.748 T	0	0	33.58 T
Fly Ash	0	0	4,409,692 T	0	0	3,396,258.00 T

5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category.
No reclaimed products & packaging materials are being sold.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1 a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	3,255	3,255	100%	3,255	100%	NA	NA	3255	100%	3,255	100%
Female	299	299	100%	299	100%	299	100%	NA	NA	299	100%
Total	3,554	3,554	100%	3,554	100%	299	100%	3255	100%	3,554	100%
Other than Permanent employees											
Male	30	30	100%	30	100%	NA	NA	30	100%	30	100%
Female	8	8	100%	8	100%	8	100%	NA	NA	8	100%
Total	38	38	100%	38	100%	8	100%	30	100%	38	100%

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	5,723	5,723	100%	5,723	100%	NA	NA	5,723	100%	5,723	100%
Female	458	458	100%	458	100%	458	100%	NA	NA	458	100%
Total	6,181	6,181	100%	6,181	100%	458	100%	5,723	100%	6,181	100%
Other than Permanent Workers											
Male	24,716	24,716	100%	24,716	100%	NA	NA	24,716	100%	24,716	100%
Female	1,243	1,243	100%	1,243	100%	1,243	100%	NA	NA	1,243	100%
Total	25,959	25,959	100%	25,959	100%	1,243	100%	24683	100%	25,959	100%



c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the Company	0.96%	0.80%

2 Details of retirement benefits, for Current FY and Previous Financial Year.

	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	-	-	-	-	-	-
NLC Pension Scheme	100%	100%	Yes	100%	100%	Yes
Post retirement Medical Assistance (PRMA)	100%	100%	Yes	100%	100%	Yes

3 Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The organisation is committed towards fostering an inclusive and accessible workplace for differently abled employees, in accordance with the Rights of Persons with Disabilities Act, 2016. To ensure compliance and promote equal opportunity, administrative orders in alignment with the guidelines issued by the Department of Personnel and Training (DoP&T) outlining specific measures and amenities designed to support Persons with Disabilities (PwDs) across all operational units, Regional offices and Corporate Office is already issued.

Key accessibility features implemented includes:

- Elevators and ramps at Registered Office and in some Operational sites and
- Ramps in Corporate Office to facilitate smooth mobility.
- Barrier-free access to key areas within the premises.

The organisation continues to assess and upgrade its facilities to meet evolving accessibility standards and ensure a welcoming environment for all. Any gaps identified are addressed through phased improvements and stakeholder feedback.

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

NLCIL ensures proper representation of persons with disabilities within its workforce and adheres to the provisions outlined in the Rights of Persons with Disabilities Act, 2016. NLCIL’s internal manual offers guidelines adhering to the Act. (RTI-HR MANUAL - VOLUME-IV -Pageno.-57-1) <https://www.nlcindia.in/webassets/rti-manuals/Volume-IV.pdf>

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent Workers		NLCIL is committed to maintaining a culture of open and transparent communication, creating an atmosphere where employees feel comfortable voicing their concerns to their business heads, the HR department, or members of the senior management. The company adheres to an open-door policy, ensuring that employees at all levels have the opportunity to engage with the senior management team. Furthermore, NLCIL has introduced the Corporate Whistleblower Initiative (CWI), which serves as an official channel for employees to report issues across a variety of topics. Information about the grievance process and the CWI is effectively communicated to employees through a specialised module, which includes awareness-sessions as part of the employee induction programme.
Permanent Employee	Yes	Additionally, NLCIL has established a thorough policy for the prevention, prohibition, and resolution of sexual harassment against women in the workplace, adhering to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This policy is accessible on the Company's website, and an Internal Complaints Committee (ICC), predominantly composed of female members, is tasked with investigating such complaints. NLCIL actively organises workshops, group discussions, online training sessions, and awareness campaigns to educate employees about preventing sexual harassment at work, ensuring consistent and proactive involvement in addressing this crucial issue. NLC India Limited has implemented the GRAPE (Grievance Redressal Assistance Portal for Employees) for online redressal of service-related grievances of permanent employees.
Other than Permanent Workers		
Other than Permanent Employees	Yes	Grievances of contract workmen are redressed through the respective Welfare Officers of Mines, Thermal Power Stations and other Units functioning as Grievance Redressal Officers. Other stakeholders may submit grievances through Grievance Day Petition (GDP), CPGRAMS, or other designated grievance redressal mechanisms of NLCIL.

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025-26			FY 2024-25		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)
Total Permanent Employees	3,554	2,441	69%	3,649	2,639	72%
Male	3,255	2,276	70%	3,344	2,456	73%
Female	299	165	55%	305	183	60%
Total Permanent Workers	6,181	5,044	82%	6,578	4,810	73%
Male	5,723	4,780	84%	6,076	4,519	74%
Female	458	264	58%	502	291	58%

8 Details of training given to employees and workers:

	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	3,255	766	23.53%	2,278	69.98%	3,206	1,274	39.74%	502	15.66%
Female	299	124	41.47%	238	79.60%	293	154	52.56%	30	10.24%
Total	3,554	890	25.04%	2,516	70.79%	3,499	1,428	40.81%	532	15.20%
Worker										
Male	5,723	2,052	35.86%	1,396	24.39%	5,718	2,754	48.16%	5,458	95.45%
Female	458	274	59.83%	176	38.43%	525	297	56.57%	334	63.62%
Total	6,181	2,326	37.63%	1,572	25.43%	6,243	3,051	48.87%	5,792	92.78%



9 Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	3,255	3,255	100%	3,344	3,344	100%
Female	299	299	100%	305	305	100%
Total	3,554	3,554	100%	3,649	3,649	100%
Worker						
Male	5,723	5,659	99%	6,076	6,076	100%
Female	458	451	98%	502	502	100%
Total	6,181	6,110	99%	6,578	6,578	100%

10 Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?
- Yes, ISO 45001-2018 has been implemented. HIRA i.e., Hazard Identification and Risk Assessment is practiced, and Safety Management Plan (SMP) is prepared based on the same.
- Formulation of SMP: As per Regulation 104 of Coal Mines Regulations 2017, Safety Management Plan(SMP) for all 06(six) NLCIL Mines have been prepared based on Hazard identification and Risk assessment and put into implementation. This is reviewed in every 6 months. SOPs forms part of SMP and have been prepared for all activities of the mine and has been put into practice.
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
- HIRA i.e., Hazard Identification and Risk Assessment is practiced, and Safety Management Plan (SMP) is prepared based on the same.
- Formulation of SMP: As per Regulation 104 of Coal Mines Regulations 2017, Safety Management Plan(SMP) for all 06(six) NLCIL Mines have been prepared based on Hazard identification and Risk assessment and put into implementation. This is reviewed in every 6 months. SOPs forms part of SMP and have been prepared for all activities of the mine and has been put into practice.
- Steps taken for monitoring of Safety:
- Routine inspections were carried out to find any unsafe act or condition and corrective action were taken immediately.
- Pit Safety Committee meeting is conducted by all mine units every month besides zonal safety meetings by individual zones within unit like conveyor division, blasting division, electrical division etc. Similarly, Unit Safety committee meeting is conducted by all thermal plants every month. Apart from that fire Safety Meetings and OEM Safety meetings are being conducted.
- Safety and Health Management System Audit has been conducted for all Mines of NLCIL every year by trained Auditors. Internal Safety Audit of NLCIL Mines every Year by Corporate Safety. External Safety Audit of Thermal Power Plants by National Safety Council Once in every two years.
- Mobile Safety App- NLCIL Aran launched for reporting of unsafe observations, near misses for needful compliance.
- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)
- As per Safety and Health policy, every employee and worker have the authority to challenge and stop unsafe activities. Mobile Safety App- NLCIL Aran launched for reporting of unsafe observations, near misses for needful compliance.
- d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)
- Yes, free medical facilities are available to NLC employees and contract workers.

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.134	0.126
	Workers	0.094	0.082
Total recordable work-related injuries	Employees	1	1
	Workers	7	11
No. of fatalities	Employees	0	0
	Workers	3	4
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	1
	Workers	1	2

*Including the contract workforce

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

Following are the measures being taken for ensuring safety of men and machines:

Steps taken for Safety in Mines:

- Blast free lignite mining system using bucket wheel excavator with belt conveyor and spreader is being used in all Neyveli mines. Blast free mining is also being practiced in Barsingsar mines for both OB and Lignite through Conventional Mining Equipment. At Talabira Mines, blast free mining is done in case of extraction of coal by the use of Surface miner.
- Every HEMM deployed in the Mines has been fitted with AFDSS (Automatic Fire Detection and Suppression System)
- Sufficient Fire Extinguishers have been provided at strategic locations in workshops, offices, SME, Conveyor Drive heads, etc. and regularly checked and updated.
- Fire tenders of sufficient capacity available at all the Mines.

Formulation of SMP: As per Regulation 104 of Coal Mines Regulations 2017, Safety Management Plan(SMP) for all 06(six) NLCIL Mines have been prepared based on Hazard identification and Risk assessment and put into implementation. This is reviewed in every 6 months. SOPs forms part of SMP and have been prepared for all activities of the mine and has been put into practice.

System of appointment of workers in the mine: Prior to be employed in the mine, all persons including those by the contractors were provided with IME at the Hospital run by M/s NLC India Ltd by duly qualified medical officers. Similarly, all such persons were subjected to Periodical Medical Examinations once in every 3 years. The medical officers were also trained on ILO classification of chest x-rays to detect early onset of dust related diseases in the lungs.

Prior to be employed in the mine, all persons including those engaged by the contractors were provided with the Basic Vocational Training in the Group Vocational Training Center in accordance with Rule 6 of the Mines Vocational Training Rules, 1966.

For the purpose of gaining entry into the mine by any person after a valid IME/PME certification and valid Initial/Refresher Training, it was ensured that the person was issued a valid entry pass by the Manager after satisfactory verification of all documentation. Such entry passes were checked every working shift at the only entrance at the mine by the CISF personnel engaged for the purpose.

- Women employment in the mine: Separate SOPs were formulated regarding the matter
- Appointment of Statutory Manpower: maintained as per regulations
- Scientific study conducted under regulation 106(2) of CMR, 2017: Scientific Study for Slope Stability conducted in all the mines and the recommendations have been implemented.
- Conduct of Safety Audit in Mines: Internal Safety Audit of Mines conducted by Corporate Safety once in every year.
- Safety Auditors’ Training arranged through Anna University for Executives of NLCIL for conducting Safety and Health Management System Audit in Coal and Lignite Mines as per MoC guidelines.
- Safety and Health Management System Audit has been conducted in all mines of NLCIL.
- Mobile Safety App- NLCIL Aran launched for reporting of unsafe observations, near misses for needful compliance.
- Ensuring of all the Safety devices in the Equipment and HEMM Deployed in Mines: Complied as per DGMS (Tech.) Circular 06 of 2020.
- Respirable dust monitoring, free silica assessment under regulation 143(14) of CMR, 2017 read with GSR 978(E) of 01/10/2018.
- Banning of mobile phone in mines working area and usage of Walkie-Talkies for communication inside mines.



- 30 Water sprinklers and 6 Fog cannons are being deployed in NLCIL Mines to suppress dust. 4 Road Sweeping machines and 5 Motor graders have been deployed in NLCIL Mines for Maintenance of haul roads. Besides this, respirable dust monitoring conducted in all the Mines of NLCIL for free silica assessment under regulation 143(14) of CMR, 2017 read with GSR 978(E) of 01/10/2018.
- Ambient air Quality Monitoring System has also been provided in NLCIL Mines for continuous Monitoring of Air Quality in Mines.
- Crisis Management Plan: Prepared for all the mines.
- Mine illumination levels maintained as per regulation 178 of CMR, 2017 read with GSR 981(E) of 01/10/2018.
- Noise survey conducted as per DGMS (Tech)(S&T) Circular No.1 of 2011.
- Supply, issue and use of PPEs under regulation 241 & 242 of CMR, 2017 has been ensured.
- Pre-start Audio-Visual Alarm -Conveyor Start Siren & Hooter, Pre start Audio Visual Alarm (in local Language through Public address system) installed in Drive heads to alert the workmen.
- Audio Visual Blinker (AVB) system: AVB system installed at middle of the conveyor belt.
- LOTO Indicator lamp installed in conveyor Systems.
- Digital LOTO System: RFID-SMART LOTO system has been installed in Top bench conveyor system of Neyveli Mine-II for ensuring safety.
- Provision of facilitations onsite in respect of rest shelters, drinking water and first-aid.

Safety in Thermal Power Plants: Steps taken:

For TPS, Safety measures being taken are as follows:

- Strict adherence of PPEs is ensured during entry in gate.
- Routine inspections were carried out to find any unsafe act or condition and corrective action were taken immediately.
- On Job training for critical and important work. Daily site inspecting and reviewing.
- SOPS have been prepared for all the O&M works in Thermal units and have been implemented in a proper way. Total 600 SOPs available for O & M works.
- PEP talk/Tool box meetings are being conducted before commencement of the work.
- Safety Audit of Thermal Power Plants are conducted by National Safety Council once in every two years and the observations have been implemented in a proper way.
- External Safety Audit Conducted once in every two years and all the observable points are compiled in proper way.
- Conduct of Monthly Safety Officers Meeting, Pit-Safety Meetings, CSC Inspections.

Frequency of Safety Audits:

- Conduct of Safety Audit in Mines: Internal Safety Audit of Mines conducted by Corporate Safety once in every year.
- Safety Auditors’ Training arranged through Anna University for Executives of NLCIL for conducting Safety and Health Management System Audit in Coal and Lignite Mines as per MoC guidelines.
- Safety and Health Management System Audit has been conducted at least once every year in all mines of NLCIL and all such reports with ATR is being uploaded in National Coal Mines Safety Report Portal as per MoC Guidelines.
- Safety Audit of Thermal Power Plants are conducted by National Safety Council once in every two years and the observations have been implemented in a proper way.
- Besides this, special Audits like Fire Audits, Summer Audits are also being conducted by Corporate Safety for NLCIL Mines and Thermal Power Plants.

Medical Facilities:

- All persons before being engaged in the Mines are sent for Initial Medical Examination at IMC (Industrial Medical Centre) and Periodical Medical Examination is being conducted once in 3 years for monitoring the health of persons.
- Free cardiac screening health check-up introduced for all the employees in NLCIL.

- Medical officers trained in ILO chest x-ray classification to detect early signs of dust-related diseases.
- Every mine and Thermal Power Plant is equipped with one first aid station having ambulance for emergency.
- NLCIL’s Industrial Medical Centre is approved by DGMS as Training Centre imparting First-Aid training and issuing First-Aid Competency Certificate. First training imparted to all the persons working in NLCIL.

13 Number of Complaints on the following made by employees and workers:

Category	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

14 Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100%
Working Conditions	100%

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Following are the corrective actions taken:

- Safety Sensitisation classes conducted by Corporate Safety in Neyveli Mines and thermal power plants regarding safe operation of dozers, HEMM, prevention of Electrical Hazards.
- Distribution of Personal Protective Equipment (PPE): Employees at both mining and thermal power facilities are equipped with essential and role-specific PPE to safeguard their well-being. A detailed PPE issuance log is kept to accurately track the distribution frequency of PPE.
- Reflective Jackets procured and distributed to all the persons working in shifts in Mines in Thermal Power Plants.
- Illumination Surveys conducted periodically. Illumination improved for better visibility at night hrs.
- Daily Safety Communication via Public Address System: Safety messages and updates are broadcasted daily through the public address system, enforcing a mindset of safe work practices. Each workday begins with a collective recitation of the Safety Pledge.
- Thorough Safety Audits: A cross-functional team regularly performs safety audits at all Mines and Thermal Power Plants, fostering ongoing improvements and adherence to safety regulations.
- Monthly Safety Officers Assembly: Safety Officers from all NLCIL units, including NTPL, NUPPL, etc. convene monthly under the leadership of ED/Central Safety. These meetings facilitate the exchange of knowledge, sharing of best practices, and the strengthening of a proactive safety culture. Conduct of Monthly Safety Officers Meeting, Pit-Safety Meetings, CSC Inspections.
- Strict controls implemented to ensure no work is commenced without complete permit approval.
- Competency of operators and validity licenses verified and proper training ensured.
- Proper Tool box talks, pep talks regarding risk assessment and its mitigation ensured before commencing of any work and is being recorded.
- Mock drills conducted on various Safety topics and its learnings are recorded and implemented.
- Proper checking of structural stability of Scaffolding pipes, Temporary Platform ensured before erection and usage.
- Formulation and review of SOPs and ensuring its strict implementation.
- Launch of user-friendly Mobile Safety App: NLCIL Aran launched for reporting of unsafe observations, near misses for needful compliance.
- Pre-start Audio-Visual Alarm -Conveyor Start Siren & Hooter, Pre start Audio Visual Alarm (in local Language through Public address system) installed in Conveyor Drive heads to alert the workmen.
- Audio Visual Blinker (AVB) system: AVB system installed at middle of the conveyor belt Systems.
- LOTO Indicator lamp installed in conveyor Systems.



Leadership Indicators

1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Employees	Yes
Workers	Yes

2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

NLCIL meticulously complies with the calculation and payment of all statutory dues related to its transactions, as per the current regulations. Both internal and statutory audits thoroughly examine this process. For contract workers, division executives and HR executives provide monthly approvals to confirm adherence to all statutory mandates. Payments for all kinds of work are disbursed only after receiving such clearances. Additionally, regular inspections by the appropriate authorities are conducted to guarantee ongoing compliance with statutory duties.

3 Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as Data Needed in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/worker		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-256	FY 2024-25
Employees	0	0	0	0
Workers	3	4	0	4

4 Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Yes

5 Details on assessment of value chain partners

% of value chain partners (by value of business done with such partners) that were assessed	
Health and safety practices	The Company mandates that its value chain partners adhere to current regulations, which encompass health and safety standards as well as working conditions. These requirements are clearly stipulated within procurement agreements. Monitoring of performance encompasses a range of criteria, not limited to but inclusive of compliance with health and safety protocols and working conditions regulations. While there has not been a targeted evaluation focusing solely on the health and safety practices and working conditions of value chain partners, regular inspections of significant value chain partners are conducted.
Working Conditions	

6 Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective action plan has been necessitated on the above-mentioned parameters.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity.

NLC India Limited utilises a proactive and strategic approach to stakeholder engagement, selecting key stakeholders from a broad spectrum of potential entities. The identification process hinges on a thorough assessment of the significant impact each group has on the Company’s ability to create value, as well as the influence the Company has on these groups. Currently, the Company has identified seven pivotal internal and external stakeholder groups, namely Employees, Government and Regulatory Authorities, Customers, Local Communities and Civil Society Organisations/NGOs, Suppliers, Academic and Research Institutions and Investors.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	E-mail, direct communication	Engaged on a need basis depending upon the purpose	To keep employees aware of key developments within the organisation through engagement activities, training, awareness, and welfare programmes.
Shareholders & Investors	No	Annual General Meetings, Con calls, investor meetings, Stock exchange intimations, Emails, print media, social media, Website Communication, Press Release	Continuous process	Information of the financial and other key parameters, considering critical inputs from the shareholders.
Customers	No	Customer meetings, website publications, conferences, emails, and advertisements	On a need basis	Business related discussions, awareness and training programmes, workshops, and seminars.
Government and Regulatory Bodies	No	Compliance meetings, comments given on regulatory matters, industry associations, mail communication	Continual on a need basis	Policy advocacy, statutory meetings
Communities	Yes	CSR activities, community meetings, Sustainable Development Initiatives	Catering to the requirements as and when need arises	CSR initiatives
Institutions	No	Mail communication, industry association	On a need basis	Talent collaboration, training programmes
Suppliers	No	Mail communication, industry association	On a need basis	Business related discussions, awareness and training programmes, workshops, and seminars

Leadership Indicators

- 1 Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company is committed to continuous dialogue with stakeholders regarding Environment, Social and Governance (ESG) matters, facilitated by specialised departments within the Company. NLCIL emphasises the collection of regular feedback from stakeholders, integrating their perspectives into the Company's strategic direction to maintain congruence with its mission and vision. To focus on the most significant issues affecting both stakeholders and the business, internal discussions take place to identify and select the primary areas of concern. Subsequently, these selected issues are tackled through engagement with pertinent stakeholders, taking into account their urgency and influence.
- 2 Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

NLCIL highly values the inputs and recommendations from its diverse stakeholder base. The Company proactively interacts with stakeholders to ensure their expectations are effectively reflected in its policies and actions. In response to the needs and preferences voiced by stakeholders, NLCIL carries out a variety of CSR initiatives. These initiatives cover an extensive array of projects, such as advancing healthcare through medical camps, establishing healthcare facilities for public hospitals, enhancing sanitation by supporting the construction of toilets, providing educational assistance with scholarships for students and executing rural development programmes that offer accessible social amenities in Neyveli, among others. NLCIL is committed to ongoing dialogue with the local communities, contributing to the growth of a community that is both value-oriented and self-reliant.
- 3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

NLCIL addresses the concerns of vulnerable/marginalised stakeholder groups, especially through the wide-ranging CSR projects, including organising health camps, blood donation camps, providing safe drinking water, etc. For more information, Annual report on CSR activities can be referred.



PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

- 1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	3554	1261	35.48%	3499	346	9.89%
Other than permanent	NIL	NIL	NA	NIL	NIL	NA
Total Employees	3554	1261	35.48%	3499	346	9.89%
Workers						
Permanent	6181	1529	24.74%	6235	162	2.60%
Other than permanent	NIL	NIL	NA	NIL	NIL	NA
Total Workers	6181	1529	24.74%	6235	162	2.60%
- 2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	3255	0	0	3255	100%	3344	0	0	3344	100%
Female	299	0	0	299	100%	305	0	0	305	100%
Other than Permanent										
Male	30	0	0	30	100%	24	0	0	24	100%
Female	8	0	0	8	100%	11	0	0	11	100%
Workers										
Permanent										
Male	5723	0	0	5723	100%	6076	0	0	6076	100%
Female	458	0	0	458	100%	502	0	0	502	100%
Other than Permanent										
Male	24716	11863	48%	12853	52%	24262	0	0	24262	100%
Female	1243	456	37%	787	63%	1389	0	0	1389	100%
- 3 Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	6	53,69,748	-	-
Key Managerial Personnel	1	8,33,034	-	-
Employees other than BoD and KMP	3,613	19,17,389	331	19,84,109
Workers	6,567	11,49,570	513	14,24,478

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Category	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	8.29%	8.27%

4 Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, NLCIL rigorously follows the principles set forth in the Constitution of India and complies with all applicable human rights legislation, including the Right to Information (RTI) Act, the Prohibition of Child Labour Act, the Sexual Harassment at Workplace Act, and other pertinent labour laws. The Company has instituted a specialised task force/committees dedicated to the oversight and administration of various legislations including human rights matters, ensuring swift resolution of any issues that may emerge. It is significant to note that NLCIL has not encountered any stakeholder grievances related to direct human rights infringements, highlighting its dedication to maintaining the highest ethical and legal standards in this area.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

NLCIL is implementing a comprehensive grievance redressal system that includes gathering complaints, their careful examination through an established process, and their prompt resolution. Moreover, NLCIL rigorously complies with the redressal protocols mandated by applicable human rights legislation. By adhering to these legal requirements, NLCIL ensures that issues concerning human rights are resolved effectively and suitably, reinforcing its dedication to protecting and advocating for issues falling under human rights within its domain of impact.

6 Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	1 complaint by Apprentice trainee	4	1	4 Complaints were received and all complaints have been resolved
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total Complaints Data Needed under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	4
Complaints on POSH as a % of female employees/workers	0% (Complaint was by Apprentice trainee not Female Employee or worker of NLCIL)	0.18%
Complaints on POSH upheld	1	3

8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is unwavering in its commitment to protect stakeholders from discrimination or harassment of any kind, actively taking steps to avert negative outcomes. To this end, a Whistleblower policy has been established, which not only promotes the process of reporting misconduct or malpractices but also offers strong safeguards for those who report in good faith. These safeguards include defence against harassment, unfair treatment, or victimisation, ensuring that individuals who disclose information are protected from any form of retribution or adverse effects. By encouraging a secure and supportive atmosphere for voicing concerns, the Company cultivates a culture of openness, responsibility, and security for all parties involved.



9 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, business agreements and contracts contain human rights requirements.

10 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% The Company is in compliance with the applicable laws
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11 Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Not Applicable

Leadership Indicators

1 Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

NIL

2 Details of the scope and coverage of any Human rights due-diligence conducted.

Nil

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, NLCIL is dedicated to providing an accessible environment for visitors with disabilities at its Registered Office, Corporate Office, and all operational units. The premises are outfitted with ramps/lifts to enable smooth navigation for specially abled. Sufficient elevators and facilities are available to accommodate the unique requirements of visitors with disabilities. NLCIL’s commitment to accessibility includes fostering an environment that is both inviting and accommodating for differently abled individuals. (Refer- RTI-HR Manual-Volume-IV-Pageno.57-4 - <https://www.nlcindia.in/webassets/rti-manuals/Volume-IV.pdf>)

4 Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NLCIL prioritises ensuring that its value chain partners adhere to the same values, principles and business ethics that the Company itself maintains. Although a targeted assessment of value chain partners has not been carried out, specific agreements exist within certain lending arrangements to meticulously oversee these aspects. These provisions mandate that NLCIL’s partners maintain elevated standards of behaviour and ethics in all their business interactions, thereby fostering a culture of honesty and responsible business conduct throughout the value chain.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Other human rights related issues	

5 Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1 Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025-26	FY 2024-25
From renewable sources (in TJ)		
Total electricity consumption (A)	73.19 TJ	73.64TJ
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	73.19 TJ	73.64TJ
From non-renewable sources (in TJ)		
Total electricity consumption (D)	29.27 TJ	222.29 TJ
Total fuel consumption (E)	313480.09 TJ	300465.47 TJ
Energy consumption through other sources (F)	-	-
Total energy consumed from Non - renewable sources (D+E+F)	313509.36 TJ	300687.76 TJ
Total energy consumed (A+B+C+D+E+F)	313582.55 TJ	300761.40 TJ
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations) (TJ/rupee)	1.79 TJ/ Million Rupees	1.97 TJ/ Million Rupees
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	36.02 TJ/ Million USD	40.66 TJ/ Million USD
Energy intensity in terms of physical output	0.0109 TJ/MWh	0.011 TJ/MWh
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, NLCIL has engaged SR Asia for providing the Reasonable Assurance	

Note: The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by World Bank for India which is 20.09 (Source: World Bank: <https://data.worldbank.org/indicator/PA.NUS.PPP?locations=IN>)

2 Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Yes. In current PAT cycle TPS I Expansion & TPS II are Designated Consumers. The assessment has been completed and the targets were under achieved. For NTPL, the targets under PAT cycle was achieved for the financial year 2024-25.

3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	10,50,49,167.59	77,472,169
(ii) Groundwater	105,600	1,441,417.60
(iii) Third party water	0	0.000
(iv) Seawater/desalinated water	74,348,028.00	72,804,941.00
(v) Others	7,34,59,304.29	78,172,742.09
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	25,29,62,099.88	229,891,269.70)
Total volume of water consumption (in kilolitres)	10,13,48,379.96	103,234,473.68
Water intensity per rupee of turnover (Water consumed/Revenue from operations)	579.48 KL/ Million Rupees	675.49 KL/ Million Rupees
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	11641.76 KL/ Million USD	13,955.57 KL/ Million USD
Water intensity in terms of physical output	3.52 KL/MWh	3.73 KL/MWh
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, NLCIL has engaged SR Asia for providing the Reasonable Assurance	



4 Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres) (KL)		
(i) To Surface water		
No treatment	0	39,000
With treatment – please specify level of treatment - Treatment includes Primary treatment to meet discharge standards prescribed by SPCB/CPCB	4,01,56,696.92	19,126,997
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	55,542,919
With treatment – please specify level of treatment - Treatment for temperature reduction as specified is adhered	57,598,491	0
(iv) Sent to third-parties		
No treatment	0	0
With treatment – please specify level of treatment - Primary, secondary & tertiary treatment is provided to meet drinking water standards	15,927,000	15,600,000
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment - Treatment includes primary, secondary & tertiary treatment as prescribed by SPCB/CPCB.	37,931,530	48,575,150
Total water discharged (in kilolitres)	15,16,13,717.92	138,884,066
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, NLCIL has engaged SR Asia for providing the Reasonable Assurance	

5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No Zero Liquid discharge has been implemented by the Company. However, the waste water generated is utilised for in-house greenbelt development & irrigation purposes after necessary treatment to meet the standards prescribed.

6 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	mg/Nm3	101.95-343.63	110-334.3
SOx	mg/Nm3	124.06-2627.185	165.9-2165.1*
Particulate matter (PM)	mg/Nm3	27.20-95.6	26.4-56.0
Persistent organic pollutants (POP)	Units	NA	NA
Volatile organic compounds (VOC)	Units	NA	NA
Hazardous air pollutants (HAP)	Units	NA	NA
Others – please specify	Units	NA	NA
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	Yes. The parameters are being monitored by SPCB & 3rd Party labs on periodical basis. In addition the real-time monitoring is also connected to SPCB servers online.	Yes. The parameters are being monitored by SPCB & 3rd Party labs on periodical basis. In addition the real-time monitoring is also connected to SPCB servers online.	

* FGD implementation is under progress for reduction of SOx

7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	3,16,42,403.73 T	3,00,79,691.55
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5,903.04 T	44,935.21 T
Total Scope 1 and Scope 2 emissions	Metric tonnes of CO ₂ equivalent	3,16,48,306.78 T	3,01,24,626.77 T
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	Kg Per ₹	180.96 T CO ₂ e/ Million Rupees	197.11 T/ Million Rupees
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)	Kg/Rupee PPP	3,635.40 TCO ₂ e/ Million USD	4,072.34 T/ Million USD
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 + 2 Emission in Tonnes to Total Power Generation in MWhr)	tCO ₂ e/kWh	1.099 T/MWh	1.08 T/MWh
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	-	-
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		Yes, NLCIL has engaged SR Asia for providing the Reasonable Assurance	

8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.
Yes

NLCIL is committed to following government regulations and protocols in its mining operations, while also actively engaging in various environmental and sustainability efforts. These efforts include the adoption of clean energy solutions for mining processes, extensive creation of green belts, biological restoration of decommissioned mine lands for agricultural use and the incorporation of renewable energy sources like wind and solar power.

- NLCIL's extensive green belt serves as an effective carbon sink, markedly enhancing the air quality in nearby regions. Annually, the Company reclaims around 126 hectares of land, planting 2,500 trees per hectare in accordance with the guidelines set by the Ministry.
- In the thermal power stations, NLCIL utilises state-of-the-art technologies such as Electrostatic Precipitators (ESP), Super Critical Boilers and is in the process of adopting Flue Gas Desulphurisation (FGD) to ensure emissions remain below the stipulated standards.
- Every NLCIL unit is actively engaged in energy-saving practices to further reduce Green House Gas (GHG) emissions.
- NLCIL's venture into renewable energy marks a significant step in reducing the country's dependence on coal-based fuels. The company has established 1785 MW solar power plants and wind power plants across various sites. NLCIL has envisaged to increase its RE capacity to 10.11 GW by 2030 (as per Corporate Plan).
- NLCIL signed a binding Memorandum of Understanding (MoU) with the Indian Institute of Technology Madras (IIT Madras) in 2025, for a comprehensive research and development initiative focused on Carbon Capture Systems (CCS). This collaboration, is fully funded by NLCIL, aims to develop and test technologies to significantly reduce carbon dioxide emissions from thermal power plants, beginning with a lab-scale study, followed by a pilot demonstration project.
- NLCIL is undertaking projects like Green Hydrogen, Battery Energy Storage System (BESS) & Pumped Storage System which is envisaged to reduce the GHG emissions.

Moreover, battery-operated cars are deployed at the NLC General Hospital to reduce the carbon footprint typically associated with traditional vehicles.

9 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste & Other recyclables (A)	180.155 T	109.96 T
E-waste (B)	38.933 T	18.78 T
Bio-medical waste (C)	15.98 T	21.36 T
Construction and demolition waste (D)	41472 T	-
Battery waste (E)	28.748 T	33.58 T
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)		



Parameter	FY 2025-26	FY 2024-25
Spent Oil	331.198 T	547.59 T
Spent resin	2.32 T	30.2 T
Oil Soaked Cotton Waste	0.638 T	1.97 T
Filter Material	0.98 T	1.98 T
TP Sludge	0.627 T	0.6 T
Containers	12.25 T	7.15 T
Total	348.013 T	589.49 T
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Fly Ash	45,16,833 T	3,512,207.00 T
Overburden	1688.65 LCM	
MSW	5950 T	3,500.00 T
Total (A+B + C + D + E + F + G + H)	45,64,866.829 T of wastes 1688.65 LCM of OB	3,516,480.17 T
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)		
	26.10 T/ Million Rupees	23.01 Tonnes/ Million Rupees
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	524.36 T/ Million USD	475.37 Tonnes/ Million USD
Waste intensity in terms of physical output (Total waste generation in Tonnes to Total Power Generation in MWhr)	0.158 T/MWh	0.13 Tonnes/MWh
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
a. MSW	0	3,500 T
(ii) Re-used (Fly Ash Reused in Precast yard)	159 T	0
(iii) Other recovery operations	-	
Total	159 T	3,500 T
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations Disposal through Authorised Recyclers	0	0
Recoverd through recycling, reusing & others		
Biomedical waste	15.98 T	21.36 T
E-waste	38.933 T	18.57 T
Batteries	28.748 T	33.583 T
Plastics & Other recyclable	180.155 T	109.95 T
Hazardous Waste	243.304 T	463.70 T
Fly Ash (To cement & Brick Manufacturers etc)	44,09,692 T	33,96,258.00 T
Total	44,10,199.1194 T	33,96,905.17 T
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		Yes, NLCIL has engaged SR Asia for providing the Reasonable Assurance

10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company's mining operations prioritise the preservation of valuable topsoil from mined-out land, which is subsequently reused for land reclamation purposes. NLCIL implements contemporary techniques for slope stabilisation and topsoil preservation in mines to foster green cover and environmental sustainability. NLCIL is actively involved in organic and bio-farming on rehabilitated land, maintaining soil fertility and promoting sustainable agriculture in an environmentally friendly way. In Neyveli Township, NLCIL has built a modern sewage treatment facility with a 30 MLD (million liters per day) capacity. The output from this plant, including treated water and manure, is used for developing green zones and for horticultural purposes, including nurturing plant nurseries. An extensive Integrated Solid Waste Management System (ISWMS) is planned for the entire Neyveli Township, informed by a

pilot study and historical waste data. This system will feature a biogas plant that processes domestic and municipal solid waste to generate energy, as well as facilities for converting waste to electricity to harness greenhouse gases and for producing bio-manure through vermi-composting and micro-nutrient composting with biochest. For over sixty years, NLC India Limited has been in step with the national vision of “Clean & Green India,” consistently adopting cutting-edge environmental technologies. NLCIL ensures 100% utilisation of the fly ash produced by its thermal power plants by distributing it to brick and cement industries and by using it internally to manufacture fly ash bricks, solid blocks, RCC (Reinforced Cement Concrete) door and window frames, lamp posts, slabs and other items.

11 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

No operations are being established in Eco-Sensitive Areas. However, certain projects namely Talabira OCP II & III, NTPP & Pachwara South Coal Block have required Environmental & Forest clearances and the same have been obtained from the Ministry.

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
1	Talabira II & III OCP	Mining	Yes. Talabira II & III OCP contains forest area and has obtained Environment Clearance & Forest Clearance and the conditions are being compiled by the unit.
2	NTPP, Odisha	Power Generation	Yes. Environmental Clearance has been obtained.
3	Pachwara South OCP	Mining	Yes. Pachwara South OCP has obtained Forest Clearance and Environmental Clearance

12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Yes

Name and brief details of project	EIA Notification No.	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Talabira TPP Phase 2 (1 x 800 MW)	2006 (S.O 1533(E) dated 14 th september 2006)	Yes	No.	NA

13 Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes. NLCIL is compliant with applicable Environmental laws/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rule made thereunder. All plants are operating with valid clearances from concerned SPCB

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts
			NA

Leadership Indicators

1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area

NA

(ii) Nature of operations

NA



(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	NIL	NIL
(ii) Groundwater	NIL	NIL
(iii) Third party water	NIL	NIL
(iv) Seawater/desalinated water	NIL	NIL
(v) Others	NIL	NIL
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	NIL	NIL
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed/turnover)	NIL	NIL
Water intensity (optional) – the relevant metric may be selected by the entity	NIL	NIL
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
No treatment	NIL	NIL
With treatment – please specify level of treatment	NIL	NIL
(ii) Into Groundwater		
No treatment	NIL	NIL
With treatment – please specify level of treatment	NIL	NIL
(iii) Into Seawater		
No treatment	NIL	NIL
With treatment – please specify level of treatment	NIL	NIL
(iv) Sent to third-parties		
No treatment	NIL	NIL
With treatment – please specify level of treatment (Level of Treatment includes Primary & Secondary treatment to meet discharge standards prescribed by SPCB/CPCB) - For Greenbelt Development	NIL	NIL
(v) Others		
No treatment	NIL	NIL
With treatment – please specify level of treatment	NIL	NIL
Total water discharged (in kilolitres)	NIL	NIL
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		Yes, NLCIL has engaged SR Asia for providing the Reasonable Assurance

2 Please provide details of total Scope 3 emissions & its intensity, in the following format:

Scope 3 not captured for the current FY

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NIL	NIL
Total Scope 3 emissions per rupee of turnover	tCO ₂ e/₹ turnover	NIL	NIL
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NIL	NIL
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		NIL	

Note: the Company is planning to capture the Scope 3 emisson data.

3 With respect to the ecologically sensitive areas Data Needed at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

No operations are being established in Eco-Sensitive Areas. No project of NLCIL is located in an eco-sensitive area.

4 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Green Hydrogen	Hydrogen that is generated using electrolysis powered by renewable energy sources, resulting in zero emissions, is referred to as green hydrogen. This production process does not release any greenhouse gases, contributing to the decarbonisation of multiple industries.	Establishment of 4 MW Proton Exchange Membrane (PEM) electrolyzer-based green hydrogen demonstration facility in Neyveli.
2	Development of ecofriendly geo-polymer ash based green bricks using solar heating.	The creation of environmentally friendly geo-polymer bricks made from ash and cured with solar energy presents a sustainable method for brick production. These bricks incorporate fly ash, a byproduct of thermal power stations, significantly decreasing their ecological footprint. By substituting traditional kiln firing with solar heating, the process cuts down on energy use and carbon output. This inventive method not only lessens the carbon footprint but also enhances the effective use of waste. These green bricks, which demand less water and raw materials, offer a more eco-conscious choice for building, aiding in the advancement of a more sustainable tomorrow.	Fly ash generated is utilised thereby ensuring waste management and environmental sustainability.
3	Activated carbon development using lignite – HA sludge	The creation of activated carbon from lignite and Humic Acid (HA) sludge is an important advancement in utilising waste effectively and supporting environmental well-being. When humic acid is extracted, the leftover HA sludge is high in carbon. The idea is to convert this carbon-dense substance into activated carbon using a suitable method. Activated carbon is sought after for its extensive porosity and large surface area, which makes it excellent for absorbing impurities, thus making it valuable for water and air purification.	This initiative repurposes HA sludge, giving waste byproducts a valuable new use and diminishing their environmental impact. It offers a cost-effective and sustainable method for creating activated carbon, improving green waste management practices and conserving resources.

5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

With respect to Environment “NO” Business continuity and Disaster management plan.

NLC India Limited has put into action an all-encompassing disaster management strategy, with the foremost aim of protecting the safety and health of employees at the facility. This strategy includes a variety of goals such as providing quick and effective emergency responses, reducing environmental harm, lessening the loss of property for both the facility and the nearby community, executing rescue missions and administering medical care to those injured. The disaster management strategy prepares for a broad spectrum of potential catastrophes, including natural phenomena like geological, hydrological, climatic and atmospheric events, as well as human-induced disasters of a sociological or technological kind. The primary goal of this strategy is to promote a forward-thinking, comprehensive and coordinated approach to enhance readiness for disasters, lessen their impact and improve emergency reactions in case of unexpected crises. It acts as an extensive guide and reference for power sector utilities, addressing all aspects of the disaster management cycle, as outlined in the “Crisis and Disaster Management Plan for the power sector.”

6 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Value chain assessment was not carried out. However, the following activities are being undertaken by NLCIL to mitigate the impacts on the Environment:

NLC India Limited is taking several steps to reduce its environmental footprint, including the adoption of clean renewable energy sources, the use of Circulating Fluidised Bed Combustion (CFBC) and supercritical boilers, the practice of eco-friendly mining, and the installation of pollution control systems like dust suppression mechanisms, bag filters and water jets/sprinklers.

The Company conducts regular assessments to monitor the effectiveness of these green initiatives in reducing environmental stress. The results of these assessments are communicated to regulatory bodies through various reports such as Environmental Statements, Compliance reports, etc.

NLCIL is actively contributing to the resolution of global environmental challenges by undertaking numerous projects. A key focus is expanding the renewable energy capacity to significantly cut down on greenhouse gas emissions. NLCIL has made strides in this area by installing 1785 MW of solar power plants and wind power plants thereby reinforcing its commitment to renewable energy.

To address pollution from its thermal power projects, NLCIL has introduced environmental safeguards such as high stacks for the dispersion of gaseous and particulate emissions, electrostatic precipitators for dust management and the commencement of Flue Gas Desulfurization (FGD) processes to limit sulfur dioxide (SO2) emissions.

In the mining operations, NLCIL has adopted environmental protection measures like water sprinklers for dust suppression and the creation of lush green belts along the roads within and surrounding the mining areas.

NLCIL also prioritises environmental education and has organised various programmes on topics like environmental and pollution control, energy saving, co-generation methods, mining mitigation and environmental impact assessment.



Through these comprehensive measures and initiatives, NLCIL is diligently pursuing environmental sustainability and fostering responsible practices in all its operational activities.

7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Value chain assessment was not carried out.

8 How many Green Credits have been generated or procured:

a. By the listed entity

NIL

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners

NIL

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/associations

NLCIL has 15 affiliations with trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Employers Federation of Southern India (EFSI)	National
2	Quality Circle Forum of India (QCFI)	National
3	All India Management Association (AIMA)	National
4	Power Sector Skill Council (PSSC)	National
5	Skill Council for Mining Sector (SCMS)	National
6	National Institute of Personnel Management (NIPM)	National
7	Standing Conference of Public Enterprises (SCOPE)	National
8	Central Board of Irrigation and Power (CBIP)	National
9	Project Management Associates (PMA)	National
10	Public Relations Society of India (PRSI)	National
11	National Safety Council (NSC)	National
12	ICSI SIRC	National
13	World Mining Congress	International
14	Federation of Indian Mineral Industries	National
15	All India Organization of Employer’s (AIOE)	National

2 Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
		Not Applicable.

Leadership Indicators

1 Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/Others – please specify)	Web Link, if available
	NLC India Limited (NLCIL) actively participates in national policy formulation and regulatory reform across the energy, mining, and power sectors. As a Navratna Central Public Sector Enterprise under the administrative control of the Ministry of Coal, government of India, NLCIL leverages its technical expertise and operational scale to advocate for sustainable, forward-looking public policy frameworks. Through direct consultations with government ministries, statutory bodies, and key industry associations—including the Standing Conference of Public Enterprises (SCOPE), Confederation of Indian Industry (CII), and Central Board of Irrigation & Power (CBIP)—NLCIL advocates public policy positions focused on diverse areas such as Energy Transition & Just Transition Frameworks, Clean Coal Technology & In-Situ Gasification, Sustainable Mining Practices & Mine Closure Policy, Power Sector & Market Reforms, Water Resource Management & Circular Economy. Through sustained, transparent policy engagement, NLCIL aligns its regulatory feedback with the National Guidelines on Responsible Business Conduct (NGRBC) and India's broader Commitments toward Net-Zero emissions.				

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

NLCIL undertook Social Impact Assessment (SIA) of 11 CSR projects implemented during FY 2023-24 through the Institute of Public Enterprise (IPE), Hyderabad, in accordance with the applicable provisions of Rule 8(3)(a) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended. The assessment examined the relevance, efficiency, effectiveness, impact and sustainability of the interventions using the OECD-DAC framework, supported by document review, field visits, beneficiary/ stakeholder interactions, questionnaires and focused group discussions.

Name and brief details of project						
S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
1	Healthcare Measures/Medical Treatment through NLC India Hospital, Neyveli	NA	NA	YES	YES	https://www.nlcindia.in/webassets/csr_reports/Evaluation_& Impact Assessment_Report_2023-24.pdf
2	Construction of Box Culvert/ RCC Vents and Widening of Sengal Odai Water Channel in Cuddalore District	NA	NA	YES	YES	https://www.nlcindia.in/webassets/csr_reports/Evaluation_& Impact Assessment_Report_2023-24.pdf
3	Construction of Check Dam across Periya Odai near Sirumulai in Cuddalore District	NA	NA	YES	YES	https://www.nlcindia.in/webassets/csr_reports/Evaluation_& Impact Assessment_Report_2023-24.pdf
4	Comprehensive Flood Protection Works along Periya Odai in Cuddalore District	NA	NA	YES	YES	https://www.nlcindia.in/webassets/csr_reports/Evaluation_& Impact Assessment_Report_2023-24.pdf
5	Hygiene and Healthcare Works in NLC Schools, KV and Smart Kids School, Neyveli	NA	NA	YES	YES	https://www.nlcindia.in/webassets/csr_reports/Evaluation_& Impact Assessment_Report_2023-24.pdf
6	Skill Development - Diploma in Mining at Annamalai University, Chidambaram, Cuddalore District	NA	NA	YES	YES	https://www.nlcindia.in/webassets/csr_reports/Evaluation_& Impact Assessment_Report_2023-24.pdf
7	Tuition Fee Support to SC/ST & OBC Students of Jawahar Science College, Neyveli	NA	NA	YES	YES	https://www.nlcindia.in/webassets/csr_reports/Evaluation_& Impact Assessment_Report_2023-24.pdf
8	Educational Assistance to Kendriya Vidyalaya, Neyveli	NA	NA	YES	YES	https://www.nlcindia.in/webassets/csr_reports/Evaluation_& Impact Assessment_Report_2023-24.pdf



Name and brief details of project						
S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
9	Distribution of Sewing Machines to Widows in Tittakudi Constituency, Cuddalore District	NA	NA	YES	YES	https://www.nlcindia.in/webassets/csr_reports/Evaluation_& Impact Assessment_Report_2023-24.pdf
10	Renovation of Iconic Town Hall Building, Cuddalore	NA	NA	YES	YES	https://www.nlcindia.in/webassets/csr_reports/Evaluation_& Impact Assessment_Report_2023-24.pdf
11	Construction of Trauma Care Centre at Government General Hospital, Kuringipadi	NA	NA	YES	YES	https://www.nlcindia.in/webassets/csr_reports/Evaluation_& Impact Assessment_Report_2023-24.pdf

2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Mine-I	Tamil Nadu	Cuddalore	39*	79.49%	10,74,94,849
Mine -IA	Tamil Nadu	Cuddalore	41*	71%	31,18,177
Mine II - NLCIL	Tamil Nadu	Cuddalore	23*	65.21%	18,55,31,996
Talabira II and III OCP - NLCIL	Odisha	Sambalpur & Jharsuguda	2,973	19.17%	57,06,12,188

*Note:

- Land acquisition in Neyveli Mines is in progress and the total number of PAFs cannot be ascertained at this stage.
- The above details are based on the applications received from the land owners for the awards passed during FY2025-26
- For computing % of PAFs covered by R&R, the PAFs provided with permanent employment as Junior Overman and Sirdar, AMC type contractual employment, One time Rehabilitation grant in lieu of employment and 3 year training for SME operator Assistant and Mines and Mines Support Services is considered.

3 Describe the mechanisms to receive and redress grievances of the community.

NLC India Limited actively engages with the community through various Corporate Social Responsibility (CSR) initiatives, managed by a designated CSR head who acts as the central figure for community grievance redressal. Community members have the option to communicate with NLCIL via programme officers who are experts in specific domains. These officers serve as the first point of contact for the community to express their concerns and grievances, which can be conveyed either verbally or in writing. Collaborating closely with the CSR head, the programme officers are committed to ensuring that all issues are listened to, comprehensively addressed, and resolved to the community’s contentment. This system establishes efficient communication pathways, guaranteeing that community members have straightforward access to NLCIL for sharing their input and grievances.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/small producers*	60.09%	55%
Sourced directly from within the district and neighbouring districts	100%	100%

*Source: Data taken from MSME SAMBANDH PORTAL

5 Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26	FY 2024-25
Rural	5.88%	2.00%
Semi-urban	2.41%	8.00%
Urban	90.64%	87.00%
Metropolitan	1.07%	2.00%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

NLCIL's Social/Impact Assessments have not identified any adverse social impact arising from the CSR interventions. the assessments identified pre-existing development gaps such as inadequate healthcare and educational infrastructure, sanitation and drinking-water deficiencies, menstrual hygiene concerns and limited access to learning resources. NLCIL has responded through need-based corrective and developmental interventions, including strengthening Government healthcare facilities, construction and renovation of classrooms and toilets, provision of smart learning facilities, drinking-water and water-conservation infrastructure, menstrual hygiene support, sanitation and awareness programmes, and inclusive educational assistance. These measures were implemented in consultation with local communities, Government institutions and implementing agencies, with emphasis on community participation, equitable access, social inclusion and sustainability. The assessment findings indicate that the interventions have contributed to improved access to essential services and enhanced community well-being.

Sl. No.	Details of negative social impact/development gap identified	Corrective action taken by NLCIL
1	Inadequate healthcare infrastructure and high patient load resulted in limited access to timely and affordable healthcare, particularly for rural and economically vulnerable communities.	NLCIL strengthened public healthcare through medical treatment, emergency care, medical equipment, healthcare infrastructure and support to Government hospitals and health institutions.
2	Insufficient school infrastructure, including shortage of classrooms, toilets and basic facilities, adversely affected the learning environment and educational outcomes.	NLCIL constructed additional classrooms, renovated toilets, provided smart classrooms and other essential educational infrastructure. For example, at Basi (Siyagan), separate boys' and girls' toilets, a prayer shed, classroom flooring and a smart classroom were provided.
3	Inadequate sanitation and hygiene facilities created risks to health and reduced the quality of the school/community environment.	NLCIL undertook sanitation infrastructure development, housekeeping support, hygiene awareness, toilet improvement and Swachhata interventions. The interventions contributed to improved toilet usage, reduced open defecation and greater awareness of hygiene practices.
4	Limited access to safe drinking water and inadequate water-management facilities affected community well-being and environmental sustainability.	NLCIL supported drinking-water infrastructure, water purification, rainwater harvesting, wastewater recycling, water-body maintenance and community awareness on water conservation.
5	Gaps in menstrual hygiene facilities and awareness among adolescent girls affected their health, dignity and participation in education.	NLCIL provided sanitary napkin vending facilities, improved girls' toilets and conducted awareness programmes on menstrual hygiene and personal health.
6	Limited access to learning resources for children with special educational needs constrained their educational participation.	NLCIL provided school bags, notebooks and learning materials to 100 speech- and hearing-impaired students, thereby improving access to essential learning resources.
7	Inadequate infrastructure in certain rural/public institutions affected access to community services and quality of life.	NLCIL supported construction and improvement of community infrastructure, roads, water facilities and other public assets through Government agencies and implementing partners, based on locally identified needs.

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹ lakh)
1	Construction of Dispensary Building at Ramakrishna Math, keelanagachi, Ramanathapuram District in Tamil Nadu	Ramanathapuram District, Tamil Nadu	30.89
2	Distribution of Artificial limbs and Assistive devices to the People living with Disabilities (PWDs) at Virudhunagar aspirational District in Tamil Nadu	Virudhunagar District, Tamil Nadu	10.00

3 a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

No

(b) From which marginalised/vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable



4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
NIL				

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NA		

6 Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised group
1	Promoting Healthcare	4,78,815	75%
2	Providing Safe Drinking Water	55,145	80%
3	Promoting Sanitation	1,33,226	80%
4	Promoting Education	33,931	75%
5	Promoting Special Education	125	75%
6	Promoting Employment Enhancing Skills	6,191	80%
7	Protection of national heritage, art and culture	68,750	75%
8	Measures for the benefit of armed forces veterans, war widows and their dependents	125	80%
9	Promoting Rural Sports	1,100	80%
10	Rural Development projects, providing infrastructure and roads	1,98,000	80%

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Central Electricity Regulatory Commission (CERC) acts as the supervisory body for managing the tariff structures of power generation companies that are under the ownership or control of the Central Government. Power plants are mandated to lodge applications for tariff determination, which may include generating tariff applications, miscellaneous applications, or review applications. When there are objections to the decisions rendered by the Central and State Electricity Regulatory Commissions, the Appellate Tribunal for Electricity (APTEL) steps in as a specialised appellate authority with expertise across multiple disciplines. Established in 2005, APTEL's primary responsibility is to adjudicate appeals, which are typically initiated by Distribution Companies (DISCOMs) or power generation stations, especially concerning disputes over capacity and energy charges that CERC may have rejected. The appeal procedure entails the filing of legal documents, known as pleadings, followed by a series of hearings. After the hearings, APTEL may decide to send the case back to the CERC for additional review and to ensure adherence to its directives.

2 Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

As a percentage to total turnover	
Environmental and social parameters relevant to the product	Not applicable as NLC India Limited is in the business of producing electricity and selling Safe and responsible usage Coal and Lignite.
Safe and responsible usage	There are no shelf goods or services that may carry such information
Recycling and/or safe disposal	

3 Number of consumer complaints in respect of the following:

	FY 2025-26		Remarks	FY 2024-25		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL	NIL	NIL	NIL	NIL
Advertising	NIL	NIL	NIL	NIL	NIL	NIL
Cyber-security	NIL	NIL	NIL	NIL	NIL	NIL
Delivery of essential services	NIL	NIL	NIL	NIL	NIL	NIL
Restrictive Trade Practices	NIL	NIL	NIL	NIL	NIL	NIL
Unfair Trade Practices	NIL	NIL	NIL	NIL	NIL	NIL
Other	NIL	NIL	NIL	NIL	NIL	NIL

4 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		NA

5 Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. NLCIL has developed a Cyber Security & Data Privacy Policy reflecting on its commitment to safeguard and restrict access to sensitive data <https://www.nlcindia.in/webassets/policy/cybersecurity/cyber-policy-17-22.pdf>

6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Nil

7 Provide the following information relating to data breaches:

- a. Number of instances of data breaches
NIL
- b. Percentage of data breaches involving personally identifiable information of customers
NIL
- c. Impact, if any, of the data breaches
NIL

Leadership Indicators

1 Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

All information regarding business of NLC India Limited can be accessed through the Company’s Website (i.e., <https://www.nlcindia.in/website/en/>) and in its periodic disclosures such as the annual report and the integrated report.

2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Not Applicable. NLCIL’s major services include Electricity generation it is not directly involved in the distribution services to the consumer.

3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not Applicable. NLCIL’s major services include Electricity generation it is not directly involved in the distribution services to the consumer.

4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not Applicable. NLCIL’s major services include Electricity generation it is not directly involved in the distribution services to the consumer.



Independent Practitioners’ Reasonable Assurance Report



Social Responsibility Asia (SR Asia)
(ISO 9001: 2015 Certified)

INDEPENDENT PRACTITIONERS' REASONABLE ASSURANCE REPORT

To the Board of Directors
NLC India Limited,
No. 135, EVR Periyar High Road, Kilpauk, Chennai – 600 010, Tamil Nadu, India

Profile of the Assurance Provider

Social Responsibility Asia (SR Asia) is a premier international sustainability advisory and assurance institution operating across the Asia-Pacific region. We deliver end-to-end Environmental, Social, and Governance (ESG) solutions, advanced climate accounting, sustainable finance advisory, social impact evaluations, and independent non-financial assurance. SR Asia is an AccountAbility (UK) Licensed Assurance Provider.

Scope of Engagement & Subject Matter

We were engaged by NLC India Limited (‘NLCIL’ or ‘the Company’) to perform an independent Reasonable Assurance engagement on the specified Key Performance Indicators (KPIs) presented in the Company's Business Responsibility and Sustainability Report (BRSR) Core (Annexure-I) for the financial year ended March 31, 2026 (commencing April 1, 2025).

The assurance framework strictly complies with regulatory guidelines issued by the Securities and Exchange Board of India (SEBI), pursuant to SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 (introducing the BRSR Core framework for assurance and ESG disclosures for the value chain), as subsequently amended by SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dated March 28, 2025, and as consolidated in the SEBI Master Circular on compliance with the LODR Regulations dated November 11, 2024.

Assurance Criteria & Professional Standards

Our engagement was planned and executed in accordance with internationally recognized assurance frameworks:

- ISAE 3000 (Revised): International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).
- ISAE 3410: Assurance Engagements on Greenhouse Gas Statements.
- AA1000 Assurance Standard (AA1000AS v3): Type 2 Reasonable Assurance (evaluating adherence to the principles of Inclusivity, Materiality, Responsiveness, and Impact, alongside data reliability).

CIN No: U93000DL2012NPL231376

GST : 09AAQCS9621N1ZE

Udyam Reg. No: UDYAM-UP-29-0003108

Social Responsibility Asia (SR Asia)

Corp. Office: 4F-CS-25, Ansal Plaza Mall, Vaishali Sector-1, Ghaziabad (NCR Region),
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9810059109 Email: info@sr-asia.org | Website: www.sr-asia.org

Regd. Office: A-39, FF Complex, Okhla Phase-3, New Delhi-110020 India

International office: Bangladesh, Fiji, Indonesia, India, Japan, Malaysia, Philippines Singapore, Sri Lanka, Vietnam



Social Responsibility Asia (SR Asia)

(ISO 9001: 2015 Certified)

Assured Sustainability Information (ASI)	Reporting Period	Criteria & Regulatory Benchmarks
BRSR Core Mandatory ESG Attributes (9 Core Attributes & Specified KPIs listed in Table 1)	April 1, 2025 – March 31, 2026	- SEBI BRSR Core Guidance & Verification Methodologies - Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015

Professional Competence & Multidisciplinary Engagement Team

The engagement was conducted by a multidisciplinary team of certified sustainability practitioners, chartered environmentalists, greenhouse gas lead auditors, and social governance specialists possessing extensive domain expertise in the mining and power generation sector.

System of Quality Management

SR Asia applies the International Standard on Quality Management (ISQM), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. Accordingly, we design, implement, and operate a rigorous system of quality management including documented policies, standard operating procedures regarding professional conduct, ethical standards, and applicable legal and regulatory requirements.

Summary of Assurance Procedures Executed

A reasonable assurance engagement involves performing procedures to obtain a high, but not absolute, level of assurance and evidence regarding the selected indicators. Our risk-based substantive verification procedures included:

- Strategic Walkthroughs & Inception Inquiries: Conducted technical entry briefings with key process owners, department heads, and the ESG Committee to assess systems architecture, data flow mechanisms, and operational control points.
- Internal Control Evaluation: Assessed the design and operating effectiveness of data management systems, automated controls, and protocols deployed to aggregate and review BRSR Core metrics.

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International office: Bangladesh, Fiji, Indonesia, India, Japan, Malaysia, Philippines Singapore, Sri Lanka, Vietnam



Social Responsibility Asia (SR Asia)

(ISO 9001: 2015 Certified)

- Substantive Analytical Procedures & Source Verification: Conducted rigorous 100% and sample-based cross-examinations of primary data against source evidence (e.g., utility logbooks, metered billing, emission factor coefficients, POSH registers, payroll datasets, third-party vendor invoices, and waste manifest certificates).
- Re-calculation & Modelling Validation: Reperformed complex mathematical calculations, energy conversion factors, PPP-adjusted revenue intensity formulas, and Scope 1 & Scope 2 GHG emission computations in line with the GHG Protocol Corporate Standard.
- Management Review & Resolution of Findings: Formally communicated interim audit queries, evaluated corrective adjustments made by the Auditees, and reviewed final consolidated disclosures prior to issuance of this statement.

Management's Responsibility

The Management of NLC India Limited is solely responsible for:

- Selecting, establishing, and applying appropriate reporting criteria in conformity with SEBI mandates and regulatory frameworks.
- Designing, implementing, and maintaining robust internal control systems to ensure that the preparation of BRSR Core disclosures is free from material misstatement, whether due to fraud or error.
- Ensuring the accuracy, completeness, and integrity of data inputs, underlying records, estimations, and non-financial assertions.

Assurance Practitioners' Responsibility

Our responsibility is to express an independent, evidence-based Reasonable Assurance conclusion on NLC India Limited's BRSR Core disclosures based on our procedures.

Inherent Limitations

Non-financial datasets and sustainability parameters (such as GHG emissions, energy conversions, and water footprint) are subject to inherent measurement uncertainties stemming from allowable scientific estimation techniques, conversion factors, and data aggregation limitations defined in applicable reporting standards. Obtaining sufficient and appropriate assurance evidence reduces assurance risk to an acceptably low level but does not eliminate inherent scientific variance.

Exclusions

The assurance scope explicitly excludes:

CIN No: U93000DL2012NPL231376

GST : 09AAQCS9621N1ZE

Udyam Reg. No: UDYAM-UP-29-0003108

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9810059109 Email: info@sr-asia.org | Website: www.sr-asia.org

Regd. Office: A-39, FF Complex, Okhla Phase-3, New Delhi-110020 India

International office: Bangladesh, Fiji, Indonesia, India, Japan, Malaysia, Philippines Singapore, Sri Lanka, Vietnam



Social Responsibility Asia (SR Asia)

(ISO 9001: 2015 Certified)

- Financial statements and statutory accounting records audited by the statutory financial auditors.
- Operations, facilities, or subsidiaries beyond the defined operational control boundary and reporting period (FY 2025–26).
- Forward-looking statements, strategic aspirations, and qualitative targets set by the Company.

Statement of Independence, Ethics, and Code of Conduct

SR Asia complies with the integrity, objectivity, professional competence, due care, confidentiality, and professional behaviour requirements established under the AccountAbility UK guidelines. We maintain complete independence; no member of the assurance team possesses any financial, advisory, commercial, or governance interest in NLC India Limited that could compromise impartiality.

Reasonable Assurance Opinion

In our professional opinion, based on the procedures performed and the evidence obtained:

The sustainability disclosures presented in the BRSR Core of NLC India Limited for the financial year ended March 31, 2026, are prepared, in all material respects, in accordance with SEBI circulars, applicable guidance notes, and the designated reporting criteria.

Assured Sustainability Information (BRSR Core Metrics)

SEBI BRSR Core Indicator	Description	Level of Assurance
P6 E1	Total Energy Consumption	Reasonable
P6 E1	Total Energy Mix (Renewable vs. Non-Renewable %)	Reasonable
P6 E1	Energy Intensity	Reasonable
P6 E3	Total Water Consumption	Reasonable
P6 E3	Water Consumption Intensity	Reasonable
P6 E4	Water Discharged by Destination and Treatment Levels	Reasonable
P6 E7	Total Scope 1 Greenhouse Gas Emissions	Reasonable
P6 E7	Total Scope 2 Greenhouse Gas Emissions	Reasonable
P6 E7	Greenhouse Gas Emissions Intensity (Scope 1 and Scope 2)	Reasonable
P6 E9	Waste Generated by Category	Reasonable
P6 E9	Waste Intensity	Reasonable
P6 E9	Waste Disposed by Disposal Method	Reasonable



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P6 E9	Waste Recovered through Recycling, Reusing, or Recovery Operations	Reasonable
P3 E1(c)	Spending on Employee and Worker Well-being as a % of Total Revenue	Reasonable
P3 E11	Safety-Related Incidents for Employees and Contract Workforce	Reasonable
P5 E3(b)	Gross Wages Paid to Females as a % of Total Wages Paid	Reasonable
P5 E7	Complaints Filed, % of Female Workforce, and Upheld Cases under the POSH Act, 2013	Reasonable
P8 E4	Input Material Sourced from MSMEs / Small Producers and within India (% of Total)	Reasonable
P8 E5	Job Creation in Smaller Towns (Wages Paid to Persons Employed in Smaller Towns)	Reasonable
P9 E7	Number of Data Breach Instances and % Involving Personally Identifiable Information (PII) of Customers	Reasonable
P1 E8	Number of Days of Accounts Payable	Reasonable
P1 E9	Openness of Business: Concentration of Purchases/Sales with Trading Houses, Dealers & Related Parties; Related-Party Loans/Investments	Reasonable

For SR Asia

Birendra Raturi

Director & Lead Assurance Practitioner

SR Asia

Registration No. C14012601 (AccountAbility UK)

Date: September 5, 2026

Place: New Delhi, India

CIN No: U93000DL2012NPL231376

GST : 09AAQCS9621N1ZE

Udyam Reg. No: UDYAM-UP-29-0003108

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INDEPENDENT AUDITORS’ REPORT

To
The Members of NLC INDIA LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of NLC INDIA LIMITED (“the Company”) (“NLCIL”), which comprise the Standalone Balance Sheet as at 31st March, 2026, the Standalone Statement of Profit and Loss (including other Comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, an notes to the financial statements, including a summary of the material accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company’s branches located at Talabira and Barsingsar (hereinafter referred to as “Standalone Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, its profit (including other comprehensive income), the changes in equity, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the “Auditors’ Responsibilities for the Audit of the Standalone Financial Statements” 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 (“ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone 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 ICAI’s Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors in terms of their reports referred to in “Other Matters” section below, is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 61 (c) of the Standalone Financial Statements, wherein the non-availability of adequate quantum of land in the Company’s possession for lignite mining operations at Neyveli mines and power generation have been elaborated upon. Such non-availability of lignite mining land may cast significant uncertainties relating to the operations of the Company, and eventually the Company’s ability to continue as a going concern in future.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Financial Statements:

1.

Note 25(d), with regard to amount billed on account of VSVS to DISCOMs and the matter is sub judice, the Company has retained the regulatory deferral liability for the disputed amount of ₹ 386.51 Crore, along with accrued interest of ₹ 25.06 Crore on the amount already received. Accordingly, a total regulatory deferral liability of ₹ 411.57 Crore has been recognised as of 31st March, 2026 in this regard.
2.

We draw attention to Note 46 to the statement, which states that the Company has filed tariff petitions for the control period 2024-29 and truing-up petitions for the control period 2019-24 within the statutory timelines.
3.

We draw attention to Note 59, wherein the Company has transferred 1,430 MW renewable energy assets to NLC India Renewables Limited pursuant to the Business Transfer Agreement dated 31st October, 2025 executed under the National Monetisation Pipeline and in consultation with the Ministry of Coal. The transfer has been effected on a slump sale basis as a going concern for a consideration of ₹ 2,419.24 crores, determined based on the assets and liabilities as at 1st January, 2026. Further, the Company has obtained tax exemption under Section 47(viaaf) of the Income-tax Act, 1961 in respect of the said transfer.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Description of the Matter	Auditor's Response
Revenue from Operations – Sale of Power The Company is engaged in the generation and sale of power, and its operating activities are subject to cost-of-service regulations under which the tariff for electricity generated is determined by the Central Electricity Regulatory Commission (CERC) based on allowable capital cost, operation & maintenance expenses, and a stipulated return on equity, in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2024, as modified by orders of the Appellate Tribunal for Electricity (APTEL) and the Hon'ble Supreme Court, where applicable. Revenue from sale of power, comprising capacity charges and energy charges, amounted to ₹ 7,611.79 Crore for the year ended 31st March, 2026 (Previous Year: ₹ 7,323.59 Crore). Pending issue of the final tariff orders for certain stations w.e.f. 1st April, 2024 capacity charges have been recognised on a provisional basis in accordance with the principles of the CERC Tariff Regulations, 2024. Further, since the Company is entitled to a fixed return on equity, the difference between revenue recognised based on provisional/approved tariff and the entitlement computed in terms of the regulations (including items such as deferred tax recoverable from beneficiaries, exchange rate variation, true-up of capital cost, and other regulatory adjustments) is recognised as Regulatory Deferral Account balances in accordance with Ind AS 114 – Regulatory Deferral Accounts. This area has been identified as a Key Audit Matter because: - Recognition and measurement of revenue and regulatory deferrals involve significant management judgement and estimation in the interpretation and application of CERC Tariff Regulations, tariff orders, and APTEL/Supreme Court rulings; - Accruals depend on the probability of recovery through future tariff true-up exercises and the outcome of disputed claims/regulatory proceedings pending before various authorities; - The amounts involved are material to the standalone financial statements and movements in regulatory deferral balances directly impact the reported profit for the year; and - Tariff finalisation and true-up cycles are subject to inherent uncertainty in timing and outcome.	We obtained an understanding of the CERC Tariff Regulations, 2024, the relevant tariff orders, circulars, guidelines and the Company's internal policies and procedures for recognition and measurement of revenue from sale of power and regulatory deferral balances, and performed the following audit procedures: Accounting Policies – Reviewed the Company's material accounting policies for revenue recognition and regulatory deferrals and assessed their compliance with Ind AS 115 "Revenue from Contracts with Customers" and Ind AS 114 "Regulatory Deferral Accounts". Internal Controls – Evaluated the design and tested the operating effectiveness of key internal financial controls over (i) computation of capacity and energy charges, (ii) accrual of revenue based on provisional tariff, and (iii) determination and movement of regulatory deferral account balances. Tariff Computation – Verified, on a sample basis, the computation of capacity charges and energy charges with reference to the parameters notified under the CERC Tariff Regulations, 2024 (normative annual fixed cost components – return on equity, depreciation, interest on loan, interest on working capital, O&M expenses, and secondary fuel oil consumption) and approved/provisional tariff orders for each station. Provisional Accruals – For stations where final tariff orders are pending, examined the basis of provisional recognition, the underlying capital cost data filed with CERC, and management's assessment that there is no expectation of a downward adjustment to the revenue recognised. Regulatory Deferrals – Tested the additions/movements in regulatory deferral account balances by reference to (i) past trend of approvals and disallowances by CERC/APTEL, (ii) management's assessment of recoverability through future tariff, and (iii) legal/regulatory opinions, where obtained, for disputed claims. Disputed Claims & Litigation – Obtained the status of pending tariff petitions, true-up applications and APTEL/Supreme Court matters from the concerned department; evaluated management's judgement on the probability of favourable outcomes based on past precedents and external opinions. Sales Reconciliation – Reconciled invoices raised on beneficiaries (State Distribution Companies) with the dispatch data (Regional Energy Account issued by the Regional Power Committee), Scheduled Energy and Actual Energy supplied; tested cut-off around the year-end. Late Payment Surcharge & Rebates – Verified accruals for late payment surcharge, rebates for prompt payment, and incentives, in accordance with the relevant CERC notifications and Electricity (Late Payment Surcharge) Rules. Disclosures – Assessed the adequacy and appropriateness of the disclosures in the standalone financial statements in accordance with the requirements of Ind AS 115 and Ind AS 114, including the reconciliation of opening and closing regulatory deferral balances and the risk and uncertainty associated with their future recovery. Based on the procedures performed, we found management's recognition, measurement and disclosure of revenue from sale of power and regulatory deferral account balances to be reasonable and adequate.



INDEPENDENT AUDITORS’ REPORT (CONTD.)

Description of the Matter	Auditor's Response
Property, plant & equipment The Company carries a significant base of Property, Plant and Equipment (PPE), Capital Work-in-Progress (CWIP) and Intangible Assets aggregating to ₹ 19,124.69 Crore as at 31st March, 2026 (Previous Year: ₹ 21,907.51 Crore), comprising principally lignite mines, thermal power stations, renewable energy assets, mining rights and related infrastructure. In accordance with Ind AS 36 Impairment of Assets, management is required, at the end of each reporting period, to assess whether there is any indication that an asset or Cash Generating Unit (CGU) may be impaired, and where such indication exists, to estimate the recoverable amount. For the Company, lignite mines, thermal power stations, and renewable projects has been considered as separate CGU. Management's impairment assessment involves significant judgement in respect of: • Identification of CGUs and aggregation thereof; • Identification of internal and external indicators of impairment, including the impact of energy transition, evolving regulatory environment, ageing thermal units, projected Plant Load Factor (PLF), and merit-order despatch trends; • Where a recoverable amount is estimated, the assumptions underlying the value-in-use model, including future tariff (capacity and energy charges) under CERC Tariff Regulations, lignite extraction plans, operating costs, capital expenditure, terminal value, and the discount rate (WACC); and • Estimation of the remaining useful life of plant and equipment. The carrying value of PPE is also one of the components for determining the tariff under CERC Tariff Regulations and is therefore inter-linked with the regulatory recovery mechanism. In view of (i) the materiality of the PPE balance, (ii) the significant management judgement and estimation involved in the impairment assessment, and (iii) the inherent uncertainty in long-term assumptions in the current energy-transition environment, this has been identified as a Key Audit Matter.	Our audit procedures included the following: • Accounting Policies – Reviewed the Company's material accounting policies relating to PPE, CWIP and impairment, and assessed compliance with Ind AS 16, Ind AS 38 and Ind AS 36. • Internal Controls – Evaluated the design and tested the operating effectiveness of internal financial controls over (i) periodic identification of impairment indicators, (ii) capitalisation and componentisation of PPE, (iii) review of useful lives and residual values, and (iv) monitoring of project cost overruns in CWIP. • CGU Identification – Evaluated management's identification of CGUs for consistency with the manner in which cash inflows are independently generated and monitored, and for consistency with the prior year. • Indicator Assessment – Critically evaluated management's assessment of internal and external impairment indicators with reference to: • Operating performance of each station/mine (PLF, despatch, lignite extraction quantities vs. approved mining plan); • Profitability and contribution of each CGU; • Tariff orders, true-up disallowances and pending regulatory matters affecting recoverability; • External factors including coal/lignite policy, renewable energy targets, and merit-order considerations affecting future utilisation of thermal capacity; • Status of long-gestation projects and any cost or schedule overruns. • Where impairment testing was performed – For CGUs where indicators of impairment were identified and a recoverable amount was computed: • Assessed the appropriateness of the value-in-use model and the methodology adopted; • Tested the key assumptions including projected revenue (with reference to CERC tariff parameters), operating costs, lignite reserve estimates, capital expenditure plans, terminal value and discount rate (WACC) by comparing them with the approved business plan, prior trends, and external/independent benchmarks; • Performed sensitivity analysis on key assumptions to evaluate whether reasonably possible changes would result in impairment; • Where applicable, considered the work and competence of the management's expert engaged for valuation, in accordance with SA 500. • CWIP and Old Projects – Reviewed the ageing of CWIP balances, particularly long-pending projects, and evaluated management's assessment of recoverability and timing of capitalisation. • Useful Lives – Verified that depreciation has been computed in accordance with the rates/useful lives prescribed under CERC Tariff Regulations, as permitted under Schedule II to the Companies Act, 2013, and assessed the appropriateness of any change in estimated useful life during the year. • Disclosures – Assessed the adequacy of disclosures in the standalone financial statements in accordance with Ind AS 36, Ind AS 16 and Ind AS 38, including disclosure of key assumptions, sensitivities and the basis of impairment conclusions, where applicable. Based on the procedures performed, we found management's assessment of impairment of PPE, CWIP and Intangible Assets, and the related disclosures, to be reasonable and adequate.

Information other than the Standalone Financial Statements and Auditors’ Report thereon

The Company’s Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors’ Report including Annexures to Directors’ Report and Business Responsibility & Sustainability Report, but does not include the Standalone Financial Statements, Consolidated Financial Statements and our Auditors’ report thereon. The other information is expected to be made available to us after the date of this Auditors’ report. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

On receipt of other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we shall:

- (a) If the material misstatement is corrected, perform necessary procedure to ensure the correction; or
- (b) If the material misstatement is not corrected after communicating the matter to those charged with governance, take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom this Auditors’ report is prepared.

Responsibilities of the Management and those charged with Governance for the Standalone Financial Statements

The Company’s Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 judgements and estimates that are reasonable and prudent; and 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 Standalone Financial

Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and 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. These Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ 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 these Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, 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 financial control relevant to 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management and 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 Company’s ability to continue as



INDEPENDENT AUDITORS' REPORT (CONTD.)

a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its branches to express an opinion on the Standalone Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Company, for which we are the independent auditors. In respect of the branches included in the Standalone Financial Statements, which have been audited by the respective branch auditors who remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial statements of two (2) Branches located at Talabira and Barsingsar included in the Statement, whose financial statements reflect total assets of ₹ 9,337.47 Crore as at 31st March, 2026 and total income of ₹ 3,199.88 Crore for the year ended 31st March, 2026 total net profit

before tax of ₹ 1,254.26 Crore for the year ended 31st March, 2026 and total comprehensive income of ₹ 1,254.26 Crore for the year ended 31st March, 2026, and net cash outflow of ₹ 0.93 Crore for the year ended 31st March, 2026 as considered in the Statement. The financial statements of these Branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these Branches, is based solely on the reports of such branch auditors and the procedures performed by us as stated under Auditors' Responsibilities section above.

- The standalone financial statements as at and for the year ended 31st March, 2025 have been audited by M/s. Sundaram & Srinivasan, Chartered Accountants, one of the joint statutory auditors of the Company, together with another auditor M/s Chaturvedi & Co LLP whose report dated 19th May, 2025 expressed an unmodified opinion on those standalone financial statements. Accordingly, we, PKF Sridhar & Santhanam LLP, Chartered Accountants, do not express any opinion on the figures and disclosures reported in the standalone financial statements as at and for the year ended 31st March, 2025. Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure-I" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report that:
 - 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;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books including for the matters stated in the paragraph 2(k)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
 - The reports on the accounts of the Branch Offices of the Company audited under Section 143(8) of the Act by the Branch Auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of

Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

- In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act;
- The matter described in the "Material Uncertainty Related to Going Concern" paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company;
- The Company being a Government Company, the provisions of Section 164(2) of the Act relating to disqualification of directors is not applicable in view of the Notification No: G.S.R, 463(E) dated 5th June, 2015, issued by the Ministry of Corporate Affairs;
- The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3) of the Act and paragraph 2(k)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
- With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our report in "Annexure-II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting with reference to Standalone Financial Statements;
- The Company being a Government Company, the provisions of Section 197 of the Act relating to managerial remuneration is not applicable in view of the Notification No: G.S.R, 463(E) dated 5th June, 2015, issued by the Ministry of Corporate Affairs. Accordingly, reporting in accordance with requirement of provisions of Section 197(16) of the Act is not applicable to the Company; and
- With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer to Note 52 to Standalone Financial Statements;
 - The Company has long term contracts for coal mining, power sale, lignite/coal sale, O&M/AMC Contracts, project execution etc. The Company

has assessed all these contracts as at 31st March, 2026 and concluded that there were no material foreseeable losses that needs to be considered on account of these contracts. The Company did not have any derivative contracts as at 31st March, 2026 other than those disclosed in Note 48 to the Standalone financial statements.

- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
- The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 58(g), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Note 58(g), no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and
 - Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



INDEPENDENT AUDITORS’ REPORT (CONTD.)

v. (a) The final dividend paid by the Company during the year, which pertains to previous year 2024-25 is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend; (b) The interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act; and (c) The Board of Directors of the Company have proposed final dividend for the year 2025-26 which is subject to the approval of the Members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the act, until the date of this report. However, the aggregate of interim dividend paid by the Company during the FY 2025-26 and proposed dividend for the FY 2025-26 is less than the minimum dividend criteria prescribed under the guidelines issued by Department of Investment & Public Asset Management (DIPAM). The Company vide its letter dated 14th March, 2025 had applied for exemption from payment of minimum dividend for the FY 2024-25 and FY 2025-26 as prescribed under DIPAM guidelines and approval for the same has been received on 06th January, 2026.	vi. Based on our examination, which included test checks, the Company has used SAP accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year. During the course of our audit, we did not come across any instances of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention. Further, in relation to the 7 external applications that were integrated with SAP accounting software, in connection with Auction & Tender System, Integrated Weighment Tracking System, Employees Advance and Reimbursement Claims, GST Central Invoicing System & House Allotment, Rent Accounting & other Township related Management System, based on the audit procedures, information and explanation given to us, we confirm that the audit trail (edit log) facility has been enabled and the audit trail has been preserved by the Company as per the statutory requirements for record retention. 3. As required by Section 143(5) of the Act, our comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India is given in “Annexure – III”.
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For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No. 004207S

P Menakshi Sundaram
Partner
M No. 217914
UDIN: 26217914HEEOAX6296

Place: Neyveli
Date: 13th May, 2026

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Regn. No. 003990S/S200018

S Narasimhan
Partner
M No. 206047
UDIN: 26206047JNNRTQ2684

Annexure-I to Independent Auditors’ Report on the Standalone Financial Statements

With reference to Annexure-I referred to in paragraph 1 on ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of the Company on the standalone financial statements as of and for the year ended 31st March, 2026 we report that:

- (i)
- (a)
- (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE), Capital work-in-progress and relevant details of right of use assets.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment under which the assets are physically verified every alternative year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As the physical verification was carried out by the management of the Company during the previous financial year 2024-25, no verification of such assets was conducted in the current financial year.
- (c) As informed by the management, the Company is in possession of Title deeds/Assignment deeds/GOs in respect of immovable properties. However, in view of substantial volume of land documents held by the Company and reconciliation of the same with the PPE register which is in progress, verification of the title deeds was rendered difficult. It was also observed on test check of available documents that there were instances of title deeds still lying in the name of previous owner. We have been informed that the management is in process of making submissions to the concerned authorities for updating its name in the revenue records for the properties where the title deeds are still in the name of the previous owners. In view of this, the title deeds of the lands cannot be directly linked with the PPE register maintained by the Company.
- As per expert legal opinion furnished to us, the ownership of the land acquired between the incorporation of the Company until the year 1977 and between the years 1997 to 2001 is subject to conditions attached by Government of Tamil Nadu in the respective assignment deeds.
- Immovable properties of land, whose title deeds have been deposited with banks as security for term loans have been verified by us based on the documents provided to us by the Company relating to registration of charges with the Ministry of Corporate Affairs.
- PPE includes mining land comprising certain blocks of lands that are currently under excavation or already excavated. The formal transfer of title in the revenue records in the name of the Company for those blocks of lands is yet to be completed. The Company is in possession of the land based on an Award issued by the Government of Tamil Nadu, and excavation activities are being carried out accordingly. The process of submitting the necessary documents to the relevant authorities for updating the Company’s name in the revenue records is stated to be in progress.
- (d) According to the information and explanations provided to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended 31st March, 2026. Accordingly, reporting on clause 3(i)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, reporting on clause 3(i)(e) of the Order is not applicable to the Company.
- (ii)
- (a) The inventory has not been physically verified by the management during the year and we are therefore unable to comment on the discrepancies which could have arisen between physical inventory and book records. In our opinion, the frequency of verification of the inventory is also not reasonable having regard to the size of the Company and nature of its assets.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from bank during the year on the basis of security of current assets of the Company. There are few instances noticed wherein the quarterly returns/statements filed with the bank are not in agreement with the books of account of the Company. However, considering the drawing power and the limits utilised by the Company during the year, the differences are not significant warranting detailed comments.



INDEPENDENT AUDITORS' REPORT (CONTD.)

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in and granted unsecured loans during the year to subsidiaries.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has provided loans to subsidiaries as follows:

Particulars	Loans ₹ in Crores
Aggregate amount granted/provided during the year	
- Subsidiaries	1,720.34
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	813.87

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the investments made and the terms of the loans provided during the year are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loan to subsidiary, the schedule of repayment of principal and payment of interest have been stipulated, and the repayments have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no material overdue amounts as at the Balance Sheet date. Accordingly, reporting under clause 3(iii)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no cases where the loans have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties in respect of loans which had fallen due during the year.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loan which is repayable on demand or without specifying any terms or period of repayment. Accordingly, reporting under the other requirements of clause 3(iii)(f) is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the loans given, investments made and guarantee provided by the Company are in compliance with the provisions of Section 185 and 186 of the Act read with Ministry of Corporate Affairs notification number G.S.R. 463(E) dated 5th June, 2015.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act. In respect of overdue earnest money deposits and security deposits, Management is of the view that overdue earnest money deposits and security deposits of suppliers/contractors appearing in the books are in the nature of retention money for performance of contracts for supply of goods and services and accordingly, not to be treated as deemed deposits by virtue of amendment in rule 2, sub rule (1), clause (c) of the Companies (Acceptance of Deposits) Amendment Rules 2016.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

(vii)

(a) Based on the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Royalty, Cess and other material statutory dues applicable to it, have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Royalty, Cess and other material statutory dues were in arrears as at 31st March, 2026, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Provident Fund, Income-tax, Goods and Services Tax, Customs Duty, Royalty, Sales Tax, Service tax, Duty of Customs, Value Added Tax, Cess and other Statutory dues which have not been deposited as on 31st March, 2026 on account of any dispute except as reported below:

Name of Statute	Nature of dues	Demand amount (₹ in Crore)	Amount deposited (₹ in Crore)	Period for which demand relates	Forum where dispute is pending
Income Tax Act	Income Tax	67.45	-	FY 2006-07	Assessing Officer
		0.26	-	FY 2006-07	ITAT
		0.32	-	FY 2009-10	ITAT
		27.90	-	FY 2011-12	Assessing Officer
		0.40	-	FY 2011-12	ITAT
		1.46	-	FY 2012-13	Assessing Officer
		171.04	-	FY 2012-13	High Court
		1.53	-	FY 2013-14	Assessing Officer
		120.76	-	FY 2013-14	High Court
		23.82	-	FY 2014-15	High Court
		13.48	-	FY 2017-18	Assessing Officer
		0.17	-	FY 2018-19	Assessing Officer
		4.15	-	FY 2020-21	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	0.51	0.07	Jul 2012 to Mar 2014	CESTAT
		0.26	0.03	Apr 2014 to Mar 2015	CESTAT
		1.51	0.11	Jun 2008 to Mar 2012	CESTAT
		0.73	0.07	Apr 2015 to Jun 2017	CESTAT
		38.55	-	Oct 2014 to Jun 2017	Madras High Court
		4.49	-	Apr 2016 to Jun 2017	Madras High Court
CGST & SGST Act, 2017	GST	24.01	-	Aug 2018 to March 2019	Additional/Joint Commissioner of Central Tax and Central Excise, Rourkela
		0.13	-	July 2017 to March 2018	Superintendent of GST and Central Excise, Chennai
		26.72	2.67	Apr 2018 to Mar 2021	Additional Commissioner of GST and Central Excise, Chennai
		0.23	0.02	Apr 2018 – Mar 2019	Additional/Joint Commissioner Appeals-1, Chennai
Customs Act, 1969	Custom Duty	14.82	9.83	FY 2006-07	Supreme Court
Tamil Nadu VAT Act, 2006	Sales tax	454.85 Crore Reduced to 3.77	3.17	FY 2011-12 to FY 2015-16	STAT
TN General Sales Tax, 1959	TN General Sales Tax	Crore in FY 2025- 26, Out of 112.43	0.6	2004-05	ADC Cuddalore
TN General Sales Tax, 1959	TN General Sales Tax	Crore deposited 109 Crore refund vouchers issued out of that 94 Crore is received And remaining amount to be Receivable	0.002	2005-06	ADC Cuddalore
Mines and Mineral (Development and Regulation) Act, 1957	Royalty	429.92	-	March 2021-June 2022	March 2021-June 2022



INDEPENDENT AUDITORS’ REPORT (CONTD.)

Name of Statute	Nature of dues	Demand amount (₹ in Crore)	Amount deposited (₹ in Crore)	Period for which demand relates	Forum where dispute is pending
Mines and Mineral (Development and Regulation) Act, 1957	Surface Right Compensation	6.60	6.60	2021	District Collector, Cuddalore.
Mines and Mineral (Development and Regulation) Act, 1957	Surface Right Compensation	6.73	6.73	2022	District Collector, Cuddalore.
Mines and Mineral (Development and Regulation) Act, 1957	Surface Right Compensation	6.98	6.98	2023	District Collector, Cuddalore.
Mines and Mineral (Development and Regulation) Act, 1957	Surface Right Compensation	7.43	7.43	2024	District Collector, Cuddalore.
Mines and Mineral (Development and Regulation) Act, 1957	Surface Right Compensation	8.41	8.41	2025	District Collector, Cuddalore.

(viii) According to the information and explanations provided to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)

- (a) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures as per details below:

Nature of fund taken	Name of lender	Amount involved (₹ in Crore)	Name of the subsidiary, joint venture, associate	Relation	Purpose for which fund utilised	Remarks, if any
External Commercial Borrowings	SMBC Bank	516.87	NLC India Renewables Limited	Subsidiary	Capital expenditure	Refer footnote below

Footnote: The Company has entered into a Business Transfer Agreement with NLC India Renewables Limited (“NIRL”) on 31st October, 2025 with an appointed date of 1st January, 2026 pursuant to which the renewables business was transferred to NIRL. The Company has availed an external commercial borrowing of JPY 8,700 million (equivalent to ₹ 516.87 crores) from SMBC Bank, the proceeds of which were on-lent to NIRL on 29th January, 2026 as a rupee-denominated loan; in accordance with the terms of the loan agreement with NIRL, all costs incurred by the Company in relation to such borrowing, including hedge premium, interest expense, foreign exchange fluctuations and other ancillary costs, are recoverable from and accordingly charged to NIRL as interest.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture. Accordingly, clause 3(ix) (f) of the Order is not applicable.

(x)

- (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, clause 3 (x)(b) of the Order is not applicable to the Company.

(xi)

- (a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under section 143(12) of the Act has been filed by the auditors in Form ADT- 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.
- (c) As represented to us by the management and according to the information given to us, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Hence, reporting under clause 3(xii) (a), (b), and (c) of the order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, wherever applicable. The Company, being a government company, transactions with other government companies are exempt from compliance of first and second proviso to sub-section (1) of Section 188 of the Act, in terms of Notification No: G.S.R. 463(E). dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India. Details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS.

(xiv)

- (a) According to the information and explanations provided to us and based on our examination of the records of the Company, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued for the year under audit have been considered by us.

(xv) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or directors of its subsidiary or associate company or persons connected with him. Accordingly, clauses 3(xv) of the Order is not applicable.

(xvi)

- (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the RBI Act, 1934 (2 of 1934). Accordingly, provisions of clause 3 (xvi) (a) of the order are not applicable.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, provisions of clause 3(xvi)(b) of the Order are not applicable.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (“CIC”) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
- (d) According to the information and explanations given to us, the Group has no CIC. Accordingly, provisions of clause 3(xvi) (d) of the Order are not applicable.

(xvii) The company has not incurred cash losses in the current and in the immediately preceding financial year. Accordingly, provisions of clause 3(xvii) of the Order is not applicable.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans, though a material uncertainty related to Going Concern of the Company exists as at the Balance Sheet date, as far as it relates to

availability of lands for mining, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. We also draw reference to the section “Material Uncertainty Related to Going Concern” in our main Audit Report.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) Reporting under clause (xxi) of the Order is not applicable as the same is required to be reported only in case of consolidated financial statements.

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No. 004207S

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Regn. No. 003990S/S200018

P Menakshi Sundaram
Partner
M No. 217914
UDIN: 26217914HEEOAX6296

S Narasimhan
Partner
M No. 206047
UDIN: 26206047JNNRTQ2684

Place: Neyveli
Date: 13th May, 2026



Annexure-II to Independent Auditors’ Report on the Standalone Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of NLC India Limited (“the Company”) as of 31st March, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s and Board of Directors’ Responsibility for Internal Financial Controls

The Company’s management and Board of Directors 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, to the extent applicable to an audit of internal financial controls, 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, to the best of our information and according to the explanations given to us, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2026, 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 ICAI.

Other Matters

We did not audit the Internal Financial Control over Financial Reporting of two (2) branches located at Talabira and Barsingsar included in the Standalone Financial Statements of the Company. The adequacy of internal financial controls system over financial reporting and the operating effectiveness of such internal financial controls over financial reporting in so far as it relates to the above two branches is solely based on the corresponding auditor’s reports of the respective branch auditors.

Our opinion is not modified in respect of this matter.

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No. 004207S

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Regn. No. 003990S/S200018

P Menakshi Sundaram
Partner
M No. 217914
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S Narasimhan
Partner
M No. 206047
UDIN: 26206047JNNRTQ2684

Place: Neyveli
Date: 13th May, 2026



Annexure III to Independent Auditors’ Report on the Standalone Financial Statements

Comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India

Directions u/s 143(5) of the Companies Act, 2013	Auditors’ reply on action taken on the directions	Impact on financial statement
Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	The Company’s post-retirement benefit plans comprise gratuity, medical benefits, retirement travelling allowance and provident fund, which are administered through dedicated trusts, namely NLC Employees (Executives and Non-Unionized Supervisors) Superannuation Fund, NLC Employees (Non-Executives and Workmen) Superannuation Fund and NLCIL Employees Provident Fund Trust. The contributions in the two superannuation funds are managed by LIC, and the Company has relied on the valuation statements and reports provided by LIC in respect of these funds. No independent procedures have been performed to assess the valuation methodologies or their compliance with Ind AS. In respect of the Provident Fund Trust, the investments are accounted for in accordance with Indian GAAP applicable to trusts and are audited by an independent auditor. As the audit for FY 2025-26 is yet to be completed for the NLCIL Employees Provident Fund Trust, the audited financial statements and audit report for FY 2024-25 have been reviewed. Based on the documents examined, no material discrepancies have been noted. However, given the reliance placed on external fund managers/auditors, no separate conclusion is drawn on the appropriateness of valuation methodologies or their compliance with Ind AS. As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: The investments relating to Post Retirement Benefit funds of employees are administered, accounted for, and monitored centrally at the Corporate Office level for all employees of the Company, including employees of this branch. Based on the records and information made available to us at the branch level, no separate investments relating to Post Retirement Benefits are maintained or managed by the branch. As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given to us, the Branch has not made any investments directly or through trusts for post-retirement employee benefits during the year. Accordingly, this direction is not applicable.	NA
Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies’ financial reporting process as well as cyber security has been done and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.	As per the information and explanations given to us, the Company has a system in place to process all accounting transactions through an IT-based environment. SAP ERP continues to be implemented for key processes such as Financial Accounting (FI), Controlling (CO), Materials Management (MM), Sales and Distribution (SD), Production Planning (PP), Project Systems (PS), Plant Maintenance (PM), Fund Management (FM) and Human Capital Management (HCM). The Company has also implemented various interfaced IT applications which are integrated with SAP ERP, including but not limited to NLCIL eAuctioning & Tendering System (NeAT); Contract Labour Management System (CLMS); Integrated Weighment Tracking System (IWTS); Integrated Hospital Management System (IHMS); myLaptop Portal; Furniture Portal; Retirees Portal; Bill Tracking System; GST Central Invoicing System; eRecruitment System; House Allotment, Rent Accounting & other Township related Management System. As part of the audit, we have carried out a review of the IT systems and controls relevant to financial reporting. The scope of such review included: - Evaluation of IT General Controls (ITGCs) such as access management, change management, and IT operations. - Review of application controls within SAP ERP and interfaced systems. - Verification of system-based processing of accounting transactions. - Consideration of IT-dependent controls relevant to financial reporting. - Review of cyber security controls to the extent they impact the financial reporting process and safeguarding of financial data. Based on the audit procedures performed and on test check basis, no material weaknesses or significant deficiencies were observed in the design or operating effectiveness of such controls which could have a material impact on the financial statements. Further, no material cyber security incidents impacting financial reporting were reported during the year.	NA



INDEPENDENT AUDITORS’ REPORT (CONTD.)

Directions u/s 143(5) of the Companies Act, 2013	Auditors’ reply on action taken on the directions	Impact on financial statement
	As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: Based on our examination of the records and information made available to us at the branch level, the Company has an integrated IT-based system for processing accounting transactions. The accounting and financial transactions at the branch are transactions at the branch are processed through the centrally managed ERP system of the Company. Further, the review of IT systems, IT general controls, application controls, and cyber security framework, including audit/review by Information Security Auditing Organisations empanelled with CERT-In, dealt centrally at the Head Office/Corporate Office level. Based on the audit procedures carried out at the branch level, no accounting transactions processed outside the designated IT systems, having material impact on the integrity of accounts or financial statements of the branch, were noticed during the course of our audit. As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given to us, the Branch has a system in place to process all the accounting transactions through IT system. SAP ERP has been implemented for the processes like Financial Accounting (FI), Controlling (CO), Material Management (MM), Sales and Distribution (SD), Production Planning (PP), Project Systems (PS), Plant Maintenance (PM), Fund Management (FM) and Human Capital Management (HCM). The Branch is also using other support software’s which are integrated to SAP ERP and those transactions are also through IT systems, like NLCIL eAuctioning & Tendering System (NeAT); Contract Labour Management System (CLMS); myLaptop Portal; Furniture Portal; Bill Tracking System; GST Central Invoicing System, e-office for file management. Further, as per the information and explanation given to us the Branch, review of the IT systems and controls relating to financial reporting process and cyber security by Information Security Auditing Organisations empanelled with CERT-In has been carried out at H.O. level. Based on our examination of records on sample basis and other audit procedures carried out and as per the information and explanation given to us, no accounting transactions have been processed/carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.	
Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilized as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	During the year, the Company has received a sum of ₹ 11.36 crore and receivable of ₹ 0.16 crore toward reimbursement of teachers’ salary from Government of Tamil Nadu. The schools are run by the Company. As per the practice in various States, salaries of the school teachers are being paid by the Govt. of Tamil Nadu through its education department. Apart from Salary, all retirement benefits of these school teachers as per applicable guidelines issued by Government of Tamil Nadu are paid by Government of Tamil Nadu. The salary of the teachers is paid by Govt. of Tamil Nadu through NLCIL bank account as there are no separate bank accounts operated by the schools. These regular salary payment of school teachers, in our opinion, is not considered as a grant. As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given to us, the Branch has not received any Grants during the Financial Year 2025-26. As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given to us, the Branch has not received any grants/subsidy for specific schemes from Central/State Government or its agencies during the year. Accordingly, this direction is not applicable.	NA

Directions u/s 143(5) of the Companies Act, 2013	Auditors’ reply on action taken on the directions	Impact on financial statement
Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	The Company has comprehensively identified key risk areas and formulated an Integrated Risk Management Policy approved by the Board in March 2020. The Company has systematically categorized risks into three broad classifications: (a) Strategic Risks - covering competitive environment, regulatory changes, land acquisition, diversification, and environmental compliance; (b) Business Risks - encompassing operational economics, project delays, human resource gaps, credit risks, and industrial relations; and (c) Operational Risks - including internal process failures, cyber security, equipment maintenance, fuel availability, and safety. These risks are further classified functionally across nine operational areas: Organizational, Mining, Thermal Power, Renewable Energy, Contracts & Purchase, Finance, Commercial, Human Resources, and Information Technology. The Policy operates through a four-tier governance structure comprising Board of Directors, Risk Management Committee, Internal Risk Review Committee (with representatives from Finance, HR, Power, Mines, and Projects directorates at ED/CGM/GM level), and a Risk Cell headed by Chief Risk Officer supported by Risk Owners and Risk Managers at unit level. The Risk Management Policy has been formulated in line with global best practices and ISO Guide 31000:2018 – Risk Management Vocabulary. The Policy explicitly states alignment with "emerging global standards and best practices in IRM" and employs internationally recognised methodologies including risk heat maps, impact-frequency assessment scales (Insignificant to Highly Significant), risk matrices, and four-tiered risk strategies (Avoid, Transfer, Reduce, Retain). The governance structure follows international best practices with clear separation of oversight (Board, Audit Committee, RMC), executive management (IRRC), and operational implementation (Risk Cell). The Policy incorporates quarterly reviews by IRRC, half-yearly reviews by RMC/Board, and annual updates to align with evolving global standards. However, the Company has not formally identified its data assets as part of its risk management or governance framework and hence the valuation of such data assets is not applicable to the Company. As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanations given to us, Company has in place Board approved Integrated Risk Management Policy. However, the formulation, implementation, monitoring, and evaluation of the overall Risk Management framework are administered centrally at the Corporate Office level for the Company as a whole. As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given to us by the Branch, The Company has identified key risk areas and has formulated an Integrated Risk Management Policy, which was approved by the Board of Directors in March 2020. The Policy classifies risks into three broad categories: 1. Strategic Risks – including competition, regulatory changes, land acquisition, diversification, and environmental compliance; 2. Business Risks – including operational economics, project delays, human resource gaps, credit risks, and industrial relations; and 3. Operational Risks – including process failures, cybersecurity, equipment maintenance, fuel availability, and safety. These risks are monitored across various functional areas such as Mining, Thermal Power Renewable Energy, Contracts & Purchase, Finance, Commercial, Human Resources and Information Technology. The Policy is implemented through a structured governance mechanism comprising the Board of Directors, Risk Management Committee, Internal Risk Review Committee, and Risk Cell, with designated Risk Owners and Risk Managers at unit level and the above is made applicable at Branch level. (a) Risk Management Policy and Global Best Practices As per the information and explanation given to us by the Branch, the Risk Management Policy has been formulated considering global best practices and is aligned with ISO Guide 73:2009 – Risk Management Vocabulary. The Policy incorporates internationally accepted tools and methodologies such as risk heat maps, impact-frequency assessment matrices, and risk treatment strategies including Avoid, Transfer, Reduce, and Retain.	NA

INDEPENDENT AUDITORS’ REPORT (CONTD.)

Directions u/s 143(5) of the Companies Act, 2013	Auditors’ reply on action taken on the directions	Impact on financial statement
	(b) Identification and Valuation of Data Assets As per the information and explanation given to us by the Branch, the Branch has not formally identified and valued its data assets under the current risk management framework. Accordingly, no specific methodology has been established for valuation of such data assets.	
Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	The Company has generally complied with the provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations issued by SEBI, the Ministry of Corporate Affairs (MCA), the Department of Public Enterprises (DPE), the Department of Investment and Public Asset Management (DIPAM), the Reserve Bank of India (RBI), CERT-IN, the Ministry of Electronics and Information Technology, and other relevant regulatory authorities, wherever applicable. During FY 2025-26, the Company maintained compliance with most statutory and regulatory requirements, including those relating to financial reporting, corporate governance disclosures, audit requirements, cybersecurity frameworks, and environmental and operational regulations. No material non-compliance has been reported with respect to regulators such as RBI, CERT-IN, TRAI (not applicable), NPCI (not materially applicable), and sectoral regulators. However, certain deviations were observed in compliance with SEBI (LODR) Regulations during the year. These deviations primarily pertained to: 1. Board and Committee Composition Non-Compliance: Non-fulfilment of prescribed Board composition requirements under Regulation 17(1) of SEBI (LODR) Regulations, 2015, including: - Shortage of Independent Directors on the Board - Non-appointment of a Woman Director as mandated - Resulting non-compliance with quorum requirements and composition of Board Committees 2. Stock Exchange Penalties: Consequently, monetary penalties were levied by both BSE Limited and the National Stock Exchange of India: - BSE imposed a fine of ₹ 5,42,800 (including GST) in February 2026 for non-compliance with board composition requirements - NSE imposed similar penalties during the year - The Company has also received penalties in preceding quarters for similar non-compliance 3. Reasons and Remedial Actions: These deviations were largely attributable to delays in appointment of requisite Independent Directors by the Government of India. Being a Government Company, the power to appoint Directors on the Board of the Company vests with the President of India. The Ministry of Coal (the Administrative Ministry) has been periodically apprised regarding the requirement of appointing the requisite number of Independent Directors, including a Woman Director. The Company has formally requested waiver of penalties from both stock exchanges, citing that the non-compliance was neither due to negligence nor default on its part and was not within the control of management. Three Independent Directors (Shri. M. T. Ramesh, Dr. Vasant Ashok Patil, and Shri. Pradeep Kumar Saraogi) were appointed by the Ministry of Coal around March 2025 to address the compliance gap. However, these directors completed their one-year term and ceased to hold office on 27th March, 2026, creating a recurring compliance challenge. The Company continues to coordinate with the Ministry of Coal for timely appointment of Independent Directors to ensure sustained compliance. 4. Other Regulatory Filings: There were minor delays in submission of certain regulatory filings during the year.	NA



Directions u/s 143(5) of the Companies Act, 2013	Auditors’ reply on action taken on the directions	Impact on financial statement
	Further, with respect to the dividend payout guidelines prescribed by DIPAM, the Company had sought exemption from the Government where the prescribed threshold could not be met. The exemption has since been approved, along with guidance to the Company to ensure a dividend payout of ₹ 500 crore in FY 2025-26. Overall, the Company's compliance framework remains robust, and except for the above deviations — which are primarily attributable to administrative delays in Government appointments and are being actively addressed - no material or systemic non-compliance has been reported. For detailed information on the compliance status, instances of deviation, penalties levied, corrective actions taken, and Board composition updates, refer to the Corporate Governance Report and the relevant regulatory filings submitted to BSE and NSE forming part of the Annual Report for FY 2025-26 and subsequent disclosures made under Regulation 30 of the SEBI (LODR) Regulations, 2015, which have been considered as part of our audit procedures. As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanations given to us, compliance of these rules and regulations are ensured at Head Office level. As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given to us, the compliances relating to the above regulations and guidelines are monitored and carried out at the Head Office level. Accordingly, no separate compliance mechanism is maintained at the branch level.	

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No. 004207S

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Regn. No. 003990S/S200018

P Menakshi Sundaram
Partner
M No. 217914
UDIN: 26217914HEEOAX6296

S Narasimhan
Partner
M No. 206047
UDIN: 26206047JNNRTQ2684

Place: Neyveli
Date: 13th May, 2026

STANDALONE BALANCE SHEET

as at 31st March, 2026

(₹ in Crore)			
Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	14,010.68	17,376.73
(b) Right-of-Use Assets	3	148.70	76.52
(c) Intangible Assets	4	249.61	211.23
(d) Capital Work-in Progress	5	4,864.40	4,319.55
(e) Asset Under Development	6	-	-
(f) Financial Assets	7		
i) Investments	a	8,403.80	5,091.52
ii) Trade receivables	b	-	58.03
iii) Loans	c	522.99	7.85
iv) Other Financial Assets	d	686.99	604.31
(g) Other Non-Current Assets	8	2,723.71	1,781.90
		31,610.88	29,527.64
(2) Current Assets			
(a) Inventories	9	1,612.29	1,370.04
(b) Financial Assets	10		
i) Investments	a	0.61	1.40
ii) Trade Receivables	b	1,856.83	2,460.41
iii) Cash and Cash Equivalents	c	90.13	163.47
iv) Bank balances other than cash and cash equivalents	d	125.96	125.72
v) Loans	e	319.41	714.40
vi) Other Financial Assets	f	23.32	26.28
(c) Current Tax Assets (Net)	11	-	134.20
(d) Other Current Assets	12	1,144.29	1,256.92
		5,172.84	6,252.84
(3) Assets Held for Sale	13	37.57	43.50
(4) Regulatory Deferral Account Debit Balances	14	795.73	456.77
Total Assets and Regulatory Deferral Account Debit Balances		37,617.02	36,280.75
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	1,386.64	1,386.64
(b) Other Equity	16	17,883.54	16,078.53
		19,270.18	17,465.17
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities	17		
(i) Borrowings	a	5,960.32	5,006.74
(ii) Lease liabilities	b	21.44	34.35
(iii) Other Financial Liabilities	c	422.30	245.89
(b) Provisions	18	132.30	152.54
(c) Deferred Tax Liabilities (Net)	19	2,345.67	3,867.49
(d) Other Non-Current Liabilities	20	771.78	767.33
		9,653.81	10,074.34
(2) Current Liabilities			
(a) Financial Liabilities	21		
(i) Borrowings	a	4,197.04	2,518.23
(ii) Lease liabilities	b	3.02	2.03
(iii) Trade Payables	c		
-Total outstanding dues of Micro and Small enterprises		164.08	160.43
-Total outstanding dues of creditors other than Micro & Small enterprises		613.88	1,073.19
(iv) Other Financial Liabilities	d	391.44	657.49
(b) Other Current Liabilities	22	1,601.68	2,057.71
(c) Provisions	23	966.15	1,209.93
(d) Current Tax Liabilities (Net)	24	185.88	-
		8,123.17	7,679.01
(3) Regulatory Deferral Account Credit Balances	25	569.86	1,062.23
Total Equity & Liabilities and Regulatory Deferral Account Credit Balances		37,617.02	36,280.75

Material Accounting Policies

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

Sushanta Kumar Panda
COMPANY SECRETARY
FCS: 11740

This is the Standalone Balance Sheet referred to in our report of even date.
For M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No.: 004207S

P.MENAKSHI SUNDARAM
PARTNER
M.NO. 217914

Place : Neyveli
Date: 13.05.2026



STANDALONE STATEMENT OF PROFIT & LOSS

for the Year ended 31st March, 2026

(₹ in Crore)			
Particulars	Notes	Year Ended March 31, 2026	Year Ended March 31, 2025
INCOME			
I Revenue from Operations	26	10,863.92	10,285.78
II Other Income	27	1,171.03	1,201.38
III Total Income (I+II)		12,034.95	11,487.16
IV EXPENSES			
Changes in Inventories	28	(73.40)	(205.08)
Employee Benefits Expense	29	2,433.36	2,997.20
Finance Costs	30	513.90	562.50
Depreciation and Amortisation Expenses	31	1,452.88	1,368.10
Other Expenses	32	5,557.96	5,081.68
Total Expenses (IV)		9,884.70	9,804.40
V Profit/(Loss) before Exceptional items, Tax & Rate Regulatory Activity (III-IV)		2,150.25	1,682.76
VI Net Movement in Regulatory Deferral Account Balances Income/(Expenses)	33	888.56	1,175.07
VII Profit/(Loss) before Exceptional Items and Tax (V+VI)		3,038.81	2,857.83
VIII Exceptional Items-Expenses/(Income)		-	-
IX Profit/(Loss) before Tax (VII-VIII)		3,038.81	2,857.83
X Tax Expense:	53		
(1) Current Tax			
- Current Year Tax		669.93	585.68
- Previous Year Tax		13.32	5.35
- Tax Expenses/(Savings) on Rate Regulated Account		272.71	408.98
(2) Deferred Tax (after MAT adjustment)		(442.22)	(42.17)
Total Tax (X)		513.74	957.84
XI Profit/(Loss) for the Year (IX - X)		2,525.07	1,899.99
XII Other Comprehensive Income	34		
(A) (i) Items that will not be reclassified to Profit or Loss	a	(9.25)	(19.53)
(ii) income tax relating to Items that will not be reclassified to Profit or Loss		2.84	6.80
(B) (i) Items that will be reclassified to Profit or Loss	b	(6.46)	-
(ii) income tax relating to Items that will be reclassified to Profit or Loss		-	-
XIII Total Comprehensive Income for the year (XI+XII) (Comprising Profit or (Loss) and other Comprehensive Income)		2,512.20	1,887.26
XIV Earnings per Equity Share (of ₹10 each) (before adjustment of Net Regulatory Deferral Balances):			
(1) Basic (in ₹)	35	13.77	8.18
(2) Diluted (in ₹)		13.77	8.18
XV Earnings per Equity Share (of ₹10 each) (after adjustment of Net Regulatory Deferral Balances):			
(1) Basic (in ₹)	35	18.21	13.70
(2) Diluted (in ₹)		18.21	13.70

The accompanying Notes 1 to 61 forms an integral part of the Standalone Financial Statements.

Sushanta Kumar Panda
COMPANY SECRETARY
FCS: 11740

This is the Standalone Statement of Profit and Loss referred to in our report of even date.
For M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No.: 004207S

P.MENAKSHI SUNDARAM
PARTNER
M.NO. 217914

Place : Neyveli
Date: 13.05.2026

For and on behalf of the Board of Directors

Dr. Prasanna Kumar Acharya
DIRECTOR (FINANCE) & CFO
DIN: 09625170

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

For M/s PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants
Firm Regn No: 003990S/S200018

S NARASIMHAN
PARTNER
M.NO.206047



STANDALONE STATEMENT OF CHANGES IN EQUITY

for the Year ended 31st March, 2026

A. Equity Share Capital

(₹ in Crore)		
	No of Shares	Amount
Balance as at 1 st April, 2025	1,38,66,36,609	1,386.64
Movement during the financial year	Nil	Nil
Closing balance as at 31st March, 2026	1,38,66,36,609	1,386.64
Balance as at 1 st April, 2024	1,38,66,36,609	1,386.64
Movement during the financial year	Nil	Nil
Closing balance as at 31st March, 2025	1,38,66,36,609	1,386.64

B. Other Equity

(₹ in Crore)									
Particulars	Retained Earnings and Other Reserves					Other Comprehensive Income			Total
	KFW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earnings	Remeasurement of Actuarial Gains/(Losses)	Cost of Hedge Reserve	
Balance as at 01.04.2025	370.15	160.00	1,457.00	291.07	120.00	13,752.98	(72.67)	-	16,078.53
Total Comprehensive Income for the year									
Profit	-	-	-	-	-	2,525.07			2,525.07
Other comprehensive income	-	-	-	-	-	-	(6.41)	(6.46)	(12.87)
Total Comprehensive Income	-	-	-	-	-	2,525.07	(6.41)	(6.46)	2,512.20
Dividend paid :									
- Interim dividend FY 2025-26						(499.19)			(499.19)
- Final Dividend FY 2024-25						(208.00)			(208.00)
Appropriations- Transfer from/(to) Retained Earnings	(1.29)	10.00	-	-	-	(8.71)			-
Balance as at 31.03 2026	368.86	170.00	1,457.00	291.07	120.00	15,562.15	(79.08)	(6.46)	17,883.54

(₹ in Crore)

Particulars	Retained Earnings and Other Reserves					Other Comprehensive Income			Total
	KFW interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earnings	Remeasurement of Actuarial Gains/(Losses)	Cost of Hedge Reserve	
Balance as at 01.04.2024	369.21	150.00	1,457.00	291.07	120.00	12,279.93	(59.94)	-	14,607.27
Total Comprehensive Income for the year									
Profit	-	-	-	-	-	1,899.99			1,899.99
Other comprehensive income	-	-	-	-	-	-	(12.73)	-	(12.73)
Total Comprehensive Income	-	-	-	-	-	1,899.99	(12.73)	-	1,887.26
Dividend paid :									
- Interim dividend FY 2024-25						(208.00)			(208.00)
- Final Dividend FY 2023-24						(208.00)			(208.00)
Appropriations- Transfer from/(to) Retained Earnings	0.94	10.00	-	-	-	(10.94)			-
Balance as at 31.03 2025	370.15	160.00	1,457.00	291.07	120.00	13,752.98	(72.67)	-	16,078.53

For and on behalf of the Board of Directors		
Sushanta Kumar Panda COMPANY SECRETARY FCS: 11740	Dr. Prasanna Kumar Acharya DIRECTOR (FINANCE) & CFO DIN: 09625170	Prasanna Kumar Motupalli CHAIRMAN AND MANAGING DIRECTOR DIN: 08456692
This is the Standalone Statement of Changes in Equity referred to in our report of even date.		
For M/s. SUNDARAM & SRINIVASAN Chartered Accountants Firm Regn. No.: 004207S		
P.MENAKSHI SUNDARAM PARTNER M.NO. 217914		
Place : Neyveli Date: 13.05.2026		
For M/s PKF SRIDHAR & SANTHANAM LLP Chartered Accountants Firm Regn No: 003990S/S200018		
S NARASIMHAN PARTNER M.NO.206047		

STANDALONE STATEMENT OF CASH FLOW

for the Year ended 31st March, 2026

(₹ in Crore)				
Particulars	Year Ended March 31, 2026		Year Ended March 31, 2025	
A. Cash flow from Operating activities:				
Net Profit Before Tax	3,038.81		2,857.83	
Adjustments for:				
Less:				
Profit on Disposal of Asset	97.81		45.62	
Dividend Income	234.18		194.74	
Interest Income	117.13		141.87	
Deferred income on Govt. Grant	5.92		10.72	
	455.04		392.95	
Add:				
Depreciation/Amortisation	1,452.88		1,368.10	
Other Non-cash charges	(360.40)		578.01	
Loss on Disposal of assets	2.00		12.53	
Interest expense	513.90		562.50	
	1,608.38		2,521.14	
Operating Profit before working capital changes	4,192.15		4,986.02	
Adjustments for :				
Trade Receivables	778.59		2,271.22	
Loans & Advances	108.85		(395.15)	
Inventories	(241.82)		(324.04)	
Other current assets	(293.87)		322.30	
Trade payables & other current liabilities	(1,295.81)		(904.13)	
	(944.06)		970.20	
Cash Flow generated from Operations	3,248.09		5,956.22	
Direct Taxes paid	(633.04)		(408.71)	
Cash Flow Before Extraordinary Items	2,615.05		5,547.51	
Grants received	(101.65)		97.53	
Net Cash from Operating activities (A)	2,513.40		5,645.04	
B. Cash flow from Investing activities:				
Purchase of property, plant and equipment/preliminary expenses (including capital advances and CWIP)	(4,538.05)		(4,005.85)	
Sale of property, plant and equipment/Projects from continuing operations	3,765.91		61.24	
Sale/Purchase of Investments	(3,311.49)		(452.80)	
Loans to Subsidiaries (Net)	(114.86)		(545.48)	
Dividend Received from Subsidiary	234.18		194.74	
Interest Received	125.78		143.36	
Net Cash (used)/received in Investing activities (B)	(3,838.53)		(4,604.79)	
C. Cash flow from Financing activities:				
Short Term Borrowings (Net)	1,678.81		1,604.74	
Long Term Borrowings (Net)	953.58		(2,048.54)	
Payment of Lease Obligations	(91.42)		(5.46)	
Interest paid	(581.96)		(565.08)	
Dividend Paid	(707.22)		(416.25)	
Net Cash (used)/received in Financing activities (C)	1,251.79		(1,430.59)	
Net increase, decrease(-) Cash and Cash equivalents (A+B+C)	(73.34)		(390.34)	
Cash and Cash Equivalents as at the beginning of the year	163.47		553.81	
Cash and Cash Equivalents as at the end of the year	90.13		163.47	

NOTE : (-) Indicates Cash Outflow.



(₹ in Crore)		
Details of Cash and Cash Equivalents:	As at March 31, 2026	As at March 31, 2025
Cash at Bank in Current Accounts	90.11	123.43
Cash at Bank in Deposit Accounts	-	40.00
Cash in Hand	0.02	0.04
Total	90.13	163.47

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

For the year ended 31st March, 2026

(₹ in Crore)			
Particulars	Non-Current borrowings	Lease Liabilities	Current borrowings
Opening balance as at 1 st April, 2025	5,006.74	36.38	2,518.23
Cash flows during the year	953.58	(91.42)	1,678.81
Non cash changes in lease liabilities	-	79.50	-
Closing balance as at 31st March, 2026	5,960.32	24.46	4,197.04

For the year ended 31st March, 2025

(₹ in Crore)			
Particulars	Non-Current borrowings	Lease Liabilities	Current borrowings
Opening balance as at 1 st April, 2024	7,055.28	35.85	913.49
Cash flows during the year	(2,048.54)	(5.46)	1,604.74
Non cash changes in lease liabilities	-	5.99	-
Closing balance as at 31st Mar 2025	5,006.74	36.38	2,518.23

For and on behalf of the Board of Directors		
Sushanta Kumar Panda COMPANY SECRETARY FCS: 11740	Dr. Prasanna Kumar Acharya DIRECTOR (FINANCE) & CFO DIN: 09625170	Prasanna Kumar Motupalli CHAIRMAN AND MANAGING DIRECTOR DIN: 08456692
This is the Standalone Statement of Cash Flow referred to in our report of even date.		
For M/s. SUNDARAM & SRINIVASAN Chartered Accountants Firm Regn. No.: 004207S		
P.MENAKSHI SUNDARAM PARTNER M.NO. 217914		
Place : Neyveli Date: 13.05.2026		
For M/s PKF SRIDHAR & SANTHANAM LLP Chartered Accountants Firm Regn No: 003990S/S200018		
S NARASIMHAN PARTNER M.NO.206047		



NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 1 Material Accounting Policies

for the Year Ended March 31, 2026

(Expressed ₹ in crore, unless otherwise stated)

Reporting entity

NLC India Limited (“NLCIL” or “the Company”), is a Government Company (CIN L93090TN1956GOI003507) registered under the erstwhile Companies Act, 1956 with its registered office located at No. 135, E.V.R. Periyar High Road, Kilpauk, Chennai - 600010 and is listed with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. NLCIL is engaged in the business of mining of Lignite, Coal and generation of power by using lignite as well as Renewable Energy Sources and consultancy.

Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (‘Ind AS’) notified under the Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 and the Electricity Act, 2003.

The financial statements have been prepared on a historical cost basis, except otherwise stated.

The financial statements are presented in Indian Rupees (₹) which is also the Company’s functional currency. All amounts are rounded to the nearest crore (upto two decimals), except otherwise indicated.

b. Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, revenue expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management’s judgements are based on previous experience & other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates, which may have a material impact.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under:

1. Formulation of Accounting Policies

Accounting policies are formulated to ensure the financial statements contain relevant and reliable information about the transactions, events, and conditions to which they apply. Management exercises judgement in determining materiality; policies need not be applied when the financial effect of applying them is immaterial.

2. Useful Life of Property, Plant and Equipment (PPE) and Depreciation

Significant judgement is involved in determining the useful lives, residual values and depreciation methods of Property, Plant and Equipment. These estimates are based on technical evaluations, past operating experience, nature of usage, maintenance requirements, technological developments and applicable provisions of CERC Tariff Regulations and Schedule II of the Companies Act, 2013.

Significant judgement is also involved in assessing whether there are indicators of impairment of Property, Plant and Equipment and in estimating the recoverable amount of such assets or cash-generating units, wherever applicable. Significant estimation is required regarding the expected market outlook and future cash flows associated with power plants or integrated coal mines and other PPE to ensure the carrying amount of the asset does not exceed its recoverable amount.

3. Inventory Valuation:

Determining NRV requires estimating the selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4. Comprehensive Impairment Assessments

Management must continually evaluate assets for impairment across multiple categories using complex cash flow projections. Significant judgement is involved in:

- **Investments in Joint Ventures:** Assessing the future cash flows of investee companies to determine if the investment value has suffered an impairment.
- **Expected Credit Loss (ECL) model:** Assessing the impairment of financial assets (such as trade receivables, unbilled revenue, and loans) based on the Expected Credit Loss (ECL) model in accordance with Ind AS 109.

5. Assets Held for Sale

Significant judgement is required to apply the accounting principles for non-current assets held for sale under Ind AS 105. Management must exercise judgement, evaluate the availability of the asset for immediate sale in its present condition, the company’s commitment to the sale plan, and the probability of the sale to conclude whether the carrying amount will be recovered principally through a sale transaction rather than through continuing use.

6. Leases Not in Legal Form of a Lease

Significant judgement is required to apply lease accounting rules under Ind AS 116 to determine whether an arrangement contains a lease. In assessing these arrangements, management evaluates the right to use the underlying asset, the economic substance of the transaction (including legally enforceable agreements), and other significant terms and conditions to conclude whether the criteria for a lease are met.

7. Defined Benefit Plans and Long-Term Employee Benefits

Employee benefit obligations are measured based on actuarial valuations. This requires key assumptions including discount rates, return on plan assets, mortality rates, employee turnover, retirement ages, and expected rates of salary escalation etc. The Company considers the assumptions used to measure these obligations to be appropriate. However, changes in these assumptions may have a material impact on the actuarial valuation of such obligations.

8. Regulatory Deferral Account Balances

Because the Company operates in a rate-regulated environment, timing differences often occur between when costs are incurred and when they are recovered through tariffs. Recognising these deferral balances involves significant judgements including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

9. Provisions and Contingencies

The assessments undertaken in recognising provisions and contingencies are made in accordance with Ind AS 37. Significant estimates and judgements are required to evaluate the likelihood of contingent events to determine the exact amount of provision required or the appropriate level of disclosure needed in the financial notes. Should circumstances change following unforeseeable developments, this likelihood could alter.

10. Income Taxes

Significant estimates are involved in determining the provision for current and deferred taxes. This includes exercising judgement to estimate the amounts expected to be paid to, or recovered from, tax authorities regarding uncertain tax positions.

11. Fair Value Measurement

Management applies judgement for Fair Value Measurement which includes materiality.

c. Current and Non-Current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.:

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The Company Classifies its assets & liabilities as current/ non current in the balance sheet considering 12 months period as normal operating cycle.

Deferred tax assets/liabilities are classified as non-current.

I. Property, Plant and Equipment Recognition and measurement

Items of Property, Plant and Equipment (PPE) are initially measured at cost. Subsequently it is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of taxes, duties, freight, installation and allocated incidental expenditure during construction/acquisition and necessary adjustments



NOTES TO STANDALONE FINANCIAL STATEMENTS

in the year of final settlement. The cost of Property, Plant and Equipment also includes the present value of obligations arising, if any, from decommissioning, restoration and similar liabilities related to the same. The present value of those costs (decommission and/or restoration costs) is capitalised as an asset and depreciated over the useful life of the asset.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if,

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

In accordance with Ind AS101, the Company has availed the exemption where in the carrying value of the PPE and intangible assets as previous GAAP has been treated as the deemed cost on the date of transition to Ind AS.

If significant parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment. Items costing more than 25% of the original cost of the whole of the asset(s) are only considered as significant part.

Cost of a self-constructed item of Property, Plant and Equipment includes the cost of materials, direct labour and any other costs including borrowing cost and overhead expenses directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Other direct expenses relating to construction of Property, Plant and Equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

Subsequent Cost of Capitalisation Subsequent expenditure incurred on the existing assets are recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalised, when it meets the asset recognition criteria as per Ind AS 16. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognised. The costs of the day-to-day servicing of Property, Plant and Equipment are recognised as expenses in the statement of profit and loss as and when it is incurred.

The cost of replacing part of an item of Property, Plant and Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be

measured reliably. The carrying amount of the replaced part is derecognised.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.

Life Extension Programme of Thermal Stations

Expenditure on Life Extension Programme (LEP) of Thermal Power Stations 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 extended life of the Unit from the completion of original life/from the date of synchronisation of the Unit as the case may be.

Spares and Equipment

Initial spares: Purchased along with Property, Plant and Equipment are capitalised and depreciated along with the main asset.

Spares purchased subsequent to commissioning of the asset: Item of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment as per Ind AS16 and are having value of more than ₹ 10 Lakhs are capitalised. Other spare parts are carried as inventory and recognised in the Statement of Profit or Loss on consumption.

Capitalisation of Land

- a. **Freehold Land:** Land acquired for mining, thermal plants, wind mills, solar plants and other related purposes including for establishing townships is in accordance with and subject to the provisions of the Land Acquisition Act, 1894/Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997, Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and amendments/changes made by respective State Govt. from period to period. The cost of the said land is capitalised on the date of taking over the possession/issuance of government order(GO)/transfer of title deed in favour of the Company.
- b. **Lease hold Land:** Land is taken on lease as per the provisions under Coal Bearing Area (Acquisition and Development) Act, 1957. The said leasehold land is capitalised when the entire land/substantial portion of land is ready for development and mining activity.
- c. **Coal/Lignite Mines:** The date of commercial operation in case of integrated mines (commissioned after 31st March, 2019) shall mean the earliest of: -

NOTES TO STANDALONE FINANCIAL STATEMENTS

- a. The first date of the year succeeding the financial year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or.
- b. The first date of the year succeeding the financial year in which the value of production estimated in accordance with CERC Regulation 2024-29, exceeds total expenditure in that financial year; or
- c. The date of two years (i.e., Financial Year) from the date of commencement of production.

Subsequent capitalisation:

Subsequent material expenditure incurred for bringing land into minable conditions are also capitalised as additional expenditure to land.

Capitalisation

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 viz., 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. Thermal Power Generation Unit

Test and trial production for Thermal Power Generation unit commences from the date of synchronisation and goes up to the date of commercial commissioning. The date of receipt of certificate from the statutory authorities pursuant to seventy-two hours full load operation is deemed as the date of Commercial Operation Date (COD) for commissioning of the units. Depreciation charge commences from the month of commercial operations. Excess of net sale proceed of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management is deducted from the directly attributable cost considered as part of an item of property, plant and equipment.

c. Wind Turbine Generators (WTG)

Each WTG is capitalised on the date on which it is connected to grid based on the commissioning and acceptance certificate issued by DISCOM's.

d. Solar Power Plant

Solar Power Plants are capitalised on the date on which it is connected to Grid or the date of COD if any specified in the agreement after complying necessary technical parameters. In case the date of COD is later than the date of connection to Grid, revenue if any arises from sale of infirm Power off sets to the Capital Cost of the project.

e. Other Assets

Other assets are capitalised when they are available for the use as intended by the Management.

Depreciation/Amortisation

Depreciation is provided on cost of the Property, Plant and Equipment net of estimated residual values over their estimated useful lives and is recognised in the Statement of Profit and Loss. Freehold land is not depreciated. Depreciation of assets covered under CERC/SERC are depreciated as per rates and methodologies provided in the respective regulation as applicable.

Major overhaul and inspection costs which have been capitalised are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

The cost of the land taken on lease is amortised from the date of commencement of commercial operation over the estimated useful life of the Mine or life of the linked Thermal Power Plant originally estimated whichever is less and in all other cases over the lease period, wherever applicable.

However, the cost of land which is not expected to be used after the linked asset has completed its effective life is amortised over the effective life of linked asset.

The cost of mining land capitalised in the Books of Accounts is amortised on the basis of minerals extracted during the year to the total estimated minable reserves of the said quantum of land used for mining in the year under review as certified by Technical Experts.

The residual values of assets are determined in accordance with applicable CERC Tariff Regulations, Schedule II of the Companies Act, 2013, and independent technical assessments. These estimates are reviewed at the end of each financial year, and any required changes are adjusted prospectively as a change in an accounting estimate.



NOTES TO STANDALONE FINANCIAL STATEMENTS

NOTES TO STANDALONE FINANCIAL STATEMENTS

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

Description of Assets covered	Basis
i. a. Assets of Thermal Power Stations excluding vehicles other than Ash Tippers b. Wind Turbine Generator (WTG) and Solar Power Plants. c. Life Extension programme ('LEP') Assets.	The Company follows the provisions of the Electricity Act 2003. Depreciation is as per the rates/guidelines prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act, 2003. As per the estimated life of the plant in line with guidelines issued by Ministry of New and Renewable Energy ('MNRE')/CERC/SERC as applicable. Life assessed as per technical estimate/life approved by CERC/SERC.
ii. Residential Buildings	At useful life prescribed in Schedule II to the Companies Act, 2013.
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 life or useful life prescribed in Schedule II to the Companies Act, 2013.
iv. Specialised Mining Equipment	At technically assessed life.
v. Other Assets	At useful life prescribed in Schedule II of the Companies Act, 2013.
vi. Decommissioning cost capitalised with Property, Plant and Equipment	Depreciated similar to that of the Parent Asset.
vii. Spares treated as PPE	At technically assessed life.
viii.Asset costing less than `5,000	Fully depreciated in the financial year the asset is available for use.

In the case of Assets of Integrated Mines, declared Commercial Operation on or after 1st April 2019, depreciation is computed as per rates/guidelines prescribed by Central Electricity Regulatory Commission (CERC).

Property, plant and equipment relating to Research and Development are depreciated in a like manner as any other asset of the Company.

In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis recognised from the month of capitalisation.

Depreciation on the following major assets is provided on the technically estimated useful life:

Asset	Useful Life of Asset in years
Specialised Mining Equipment	15
Furniture - Others	5 to 10
Fire Fighting Equipment's	10
Photo copier	10
Air Conditioner and Refrigerator	8 to 14
Telecommunication Equipment	10

On transition to Schedule II of the Companies Act, 2013, assets partially depreciated has been migrated as per the Companies Act, 2013 by considering the balance depreciable value of asset with the balance life as prescribed in the Schedule II of the Companies Act, 2013 which has been considered for computation of depreciation and the said derived rate/remaining useful life period is treated as "Technically Estimated" rate for the purpose of depreciation of those migrated Assets.

The useful life estimates are reviewed at the end of each financial year, and any required changes are adjusted prospectively as a change in an accounting estimate.

Amortisation of Mine Development cost

Overburden removal and related initial development costs are classified as Mine development cost under Capital Work-In- Progress till achievement of CoD of respective Mines. On achievement of CoD, the mine development cost are capitalised as a 'Mine Development Cost' and the same is amortised over a period of 20 years from the date of CoD of respective mines or life of the mines whichever is lower.

Based on CERC regulation, further ongoing development costs as specified in mining plan is classified as ongoing mine development cost and shall be capitalised till achievement of peak rated capacity of respective mines. Amortisation in such cases is over a period of 20 years from the date of capitalisation or life of mines whichever is earlier.

Derecognition

Property, Plant and Equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of Property, Plant and Equipment, and are recognised in the Statement of Profit and Loss.

II. Intangible Assets Recognition and measurement

The Company recognises an intangible asset and measures that at cost if, and only if:

- a. It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- b. the cost of the asset can be measured reliably.

Research and development Cost - Research costs are expensed as and when incurred. Development cost, if reliably measurable, on an individual project are recognised as an intangible asset when the Company can demonstrate the requirements as specified in Ind AS 38 are met.

Other intangible assets – Other Intangible Assets including Computer software that are acquired by the Company for an amount more than ₹ 10 Lakh and have finite useful lives are measured at cost.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The estimated useful lives of intangible assets are as follows:

Development Cost (Internally generated projects)	Over the estimated useful life
Expenditure during projects and subsequent expenditure	Over the residual life of the parent asset
Software costing more than ₹ 10 Lakh	5 years or life of asset whichever is lower
Mining Rights-Lignite/Coal	20 Years
Mining rights -Minor Minerals	10 Years

Gains or losses arising from de-recognition of an intangible asset are recognised in the Statement of Profit and Loss

III. Inventories

Inventories are valued at the lower of Cost or Net Realisable Value.

Stock Items	Basis
Lignite/Coal/Others	At absorption cost excluding allocated administration charges and social overhead.
Stores and Spares including light diesel oil, heavy furnace oil	At weighted average acquisition cost
Fly ash brick	At absorption cost
Waste product, used belt reconditioned, Stores and Spares discarded for disposal, medicines and canteen Stores	Nil
Goods in Transit including goods received but pending inspection/ Acceptance	Cost

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Non – Moving Stores and Spares.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of Stores and Spares (excluding insurance/Mandatory/Critical spares) are ascertained on review and provided for.

IV. Mine closure expenditure

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

V. Prepaid expenses

Expenses are accounted under prepaid expenses only where the initial amounts exceed ₹ 1 Crore in each case.

VI. Financial Instruments

Non-derivative Financial Assets
Initial recognition and Measurement

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement
Financial assets measured at amortised cost:

A financial asset is subsequently measured at amortised cost, using the effective interest rate method and net of any impairment loss, if:

- the asset is held within the business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Company's financial assets consist of staff advances, trade receivables, etc.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for



NOTES TO STANDALONE FINANCIAL STATEMENTS

categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. Interest income on such investments is presented under ‘Other income’.

Investment in Subsidiaries

A Subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity’s returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost, if any.

Investment in Joint Ventures and Associates

A joint venture is a type of joint agreement whereby the parties that have joint control of the agreement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in Joint Ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Derecognition

Financial assets are derecognised when and only when:

- the contractual rights to the cash flows from the financial asset has expired, or
- the right to receive cash flows from the asset has been transferred; or
- the contractual right to receive the cash flow is retained and also an obligation to pay the received cash flows in full without material delay to a third party under an arrangement is assumed, due to transfer of either ‘risk & rewards’ or ‘control’ of such financial asset.

**Non-derivative financial liabilities
Initial recognition and measurement**

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable

transaction costs. The Company’s financial liabilities include trade and other payables, borrowings, etc.

Subsequent measurement**Financial liabilities measured at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (‘EIR’) method. Gains and losses are recognised in Statement of Profit or Loss Account when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised upon extinguishment of such liability, i.e., through discharge or cancellation or expiration of the obligation under the liability. An exchange of debt instruments with substantially different terms or a substantial modification of the terms of the existing financial liability or part of it shall be accounted for as extinguishment of original financial liability and recognition of new financial liability. Any differences arising between the respective carrying amount is recognised in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial asset and financial liability are offset and the net amount is presented in the balance sheet when and only when the Company:

- currently has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

VII. Derivative Financial Instruments and Hedge**Accounting:****a. Initial recognition and subsequent measurement of derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to risks such as foreign exchange rate risks, interest rate risks, etc.

Derivatives are initially measured at fair value. Subsequently, derivatives are measured at fair value and changes therein are generally recognised in profit or loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS

b. Hedge accounting

At the inception of the hedge relationship, the company formally designates and documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

c. Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The company designates only the change in intrinsic value of an option contract as a hedging instrument. The effective portion of the change in intrinsic value is recognised in OCI and accumulated in a separate reserve called hedging reserve. The ineffective portion of the change in intrinsic value of call option contracts is recognised in the statement of profit or loss as finance costs.

The amount accumulated in the hedging reserve are reclassified to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged cashflows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve and immediately reclassified to profit or loss.

d. Cost of hedge reserve

The changes in time value of an option contract designated in cash flow hedge relationship are accumulated in cost of hedge reserve. The time value at the date of designation of the option as a hedging instrument, to the extent that it relates to the hedged item, is amortised on a systematic and rational basis over the period during which the hedge adjustment for the option’s intrinsic value affects profit or loss.

VIII. Impairment**Financial Assets (including receivables)**

Impairment of financial assets in accordance with Ind AS 109- ‘Financial instruments’, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments and are measured at amortised cost e.g., loans, debt securities, deposits and bank balance.
- Financial assets that are debt instruments and are measured as at Fair Value Through OCI.
- Lease receivables under Ind AS 116.
- Trade receivables, unbilled revenue and contract assets under Ind AS 115.
- Loan commitments which are not measured as at Fair Value Through P&L.
- Financial guarantee contracts which are not measured as at Fair Value Through P&L.

For trade receivables and contract assets/unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognised from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Non-financial assets

The carrying amounts of the Company’s non-financial assets, are reviewed at each reporting date to determine whether



NOTES TO STANDALONE FINANCIAL STATEMENTS

there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are provided for Cash Generating Units (CGU) and also for individual assets, when the carrying amount of an asset or CGU exceeds its estimated recoverable amount

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

Impairment loss of individual assets being the excess of the carrying amount over its recoverable amount is recognised in the Statement of Profit & Loss.

On review of impairment loss at the end of each reporting period any decrease in or non-existence of impairment loss are recognised accordingly.

IX. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is the use of fair value at the measurement date in measuring the assets and liabilities of an entity. The Company does fair value measurement where it is required to follow as per extant Ind AS viz., in respect of financial assets and financial liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows: Level 1:

Level 1: hierarchy includes financial instruments measured using quoted prices. This includes investments in quoted equity instruments. Quoted equity instruments are valued using quoted prices on national stock exchange.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This level includes mutual funds which are valued using the closing NAV.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from prevailing market transactions and dealer quotes of similar instruments.

X. Preliminary project development expenditure

Preliminary project development expenditure includes expenditure on feasibility and other studies, development expenditure, expenditure on exploration works, technical know-how etc. The cost of the project is transferred to capital as and when implemented. In case such projects are identified for transfer of business by Govt. of India, the expenditure incurred will be recovered from the prospective buyer. If the projects are abandoned with reference to Government orders or otherwise, such expenditure are charged to the Statement of Profit and Loss in the respective years.

XI. Assets held for sale

The Company classifies non-current assets and disposal company's as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal company's classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

XII. Government/Other Grants**Related to assets**

Grants related to assets are presented in the balance sheet by setting up the grant as deferred income when there is reasonable assurance that, it will be received and the Company will comply with the conditions associated with the grant. The deferred income is recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Related to income

Grants related to income are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate or when the conditions related to the grant is fulfilled.

XIII. Employee benefits**a. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

NOTES TO STANDALONE FINANCIAL STATEMENTS

The company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The amount of defined benefit obligations is computed quarterly and annually by an independent actuary using the projected unit credit method and accounted accordingly.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense/income, service cost and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain/loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Company's liability towards Gratuity and Provident Fund Scheme to the extent of interest liability on PF contribution are considered as Defined Benefit Plan and provided for in accordance with the Guidelines issued by Department of Public Enterprises.

b. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in statement of profit and loss in the period during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Contribution towards Post-Retirement Medical Benefit Scheme and Super annuation Fund/NPS are treated as Defined Contribution Plans.

c. Other long-term employee benefits

Benefits under the Company's leave encashment and Transport Allowance for settlement at hometown constitute other long term employee benefits. The

Company's net obligation in respect of these long-term employee benefits is calculated through actuarial valuation performed annually by a qualified actuary using the projected unit credit method. Remeasurement comprising of actuarial gain and losses, return on plan assets (excluding the amount included in net interest on the net defined liability) & effect of asset ceiling (excluding the amount included in net interest on the net defined liability) and the same are recognised in statement of profit and loss account in the period in which they arise.

d. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Short term employee benefits comprise wages, salaries, incentives, short term leave salary etc.

e. Terminal benefits

Terminal benefits like Voluntary Retirement Service are expensed when the Company can no longer withdraw the offer of those benefits. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted. Liability towards VRS is booked in the year of exercise of option by the employee upto the date of closure of each offer in accordance with terms and conditions of each offer.

XIV. Allocation of common charges/social overhead expenses/interest on working capital

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

XV. Prior period items, accounting estimates and effect of change in Accounting Policy

Prior period items/errors of material nature are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred. If the prior period error found material occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

The effect of change in accounting estimate is recognised prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognised by adjusting the carrying amount of related assets/liability/equity in the period of change.



NOTES TO STANDALONE FINANCIAL STATEMENTS

Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in the respective Ind AS. In other cases, the changes in accounting policy are done retrospectively; the application of such change is limited to the earliest period practicable.

XVI. Events occurring after the reporting date

Events of material nature occurring after the reporting date are those events that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Such events are disclosed or given effect to in the financial statements as provided for in Ind AS 10.

XVII. Revenue Recognition

Revenue from Operation includes (i) sale of Power generated by Thermal Power Stations (ii) sale of power generated from renewable energy sources such as wind and solar (iii) sale of lignite/coal (iv) sale of by products & joint products (v) consultancy & management services relating to mining and power generation and (vi) commission on trading of power.

Revenue is recognised as per Ind AS-115 when the following criteria are met:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- the entity can identify each party's rights regarding the goods or services to be transferred;
- the entity can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

Sale of power generated by Thermal Power Stations

Sale of power is accounted in accordance with the provisions of the Electricity Act, 2003, wherein the tariff rates are approved by the Central Electricity Regulatory Commission (CERC)/State Electricity Regulatory Commission (SERC).

The Company adopts the tariff rates as approved by CERC for the sale of power. Such Tariff rates includes lignite transfer price which is subject to revision as calculated by the company from time to time in accordance with guidelines issued by CERC/Ministry of Coal (MoC) or as delegated by MoC.

In case where the tariff rates are yet to be approved, provisional tariff rates, calculated on the basis of CERC/Ministry of Coal guidelines or as delegated by MoC on lignite transfer price for energy charges and other relevant CERC's Regulations/guidelines, for capacity charges are adopted.

Exchange differences arising from settlement of monetary items denominated in foreign currency to the extent recoverable from or payable to beneficiaries for the current accounting period as per the CERC Tariff Regulations are accounted for as Revenue/Expenditure, respectively.

Rebates/discounts allowed to beneficiaries/customers for early payment incentives are netted off with the amount of revenue from operations.

Sale of Un-Requisitioned Surplus Power

Sale of surplus power (if any) which is traded through power exchange on consent from the beneficiaries, wherever required is accounted net off sharing of any gain arising from such sale.

Sale of Power through Renewable Energy Sources

Revenue from sale of solar energy and wind energy are recognised in accordance with the price agreed under the Power Purchase Agreement (PPA) and in accordance with the orders passed by the respective State Electricity Regulatory Commission (SERC).

Sale of Lignite/Coal and others

Sale of Lignite/Coal, by e-auction sales has been reckoned to the extent of amount received/as per sale terms. Sale of Lignite/Coal other than by e-auction is recognised in accordance with the agreement entered into with the respective parties.

Sale of Coal for end use power plant is accounted in accordance with the provisions of tariff regulations issued by Central Electricity Regulatory Commission (CERC) for integrated mines. Sale of byproducts/Fly ash etc. has been reckoned as per sale terms.

NOTES TO STANDALONE FINANCIAL STATEMENTS

Unbilled Revenue

As at each reporting date, revenue from operations includes an accrual for sales made to beneficiaries/Customers but not billed i.e. "Unbilled Revenue" and the same is categorised under Trade Receivables in the Balance Sheet.

Consultancy, Technical and Management Services

Revenue from consultancy, technical and management services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on the agreement with service recipient.

Commission on trading of power

Commission on trading of power for third party recognised on receipt of payment.

Other Income

Other income includes interest income, insurance claims, surcharge, dividend income and income from sale of scrap and fly ash.

Interest income

Interest income with respect to advances provided to employees is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income due on income tax recoverable is recognised in the year of acceptance of the claim.

Insurance claims

Insurance claims are recognised in the period in which there is an acceptance of the claim if the realisation of the claim is virtually certain

Surcharge

The interest/surcharge on late payment/overdue sundry debtors on thermal power is recognised based on agreement with beneficiaries. On renewable power the same is recognised based on realisation/certainty of realisation.

Dividend Income

Dividend income is recognised when the shareholder's right to receive payment is established.

Scrap Sale

Scrap is accounted for as and when sold.

XVIII. Foreign currency transactions**Initial recognition and measurement**

Foreign currency transaction is recorded in the functional currency, by applying to the foreign currency exchange rate between the functional currency and the foreign currency at the date of the transaction. For the finance costs charged using EIR method, the company uses an average rate.

Subsequent measurement

Foreign currency monetary items are translated at the closing rate at the end of each reporting period.

Recognition of exchange gain/loss

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were recorded on initial recognition during the period or translated in previous financial statements are recognised in the Statement of Profit and Loss in the period in which they arise.

The Company has availed the exemption provided under Ind AS from recognising in the Statement of Profit and Loss the exchange difference arising on translation of long-term foreign currency monetary items recognised in the financial statements prior to 31st March 2016 as per the previous GAAP and continues to capitalise the same.

XIX. Income taxes

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.



NOTES TO STANDALONE FINANCIAL STATEMENTS

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;
- Temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are adjusted accordingly.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria set out in Ind AS 12 are met.

XX. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in respect of long-term foreign currency liabilities of the respective asset to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for qualifying asset.

All other borrowing costs are expensed in the year in which they occur.

XXI. Leases

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease as per the requirements under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into on or after 1st April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices and aggregate standalone prices of non-lease components. However, for the leases of land and buildings and vehicles in which it is a lessee, the Company has elected not to separate non-lease components and account for lease and non-lease components as a single lease component.

i. As a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability

NOTES TO STANDALONE FINANCIAL STATEMENTS

comprises of fixed payments (including in-substance fixed payments), residual value guarantees and where the Company is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period and penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and lease liabilities as Financial Liabilities in the balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for all short-term leases that have lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis or any other systematic basis over the lease term.

ii. As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease as per requirements under Ind AS 116.

To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract. The Company recognises lease payments received under operating leases as income on a straight-line basis over lease term as part of 'other income'.

**XXII. Provisions and Contingent Liability
Recognition and measurement**

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. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not discounted to present value.

Contingent liabilities are disclosed when there is (i) a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or (ii) a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

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

XXIII. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

XXIV. Earnings per share

The Company presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the Profit or Loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is calculated by taking the weighted average number of ordinary shares which is calculated for basic earnings per share and adjusted to the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

The company also presents EPS before and after adjustment of regulatory expenses/income, where applicable.

XXV. Business Combinations

'Business combinations under common control (such as transfers of business between government entities) are



NOTES TO STANDALONE FINANCIAL STATEMENTS

accounted for using the pooling of interests method as prescribed in Appendix C to Ind AS 103. Other business combinations are accounted for using the acquisition method'.

XXVI. Dividend

Dividends and interim dividends paid to Company’s shareholders are recognised as changes in equity in the period in which they are approved by the shareholders meeting and the Board of Directors respectively.

XXVII. Cash Flows

Cash Flow Statement is prepared as per indirect method prescribed in the Ind AS 7 ‘Statement of Cash Flow’.

XXVIII.Related Party Disclosures

Transactions with related parties are recorded and disclosed in accordance with Ind AS 24 and relevant provisions of Companies Act, 2013.

XXIX. Regulatory Deferral Accounts

Income/Expense recognised in the Statement of Profit or Loss to the extent recoverable from/payable to the beneficiaries in the subsequent periods as per CERC tariff regulations

are recognised as Regulatory Deferral Account Balances. Regulatory Deferral Account Balances are adjusted from the year in which the same become recoverable from/payable to the beneficiaries.

Pending the disposal of review/appeal petitions filed by the Company against adverse orders before CERC/SERC/Other Appellate Authorities, the impact of the said orders are considered under Regulatory Deferral Account in the Profit or Loss of the respective financial year. In case of appeal by the beneficiary against the CERC/SERC orders, the impact on the same is not considered as Regulatory Deferral Liability and disclosed under Contingent Liability. However, the same is subject to application of best judgement by management on case-to-case basis.

Regulatory Deferral Account Balances are reviewed and evaluated at each balance sheet date to ensure the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If this criteria are not met this regulatory deferral account balances are derecognised.

Regulatory Deferral Account Balances are presented as separate line item in the Balance Sheet. The movement in the Regulatory Deferral Account Balances for the reporting period is presented as a separate line item in the Statement of Profit and Loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 2 Property, Plant and Equipment

As at 31st March, 2026

(₹ in Crore)										
Description	Gross Block			Accumulated Depreciation & Amortisation				Net Block		
	As at 01.04.2025	Additions/ Transfers	Disposals/ Trans./Adjt*	As at 31.03.2026	As at 01.04.2025	Withdrawals/ Trans./Adjt*	For the Year	As at 31.03.2026	As at 31.03.2026	As at 31.03.2025
Land										
Freehold Land	340.36	-	118.51	221.85	-	-	-	-	221.85	340.36
Lease hold mining land	460.38	58.30	-	518.68	51.71	-	15.44	67.15	451.53	408.67
Mining Land	1,051.08	75.61	-	1,126.69	753.94	-	79.66	833.60	293.09	297.14
Roads	183.14	30.32	-	213.46	97.91	-	8.87	106.78	106.68	85.23
Buildings	558.96	66.18	2.84	622.30	109.16	0.33	17.30	126.13	496.17	449.80
Electrical Installations	241.40	125.05	5.86	360.59	162.36	5.16	12.46	169.66	190.93	79.04
Water Supply & Drainage	123.87	0.72	-	124.59	92.39	-	2.86	95.25	29.34	31.48
Plant & Machinery	23,993.86	2,413.58	6,364.39	20,043.05	9,103.70	1,737.29	1,194.34	8,560.75	11,482.30	14,890.16
Furniture & Equipment	216.02	27.89	7.10	236.81	93.80	5.44	29.57	117.93	118.88	122.22
Vehicles	122.45	20.06	2.47	140.04	56.92	2.06	11.53	66.39	73.65	65.53
Assets Costing ₹ 5000 and below	2.13	0.96	0.01	3.08	2.13	0.02	0.97	3.08	-	0.00
Mine Development										
Mine-I	206.97	-	-	206.97	206.97	-	-	206.97	-	0.00
Mine-IA	518.13	0.50	-	518.63	155.67	-	21.34	177.01	341.62	362.46
Mine-II	348.51	-	-	348.51	242.38	-	23.83	266.21	82.30	106.13
Barsingsar Mine	110.85	-	-	110.85	70.80	-	10.01	80.81	30.04	40.05
Talabira Mines	123.10	-	-	123.10	24.64	-	6.16	30.80	92.30	98.46
Total	28,601.21	2,819.17	6,501.18	24,919.20	11,224.48	1,750.30	1,434.34	10,908.52	14,010.68	17,376.73

As at 31st March, 2025

(₹ in Crore)										
Description	Gross Block			Accumulated Depreciation and Amortisattion				Net Block		
	As at 01.04.2024	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2025	As at 01.04.2024	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Land										
Freehold Land	335.30	10.33	5.27	340.36	-	-	-	-	340.36	335.30
Lease hold mining land	404.65	55.73	-	460.38	35.55	-	16.16	51.71	408.67	369.10
Mining Land	955.27	95.81	-	1,051.08	745.40	-	8.54	753.94	297.14	209.87
Roads	144.17	42.41	3.44	183.14	88.44	2.99	12.46	97.91	85.23	55.73
Buildings	543.21	22.59	6.84	558.96	103.21	1.19	7.14	109.16	449.80	440.00
Electrical Installations	235.66	6.34	0.60	241.40	156.02	0.53	6.87	162.36	79.04	79.64
Water Supply & Drainage	123.94	0.90	0.97	123.87	89.23	0.79	3.95	92.39	31.48	34.71
Plant & Machinery	23,372.96	631.50	10.60	23,993.86	7,906.80	0.49	1,197.39	9,103.70	14,890.16	15,466.16
Furniture & Equipment	182.91	35.32	2.21	216.02	68.22	1.44	27.02	93.80	122.22	114.69
Vehicles	105.11	17.80	0.46	122.45	47.75	0.19	9.36	56.92	65.53	57.36
Assets Costing ₹ 5000 and below	2.07	0.06	-	2.13	2.07	-	0.06	2.13	-	0.00
Mine Development										
Mine-I	206.97	-	-	206.97	206.97	-	-	206.97	-	0.00
Mine-IA	518.13	-	-	518.13	134.48	-	21.19	155.67	362.46	383.65
Mine-II	348.51	-	-	348.51	218.55	-	23.83	242.38	106.13	129.96
Barsingsar Mine	110.85	-	-	110.85	60.79	-	10.01	70.80	40.05	50.06
Talabira Mines	123.10	-	-	123.10	18.48	-	6.16	24.64	98.46	104.62
Total	27,712.81	918.79	30.39	28,601.21	9,881.96	7.62	1,350.14	11,224.48	17,376.73	17,830.85

*includes items pertaining to transfer of assets to NIRL as part of BTA

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

b) PPE Includes assets belonging to Ministry of Coal obtained under Coal Science &Technology Projects. This also includes residual value of assets considered as addition to the assets under Life extension programme.

c) Freehold land includes ₹194.75 Crore pertaining to Bithnok Power and related mining project, which is currently on hold. Refer Note 5 (CWIP) for further details.



NOTES TO STANDALONE FINANCIAL STATEMENTS

- d) All units of Thermal Power Station -I has been retired from operation subsequent to 30.09.2020 and reclassified as Assets held for sale as per the requirements of IND AS 105 (Refer Note 13)
- e) Spares meeting the criteria of PPE and having a value of more than ₹ 10 Lakh have been considered for capitalisation.
- f) Depreciation on Renewable Assets has been calculated considering 5% residual value in line with guidelines of MNRE/SERC.
- g) There is no impairment loss identified for the Property Plant and Equipment (PPE) during the year.
- h) The company has identified land with limited life and classified the same under the head mining land.
- i) Based on physical verification of assets conducted, the net book value of assets which are not available has been provided and the same are included as part of asset register. Refer Note 23
- j) Refer Note 17a for information on property, plant and equipment pledged as security by the Company
- k) Property, plant and equipment costing ₹ 5,000/- or less, are depreciated fully in the year of acquisition.
- l) Refer Note 52 for disclosure of contractual commitments for the acquisition of property, plant and equipment
- m) Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

Note 3 Right-of-Use Assets

As at 31st March, 2026

(₹ in Crore)										
Description	Gross Block			Accumulated Depreciation				Net Block		
	As at 01.04.2025	Additions Transfers	Disposals/ Trans./Adj.*	As at 31.03.2026	As at 01.04.2025	Withdrawals/ Trans./Adj.*	For the Year	As at 31.03.2026	As at 31.03.2026	As at 31.03.2025
Land	57.53	89.76	-	147.29	1.77	-	1.49	3.26	144.03	55.76
Building	3.81	1.71	0.30	5.22	2.35	0.09	0.89	3.15	2.07	1.46
Vehicle	2.54	4.24	-	6.78	2.41	-	1.77	4.18	2.60	0.13
Plant and Machinery	24.06	0.10	24.16	-	4.89	5.64	0.75	-	-	19.17
Total	87.94	95.81	24.46	159.29	11.42	5.73	4.90	10.59	148.70	76.52

As at 31st March, 2025

(₹ in Crore)										
Description	Gross Block			Accumulated Depreciation				Net Block		
	As at 01.04.2024	Additions Transfers	Disposals/ Trans./Adjt.	As at 31.03.2025	As at 01.04.2024	Withdrawals/ Trans./Adjt.*	For the Year	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Land	57.53	-	-	57.53	1.19	-	0.58	1.77	55.76	56.34
Building	2.49	1.32	-	3.81	1.56	-	0.79	2.35	1.46	0.93
Vehicle	3.41	-	0.87	2.54	2.54	0.46	0.33	2.41	0.13	0.86
Plant and Machinery	22.05	2.01	-	24.06	3.71	-	1.18	4.89	19.17	18.34
Total	85.47	3.33	0.87	87.94	9.00	0.46	2.88	11.42	76.52	76.47

Refer Note 44 for disclosures pertaining to Leases

*Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

Note 4 Intangible Assets

As at 31st March, 2026

(₹ in Crore)										
Description	Gross Block			Accumulated Depreciation				Net Block		
	As at 01.04.2025	Additions Transfers	Disposals/ Trans./Adjt.	As at 31.03.2026	As at 01.04.2025	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2026	As at 31.03.2026	As at 31.03.2025
Software	43.63	4.33	-	47.96	37.48	-	6.19	43.67	4.29	6.15
Mining Rights	264.21	53.96	-	318.17	59.13	-	13.72	72.85	245.32	205.08
Total	307.84	58.29	-	366.13	96.61	-	19.91	116.52	249.61	211.23

NOTES TO STANDALONE FINANCIAL STATEMENTS

As at 31st March, 2025

(₹ in Crore)										
Description	Gross Block			Accumulated Depreciation				Net Block		
	As at 01.04.2024	Additions Transfers	Disposals/ Trans./Adjt.	As at 31.03.2025	As at 01.04.2024	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Software	38.54	5.09	-	43.63	32.29	-	5.19	37.48	6.15	6.25
Mining Rights	264.21	-	-	264.21	44.51	-	14.62	59.13	205.08	219.70
Total	302.75	5.09	-	307.84	76.80	-	19.81	96.61	211.23	225.95

- a) There is no impairment loss identified for the intangible assets during the year.
- b) Mining Rights represents license obtained to operate coal and lignite mines which is capitalised in lines with the CERC regulations.

Note 5 Capital Work-in-Progress

(₹ in Crore)			
Particulars	As at March 31, 2026		As at March 31, 2025
A. Plan Expenditure			
i) Neyveli New Thermal Plant			
Supply and Erection	1,040.01		995.72
Expenditure during Construction	3.08	1,043.09	-
ii) Bithnok Project *			
Supply and Erection	11.85		11.85
Expenditure during Construction	12.51	24.36	12.51
iii) Barsingsar Extension & Hadla Mines *			
Supply and Erection	9.11		9.11
Expenditure during Construction	17.19	26.30	17.19
iv) Mine-IA Expansion			
Supply and Erection	-		2.34
Expenditure during Development	-	-	-
v) Talabira II & III Mine			
Expenditure on Land Acquisition	760.97		653.20
Expenditure during Development	0.01	760.98	0.01
vi) Odisha Thermal Power Project			
Expenditure on Land Acquisition	1,222.12		382.46
Expenditure during Construction	36.59	1,258.71	19.24
vii) TPS II - 2 nd Expansion			
Supply and Erection	55.14		-
Expenditure during Construction	2.32	57.46	63.04
viii) Solar 100 MW - Hybrid			
Supply and Erection	-		-
Expenditure during Construction	2.60	2.60	2.24
ix) Solar 300 MW - Barsingsar			
Supply and Erection	3.60		564.79
Expenditure during Construction	-	3.60	16.73
x) Solar 200 MW - Gujarat			
Supply and Erection	-		-
Expenditure during Construction	8.23	8.23	5.67



NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ in Crore)				
Particulars	As at March 31, 2026		As at March 31, 2025	
xi) Solar 50 MW - MINE II (Captive)				
Supply and Erection	169.56		137.37	
Expenditure during Construction	0.38	169.94	0.38	137.75
xii) Wind 50 MW - Hybrid				
Supply and Erection	321.48		292.80	
Expenditure during Construction	0.88	322.36	0.13	292.93
xiii) North Dhadu (Western Part) Coal Project				
Supply and Erection	4.72		3.58	
Expenditure during development	19.04	23.76	11.59	15.17
xiv) Macchakata Coal Mine				
Supply and Erection	219.98		216.38	
Expenditure during development	8.70	228.68	1.75	218.13
xv) New Patrapara South Coal Mine				
Supply and Erection	200.45		197.32	
Expenditure during development	0.05	200.50	-	197.32
xvi) Mine III				
Supply and Erection	-		-	
Expenditure during Development	43.18	43.18	43.05	43.05
xvii) Gurha Barsingsar Thermal Power Plant				
Supply and Erection	0.09		-	
Expenditure during Construction	-	0.09	-	-
xvii) 3.5 MW-Captive Solar - Neyveli				
Supply and Erection	14.01		-	
Expenditure during Construction	-	14.01	-	-
B. Non- Plan Expenditure				
Supply and Erection	388.87		423.83	
Land Acquisition	283.71		225.54	
Capital Goods in Stock & Transit	3.97	676.55	9.73	659.10
	4,864.40		4,319.55	

* Project on Hold. Discussions are underway with various stakeholders for revival of the project. Refer Note 23
Details of exchange differences and borrowing costs capitalised are disclosed in Note 43

CWIP Ageing schedule

A) CWIP Ageing schedule FY 2025-26

(₹ in Crore)					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
A) Plan Projects Expenditure					
1) Projects in Progress	832.50	1,441.86	493.99	1,368.84	4,137.19
2) Projects that are temporarily suspended	-	-	-	50.66	50.66
B) Non Plan Expenditure	116.76	390.92	127.49	41.38	676.55
Total	949.26	1,832.78	621.48	1,460.88	4,864.40

NOTES TO STANDALONE FINANCIAL STATEMENTS

CWIP Ageing schedule FY 2024-25

(₹ in Crore)					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
A) Plan Projects Expenditure					
1) Projects in Progress	1,292.81	925.49	1,021.51	369.98	3,609.79
2) Projects that are temporarily suspended	-	-	-	50.66	50.66
B) Non Plan Expenditure	366.05	217.02	39.78	36.25	659.10
Total	1,658.86	1,142.51	1,061.29	456.89	4,319.55

CWIP Movement Schedule

(₹ in Crore)				
Description	As at 01.04.2025	Additions	Disposals/Transfers/ Retirement/ Capitalised	As at 31.03.2026
Plan Projects in Progress	3,609.79	1,456.08	928.67	4,137.20
Plan Projects Temporarily suspended	50.66	-	-	50.66
Non Plan projects in progress	659.10	296.50	279.06	676.54
Total	4,319.55	1,752.58	1,207.73	4,864.40
Previous Year	1,923.37	2,514.46	118.28	4,319.55

Note 6 Assets under Development

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Project development expenditure	21.17	21.64
Less: Impairment allowance	21.17	21.64
	-	-

Impairment allowance includes expenditure incurred for various projects which has not been taken up for further development, pending formalities for write off.



NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 7 Non Current Financial Assets

a Investments

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Investments in Equity Instruments		
Non-Trade Un Quoted Investments		
(i) Subsidiaries		
- NLC Tamilnadu Power Limited (NTPL) - 89% stake		
fully paid up 194,73,57,380 (31.03.2025- 194,73,57,380) no. of equity shares @ ₹10 per share	1,947.36	1,947.36
- Neyveli Uttar Pradesh Power Limited (NUPPL)- 51% stake		
fully paid up 328,13,72,181 (31.03.2025-296,91,29,781) no. of equity shares @ ₹10 per share	3,281.37	2,969.13
- NLC India Renewable Limited (NIRL)- 100% stake	3,119.75	119.75
fully paid up 311,97,50,000 (31.03.2025-11,97,50,000) no. of equity shares @ ₹10 per share		
- NLC India Green Energy Limited (NIGEL) - 100% stake	50.00	50.00
fully paid up 5,00,00,000 (31.03.2025-5,00,00,000) no. of equity shares @ ₹10 per share		
- NLC Rajasthan Power Limited (NRPL) - 74% stake	0.04	-
fully paid up 37,000 (31.03.2025-NIL) no. of equity shares @ ₹ 10 per share		
(ii) Joint Venture		
- Coal Lignite Urja Vikas Private Limited (CLUVPL) 50% Stake		
fully paid up 10,000 (31.03.2025- 10,000)no. of equity shares @ ₹ 10 per share	0.01	0.01
(iii) Associates		
- MNH Shakti Limited (MNHS) - 15% Stake		
fully paid up 52,65,000 (31.03.2025 - 52,65,000) no. of equity shares @ ₹ 10 per share	5.27	5.27
	8,403.80	5,091.52

- a) In respect of investment in NLC Tamilnadu Power Limited (NTPL) the fully paid up share capital includes 400 shares @ ₹10 each held in the name of full time directors in their capacity as nominees of NLC India Limited.

In respect of the two wholly owned subsidiaries, NIRL and NIGEL, 100 equity shares of ₹10 each are held in the names of full-time directors in their capacity, as nominees of NLC India Limited

- b) During the FY 2025-26 NLCIL has subscribed to additional equity shares of 31,22,42,400 nos. @ ₹ 10/- each of NUPPL (PY 33,17,49,798 nos. @ ₹ 10/- each) through rights issue and shares pending for allotment as on reporting date.
- c) During the year FY 2025-26, NLCIL has subscribed to additional equity shares 300,00,00,000 nos. @ ₹ 10/- each of NIRL
- d) During the year FY 2025-26, NLCIL has invested in equity shares 37,000 nos. @ ₹ 10/- each of NRPL

b Trade Receivables

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
i) Unsecured		
- considered good	-	58.03
	-	58.03

As per the Late payment surcharge rules notified by Ministry of Power on 3rd June, 2022 one DISCOM had opted ₹734.56 Crore under interest free instalment scheme within the given cut off date. The dues of such beneficiary has been presented at fair value as per the requirements of IND AS 109. The non-current portion as at 31st March, 2026 is NIL

NOTES TO STANDALONE FINANCIAL STATEMENTS

c Loans

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Considered good, unless otherwise stated		
Loans to related parties		
- Unsecured	513.35	-
Other Loans : loans to employees		
- Secured	2.40	3.24
- Unsecured	7.24	4.61
	522.99	7.85

- a) The Company entered into a facility arrangement with Sumitomo Mitsui Banking Corporation (“SMBC”) to avail an External Commercial Borrowing denominated in Japanese Yen (“JPY ECB”). The ECB facility has been partially drawn as at 31st March, 2026.As per the terms of the facility agreement, the purpose of the JPY ECB is on-lending to NLC India Renewables Limited (“NIRL”), a wholly owned subsidiary of the Company, to fund capital expenditure for renewable energy projects.

Upon drawdown of the JPY ECB, the Company extended the proceeds to NIRL by way of an unsecured inter-company loan on a cost-to-cost basis. Balance as at 31st March, 2026 of ₹513.35 Crore represents the outstanding ECB proceeds on-lent to NIRL

- b) Secured and unsecured loans to employees include house building loans, vehicle loans, multipurpose loans, etc. Such loans are initially recognised at fair value and subsequently measured at amortised cost in accordance with Ind AS 109. The difference between the loan amount disbursed and fair value at initial recognition is recognised as employee benefit expense.
- c) The loans to employees (Housing, Vehicle) are secured against the mortgage of the house property and hypothecation of Vehicles for which the loan has been given in line with the policy of the company.
- d) Refer Note 40 for disclosures relating to related party transactions and balances.

d Other Non-Current Financial Assets

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Mine Closure Deposit	657.86	604.31
Derivative Asset	29.13	-
	686.99	604.31

- a) As per the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, Escrow Accounts have been opened in the name of "Coal Controller Escrow Account NLC India Limited" for each captive mine and the balances held in these escrow accounts are presented as 'Mine closure deposit'.

Interest earned (net of TDS) on the escrow account is added to the mine closure deposit account on renewal. The deposits are renewed annually.

As per the earlier mine closure guidelines dated 29th May, 2020, up to 50% of the total deposited amount including interest accrued in the escrow account shall be released after every five years in line with the periodic examination of the closure plan. During the year, a sum of ₹ 4.39 Crore was released pursuant to an order received from the Coal Controller in respect of Barsingsar Mine for the period 2016-17 to 2020-21.

The Mine closure guidelines was subsequently revised and the Guidelines for preparation of mining plan and mine closure plan for Coal and Lignite Blocks 2025 was issued on 31st January, 2025.

Fresh deposits made during the previous year relating to FY 2025-26 is ₹ 57.37 Crore.

Refer Note 20 (c) for Mine Closure liability.

- b) Refer Note 48 for disclosures relating to derivatives instruments

NOTES TO STANDALONE FINANCIAL STATEMENTS

Movement of Mine Closure Deposit

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	604.31	639.41
Additions during the year	63.20	109.10
Deletions during the Year	9.65	144.20
Closing Balance	657.86	604.31

Note 8 Other Non-Current Assets

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Secured considered good		
i) Capital Advances	2,723.71	1,658.40
ii) Advances Other than Capital advances		
- Advances given to Contractors/Suppliers	-	123.50
	2,723.71	1,781.90

- a) Capital Advances includes ₹ 121.62 Crore paid against a bank guarantee to an EPC contractor with respect to Barsingsar extension & Bithnok Project. On invocation of the BG, the EPC contractor initially opted for judicial intervention. However subsequently the contractor agreed for arbitration, keeping the BG valid till arbitral award.
- b) Capital Advances includes an amount of ₹ 2,079.60 Crore towards Talabira Thermal project, ₹ 269.06 Crore relating to Talabira Mines, ₹ 61.35 Crore relating to Land acquisition for Neyveli mines and ₹ 57.79 Crore relating to 200 MW solar Gujarat. In case of EPC contracts advances are paid against the Bank Guarantee as per terms and conditions of the contract
- c) Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

Current Assets

Note 9 Inventories

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Raw Materials- Lignite	436.22	495.81
Raw Materials- Coal	258.22	128.76
Other Minor Minerals	5.19	1.66
Solid/Hollow/Fly Ash Bricks	1.71	2.59
Goods-in-transit (Stores & Spares)	53.34	34.62
Stores & Spares	901.61	751.03
Less: Provision for obsolete/unserviceable stores & spares	44.00	44.43
	1,612.29	1,370.04

- a) Inventories are valued as per the material accounting policy
- b) Other Minor minerals includes Ball clay, silica sand and Gravels
- c) Goods in transit referred to above consist of stores and spares that have been received at the stores but are pending acceptance
- d) Refer Note No. 21 (a) for information on inventory pledged as security by the company.



NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 10 Financial Assets

a Investments

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Mutual Fund Investment		
Axis Overnight Fund Direct Growth	0.61	1.40

Details of Axis Overnight Fund Direct Growth

Particulars	As at March 31, 2026	As at March 31, 2025
Units (No.s)	4,264.53	10,371.95
NAV (₹)	1,425.73	1,351.14
Closing as at 31 st March (₹ in Crore)	0.61	1.40

b Trade Receivables

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
i) Secured (considered good)	584.67	685.44
ii) Unsecured		
considered good		
- others	536.49	1,198.35
- unbilled revenue	735.67	576.62
credit impaired	150.97	267.95
	2,007.80	2,728.36
Less: Loss allowance on trade receivables	150.97	267.95
	1,856.83	2,460.41

- a) Refer Note 40 for disclosures relating to related party transactions and balances
- b) The Company measures the expected credit loss allowance on trade receivables using the simplified approach prescribed under Ind AS 109. Considering the ageing of receivables, historical collection trends, subsequent realisations and interventions by the Ministry of Power and Ministry of Coal, a cumulative loss allowance of ₹150.97 Crore (Previous year: ₹ 267.95 Crore) has been recognised.
- c) Unbilled Revenue includes ₹ 652.85 Crore (PY - ₹ 656.31 Crore) of billing done after 31st March, for Sale of Power related to March 2026.
- d) In respect of Thermal Power Station-II (Neyveli), NLC India Limited had filed an appeal before the Appellate Tribunal for Electricity against the Central Electricity Regulatory Commission tariff order for 2009–14 on issues relating to Secondary Fuel Consumption (SFC), Life Extension Programme (LEP) assets and capital expenditure. The Hon'ble Tribunal, vide order dated 17.07.2025, set aside the impugned order on these issues and remanded the matter to CERC. Subsequently, CERC vide order dated 27.03.2026 allowed actual SFC for computing energy charges and inclusion of residual value of LEP assets in capital cost. Accordingly, net unbilled income of ₹21.02 Crore has been recognised during FY 2025-26.
- e) Secured Trade Receivables represents value of Letter of Credit (LC) submitted by DISCOM's as per the MoP order dated 28/06/2019 w.e.f. 01/08/2019 as Payment Security Mechanism under Power Purchase Agreements.
- f) The Company has billed various DISCOMs an amount of ₹ 386.51 Crore during the financial year 2022-23 towards income tax recoverable as per the CERC tariff Regulations for different Tariff periods in respect of payments made under 'Vivad Se Vishwas Scheme' (VSVS). While few DISCOMs have paid ₹ 68.39 Crore, some of the DISCOMs have disputed this claim and initiated legal proceedings which are pending for adjudication.
- During the year, the company has caused vacation of substantial number of writs filed by the respective beneficiaries and have approached CERC by filing a petition for further adjudication for the underlying issue.
- g) Dues receivable through interest free instalment scheme as per MOP Late Payment surcharge rules amounting to ₹ 41.45 Crore.



NOTES TO STANDALONE FINANCIAL STATEMENTS

- h) A detailed ageing analysis of trade receivable and provisional for bad & doubtful debts has been provided in Note No 48
- i) Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

c Cash and cash equivalents

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
i) Bank Balance		
- Current Account	90.11	123.43
- Short Term Deposits	-	40.00
ii) Cash and Stamp on hand	0.02	0.04
	90.13	163.47

- (a) Stamps on hand as on 31.03.2026 - ₹ 37,419/- (31.03.2025 - ₹ 41,603/-)
- (b) Cash on hand as on 31.03.2026 - ₹ 2,12,098/- (31.03.2025 - ₹ 3,40,178/-)

d Bank balances other than cash and cash equivalents

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Unpaid Dividend Account Balance	2.03	2.06
Earmarked deposits with Banks :		
i. Endowment fund in the name of NLC Schools	0.60	0.55
ii. PRMA Deposit	120.00	120.00
iii. Security for Bank Guarantee	3.33	3.11
	125.96	125.72

- a. In order to meet the post retirement medical expenditure of employees retired on or before 1st January, 2007 based on estimates, the Company maintains a minimum corpus of 3 years' requirements i.e. ₹ 120 Crore towards PRMA in a separate deposit account, for this purpose termed as PRMA deposit account. The interest accrued in this fund is added to the fund. The deposit matured on 24th March, 2026 and renewed on 25th March, 2026.
- b. Refer Note 41 for disclosures required under Ind AS 19 'Employee Benefits'.

e Loans

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
a) Loans to Related Party		
Considered good -Unsecured	297.00	695.49
b) Other Loans : Loans to employees		
i. Considered good -Secured	5.56	6.89
Considered good -Unsecured	16.85	12.02
	319.41	714.40

- i) Refer Note 40 for disclosures relating to related party transactions and balances
- ii) Secured and unsecured loans to employees include house building loans, vehicle loans, multipurpose loans, etc. Such loans are initially recognised at fair value and subsequently measured at amortised cost in accordance with Ind AS 109. The difference between the loan amount disbursed and fair value at initial recognition is recognised as employee benefit expense.
- iii) The loans to employees (Housing, Vehicle) are secured against the mortgage of the house property and hypothecation of Vehicles for which the loan has been given in line with the policy of the company.

NOTES TO STANDALONE FINANCIAL STATEMENTS

f Other Financial Assets

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Fixed Deposits	1.26	0.17
Interest Accrued	17.46	26.11
Deferred Financing Cost	4.60	-
	23.32	26.28

Interest Accrued includes interest due on loans given to employees and interest on various deposits towards PRMA and Mine closure etc.

Note 11 Current Tax Assets (Net)

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Advance Income Tax	-	1,232.28
Less : Provision for Tax	-	1,098.08
	-	134.20

Note 12 Other Current Assets

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Disposable/Dismantled Assets & Spares	14.19	7.08
Prepaid Expenses	32.35	36.93
Plan Assets over plan liability	48.68	-
Advances other than capital advances (unsecured)		
i. Considered good		
- Related Party	-	-
- Staff Advances	43.87	44.34
- Others	758.95	760.19
ii. Considered doubtful	1.46	1.46
Less: Provision for doubtful advances	1.46	1.46
Deposits with Govt. Authorities		
- Towards Indirect Tax	16.98	125.56
- Towards Advance TDS	0.14	0.17
GST Receivable (Input Tax Credit)	220.12	266.52
TCS Receivable	0.35	0.31
Others	8.66	15.82
	1,144.29	1,256.92

- i) Under advances other than capital advances-Staff advance includes advances paid towards Performance related pay (PRP/UIS).
- b) Advances other than capital advances -Others - represents advances given to contractors and suppliers in the ordinary course of supply of goods and services.
- c) Advances other than capital advances includes ₹ 463.53 Crore pertaining to advances to MDO, against which corresponding provision has been recognised under provisions for contingencies (Refer Note 23).
- d) Others include ₹ 7.08 Crore (Previous year: ₹ 4.13 Crore) towards excess CSR expenditure carried forward for set-off against future CSR obligations.
- e) Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 13 Assets held for sale

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Building	1.39	1.70
Plant and Machinery	33.99	41.55
Others	2.19	0.25
	37.57	43.50

All units of Thermal Power Station -I (TPS - I) have been retired from operation subsequent to 30.09.2020. The net block of TPS-I assets as on 31.03.2024 were reclassified as Assets held for sale as per the requirements of IND AS 105. Estimated net sale proceeds of the retired assets is expected to be above the residual value of assets appearing in the books.

NLC India Limited issued a Letter of Award dated 30th March, 2023 for sale of the decommissioned TPS-I plant for a total consideration of ₹600.09 Crore to M/s. Priya Blue Industries Pvt Limited. The entire lot of Plant & Machinery including Civil Structures has been divided into Twelve Segments keeping in view the locations and ease of dismantling and lifting of material of various segments. Till 31.03.2026, NLCIL received amount for four segments amounting to ₹ 238.20 Crore and sale order has been issued for three segments.

During the year written down value of assets amounting to ₹ 5.93 Crore has been disposed off and profit on the same has been accounted appropriately.

Note 14 Regulatory Deferral Account Debit Balances

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Foreign Currency Fluctuation	170.34	120.48
Other items recoverable as per CERC Order/Regulations	500.31	244.05
Others	125.08	92.24
	795.73	456.77

- The regulatory deferral account balances has been accounted in line with the company's accounting policy. Refer note no 46 for detailed disclosures.
- Exchange differences (KfW Loan) arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised on an undiscounted basis as Regulatory deferral account debit/credit balance. Accordingly, an amount of ₹ 170.34 Crore for the year ended 31st March, 2026 has been accounted for as 'Regulatory deferral account debit balance' (PY: ₹ 120.48 Crore).
- As per CERC regulations 2024-29, security expenses, water charges and capital spares will be allowed separately after prudence check. By considering the regulations, regulatory income of ₹ 137.06 Crore in respect of those charges for the year ended 31st March, 2026 are accounted in regulatory deferral account debit balances. Regulatory Asset cumulative balance in this regard as on 31.03.2026 is ₹ 312.81 Crore
- As the company continues to bill beneficiaries based on the latest available Tariff Order applicable for the previous control period (2019-24), in accordance with the regulations, until the Tariff Order for the current control period (2024-29) is issued. During the year O&M difference amounting to ₹ 119.21 Crore arising between last approved 2019-24 tariff order in respect of Thermal power plants and normative O&M applicable for the current control period 2024-29 is considered under regulatory deferral account debit balances. Regulatory Asset cumulative balance in this regard as on 31.03.2026 is ₹ 187.51 Crore
- The Company undertakes concurrent Mine Closure activity. In line with the Mine Closure Guidelines issued by Ministry of Coal, GoI, actual expenses incurred on mine closure up to a maximum of 50% of the Mine Closure Deposit along with interest in Escrow Account can be withdrawn on verification in every five years. Further, an amount of ₹ 32.84 Crore (PY : ₹ 23.92 Crore) has been considered as regulatory income/assets based on the revised mine plan. Regulatory Asset cumulative balance in this regard as on 31.03.2026 is ₹ 125.08 Crore



NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 15 Equity Share Capital

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Authorised, Issued, Subscribed and Paid-Up Share Capital:		
Authorised		
2,00,00,00,000 Equity Shares of par value ₹ 10 each (2,00,00,00,000 Equity Shares of par value ₹ 10 each as at 31 st March, 2025)	2,000.00	2,000.00
Issued, subscribed and fully paid-up :		
1,38,66,36,609 Equity Shares of par value ₹ 10 each fully paid (1,38,66,36,609 Equity Shares of par value ₹10 each as at 31 st March, 2025)	1,386.64	1,386.64
	1,386.64	1,386.64

a Movement in Share Capital during the year

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
No. of shares outstanding at 1 st April	1,38,66,36,609	1,38,66,36,609
Shares issued during the year	-	-
Shares bought back during the year	-	-
No. of Shares outstanding at 31st March	1,38,66,36,609	1,38,66,36,609

b Rights attached to each class of Shares

The Company has only one class of equity shares having a par value ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c Shareholders holding more than 5% of shares

(₹ in Crore)		
Particulars	As at March 31, 2026	
	No. of Shares (face value @ 10)	% of holding
President of India	1,00,11,56,562	72.20%
Nippon Life India Trustee Ltd	7,83,91,930	5.65%

d Shareholders holding more than 5% of shares

(₹ in Crore)			
Particulars	As at March 31, 2025		
	No. of Shares (face value @ 10)	% of holding	
President of India	1,00,11,56,562	72.20%	
Nippon Life India Trustee Ltd	9,01,44,586	6.50%	
Shares held by Promoters at the end of the year	No. of Shares	% of holding	% of change in holding
President of India	1,00,11,56,562	72.20%	0.00%

NOTES TO STANDALONE FINANCIAL STATEMENTS

e Dividends

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Dividends paid and recognised during the year		
- Final dividend for the year ended 31 st March, 2025 of ₹ 1.50 (31 st March, 2024 ₹ 1.50) per fully paid equity share	208.00	208.00
- Interim dividend for the year ended 31 st March, 2026 of ₹ 3.60 (31 st March, 2025 ₹ 1.5) per fully paid equity share	499.19	208.00
ii) Dividends not recognised during the year		
Since year end, the board of directors NLCIL have recommended the payment of final dividend @2.5% amounting to ₹0.25 per share for FY 2025-26 (31 st March, 2025: ₹ 1.50 per share) which will be paid subject to approval of shareholders in the AGM.	34.67	208.00

f Movement in Equity Shares Last Five Years preceding 01.04.2025

Number of Shares as on 01.04.2020	1,38,66,36,609
Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash - FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24 & FY 2024-25	-
Aggregate number and class of shares allotted as fully paid up by way of bonus of shares in - FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24 & FY 2024-25	-
Aggregate number and class of shares bought back - FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24 & FY 2024-25	-
Number of Shares as on 31.03.2025	1,38,66,36,609

Note 16 Other Equity

(₹ in Crore)		
	As at March 31, 2026	As at March 31, 2025
a) Retained Earnings	15,562.15	13,752.98
b) (i) Other Reserves		
KfW Interest Differential Reserve	368.86	370.15
General Reserve	1,457.00	1,457.00
Contingency Reserve	170.00	160.00
Capital Redemption Reserve	291.07	291.07
PRMA Reserve Fund	120.00	120.00
b) (ii) Other Comprehensive Income	(85.54)	(72.67)
Total Other Reserves (b)	2,321.39	2,325.55
	17,883.54	16,078.53



NOTES TO STANDALONE FINANCIAL STATEMENTS

a) Retained Earnings

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	13,752.98	12,279.93
Addition during the year	2,525.07	1,899.99
Retained Earning available for Appropriation	16,278.05	14,179.92
Less: Appropriations		
Net transfer to/(from) KfW Interest Differential Fund Reserve	(1.29)	0.94
Transfer to Contingency Reserve	10.00	10.00
Interim Dividend	499.19	208.00
Final Dividend	208.00	208.00
Closing Balance	15,562.15	13,752.98

Retained Earnings are the profits of the Company earned till date net of appropriations. The same will be utilised for the purposes as per the provisions of the Companies Act, 2013.

b) (i) Other Reserves

(₹ in Crore)		
	For the year ended March 31, 2026	For the year ended March 31, 2025
KfW Interest Differential Reserve		
Opening Balance	370.15	369.21
Transfer from Retained Earnings	24.83	22.54
Less : Withdrawal/Adjustment during the year	26.12	21.60
Closing Balance	368.86	370.15

The Company sets aside a reserve equivalent to the amount in rupees of 6% p.a. of the outstanding soft loan amount, to be utilised for covering the exchange rate risk under this loan and for any charges imposed by the guarantor in line with the agreement entered into with KfW, Germany.

(₹ in Crore)		
	For the year ended March 31, 2026	For the year ended March 31, 2025
General Reserve		
Opening Balance	1,457.00	1,457.00
Transfer from Retained Earnings	-	-
Less : Withdrawal/Adjustment during the year	-	-
Closing Balance	1,457.00	1,457.00

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The same will be utilised as per the provisions of the Companies Act, 2013.

(₹ in Crore)		
	For the year ended March 31, 2026	For the year ended March 31, 2025
Contingency Reserve		
Opening Balance	160.00	150.00
Transfer from Retained Earnings	10.00	10.00
Less : Withdrawal/Adjustment during the year	-	-
Closing Balance	170.00	160.00

₹ 10 Crore is apportioned from profit every year to secure the contingency payments in the future periods.



NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ in Crore)		
	For the year ended March 31, 2026	For the year ended March 31, 2025
Capital Redemption Reserve		
Opening Balance	291.07	291.07
Transfer from Retained Earnings	-	-
Less : Withdrawal/Adjustment during the year	-	-
Closing Balance	291.07	291.07

In accordance with the applicable provisions of the Companies Act, 2013 read with Rules where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares bought back shall be transferred to the capital redemption reserve account.

During the previous financial years (i.e. FY 2016-17 & FY 2018-19) 29,10,72,991 number of shares have been bought back and the total amount in capital redemption reserve represents the nominal value of the shares bought back.

(₹ in Crore)		
	For the year ended March 31, 2026	For the year ended March 31, 2025
PRMA Reserve Fund		
Opening Balance	120.00	120.00
Transfer from Retained Earnings	-	-
Less : Withdrawal/Adjustment during the year	-	-
Closing Balance	120.00	120.00

Represents reserve towards Post Retirement Medical Assistance (PRMA) benefits provided to retired employees (before 1.1.2007) and their spouse.

b) (ii) Other comprehensive income

(₹ in Crore)		
	For the year ended March 31, 2026	For the year ended March 31, 2025
Remeasurement of Defined benefit obligation		
Opening Balance	(72.67)	(59.94)
Actuarial Gains/(Losses)	(9.25)	(19.53)
Less : Income tax on Actuarial gains/(Losses)	2.84	6.80
Closing Balance	(79.08)	(72.67)

Represents actuarial gains/losses recognised in OCI on remeasurement of defined benefit obligations under Ind AS 19.

(₹ in Crore)		
	For the year ended March 31, 2026	For the year ended March 31, 2025
Cashflow Hedge Reserve		
Opening Balance	-	-
Changes in fair value of hedging instruments	-	-
Income tax on fair value change	-	-
Closing Balance	-	-

The Company uses derivative instruments in pursuance of managing its foreign currency risk associated on borrowings. For hedging foreign currency risk, the Company uses foreign currency option contracts. To the extent the derivative contracts designated under the hedge accounting are effective hedges, the change in fair value of the hedging instrument is recognised in 'Effective Portion of Cash Flow Hedges'. Amounts recognised in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ in Crore)		
	For the year ended March 31, 2026	For the year ended March 31, 2025
Cost of Hedge Reserve		
Opening Balance	-	-
Changes in fair value of hedging instruments	(6.46)	-
Income tax on fair value change	-	-
Closing Balance	(6.46)	-

The changes in time value of an option contract designated in cash flow hedge relationship are accumulated in cost of hedge reserve.

Note 17 Financial Liabilities**NON-CURRENT LIABILITIES**

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
a) Borrowings		
A) Secured Loans		
(i) NLCIL Bonds		
- Series-I-2019	1,475.00	1,475.00
- Series-I-2020	525.00	525.00
(ii) Term Loans		
- From Banks	1,715.93	1,117.45
- Power Finance Corporation Ltd	-	1,050.00
B) Unsecured Loans		
(i) NLCIL Bonds		
- Series-II-2021	500.00	500.00
(ii) Foreign Currency loans		
- KfW Germany- 4.61 Million Euro (5.05 Million Euro) - I #	45.50	42.48
- KfW Germany- 32.23 Million Euro (35.03 Million Euro)-II #	320.75	296.81
- External Commercial Borrowings - SBI	867.69	-
- External Commercial Borrowings- SMBC - Term Loan	510.45	-
# Guaranteed by the Government of India.		
	5,960.32	5,006.74

Details of Terms of Repayment, Rate of Interest and Security :

- To meet the General Funding arrangement, 8.09% Secured, Redeemable, Non-Cumulative, Taxable, Non-Convertible NLCIL BONDS 2019 SERIES I was Issued on 29.05.2019 for ₹ 1475 Crore and 7.36% Secured, Redeemable, Non-Cumulative, Taxable, Non-Convertible NLCIL BONDS 2020 SERIES I was issued on 27.01.2020 for an amount of ₹ 525 Crore. These Bonds were initially secured by pari-passu 1st charge on the project assets of TPS II Expansion 500 MW (250 MW X 2) Thermal power station (including Land) to the extent of the facility and subsequently to have sufficient asset cover additional security has been created by pari-passu 1st charge on the project assets of 1000 MW (2 X 500 MW) NNTPS, Neyveli project to the extent of ₹1184 Crore. Out of ₹ 1475 Crore, ₹ 749.22 Crore has been allocated towards TPS II Expansion Project (2*250 MW) and balance were used for general purpose. These Bonds are repayable on 29.05.2029 & 25.01.2030 respectively as bullet payment.
- To meet the fund requirement of 300 MW Solar Power Project at Barsingsar, Rajasthan, borrowing arrangement has been done with M/s. IndusInd Bank Limited for an amount of ₹ 1000 Crore during the FY 2025-26 and the loan is fully drawn as on 31.03.2026. This loan is secured by hypothecation of non-current assets, excluding land and carries floating interest rate linked to 3M Treasury Bill-FBIL rate. This loan is repayable in 20 equal half- yearly instalments commencing from 31.12.2025. The outstanding balance as on 31.03.2026 is ₹ 950.00 Crore. The final repayment for this loan is due on 30-06-2035.
- To meet the fund requirement of Tamilnadu Solar Power Project 709 MW, borrowing arrangement has been done with SBI for an amount of ₹ 2,552 Crore, repayable on 20 equal half-yearly instalments. Out of the facility, ₹ 2,319 Crore was drawn and balance

NOTES TO STANDALONE FINANCIAL STATEMENTS

are lapsed. As part of Business Transfer Agreement, the entire outstanding balance as on 31.12.2025 amounting to ₹ 922.85 Crore was transferred to M/s NLC India Renewables Limited on 01.01.2026. The outstanding Balance as on 31.03.2026 is NIL.

- d. To meet the fund requirement of Neyveli New Thermal Power Station (NNTPS 1000 MW) the following borrowing arrangement has been done with:
- i) Loan of ₹ 3000 Crore was availed from M/s. Power Finance Corporation Ltd. is secured by pari passu charge on project lands & fixed assets of NNTPS, repayable in 20 equal bi-annual instalments commencing from 31.03.2020. The interest rate is on the basis of 3 year AAA Reuter rate i.e. 7.38% p.a plus fixed spread 0.85%. The outstanding balance of the PFC loan was refinanced by M/s. Punjab National Bank (PNB) by taking over the entire outstanding balance as on 29.11.2025 amounting to ₹ 1200 Crore which is repayable in 8 equal bi-annual instalments commencing from 31.03.2026. This loan (PNB) is secured through by pari-passu charge on Non-Current asset of NNTPS (Excluding Land) and the loan carries floating interest rate linked to PNB Repo Linked Lending Rate-Elite rate. The outstanding balance of fully drawn loan (PNB) as on 31.03.2026 is ₹ 1049.79 Crore The final repayment for this loan is due on 30.09.2029.
- ii) NLCIL Bonds 2021 Series-II was issued on 20.12.2021 for an amount of ₹ 500 Crore, out of which ₹ 295.60 Crore was utilised towards NNTPS project and balance ₹ 204.40 Crore was utilised towards general business purpose. This Bond is unsecured, carried fixed interest rate at 6.85% p.a. and will be repayable by bullet payment on 13.04.2032.
- iii) Rupee Term loan of ₹ 581 Crore has been availed from M/s. The South Indian Bank and is fully drawn as on 31.03.2026. This Loan is secured by pari passu charge by hypothecation of Non-Current assets of NNTPS excluding land, repayable in 10 equal bi-annual instalments commencing from 30.09.2023. The loan carries floating interest rate linked to 3M Treasury Bill-FBIL rate. The outstanding balance as on 31.03.2026 is ₹ 232.34 Crore. The final repayment for this loan is due on 31-03-2028.
- iv) M/s. State Bank of India, Tokyo has sanctioned External Commercial Borrowing of JPY 14806.80 Million (equivalent to USD 100 Million) during FY 2025-26, for NNTPS FGD and the loan has been fully drawn. This Loan is unsecured and carries floating interest rate linked to Tokyo Overnight Average(TONA) Rate and repayable in 16 equal bi-annual instalments commencing from 30.09.2027. The outstanding balance as on 31.03.2026 is JPY 14806.80 Million equivalent to ₹ 879.72 Crore excluding the unamortised processing charges of ₹ 12.03 Crore (the outstanding balance is derived by applying the Effective Interest Rate (EIR) method as per Ind AS 109). The final repayment for this loan is due on 31-03-2035.
- e. Bi-annual equal repayment (Presently € 0.219 Million each) of fully drawn Foreign Currency loan - I from KfW Germany, commenced from 30.12.2001, ending on 30.06.2036. This loan is unsecured and guaranteed by Government of India by paying guarantee fee to GoI. This loan carries Fixed interest rate of 0.75% p.a. and Guarantee Fees @ 1.2% p.a. The outstanding loan as on 31.03.2026 is Euro 4.61 million.
- f. Bi-annual repayment (presently € 1.401 Million each) of fully drawn Foreign Currency loan - II from KfW Germany, commenced from 30.06.2002, ending on 30.06.2037. This loan is unsecured and guaranteed by Government of India by paying the Guarantee fees to GoI. This loan carries Fixed interest rate of 0.75% p.a. and Guarantee Fees @ 1.2% p.a. The outstanding loan as on 31.03.2026 is Euro 32.23 million.
- g. Sumitomo Mitsui Banking Corporation has sanctioned External Commercial Borrowings of JPY 15.464 Billion (equivalent to USD 100 Million) during FY 2025-26, for on-lending to NLC India Renewables Limited (wholly owned subsidiary) for its Renewable projects through inter corporate loan arrangement. This ECB loan is unsecured, carries floating rate of interest linked to Tokyo Overnight Average (TONA) Rate. Out of the sanctioned limit JPY 8.7 Billion has been drawn during FY 2025-26 which is repayable in 5 equal annual instalment starting from January 2029 and ending on January 2033. The balance JPY 6.764 Billion is undrawn as on 31.03.2026. The loan outstanding as on 31.03.2026 is JPY 8.7 Billion equivalent to ₹ 516.68 Crore, excluding the unamortised processing charges of ₹ 6.23 Crore (the outstanding balance is derived by applying the Effective Interest Rate (EIR) method as per Ind AS 109).
- h. Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA
- i. The company has maintained required asset cover as per the terms of offer document/information memorandum and/or Debenture trust deed, including compliance with all the covenants, in respect of the listed non-convertible debt securities.
- pursuant to the revised regulatory framework issued by SEBI vide Master Circular No. SEBI/HO/DDHS/P0D1/P/CIR/2024/54 dated 22nd May, 2024, NLC India Limited has been classified as a Large Corporate (LC) effective FY 2024-25. In line with the applicable compliance requirements, the Company shall align its future borrowing strategy to ensure adherence to the stipulated norms over the prescribed three-year period.



NOTES TO STANDALONE FINANCIAL STATEMENTS

b Lease Liability

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liability on		
- Land	19.58	10.61
- Building	1.39	0.96
- Vehicle	0.47	0.04
- P&M	-	22.74
	21.44	34.35

- a. Refer Note 44 for disclosures required under Ind AS 116 'Leases'
- b. Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

c Other Financial Liability

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Capital purchase, Capital works-in-progress and other capital liabilities	385.09	245.89
Deferred Premium Payable	37.21	-
	422.30	245.89

Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

Note 18 Provisions

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Retirement Travel Allowance	132.30	152.54
	132.30	152.54

Refer Note 41 for disclosures required under Ind AS 19 'Employee Benefits'

Note 19 Deferred Tax Liabilities (Net)

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Liabilities		
on Depreciation	2,659.00	4,122.78
Deferred Tax Assets		
Deferred tax asset on tax losses/provisions	313.33	255.29
MAT Credit entitlement	-	-
Deferred Tax Liabilities (Net)	2,345.67	3,867.49

- a. The tax holiday period under Section 80-IA of the Income-tax Act, 1961 ('IT Act') for the NLCIL Barsingsar project is up to FY 2025-26. Accordingly, deferred tax relating to temporary differences expected to reverse during the tax holiday period has been derecognised to the extent of ₹173.24 Crore.
- b. In relation to the transfer of Renewable Energy (RE) assets from NLCIL to NIRL as per BTA, net deferred tax liability (DTL) of ₹ 1,498.94 Crore relating to the transferred RE assets was determined. Since NIRL has adopted the concessional tax regime under Section 115BAA of the IT Act, DTL of ₹1,079.59 Crore was transferred from NIRL and the balance DTL of ₹419.35 Crore was reversed in the books of NLCIL on account of change in tax rate.

NOTES TO STANDALONE FINANCIAL STATEMENTS

c. Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

Movement in Deferred Tax Liabilities (Net)

Particulars	Recognised in P&L	As at March 31, 2026
Deferred Tax Liabilities		
Difference in book depreciation and tax depreciation	(1,463.78)	2,659.00
Less: Deferred Tax Assets		
Deferred tax asset on tax losses/provisions	(58.04)	(313.33)
MAT Credit entitlement		
Deferred Tax Liabilities (Net)	(1,521.82)	2,345.67

Particulars	Recognised in P&L	As at March 31, 2025
Deferred Tax Liabilities		
Difference in book depreciation and tax depreciation	(42.17)	4,122.78
Less: Deferred Tax Assets		
Deferred tax asset on tax losses/provisions	-	(255.29)
MAT Credit entitlement	444.42	-
Deferred Tax Liabilities (Net)	402.25	3,867.49

Note 20 Other Non-Current Liabilities

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Mine Closure Liability	658.80	546.85
Deferred Income	112.98	220.48
	771.78	767.33

a) Deferred income includes capital grant of ₹ 65.75 Crore, ₹ 44.75 Crore and ₹ 0.98 Crore (Unamortised value of Grant) received from Ministry of New and Renewable Energy (MNRE) in respect of installation of 300 MW solar at Rajasthan, 200 MW of Solar Plant at Gujarat and 1.06 MW roof top solar at Neyveli. In proportion to the depreciation of the respective solar asset, the grant is amortised to profit and loss account each year. Further, during the FY 2025-26, deferred income outstanding balances relating to solar 10 MW,130 MW and 20 MW has been transferred to NIRL as per Business Transfer agreement as on 01.01.2026.

b) Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

c) In respect of lignite/coal mines, the annual mine closure cost is determined in accordance with the Mine Closure Guidelines issued by the Ministry of Coal, Government of India, as amended from time to time, at the current prescribed rate of ₹14 Lakh per hectare for open-cast mines, adjusted for changes in the Wholesale Price Index (WPI), wherever applicable.

The Company recognises a mine closure liability based on the approved Mine Closure Plan and applicable regulatory requirements. Correspondingly, annual contributions towards the mine closure obligation, computed as per the approved mine closure cost of ₹ 14 Lakh per hectare and the prescribed compounding requirements, are deposited in designated Escrow Accounts maintained with the Coal Controller.

Interest earned on the escrow deposits, net of applicable taxes, is credited to the respective escrow accounts and forms part of the mine closure deposits.

Inline with industry practice, the policy in this regard shall be reviewed at end of each financial year.

Refer Note 7(d) (a) for Mine Closure Deposits.



NOTES TO STANDALONE FINANCIAL STATEMENTS

Movement of Mine Closure Liability

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	546.85	589.88
Additions during the year	121.52	106.28
Deletions during the Year	9.57	149.31
Closing Balance	658.80	546.85

CURRENT LIABILITIES

Note 21 Financial Liabilities

a Borrowings

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Loans Repayable on Demand		
(a) Secured :		
- Treasury Bill linked WCDL	2,851.00	-
(b) Unsecured :		
- Commercial Paper	794.53	-
Current Maturities of long term borrowings		
Secured		
i. Term Loans - Banks	516.20	363.39
ii. Term Loans -Power Finance Corporation Ltd.	-	450.00
Unsecured		
i. Foreign Currency loans from KfW Germany	35.31	29.84
ii. NLCIL Bonds		
- Series-II-2020	-	500.00
- Series-I-2021	-	1,175.00
	4,197.04	2,518.23

a. State Bank of India has sanctioned Fund based working capital amounting to ₹ 4,000 Crore, consisting ₹ 2,000 Crore towards secured and balance towards unsecured. This facility is secured by Hypothecation of entire current assets of the company i.e. raw Materials, Stock in progress, Consumable stores, Spares and receivables. The outstanding balance as on 31.03.2026 is ₹ 2,851 Crore. During the year, the non-fund-based working capital (NFBWC) limit was enhanced from ₹1,000 Crore to ₹4,000 Crore, the utilised portion of which has been disclosed under Contingencies and Commitments. Further, within the NFBWC limit, issuance of LCs/BGs on behalf of subsidiaries and joint ventures up to ₹1,500 Crore is permitted. Accordingly, Letters of Comfort were issued in favour of NIRL (₹585.87 Crore) and NUPPL (₹38.06 Crore) during the year.

b. Commercial Paper amounting to ₹800 Crore (excluding unamortised discount on Commercial Paper of ₹ 5.47 Crore) was outstanding as at 31.03.2026, carrying a coupon rate of 7.05% p.a. The Commercial Paper was issued on 06.02.2026 to meet standalone business operation requirements of the company for a tenure of 90 days and is repayable on maturity on 07.05.2026. The instrument is unsecured in nature, with a face value of ₹5,00,000 per unit aggregating to 16,000 units outstanding as at the reporting date

c. To meet the General Funding arrangement, 5.34% Unsecured, Redeemable, Non-Cumulative, Taxable, Non-Convertible NLCIL Bond 2020 Series-II (unsecured) was issued on 31.07.2020 for ₹ 500 Crore, which was redeemed by bullet payment on 11.04.2025.

d. To meet the General Funding arrangement, 6.05% Unsecured, Redeemable, Non-Cumulative, Taxable, Non-Convertible NLCIL Bonds 2021 Series-I was issued on 12.02.2021 for ₹ 1,175 Crore, which was redeemed by bullet payment on 12.02.2026.

e. Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA



NOTES TO STANDALONE FINANCIAL STATEMENTS

b Lease Liabilities

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liability on		
- Land	-	-
- Building	0.82	0.57
- Vehicle	2.20	0.12
- P&M	-	1.34
	3.02	2.03

- a. Refer Note 44 for disclosures required under Ind AS 116 'Leases'
- b. Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

c Trade Payables

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Trade Payables :		
- Towards Micro and Small Enterprises	164.08	160.43
- Other than Micro and Small Enterprises	613.88	1,073.19
	777.96	1,233.62

- a. Disclosures as required under Companies Act, 2013/Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 54
- b. A detailed ageing analysis of trade payable has been provided in Note No 58
- c. Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

d Other Financial Liabilities

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
a) Unclaimed Dividend	2.03	2.06
b) Interest Accrued :		
i. NLCIL Bonds	116.71	143.91
ii. KfW-Germany	0.75	0.69
iii. Term Loans from Banks.	0.61	19.83
iv. ECB- SBI	-	-
v. ECB- SMBC	1.59	-
c) Capital Liability	9.64	231.72
d) Other Paybles - Contractual Obligations	255.51	259.28
e) Deferred Financing Income	4.60	-
	391.44	657.49

Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 22 Other Current Liabilities

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Unutilised Revenue Grant	3.94	4.01
Advance/Deposits from Customers	803.63	1,133.45
Other liabilities		
- Employees	451.65	460.87
- Statutory	159.42	261.53
- Others	183.04	197.85
	1,601.68	2,057.71

- a) Employee liabilities includes liability towards PF/PRP & UIS liabilities which will be settled in future periods.
- b) Other liabilities include Liquidated Damages, credit balance from vendors, EMD/SD for lignite supply, caution deposits etc. which are to be settled/Adjustment against services/goods received from/to the vendors/Customers.
- c) Advances and Deposits include income received in advance w.r.t coal, Fly ash sales etc.,.
- d) Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

Note 23 Provisions

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Short-term Benefit of Leave Salary	6.72	132.64
Post Retirement Medical Benefit & Others	16.17	386.54
Provision for Gratuity & Others*	341.48	244.90
Provision for Retirement Travelling Allowance	33.00	34.35
Provision for Loss on Assets	72.87	84.94
Provision for Contingencies	495.91	326.56
	966.15	1,209.93

* Includes Provision for other items amounting to ₹ 152.17 crore (PY: ₹ 176.00 crore)

- a) Provision for loss on assets includes provision created on CWIP relating to Bithnok, Barsingsar expansion and Halda mines project amounting to ₹ 40.64 Crore.
- b) Provision for Contingencies includes provision made towards the differential mining charges and HPC wages in respect of Talabira Mines, cumulative amounting to ₹ 463.53 Crore (PY: ₹ 322.40 Crore) which are under dispute.
- c) Provision for other items includes provision created towards M/s RIL claim for an amount of ₹ 29.98 Crore relating to Bithnok and Barsingsar expansion project arbitration claim and ₹ 36.17 Crore relating to Surface Right Compensation towards Non-Alienated Poramboke Land within NLCIL leasehold area
- d) Refer Note 41 for disclosures required under Ind AS 19 'Employee Benefits and Note 38 for disclosures required under Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'.
- e) Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA.



NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 24 Current Tax Liabilities (Net)

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Tax	973.38	-
Less : Advance Tax	(787.50)	-
	185.88	-

Note 25 Regulatory Deferral Account Credit Balances

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Foreign Currency Fluctuation	56.26	36.90
CERC Order/Petition filed with APTEL/Others	513.60	1,025.33
	569.86	1,062.23

- a) Amounts under regulatory deferral liabilities as on 31.03.2026 relates to the impact arises out of various regulatory orders for the previous tariff periods.
- b) **Thermal Power Station II (Neyveli)** – Rejection of substitution of actual secondary fuel consumption (SFC) in place of normative SFC in computing energy charge rate, disallowance of de-capitalisation of LEP Assets and reduction of claim towards capital expenses while truing up for the tariff period 2009-14. The Hon’ble Tribunal, vide Order dated 17.07.2025, has set aside the impugned CERC order to the extent of these issues and remanded the matter to CERC for fresh consideration. CERC has issued final order dated 27.03.2026 in which Commission has allowed actual SFC for computing energy charges and allowed inclusion of residual value of LEP assets in the capital cost. Accordingly, the Regulatory Deferral liability accounted in the books of accounts amounting to ₹ 128.41 Crore has been reversed during the year.
- c) Regulatory liability has been provided towards sharing of Non-tariff income arising from sale of lignite for an amount of ₹ 65.99 Crore during the year in respect of Barsingsar mines on account of outside lignite sales.
- d) During the financial year 2022-23, the Company billed an amount of ₹ 386.51 Crore to various DISCOMs towards income tax recoverable under the provisions of the CERC Tariff Regulations, pertaining to different tariff periods in respect of payments made under the ‘Vivad Se Vishwas Scheme’ (VSVS), 2020. Of this, ₹ 68.39 Crore has been received from certain DISCOMs. The balance amount remains disputed by other DISCOMs, who have initiated legal proceedings currently pending before various High Courts. In one such matter involving TANGEDCO, the Hon’ble Madras High Court, through its order dated 11st September, 2024 disposed of the writ petition with a direction to approach the Central Electricity Regulatory Commission (CERC) for adjudication. TANGEDCO subsequently filed an appeal, and the Division Bench of the Madras High Court. Vide court order dated 9th April, 2025 this matter has been sent back to CERC once again for resolution in accordance with the law. Also, the Hon’ble Kerala High Court, vide order dated 12.11.2025, disposed of the matter by remanding it to Central Electricity Regulatory Commission (CERC). Pursuant thereto, NLC India Limited has filed a petition before CERC seeking adjudication of the dispute relating to the Tamil Nadu Generation and Distribution Corporation and Kerala State Electricity Board portions. Further, the writ petition filed by Karnataka DISCOMs was vacated vide order dated 09.03.2026, with directions to approach CERC for appropriate relief. The Company is actively pursuing the vacation of stay orders in other High Courts.

Since the matter is sub judice, the Company has retained the regulatory deferral liability for the disputed amount of ₹ 386.51 Crore, along with accrued interest of ₹ 25.06 Crore on the amount already received. Accordingly, a total regulatory deferral liability of ₹ 411.57 Crore has been recognised as of 31st March, 2026 in this regard.

e) CERC has issued order on 14th March, 2024 read with corrigendum on 06th April, 2024 towards Lignite Input Price for tariff period 2009-14. Based on the order, the Company had issued debit notes to TANGEDCO for an amount of ₹ 694.33 Crore (including interest of ₹ 417.63 Crore) w.r.t TPS – I. Further, TANGEDCO had filed a writ petition before the Madras High Court with respect to the interest portion, and an interim stay was granted on 10th July 2024. Subsequently, the stay was vacated by the Hon’ble High Court vide order dated 23rd August 2024 with a direction that the matter be adjudicated by Central Electricity Regulatory Commission. Accordingly, TANGEDCO filed a petition before CERC. In its order dated 8th November, 2024, CERC upheld the Company’s claim for interest, directing TANGEDCO to make payment within three months from the date of the order. However, TANGEDCO has filed an appeal (Appeal No. 37 of 2025) against the above CERC Order before the Appellate Tribunal for

NOTES TO STANDALONE FINANCIAL STATEMENTS

Electricity (APTEL), which is currently pending adjudication. Appellate Tribunal for Electricity vide order dated 12.02.2025 granted interim relief directing payment of 50% by Tamil Nadu Generation and Distribution Corporation Limited and ordered that the appeal be listed for final hearing. Accordingly, based on management assessment during the year, regulatory deferral liability of ₹ 417.63 Crore has been reversed in FY 2025-26

- f) Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

Note 26 Revenue from Operations

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of :		
- Power	7,611.79	7,323.59
- Lignite	640.96	604.76
- Coal	2,522.51	2,246.39
- Fly Ash & Other By-products	99.80	89.58
Other Operating Revenue :		
- Consultancy and Technical Fees	42.85	40.72
	10,917.91	10,305.04
Less: Transfer to Capital Work in Progress	-	-
Less: Rebate on sale of Power	53.99	19.26
	10,863.92	10,285.78

- a) The Central Electricity Regulatory Commission (CERC) notified the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 vide notification dated 15th March, 2024 (hereinafter referred to as “Tariff Regulations, 2024”) for determination of tariff for the tariff period 2024-29.

The Company has filed tariff petitions with CERC for the tariff period 2024-29 for determination of Annual Fixed Charges in respect of its thermal generating stations and for determination of input price of lignite/coal in respect of its integrated mining operations. Pending issuance of tariff orders by CERC, capacity charges for thermal stations are being billed based on the last approved Annual Fixed Charges, and energy charges for integrated mines are being billed based on the Provisional/Last approved input price and as per norms, in accordance with the provisions of the Tariff Regulations, 2024-29.

Further, in respect of Barsingsar Mines, the input price petition filed for the tariff period 2024-29 is lower than the last approved input price order for the period 2019-24 and accordingly, billing of energy charges with effect from 1st April, 2025 is being carried out provisionally based on the input price as filed in the petition before CERC for the tariff period 2024-29 based on mutual consent with DISCOM.

- b) Power Sale includes Sale of Power through Trading for FY 2025-26 ₹ 69.55 Crore. (FY 2024-25 ₹ 59.89 Crore).
- c) During the year CERC has issued final order dated 27.03.2026 in which Commission has allowed actual SFC for computing energy charges and allowed inclusion of residual value of LEP assets in the capital cost w.r.t Thermal Power Station II (Neyveli) Accordingly, Unbilled income of ₹ 29.08 Crore has been booked during the year.
- d) Under the CPSU Scheme, a total DCR Solar PV capacity of 510 MW was allocated to NLC India Limited by IREDA, comprising of 10 MW at Neyveli (Tamil Nadu), 300 MW at Barsingsar (Rajasthan), and 200 MW at Bhuj (Gujarat).

During the year, 300 MW Barsingsar Solar Power Project has declared commercially operational. CERC vide order dated 31.12.2025 has adopted tariff of ₹ 2.45 per kWh with a direction to approach Commission for seeking relief with respect to Change in law events of GST rate changes. Accordingly, NLCIL has filed a petition during the quarter to claim the impact of such Change in Law. NLCIL started billing at the tariff of ₹ 2.45 per kWh, as adopted by the Hon’ble Commission, the project having achieved full commissioning in accordance with the terms of the PPA.

- e) During April 2025, the State of Tamil Nadu has enacted a new legislation titled the Tamil Nadu Mineral Bearing Land Tax Act, 2024, which came into effect from 4th April, 2025. The Act provides for the levy of tax on minerals excavated from mineral-bearing lands. The company is complying with the requirements of this Act from the current financial year (FY 2025-26), in accordance with its applicability.



NOTES TO STANDALONE FINANCIAL STATEMENTS

Meanwhile, NLCIL has filed a miscellaneous petition before the Central Electricity Regulatory Commission (CERC) seeking approval to include the mineral-bearing land tax under Energy Charges, treating it as part of the landed cost of primary fuel, being a statutory levy. CERC, vide order dated 15.01.2026, permitted recovery of the expenditure incurred towards the said levy from beneficiaries through the landed price of lignite as part of the Energy Charge Rate (ECR), in accordance with Regulations 38, 50, and 58 of the 2024 Tariff Regulations. Accordingly, the differential Energy charges on account of revised Landed cost of ₹ 379.07 Crore has been recognised during the year.

- f) Lignite sales includes sales to M/s TAQA as per Fuel Supply Agreement (FSA) amounting to ₹ 437.25 Crore (PY ₹ 413.38 Crore) and e-auction sales from Barsingsar Mines
- g) Coal sales includes sales to subsidiary of NLCIL - NTPL amounting to ₹ 281.47 Crore (FY 2024-25 ₹ 92.95 Crore) and e-auction sales etc.

Note 27 Other Income

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Interest on		
(i) Bank Deposits	22.62	39.57
(ii) Employees Loans	2.77	3.84
(iii) Mine Closure Deposits	46.92	46.60
(iv) Loans to Subsidiary companies	44.82	51.86
(v) Others	349.66	52.19
(b) Gain/Loss on redemption of MFs	2.17	0.70
(c) Unwinding of Interest Income	8.35	19.17
(d) Recoveries Towards Rent and Others	26.20	25.97
(e) Profit on Sale of Assets	97.81	45.62
(f) Provision Written Back	219.86	259.12
(g) Surcharge on sale of Power	10.19	42.57
(h) Dividend from Subsidiary Companies and JVs	234.18	194.74
(i) Exchange Fluctuation	0.25	1.27
(j) Deferred Income on Govt. Grant	5.92	10.72
(k) Miscellaneous	141.59	449.47
	1,213.31	1,243.41
(Add)/Less: Transfer to Capital Work in Progress	0.05	0.16
Less: Transfer to Mine Closure Liability	42.23	41.87
	1,171.03	1,201.38

- a) Interest on others includes :
- i) During the year, final order in Petition No. 2/MP/2014 was received on 05.01.2026 from Central Electricity Regulatory Commission, pursuant to the remand by Appellate Tribunal for Electricity, in respect of the dispute raised by Kerala State Electricity Board regarding reimbursement of income tax relating to the linked mines portion of Thermal Power Station-I Expansion for the period 2003-2009. Accordingly, interest income on the disputed amount aggregating to ₹85.06 Crore was recognised during the year.
- ii) In respect of Petition No. 9/RP relating to revision of pooled lignite price for the period 2009–14 pursuant to the remand by the Appellate Tribunal for Electricity and consequent inclusion of Mine-II Expansion, interest income amounting to ₹166.98 Crore on account of outstanding dues due to inclusion of Mine II Expansion in pooled price has been recognised during the year.
- iii) In respect of Thermal Power Station-II (Neyveli), NLC India Limited had filed an appeal before the Appellate Tribunal for Electricity against the Central Electricity Regulatory Commission tariff order for 2009–14 on issues relating to Secondary Fuel Consumption (SFC), Life Extension Programme (LEP) assets and capital expenditure. The Hon'ble Tribunal, vide order dated 17.07.2025, set aside the impugned order on these issues and remanded the matter to CERC. Subsequently, CERC vide order dated 27.03.2026 allowed actual SFC for computing energy charges and inclusion of residual value of LEP assets in capital cost. Accordingly, unbilled interest income of ₹70.33 Crore for the differential annual fixed cost and Energy charge has been recognised during the year.

NOTES TO STANDALONE FINANCIAL STATEMENTS

- b) Deferred income on Govt. grant includes grant received from Ministry of New and Renewable Energy (MNRE) on various Solar Projects executed by the Company.
- c) Profit on sale of assets includes an amount of ₹ 89.34 Crore w.r.t sale of portion of TPS I assets.
- d) Provision written back includes
- i) By taking into the period of outstanding, realisation made and the trend of realisation expected credit loss provision has been reversed for an amount of ₹ 152.60 Crore
- ii) The provision of ₹12.51 Crore created earlier has been reversed during the year consequent to the asset being brought into usable condition
- iii) Provision created earlier towards land compensation amounting to ₹54.75 Crore has been reversed pursuant to a detailed review.
- e) Miscellaneous Income includes
- i) Scrap sales amounting to ₹ 53.83 Crore (PY : ₹ 38.80 Crore)
- ii) Insurance claims aggregating to ₹27.02 Crore in respect of Plant & Machinery and damages caused due to floods, etc., have been recognised during the year.
- iii) Income amounting to ₹16.18 Crore from blasting services has been recognised during the year, based on blasting services rendered by the Company to contractors.
- f) Dividend income aggregating to ₹234.18 Crore has been recognised during the year, comprising ₹233.68 Crore received from NTPL (subsidiary company) and ₹0.50 Crore from CLUVPL (joint venture).

Note 28 Changes in Inventories

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
OPENING STOCK		
Raw Material		
- Lignite	495.81	327.59
- Coal	128.76	93.56
- Other Minor Minerals	1.66	-
CLOSING STOCK		
Raw Material		
- Lignite	436.22	495.81
- Coal	258.22	128.76
- Other Minor Minerals	5.19	1.66
Less: Transfer to Capital Work in Progress	-	-
Increase (-)/Decrease in Stock	(73.40)	(205.08)

Other Minor minerals includes Ball clay, silica sand and Gravels

Note 29 Employee Benefit Expenses

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, Wages and Incentives	1,808.43	2,142.76
Contribution to Provident and other funds	320.63	706.44
Gratuity	168.84	45.70
Welfare Expenses	160.98	115.90
	2,458.88	3,010.80
Less: Transfer to Capital Work in Progress	25.52	13.60
	2,433.36	2,997.20

Disclosures as per Ind AS 19, 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 41



NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 30 Finance Costs

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on :		
(i) Foreign Currency Loans*	4.80	2.82
(ii) NLCIL Bonds	254.69	290.01
(iii) Loan from Banks	158.74	127.31
(iv) Loan from Power Finance Corporation	70.56	134.63
(v) Treasury Bill Linked WCL	33.33	-
(vi) Interest on ROU Liability	2.42	3.06
Others :		
(i) Discount on Commercial Paper	10.64	-
(ii) Guarantee Fees on KfW loan	4.43	4.67
	539.61	562.50
Less: Transfer to Capital Work in Progress	25.71	-
	513.90	562.50

*Net of borrowing cost capitalised of ₹ 9.63 Crore.Refer Note 43

With respect SBI ECB, foreign exchange gain of ₹ 1.33 Crore is considered as an adjustment to borrowing costs.

Note 31 Depreciation and Amortisation Expenses

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Property, Plant and Equipment and Intangible assets	1,392.92	1,308.76
Mine Development and other Amortisations	61.33	61.19
Depreciation on ROU Assets	4.90	2.88
	1,459.15	1,372.83
Less: Transfer to Capital Work in Progress	6.27	4.73
	1,452.88	1,368.10

Note 32 Other Expenses

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of Stores and Spares	847.96	1,012.53
Fuel	205.57	207.81
Mine Closure	65.67	47.84
Rent	1.53	1.59
Rates and Taxes		
- Electricity Tax	0.61	0.54
- Others	753.30	235.96
Repairs and Maintenance		
- Plant and Machinery	533.81	497.10
- Buildings	40.56	36.20
- Others	445.84	430.80

NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Overburden Removal Expenditure	717.21	681.22
Insurance	82.80	89.76
Payments to Auditors		
- Audit fees	0.94	0.99
- Tax Audit fees	0.08	0.13
- Other Certification Fees	0.18	0.40
- Reimbursement of expenses	0.21	0.20
Other professional fees	2.25	1.79
Consultancy Expenses	15.18	13.66
Travelling Expenses	50.36	45.41
Training Expenses	38.05	34.76
Family Welfare Expenses	31.15	30.81
Selling Expenses - Commissions	2.47	1.54
Advertisement Expenses	17.19	13.39
Legal Expenses	4.84	5.95
Afforestation Expenses	19.19	19.41
Royalty	1,032.61	1,037.33
Security Expenses (CISF)	210.93	190.93
Corporate Social Responsibility	44.87	43.89
Foreign Exchange Fluctuation	3.83	1.77
Electricity Charges	2.99	2.76
Miscellaneous Expenses	182.81	109.95
Loss on disposal/Write off of assets	2.00	12.53
Provision for Stores & Materials	4.94	1.65
Provision for Fixed Assets/CWIP	20.25	9.36
Loss allowance on trade receivables and others	35.70	133.74
Provision for contingency	169.35	160.77
Trade Receivable written off	-	1.90
	5,587.23	5,116.37
Less: Transfer to Capital Work in Progress	29.27	34.69
	5,557.96	5,081.68

The company has made the provision for loss allowance on debtors, the resulting impact amounting to ₹ 35.62 Crore (PY ₹133.74 Crore) and other amounting to ₹ 0.08 Crore (PY - NIL)

Note 33 Net Movement in Regulatory Deferral Account Balances Income/(Expenses) - Net

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Income		
a) Deferred Foreign Currency	39.61	(27.24)
b) Mine Closure	32.83	(147.23)
c) CERC Orders	256.27	(203.17)
Expenses		
a) CERC/SERC Orders	(559.85)	(1,552.71)
Net Movement	888.56	1,175.07



NOTES TO STANDALONE FINANCIAL STATEMENTS

- a) The Company has reviewed the final order dated 27.03.2026 from CERC in respect of TPS II for the 2009-14 truing-up pursuant to the remand by Appellate Tribunal for Electricity. In the said order, the Commission allowed actual SFC for computation of energy charges, permitted inclusion of the residual value of LEP assets in the capital cost, and approved the corresponding AFC. Accordingly, the Regulatory Deferral Liability amounting to ₹128.41 crore recognised in the books of accounts has been reversed during the year.
- b) The Company undertakes concurrent Mine Closure activity. In line with the Mine Closure Guidelines issued by Ministry of Coal, GoI, actual expenses incurred on mine closure up to a maximum of 50% of the Mine Closure Deposit along with interest in Escrow Account can be withdrawn on verification in every five years. Further, an amount of ₹ 32.84 Crore (PY : ₹ 23.92 Crore) has been considered as regulatory income/assets based on the revised mine plan.

Further, an amount of ₹ 23.92 Crore (PY: ₹ 22.78 Crore) has been considered as regulatory income based on the revised mine plan.

- c) During the current year, regulatory liability for NTI with respect to Barsingsar mines to the extent of ₹ 65.99 Crore has been provided by the year
- d) During the financial year 2022-23, the Company billed an amount of ₹ 386.51 Crore to various DISCOMs towards income tax recoverable under the provisions of the CERC Tariff Regulations, pertaining to different tariff periods in respect of payments made under the ‘Vivad Se Vishwas Scheme’ (VSVS), 2020. Of this, ₹ 68.39 Crore has been received from certain DISCOMs. The balance amount remains disputed by other DISCOMs, who have initiated legal proceedings currently pending before various High Courts. In one such matter involving TANGEDCO, the Hon’ble Madras High Court, through its order dated 11st September, 2024 disposed of the writ petition with a direction to approach the Central Electricity Regulatory Commission (CERC) for adjudication. TANGEDCO subsequently filed an appeal, and the Division Bench of the Madras High Court Vide court order dated 9th April, 2025 this matter has been sent back to CERC once again for resolution in accordance with the law.

Also, the Hon’ble Kerala High Court, vide order dated 12.11.2025, disposed of the matter by remanding it to Central Electricity Regulatory Commission (CERC). Pursuant thereto, NLC India Limited has filed a petition before CERC seeking adjudication of the dispute relating to the Tamil Nadu Generation and Distribution Corporation and Kerala State Electricity Board portions. Further, the writ petition filed by Karnataka DISCOMs was vacated vide order dated 09.03.2026, with directions to approach CERC for appropriate relief. The Company is actively pursuing the vacation of stay orders in other High Courts. Since the matter is sub judice, the company has provided for accrued interest of ₹ 8.54 Crore for the financial year FY 25-26 under regulatory deferral account credit balances.

- e) As the company continues to bill beneficiaries based on the latest available Tariff Order applicable for the previous control period (2019-24), in accordance with the regulations, until the Tariff Order for the current control period (2024-29) is issued. During the year O&M difference amounting to ₹ 119.21 Crore arising between last approved 2019-24 tariff order in respect of Thermal power plants and normative O&M applicable for the current control period 2024-29 is considered under regulatory income.
- f) As per CERC regulations 2024-29, security expenses, water charges and capital spares will be allowed separately after prudence check. By considering the regulations, regulatory income of ₹ 137.06 Crore in respect of those charges for the year ended 31st March, 2026 are accounted in regulatory deferral account debit balances.
- g) CERC has issued order on 14th March, 2024 read with corrigendum on 06th April, 2024 towards Lignite Input Price for tariff period 2009-14. Based on the order, the Company had issued debit notes to TANGEDCO for an amount of ₹ 694.33 Crore (including interest of ₹ 417.63 Crore) w.r.t TPS – I. Further, TANGEDCO had filed a writ petition before the Madras High Court with respect to the interest portion, and an interim stay was granted on 10th July 2024. Subsequently, the stay was vacated by the Hon’ble High Court vide order dated 23rd August, 2024 with a direction that the matter be adjudicated by Central Electricity Regulatory Commission. Accordingly, TANGEDCO filed a petition before CERC on the direction of high court. In its order dated November 8, 2024 CERC upheld the Company’s claim for interest, directing TANGEDCO to make payment within three months from the date of the order. However, TANGEDCO has filed an appeal (Appeal No. 37 of 2025) against the above CERC Order before the Appellate Tribunal for Electricity (APTEL), which is currently pending adjudication. Appellate Tribunal for Electricity vide order dated 12.02.2025 granted interim relief directing payment of 50% by Tamil Nadu Generation and Distribution Corporation Limited and ordered that the appeal be listed for final hearing. Accordingly, based on management assessment during the year, regulatory deferral liability of ₹ 417.63 Crore has been reversed in FY 2025-26
- h) The regulatory deferral liability of ₹ 30.79 Crore recognised during the previous year has been reversed during the current year on account of issue of credit notes for excess billing made based on the last available Input Price Tariff Order for the control period (2019-24) vis-à-vis input price petition filed in respect of Barsingsar Thermal Power Plant. Billing has thereafter been made based on the petitioned Input Price for the control period (2024-29), with the approval of the competent authority.

NOTES TO STANDALONE FINANCIAL STATEMENTS

- i) Exchange differences (KfW Loan) arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised on an undiscounted basis as Regulatory deferral account debit/credit balance. Accordingly, an amount of ₹ 39.61 Crore of regulatory income has been recognised during the year (PY : ₹ -27.24 Crore)
- j) The company undertakes review of regulatory assets and liabilities at the end of each year and based on reassessment of recoverability/refund of such assets/liabilities necessary accounting adjustments are carried out and based on expert opinion wherever required period cost on regulatory liability has also been considered subject to approval of Regulatory Authority.

Note 34 Other Comprehensive Income

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a Items that will not be reclassified to Profit or Loss:		
a) Remeasurement of Actuarial (Losses)/Gains	(9.25)	(19.53)
b) Tax expenses/(savings) Remeasurement of Actuarial (Losses)/Gains	2.84	6.80
Total (a-b)	(6.41)	(12.73)
b Items that will be reclassified to Profit or Loss:		
a) Cash Flow Hedge Reserve	-	-
b) Cost of Hedge Reserve	(6.46)	-
c) Tax expenses/(savings) relating to items that will be reclassified to Profit or Loss	-	-
Total (a+b-c)	(6.46)	-

Note 35 Earnings per Equity Share (EPS):**Earnings per Equity Share (of ₹ 10 each) (before adjustment of Net Regulatory Deferral Balances)**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit after Tax (₹ in Crore)	1,909.22	1,133.90
Weighted Avg. Number of Shares (In No's)	1386636609	1386636609
Face Value of Share (₹)	10.00	10.00
Earning Per Share - Basic and Diluted (₹)	13.77	8.18

Earnings per Equity Share (of ₹10 each) (after adjustment of Net Regulatory Deferral Balances)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit after Tax (₹ in Crore)	2,525.07	1,899.99
Weighted Avg. Number of Shares (In No's)	1386636609	1386636609
Face Value of Share (₹)	10.00	10.00
Earning Per Share - Basic and Diluted (₹)	18.21	13.70

The company does not have any potentially dilutive shares, thus the basic and the diluted earnings per share is the same.



NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 36 Disclosure as per IND AS I 'Presentation of Financial Statements'**a) Disclosure of accounting policies**

Pursuant to amendment in IND AS 1, the company has disclosed material accounting policies (Note no. 1)

b) Reclassification of comparative figures

The Company has made certain reclassifications to the comparative period's financial statements mainly to enhance comparability with the current year's financial statements.

(₹ in Crore)			
Particulars	Before Reclassification	Reclassification	After Reclassification
1 Trade Receivables (Note no 10 (b))	1,883.79	576.62	2,460.41
2 Other Financial Assets (Note no 10 (f))	604.30	(578.02)	26.28
3 Investments (Note no 10 (a))	-	1.40	1.40

Note 37 Disclosure as per IND AS 21 'The Effects of changes in Foreign Exchange Rates'

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a. The amount of exchange rate difference debited/(credited) to the Statement of Profit & Loss Account	3.58	0.50
b. The amount of exchange rate difference Adjustment and debited/(credited) to the carrying amount of fixed assets & WIP	58.96	7.83
	62.54	8.33

As per the Guidance Note on Rate Regulated Activity issued by ICAI, exchange rate difference (on account of repayment of foreign currency borrowing) which are recoverable from or payable to the beneficiaries in subsequent years as per CERC Tariff regulations on Lignite Transfer price are accounted as Deferred foreign currency fluctuation asset/liability.

Note 38 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

(₹ in Crore)				
Movement in Provisions	As at April 1, 2025	Additions	Withdrawals	As at March 31, 2026
(i) Provision for loss on Assets	84.94	23.49	35.56	72.87
(ii) Provision for contingencies	326.56	169.56	0.21	495.91
(iii) Provision for other items (Other than Gratuity)	176.00	31.04	54.87	152.17
	587.50	224.09	90.64	720.95

- a. In all these cases, outflow of economic benefits is expected within next one year.
- b. The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of assumptions and estimates made in recognising these provisions.

NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 39 Corporate Social Responsibilities

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, and Ministry of corporate Affairs of Govt of India from time to time, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(₹ in Crore)		
Particulars	As on March 31, 2026	As on March 31, 2025
A. Amount Required to be spent during the year :		
i) Gross Amount (2% of average net profit of immediately preceding financial years as per the Companies Act 2013 and amendments thereto)	44.87	43.89
ii) Surplus arising out of CSR Projects	0.24	0.61
iii) Set off available from previous years	4.13	
iv) Total CSR Obligation for year (i+ii-iii)	40.98	44.50
B. Gross amount approved by the Board of Directors for the year	83.25	110.80
C. Amount spent during the year on		
i) construction and acquisition of any asset	26.28	16.80
ii) on purposes other than (i) above	21.78	31.83
D. Set off available for succeeding year	7.08	4.13
E. Amount unspent during the year	-	-

i) Amount spent during the year ended 31st March, 2026

(₹ in Crore)			
Particulars	In cash	Yet to be paid in Cash	Total
a) for construction or acquisition of any asset	15.69	10.59	26.28
b) on purposes other than (a) above	18.92	2.86	21.78
Amount spent during the year ended 31 st March, 2025:			
a) for construction or acquisition of any asset	11.91	4.89	16.80
b) on purposes other than (a) above	29.68	2.15	31.83

ii) Details of excess amount spent

(₹ in Crore)		
Particulars	As on March 31, 2026	As on March 31, 2025
opening balance	4.13	-
Amount required to be spent during the year	45.11	44.50
Amount spent during the year	48.06	48.63
closing balance	7.08	4.13

The set off available in the succeeding years has been recognised as an asset during the year and disclosed under Note-12-'Other current assets'.

NOTES TO STANDALONE FINANCIAL STATEMENTS

iii) Nature wise expenses on CSR activities

Particulars	(₹ in Crore)	
	As on March 31, 2026	As on March 31, 2025
Medical-health & family welfare	10.74	8.50
Education & scholarship	10.01	8.03
Promotion of sports	0.67	0.09
Community development centre	-	3.83
Afforestation & environment sustainability	0.33	0.93
Sanitation, other Basic Amenities and Rural development	17.05	4.83
Vocational Skill Centre development	0.59	3.05
Protection of National Heritage and culture	1.43	3.14
Safe drinking water supply/cutting of drains	4.93	12.39
Others	2.31	3.84
	48.06	48.63

Surplus received on one of the CSR Project amounting to ₹ 0.24 crore (PY ₹ 0.61 crore) has been adjusted with the CSR expenses during the year.

Note 40 Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below:

a) List of related parties

i) Key Managerial Personnel (KMP):

Whole Time Directors

Shri. Prasanna Kumar Motupalli	Chairman and Managing Director	
Dr. Suresh Chandra Suman	Director (Mines)	
Shri. Samir Swarup	Director (Human Resource)	
Shri. M. Venkatachalam	Director (Power)	
Dr. Prasanna Kumar Acharya	Director (Finance)	
Shri. Rajesh Pratap Singh Sisodia	Director (Planning and Projects)	Appointed w.e.f 02.12.2025

Independent Directors

Shri. M.T. Ramesh	Non-Executive Director	Relinquished w.e.f. 28.03.2026
Dr. Vasant Ashok Patil	Non-Executive Director	Relinquished w.e.f. 28.03.2026
Shri. Pradeep Kumar Saraogi	Non-Executive Director	Relinquished w.e.f. 28.03.2026

Nominee Directors

Smt. Vismita Tej	Non Executive Director	Relinquished w.e.f. 03.04.2025
Shri. Sanjeev Kumar Kassi	Non Executive Director	Appointed w.e.f 03.04.2025
Shri. Sanjeev Kumar Kassi	Non Executive Director	Relinquished w.e.f. 01.05.2025
Shri. Sanoj Kumar Jha	Non Executive Director	Appointed w.e.f 09.05.2025
Smt. Beela Venkatesan	Non Executive Director	Relinquished w.e.f. 24.09.2025 (Due to demise)
Shri. Mangat Ram Sharma	Non Executive Director	Appointed w.e.f 16.01.2026



NOTES TO STANDALONE FINANCIAL STATEMENTS

Chief Financial officer and Company Secretary

Dr. Prasanna Kumar Acharya	Chief Financial Officer	
Shri. Prashant Vinay Kaushik	Company Secretary	Relinquished w.e.f 29.10.2025
Shri. Sushanta Kumar Panda	Company Secretary	Appointed w.e.f 30.10.2025

ii) Subsidiaries, Joint Ventures and Associates :

- NLC Tamilnadu Power Limited (NTPL)	Subsidiary
- Neyveli Uttar Pradesh Power Limited (NUPPL)	Subsidiary
- NLC India Renewables Limited (NIRL)	Wholly Owned Subsidiary
- NLC India Green Energy Limited (NIGEL)	Wholly Owned Subsidiary
- NLC Rajasthan Power Limited (NRPL)	Subsidiary
- MNH Shakti Limited (MNH)	Associate
- Coal Lignite Urja Vikas Private Limited (CLUVPL)	Joint Venture
- NIRL Assam Renewables Limited (NARL)	Step down Subsidiary
- NIRL Rajasthan Renewables Limited (NRRL)	Step down Subsidiary

iii) Post Employment Benefit Plans:

- NLC Employees PF Trust
- NLC Employees Pension Fund
- NLC Post Retirement Medical Assistance Fund
- NLC Employee Gratuity Fund

iv) Entities under the control of the same government:

The Company is a Public Sector Undertaking (PSU) wherein majority of shares are held by the President of India. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available under Paragraph 25 & 26 of Ind AS 24 for government related entities and have made disclosures accordingly in the financial statements.

b) Transactions with the related parties:

The aggregate value of transactions and outstanding balances related to key managerial personnel and entities over which they have control or significant influence were as follows:

i) Key management personnel compensation

Particulars	(₹ in Crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Short Term Employee Benefit	4.28	3.66
Post-employment benefits	0.63	0.31
Other long-term benefits	0.36	0.45
Sitting fees	0.36	0.27
	5.63	4.69



NOTES TO STANDALONE FINANCIAL STATEMENTS

ii) Transactions with Subsidiaries and Second Layer Subsidiaries

Particulars	Neyveli Tamilnadu Power Limited (NTPL)		Neyveli Uttar Pradesh Power Limited (NUPPL)	
	2025-26	2024-25	2025-26	2024-25
	(₹ in Crore)			
i) Sales/purchase of goods and services				
- Goods (excluding GST)/advance	281.47	447.95	-	-
- Services (excluding GST)	21.86	24.59	18.04	17.34
ii) Sales/purchase of Assets	68.40	0.20	0.41	0.40
iii) Loans issued	-	-	590.00	795.00
iv) Loans repaid	-	-	855.00	390.00
v) Equity contributions	-	-	312.24	331.75
vi) Dividend Received	233.68	194.74	-	-
vii) Advances/Arrears received for coal sales	352.77	458.21	-	-
viii) Interest receivable	-	-	31.51	35.15

Particulars	NLC India Renewables Ltd (NIRL)		NLC India Green Energy Ltd (NIGEL)	
	2025-26	2024-25	2025-26	2024-25
	(₹ in Crore)			
i) Equity Contributions	3,000.00	119.65	-	-
ii) Sales/purchase of Assets	5,010.03	-	-	-
iii) Sales/purchase of goods and services (Excl of GST)	3.57	0.07	0.08	1.94
iv) Loans issued	1,090.45	51.35	0.37	217.70
v) Loans repaid	612.04	9.41	98.92	119.15
vi) Interest receivable	12.18	0.46	0.90	16.25

Particulars	NLC Rajasthan Power Ltd (NRPL)		NIRL Rajasthan Renewable Ltd (NRRL-Subsidiary of NIRL)	
	2025-26	2024-25	2025-26	2024-25
	(₹ in Crore)			
i) Equity Contributions	0.04	-	-	-
ii) Loans issued	-	-	36.00	-
iii) Loans repaid	-	-	36.00	-
iv) Reimbursement of expenses	-	-	-	-
v) Interest receivable	-	-	0.24	-

iii) Transactions with Joint Venture & Associate:

Particulars	Coal Lignite Urja Vikash Private Limited		MNH Shakti Limited	
	2025-26	2024-25	2025-26	2024-25
	(₹ in Crore)			
i) Reimbursement of expenses	0.08	-	-	-
ii) Loans issued	-	-	-	-
iii) Loans repaid	-	-	-	-
iv) Dividend Received	0.50	-	-	-
v) Consultancy Service	-	-	-	-
vi) Equity contributions	-	-	-	-
vii) Equity Reduction (receipts)	-	-	-	-

- iv) The Company is raising the funds from external commercial borrowings for financing capital expenditure of Company and for extending the same to wholly owned subsidiaries through inter-corporate loans on cost to cost basis. The same has been mentioned in the object clause of document for raising of funds.

v) Transactions with Post employment benefit plans:

Particulars	2025-26	2024-25
	(₹ in Crore)	
	2025-26	2024-25
Contributions made during the year	301.38	321.98

vi) Transactions with the related parties under the control of the same government:

Name of the Company	Nature of transaction	2025-26	2024-25
		(₹ in Crore)	
		2025-26	2024-25
Bharat Heavy Electricals Limited	Purchase of Goods and Services and package contracts	190.76	548.30
BEML Limited	Purchase of Goods and Services and package contracts	91.58	117.11
Hindustan Petroleum Corporation Limited	Purchase of Fuel and Stores	317.54	253.83
Bharat Petroleum Corporation Limited	Purchase of Fuel and Stores	251.28	265.95
Indian Oil Corporation Limited	Purchase of Fuel and Stores	295.13	312.89
Steel Authority Of India Limited	Purchase of Steel	80.12	39.76
Balmer Lawrie & Co Limited	Purchase of Air Ticket & Lubricants	14.88	15.41
MSTC Limited	Commission on e-auction	3.46	1.45
Mecon Limited	Consultancy Services-MOEF norms	0.01	0.12
Instrumentation Limited	Supply of spares	0.38	1.15
Power Grid Corporation Of India Limited	Maintenance Contract	17.77	1.09
Central Power Research Institute (CPRI)	Consultancy and Testing Fee	0.53	0.47
Projects Development India Limited	Consultancy Services-Methanol Project	-	0.06
LIC India Limited	Risk Insurance Policy Premium	59.49	-
National Insurance company Limited	PRMI Insurance/Mega Insurance	101.22	42.89
New India Assurance Company Limited	Insurance Premium (group insurance)	1.91	1.41
United India Insurance Company Limited	Insurance Premium	0.16	0.28
The Oriental Insurance Co Ltd	Insurance Charges	0.03	0.74
Railtel Corporation of India Limited	Internet Services	-	0.05
Rites Limited	Consultancy for Railway siding	6.71	8.36
NTPC limited	Sale of Coal/Others	449.56	947.66
BSNL	Land Line and Internet Services and rent income	2.61	0.63
Grid Controller of India Limited	Transmission Charges	153.79	105.53
National Informatics Centre Services	E mail Service	2.66	-
Certification Engineers Internation	TPI Charges	0.33	0.41
Central Transmission Utility of India	Transmission Charges	5.25	1.76
National Power Training Institute	Seminar/Conference Participation Fee	0.01	-
Engineers India Limited	Project consultancy works	0.41	2.11
Petroleum Conservation Research Association (PCRA)	Energy Audit	-	0.01
National Buildings Construction Corporation Limited	Purchase/Construction of Asset	37.31	0.93
Hindustan Antibiotics Limited	Purchase of medicine	0.55	0.14
Karnataka Antibiotics and Pharmaceuticals Limited	Purchase of medicine	0.60	0.06
Wapcos Limited	Consultancy Services	-	0.50
SJVN Limited	Bid Processing Charges	-	0.18
National Institute of Technology	Consultancy Services	0.03	0.02



NOTES TO STANDALONE FINANCIAL STATEMENTS

NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ in Crore)			
Name of the Company	Nature of transaction	2025-26	2024-25
Structural Engineering Research Centre	Inspection Charges	0.86	0.06
Department of Telecommunication (DoT)	Spectrum Charges	-	0.02
Bureau of Indian Standards	Consultancy Services	-	0.04
National Metallurgical Laboratory	Consultancy Services	-	0.02
Energy Efficient Services Limited	E Vehicle Services	-	0.10
Mineral Exploration Corp Ltd,Nagpur	Consultancy Services	0.00	-
EdCIL (India) Limited	Consultancy Services	0.43	-
Central Institute of Mining	Consultancy Services	0.00	-
Airports Authority of India	Advertising Services	0.01	-
Geological Survey of India	Analysis charges	0.00	-
National Council for Cement and Building Materials	Analysis charges	0.00	-
TANTRANSCO Limited	Maintenance of 230KV &110Kv Tower Lines, Rental Charges for CAAQMS	0.34	-
Central Mine Planning Development	Consultant fee	0.70	-
Central Electrochemical Research Institute	Sample Testing Fee	0.03	-
CUPID Limited	Purchase of stores and consumables	0.00	-
WPIL Limited	Purchase of stores and consumables	3.07	-
Electronic Corporation of India Limited	Rental charges for EVM	0.06	-

c) Outstanding balances with related parties are as follows:

i) Key Managerial Personnel

(₹ in Crore)				
Particulars	Transactions value for the year ended 31 st March,		Balance outstanding as at 31 st March,	
	2026	2025	2026	2025
Shri. Sushanta Kumar Panda/Company Secretary				
- Festival Advance	0.00	-	0.00	-
Shri. Udhayashankar/Company Secretary				
- CAR Loan	-	0.01	-	-
- Multipurpose Loan	-	0.01	-	-

ii) Subsidiaries, Joint Ventures & Associates

(₹ in Crore)		
	As at March 31, 2026	As at March 31, 2025
1) NLC Tamilnadu Power Limited (NTPL)		
- Receivable		
- towards Loans (including interest accrued)	-	-
- towards Advances	6.06	5.15
- towards others	0.83	5.42
- Payable		
- towards others	3.01	
- Advance received		
- Coal Sales	24.13	86.45
2) Neyveli Uttar Pradesh Power Limited (NUPPL)		
- Receivable		
- towards Loans (including interest accrued)	290.00	555.32
- towards Advances	8.67	19.50
- towards others	39.63	27.74
- Payable		
- towards others	0.50	-
3) NLC India Renewables Limited (NIRL)		
- Receivable		
- towards Loans (including interest accrued)	520.35	41.96
- towards Advances	-	0.00
- towards others	3.34	-
- Payble		
- towards others	5.55	-
4) NLC India Green Energy Limited (NIGEL)		
- Receivable		
- towards Loans (including interest accrued)	-	98.60
- towards Advances	-	2.06
- towards others	0.02	-
5) MNH Shakti Limited		
- towards others	28.42	28.42
6) Coal Lignite Urja Vikash Pvt Ltd (CLUVPL)		
- towards others	0.08	-

iii) Post Employment Benefit Plan:

(₹ in Crore)		
Post Employment Benefit Plan	As at March 31, 2026	As at March 31, 2025
- Receivable	-	-
- Payable	25.60	27.05

d) Terms and conditions of transactions with the related parties

- Transactions with the related parties are made on normal commercial terms and conditions and at prevailing market rates.
- The Company is seconding its personnel to Subsidiary Companies as per the terms and conditions agreed between the companies. The cost incurred by the group towards superannuation and employee benefits are recovered from these companies.
- Outstanding balances of subsidiary and joint venture companies at the year-end are unsecured and settlement occurs through banking transaction. These balances other than loans are interest free.

NOTES TO STANDALONE FINANCIAL STATEMENTS

- (4) For the year ended 31st March, 2026 and 31st March, 2025 the Company has not recorded any impairment of receivables relating to amounts payable by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- (5) Consultancy/Management services provided by the Company to Subsidiaries are generally on nomination basis at the terms, conditions and principles applicable for consultancy/management services provided to other parties.

Note 41 Employee benefits

A. Defined Contribution Plans

1. Pension Scheme

The Company operates a defined contribution pension scheme for its eligible employees. Employees who are joined on or before 31.10.2024 are provided an option to either participate in the Company's trust-managed pension fund or the National Pension System (NPS). After 31.10.2024, new joiners will be enrolled with NPS under the corporate scheme by default. In either case, Company's contribution is made at predetermined rates and recognised as employee benefits expense in the Statement of Profit and Loss in the year in which the related services are rendered. The Company has no further obligation beyond such contributions.

During the year ended 31st March, 2026 an amount of ₹ 123.73 crore (Previous Year: ₹ 132.76 crore) has been recognised as expense towards this scheme.

2. Post Retirement Medical Facilities (PRMF)

The Company operates Post-Retirement Medical Facilities (PRMF) scheme which provides medical coverage for eligible retired employees and their spouses/dependants administered through a separate trust. In accordance with the guidelines issued by the Department of Public Enterprises (DPE), the Company's obligation is limited to the contributions/premiums payable under the scheme and accordingly the scheme is accounted for as a defined contribution plan. For employees retired on or before 31st December, 2006 medical assistance is provided through Mediclaim insurance policies and fixed cash reimbursements, for which a separate fund/reserve is maintained by the Company through annual contribution of up to 1.5% of Profit Before Tax (PBT). For employees retired after 31st December, 2006 medical assistance is provided through Mediclaim insurance policies and fixed contributions are made towards the scheme in accordance with the applicable policy. The Company's obligation is limited to the contributions/premiums payable towards the scheme.

Accordingly, Contribution and insurance premium of ₹ 78.39 Crore (Previous year: ₹ 443.12 Crore) has been recognised as employee benefits expense in the Statement of Profit and Loss for employees. Closing provision outstanding towards PRMA as at 31st March, 2026 amounts to ₹ 16.17 Crore (31st March, 2025: ₹ 386.54 Crore).

B Defined benefit plans:

The defined benefit plans are administered through trusts that is legally separated from the company. The board of the trustees is required by law to act in the best interest of the plan participants and is responsible for setting certain policies (e.g. investment, contribution and indexation policies) of the trust. The company's defined benefit plans expose the company to actuarial risks, such as longevity risk, salary escalation risk, interest rate risk and market (investment) risk.

Funding

Defined benefit plan is fully funded by the company. The funding requirements are based on the fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose.

The Company has determined that in accordance with the terms and conditions of the defined benefit plan, and in accordance with statutory requirements, the present value of refunds or reductions in future contributions is not lower than the balance of the total fair value of the plan asset less the total present value of obligations.

1. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 * last drawn wages) for each completed year of service subject to a maximum of



NOTES TO STANDALONE FINANCIAL STATEMENTS

₹ 0.25 Crore on superannuation, resignation, termination, disablement or on death. The gratuity scheme is funded by the Company and is managed by separate fund (NLC Employee Gratuity Fund) and administered by LIC. The liability for gratuity scheme is recognised on the basis of actuarial valuation using projected unit credit method.

Movement in net defined benefit (Asset)/Liabilities*

Particulars	Gratuity		
	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/liability
Balance as at 1 st April, 2025	965.17	896.26	68.91
Included in profit and loss :			
Current Service Cost	46.02	-	46.02
Past service cost and gain or loss on settlement	131.15	-	131.15
Interest cost/Expected return on plan assets	58.99	56.66	2.33
Included in OCI/Profit and Loss account			
Remeasurement of loss (gain) :			
Actuarial loss (gain) arising from			
Demographic assumptions	-	-	-
Financial assumptions	(13.15)	-	(13.15)
Experience adjustment	30.69	7.73	22.96
Return on plan asset excluding interest income	-	-	-
Change in the effect of the asset ceiling	-	-	-
Increase/(decrease) due to effect of any business combination/disinvestment/transfer	-	-	-
Other			
Contributions Paid by the employer		68.91	(68.91)
Benefits paid	(185.00)	(185.00)	-
Balance at 31 st March, 2026	1,033.87	844.56	189.31

Particulars	Gratuity		
	Defined benefit Obligations	Fair value of plan asset	Net defined benefit (asset)/liability
Balance as at 1 st April, 2024	1,007.76	979.55	28.21
Included in profit and loss			
Current Service Cost	47.36	-	47.36
Past service cost and gain or loss on settlement	-	-	-
Interest cost/Expected return on plan assets	61.95	61.00	0.95
Included in OCI			
Remeasurement of loss (gain) :			
Actuarial loss (gain) arising from			
Demographic assumptions	-	-	-
Financial assumptions	7.25	-	7.25
Experience adjustment	23.48	10.12	13.36
Return on plan asset excluding interest income	-	-	-
Change in the effect of the asset ceiling	-	-	-
Increase/(decrease) due to effect of any business combination/disinvestment/transfer	-	-	-
Other			
Contributions Paid by the employer	-	28.22	(28.22)
Benefits paid	(182.63)	(182.63)	-
Balance at 31 st March, 2025	965.17	896.26	68.91

Employee benefit cost amounting to ₹10.27 Crore (PY: ₹ 2.53 Crores) and remeasurement (gains)/losses amounting to ₹ 0.56 Crore (PY: ₹1.08 Crore) pertains to subsidiaries.



NOTES TO STANDALONE FINANCIAL STATEMENTS

NOTES TO STANDALONE FINANCIAL STATEMENTS

Particulars	(₹ in Crore)	
	Gratuity	
	March 31, 2026	March 31, 2025
Represented by :		
Defined benefit asset	844.56	896.26
Defined benefit liability	1,033.87	965.17

I) Plan Asset

Plan assets comprises the followings:

Particulars	Gratuity	
	March 31, 2026^	March 31, 2025
Equity Securities	19.85%	19.85%
Govt & Other Debt Securities	80.15%	80.15%

^Provisional

Details of the employee benefits and plan assets are provided below :

Particulars	(₹ in Crore)	
	Gratuity	
	March 31, 2026	March 31, 2025
Present value of defined benefit obligation	1,033.87	965.17
Less : Fair value of plan assets	844.56	896.26
Net defined benefit (asset)/liability	189.31	68.91
Unrecognised past service cost	-	-

II) Actuarial Assumptions

The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

Particulars	Gratuity	
	March 31, 2026	March 31, 2025
Discount rate per annum	7.13%	6.76%
Expected return per annum on plan asset	6.76%	6.95%
Salary escalation per annum	5.00%	5.00%
Mortality	IALM 2012-14 ULT	IALM 2012-14 ULT
Attrition rate	1%	1%

III) Sensitivity Analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, the defined benefit obligation amount will be as under.

Particulars	(₹ in Crore)			
	Gratuity			
	March 31, 2026		March 31, 2025	
Discount rate (+/- 50 BP)	1,015.89	1,052.21	947.95	984.25
Salary escalation per annum (+/- 50 BP)	1,040.66	1,026.31	970.24	959.61
Mortality (+/- 10%)	1,033.90	1,033.23	965.50	964.77
Attrition rate (+/- 50 BP)	1,036.95	1,030.02	968.66	961.32

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Expected maturity analysis of the defined benefit plans in future years	(₹ in Crore)				
	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 st March, 2026					
Gratuity	225.41	180.56	380.94	246.66	1,033.57
Total	225.41	180.56	380.94	246.66	1,033.57

Expected maturity analysis of the defined benefit plans in future years	(₹ in Crore)				
	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 st March, 2025					
Gratuity	176.41	163.74	364.79	260.23	965.17
Total	176.41	163.74	364.79	260.23	965.17

Expected contributions to the plan for the next reporting period is ₹ 45.71 Crore (PY - ₹ 19.53 Crore)

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 8.71 years (31st March, 2025: 8.72 years).

2. Provident Fund

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Company has obtained report of the actuary, based on which overall interest earnings and cumulative surplus is more than the statutory interest payment requirement for all the periods presented. Further, contribution to employee pension scheme is paid to the appropriate authorities.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the provident fund plan as at balance sheet date:

Particulars	(₹ in Crore)					
	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset)/liability	
	2026	2025	2026	2025	2026	2025
Balance as at April 1st	2,888.32	2,938.33	2,881.63	2,944.26	6.69	(5.93)
Current Service Cost	122.80	159.54	122.80	159.54	-	-
Interest cost/Expected return on plan assets	180.74	194.70	184.44	200.66	(3.70)	(5.96)
Actuarial loss/(gain)	9.95	(137.23)	12.94	(149.13)	(2.99)	11.90
Interest rate guarantee Deficit/(Surplus)	(10.22)	6.68	-	-	(10.22)	6.68
Contributions Paid by the employer	288.06	294.13	288.06	294.13	-	-
Benefits paid	(717.34)	(567.83)	(717.34)	(567.83)	-	-
Balance at March 31st	2,762.31	2,888.32	2,772.53	2,881.63	(10.22)	6.69

Pursuant to Para 57 of Ind AS 19, accounting by an entity for defined benefit plans, inter-alia, involves determining the amount of the net defined benefit liability (asset) which shall be adjusted for any effect of limiting a net defined benefit asset to the asset ceiling prescribed in Para 64. As per Para 64 of Ind AS 19, in case of surplus in a defined benefit plan, an entity shall measure the net defined benefit asset at the lower of actual surplus or the value of the assets ceiling determined using the discount rate. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Further, Para 65 provides that a net defined benefit asset may arise where a defined benefit plan has been overfunded or where actuarial gains have arisen.



NOTES TO STANDALONE FINANCIAL STATEMENTS

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Company has no right to the benefits either in the form of refund from the plan or reductions in future contribution to the plan towards the net surplus of ₹ 10.22 Crore (Previous year - deficit of ₹ 6.69 Crore) determined through actuarial valuation. Accordingly, Company has not recognised the surplus as an asset or the deficit as liability. Consequently the actuarial gains/losses relating to such surplus/deficit have not been recognised in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the company.

I) Plan Asset

Plan assets comprises the followings:

Particulars	March 31, 2026		March 31, 2025	
	(₹ in Crore)	% of total assets	(₹ in Crore)	% of total assets
Equity Securities/Exchange Traded funds	116.17	4.19%	77.45	2.69%
Fixed Income/Debt Securities	2,656.36	95.81%	2,804.18	97.31%
	2,772.53	100.00%	2,881.63	100.00%

II) Actuarial Assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

Particulars	March 31, 2026	March 31, 2025
Discount rate per annum	7.13%	6.76%
Expected return per annum on plan asset	6.76%	8.25%
Super annuation age	60 Years	60 Years
Remaining work life	Average of 8.84 years	Average of 9.23 years
Mortality	IALM 2012-14 ULT	IALM 2012-14 ULT

Pending notification from EPFO, interest on Provident fund has been considered on a provisional basis based on recommendation of Central Board of Provident Fund.

C Other long term employee benefit plans**1. Leave**

The Company provides earned leave (EL) and half-pay/medical leave (HPL) benefits to its employees, which accrue annually at 30 days and 20 days, respectively. EL is encashable during service, whereas half-pay/medical leave is encashable only upon separation from service and cannot be commuted. However, total number of leave that can be encashed on superannuation shall be restricted to 300 days and commutation of half-pay/medical leave is not permissible.

The leave benefit scheme is funded through SBI Life Leave Encashment Fund and the related liability is recognised based on actuarial valuation carried out at each reporting date. Special Additional Leave, being mandatorily encashable at the end of the annual leave cycle, is recognised on an undiscounted basis as a short-term employee benefit.

An amount of ₹ (45.61) Crore (Previous year: ₹ 79.80 Crore) has been recognised as employee benefits expense in the Statement of Profit and Loss during the year. Closing provision/(asset) as at 31st March, 2026 amounts to ₹ (48.39) Crore (31st March, 2025: ₹ 85.06 Crore)*

2. Retirement Travelling Allowance (RTA)

Employees are eligible for Retirement Travel Allowance (RTA) for travel to the place of settlement in India upon superannuation. The scheme is unfunded and the related liability is recognised based on actuarial valuation carried out at each reporting date.

An amount of ₹ (21.52) Crore (Previous year: ₹ 6.77 Crore) has been recognised as employee benefits expense in the Statement of Profit and Loss during the year. Closing provision as at 31st March, 2026 amounts to ₹ 165.30 Crore (31st March, 2025: ₹ 186.89 Crore).

* The Company centrally manages gratuity and leave schemes for its employees, including employees seconded to or working in certain subsidiary companies. The related obligations recognised in these standalone financial statements include liability

NOTES TO STANDALONE FINANCIAL STATEMENTS

pertaining to such employees. The corresponding employee benefit costs are allocated to the respective subsidiaries on a predetermined basis.

The super annuation schemes of the company including Provident Fund, Gratuity, Pension and Post-Retirement Medical Benefit Schemes as per extant statutes/applicable guidelines.

Note 42 Financial Instruments - Fair value disclosures**a. Financial instruments by category**

The carrying amounts of financial instruments by measurement categories are as follows:

(₹ in Crore)				
31 st March, 2026	Carrying Amount			
	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	Total
A. Financial Assets				
Investments (Non Current Assets)	8,403.80	-	-	8,403.80
Investments (Current Assets)	-	0.61	-	0.61
Loans	842.40	-	-	842.40
Trade Receivables	1,856.83	-	-	1,856.83
Cash and Cash equivalents	90.13	-	-	90.13
Other Bank balances	125.96	-	-	125.96
Other financial assets	681.18	-	29.13	710.31
B. Financial Liabilities				
Borrowings	10,157.36	-	-	10,157.36
Trade Payable	777.96	-	-	777.96
Lease Liability	24.46	-	-	24.46
Other financial liabilities	813.74	-	-	813.74

(₹ in Crore)				
31 st March, 2025	Carrying Amount			
	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	Total
A. Financial Assets				
Investments (Non Current Assets)	5,091.52	-	-	5,091.52
Investments (Current Assets)	-	1.40	-	1.40
Loans	722.25	-	-	722.25
Trade Receivables	2,518.44	-	-	2,518.44
Cash and Cash equivalents	163.47	-	-	163.47
Other Bank balances	125.72	-	-	125.72
Other financial assets	630.59	-	-	630.59
B. Financial Liabilities				
Borrowings	7,524.97	-	-	7,524.97
Trade Payable	1,233.62	-	-	1,233.62
Lease Liability	36.38	-	-	36.38
Other financial liabilities	903.38	-	-	903.38

The fair valuation of employees loans have been carried out and accounted appropriately through profit and loss account, however the amount is immaterial. Hence the same has not been disclosed separately.



NOTES TO STANDALONE FINANCIAL STATEMENTS

b) Fair values hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

31st March, 2026

(₹ in Crore)		
Particulars	Level 2	Total
Financial assets		
Measured at FVTPL		
Investments in Mutual Funds	0.61	0.61
Measured at FVTOCI		
Derivative financial instruments	29.13	29.13

31st March, 2025

(₹ in Crore)		
Particulars	Level 2	Total
Financial assets		
Measured at FVTPL		
Investments in Mutual Funds	1.40	1.40

The carrying amounts of trade receivables, trade payables, payable for capital expenditure, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair valuation of employee loans has been carried out and accounted for appropriately through the Statement of Profit and Loss. However, the amount being immaterial, the same has not been disclosed separately.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This level includes investments in mutual funds which are valued using the closing NAV.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from prevailing market transactions and dealer quotes of similar instruments.

There have been no transfers between levels in the fair value hierarchy during the years ended 31st March, 2026 and 31st March, 2025

Valuation Techniques for fair value disclosures

Instrument type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Call spread options - purchased and written foreign currency options	Option contracts are fair valued using Black-Scholes model for valuation of plain vanilla European FX options. The inputs to the model include spot exchange rates, yield curves of the respective currencies and implied volatilities.	Not applicable	Not applicable
Mutual funds	Closing NAV as at reporting date	Not applicable	Not applicable

NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 43 Disclosure as per Ind AS 23 on 'Borrowing Costs'

Borrowing costs capitalised during the year is ₹ 35.34 Crore (previous year NIL).

Note 44 Disclosure as per Ind AS 116 'Leases'

The companies significant leasing arrangements are in respect of various assets and the same are as follows :

- a) **Land** : The company has lease arrangement with respect to its office and township requirements at various locations (i.e. HUDCO land at Delhi and office & township land in Talabira project, Odisha) for 99 years. The lease rental are fixed for entire lease term, which has been arrived based on lease agreement. The lease can be extended for similar periods on mutually agreed terms after the completion of the current lease period. The company does not have option to buy.
- b) **Vehicles** : The Company has taken certain vehicles (including e-vehicles) on lease for a period extending up to 5 years, which can be further extended at mutually agreed terms. All the lease rental of vehicles are fixed in nature except for e-vehicles Lease rental for which are escalated @10% each year.
- c) **Plant and Machinery** : An agreement has been arrived between NLCIL (the company) and Solar Development Operator (SDO) to use power evacuation facility for a period of 25 years. The lease rental are fixed in nature.
- d) **Buildings** : Premises for use of offices and guest houses on lease are usually renewable on mutually agreeable terms. The lease rental are fixed in nature for one property and escalated by 10% each year for other properties
- e) Leasehold mining land is outside the scope of Ind AS 116 and is accordingly classified as Property, Plant and Equipment under Ind AS 16.
- f) Due to variable nature of payment for overburden removal, the right to use asset and lease liability under Ind AS 116 is not ascertainable.

When measuring lease liabilities, the Company discounted lease payments using its weighted average borrowing rate of long term loans.

i. As a lessee

Following are the changes in the carrying value of right of use assets and Lease liability for the year ended 31st March 2026:

A) Right-of-use assets

(₹ in Crore)					
Particulars	Plant & Machinery	Property	Vehicles	Land	Total
Balance at 1 st April, 2025	19.17	1.46	0.13	55.76	76.52
Additions	0.10	1.71	4.24	89.76	95.81
Deductions :					
Depreciation charge	0.75	0.89	1.77	1.49	4.90
Short closure	18.52	0.21	-	-	18.73
Balance at 31 st March, 2026	-	2.07	2.60	144.03	148.70

B) Lease Liabilities

(₹ in Crore)		
Particulars	For the year ended 31 st March 2026	For the year ended 31 st March 2025
Opening balance	36.38	35.85
Additions :		
- Addition to lease liability	95.81	3.33
- Interest towards lease liability	2.42	3.06
Deductions :		
- Payment of lease liability	91.42	5.46
- Short closure/Transfer	18.73	0.40
Closing Balance	24.46	36.38



NOTES TO STANDALONE FINANCIAL STATEMENTS

C) Maturity analysis – contractual undiscounted cash flows

(₹ in Crore)		
Particulars	2025-26	2024-25
3 months or less	0.83	1.00
3-12 months	3.86	3.54
1-2 years	2.71	4.33
2-5 years	4.91	11.67
More than 5 years	125.11	84.21
Total	137.42	104.75

D) Total undiscounted lease liabilities as at 31st March

(₹ in Crore)		
Particulars	2025-26	2024-25
Lease liabilities included in the balance sheet as at 31 st March	24.46	36.38
Current	3.02	2.03
Non-current	21.44	34.35

E) Amounts recognised in profit or loss

(₹ in Crore)		
Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Interest on lease liabilities	2.42	3.06
Depreciation on ROU Assets	4.90	2.88
Lease Rentals	1.53	1.59
Total	8.85	7.53

F) Amounts recognised in the statement of cash flows

(₹ in Crore)		
Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Total cash outflow for leases	91.42	5.46

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

ii. As a lessor

The company has not entered any agreement this financial year, as a lessor which qualify as a lease under IND AS 116. Thus the disclosure requirements of Ind AS 116 as lessor does not arise for the company.

Note 45 Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'

(a) Subsidiaries

The Company’s subsidiaries are listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the company		Ownership interest held by non-controlling interests		Principal activities
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	
NLC Tamilnadu Power Limited (NTPL)	India	89%	89%	11%	11%	Generation of Energy
Neyveli Uttar Pradesh Power Limited (NUPPL)	India	51%	51%	49%	49%	Generation of Energy
NLC India Renewable Energy Limited (NIRL)	India	100%	100%	-	-	Generation of Energy
NLC India Green Energy Limited (NIGEL)	India	100%	100%	-	-	Generation of Energy
NLC Rajasthan Power Limited (NRPL)	India	74%	-	26%	-	Generation of Energy

NOTES TO STANDALONE FINANCIAL STATEMENTS

(b) Joint Venture

The Company’s Joint venture is listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the company		Principal activities
		March 31, 2026	March 31, 2025	
Coal Lignite Urja Vikas Private Limited (CLUVPL)	India	50%	50%	Renewable Energy

(c) Associate

The Company’s associate is listed below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the company		Principal activities
		March 31, 2026	March 31, 2025	
MNH Shakti Limited	India	15%	15%	Coal Mining

The Company's investments do not contain any restrictions on disposal within a stipulated period of time.

Note 46 Disclosure on Ind AS 114, 'Regulatory Deferral Accounts'

(i) Nature of rate regulated activities

The Company is engaged in the business of mining of lignite/coal and generation of power by using lignite as well as renewable energy sources. The price to be charged by the Company for electricity sold to its customers is determined by the Central Electricity Regulatory Commission (CERC)/State Electricity Regulatory Commission (SERC)/bidding process as applicable. The CERC provide extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of power and Supply of lignite/Coal from its integrated mines.

Under the prevailing tariff framework, several tariff components are determined on a normative basis, while certain components such as capital cost, additional capitalisation and specific O&M expenses like Security charges, Water charges and Capital spares are considered on actual basis subject to prudence check by the Commission.

The tariff generally comprises recovery of energy charges and fixed charges, including depreciation, interest on loan, operation and maintenance expenses, working capital, and regulated Return on Equity, in accordance with the applicable tariff regulations.

This form of rate regulation is known as cost plus service model regulations which enable the Company to recover its costs of providing the goods or services plus a fair return.

NLCIL has filed truing up petition for tariff period 2019-24 for both Mines and Thermals. However, billing to beneficiaries is being done as per latest approved CERC tariff order received for the respective units in line with the applicable regulations. For Barsingsar Mines, the input price petition filed for the tariff period 2024-29 is lower than the input price approved in the Tariff Order for 2019-24. Billing of energy charges with effect from 1st April 2025 is being carried out provisionally based on the input price as filed in the petition before CERC for the 2024-29 period.

CERC has notified tariff regulations for the tariff period 2024-29. Accordingly, NLCIL has filed tariff petition before CERC as per the applicable regulations.

(ii) Recognition and measurement

As per the CERC/SERC Tariff Regulations, any gain or loss on account of exchange rate variation during the construction period shall form part of the capital cost till declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. CERC during the past periods in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange difference arising during the construction period is within the scope of Ind AS 114.

In view of the above, exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised on an undiscounted basis as ‘Regulatory deferral account debit/credit balance’ by credit/debit to ‘Movements in Regulatory deferral account balances’ during construction period and Adjustment from the year in which the same becomes recoverable from or payable to the beneficiaries. Accordingly, an amount of ₹ 170.34 Crore for the year ended 31st March, 2026 has been accounted for as ‘Regulatory deferral account debit balance’ (31st March, 2025: ₹ 120.48 Crore accounted as ‘Regulatory deferral account debit balance’).



NOTES TO STANDALONE FINANCIAL STATEMENTS

As per CERC regulations 2024-29, security expenses, water charges and capital spares will be allowed separately after prudence check. Hence income in respect of those charges for the year ended 31st March, 2026 are accrued in regulatory deferral balances on undiscounted basis

In accordance with applicable regulations, the company continues to bill beneficiaries based on the last available Tariff Order pertaining to the previous control period, until the Tariff Order for the current control period is issued except for the cases where it is mutually agreed with the beneficiaries

The O&M difference arising between last approved tariff order in respect of Thermal plants for previous control period and normative O&M applicable for the current control period is also considered under regulatory deferral balances.

When the Company prefers review/appeal in CERC/APTEL/Other authorities the impact of the adverse items in the order along with period cost if any required is considered under the Regulatory Deferral Account in the Profit or Loss of the respective financial year based on the reliable estimates of the Company on case to case basis. Regulatory deferral account balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

(iii) Risks associated with future recovery/reversal of regulatory deferral account balances:

- i. **Demand risk** - Availability of alternative and cheaper sources of power may result in reduced demand.
- ii. **Regulatory risk** - The regulatory deferral balances may undergo a change due to the rate setting process or truing up at the end of the tariff period resulting in derecognition of regulatory deferral asset/liability.
- iii. **Other risks** - The Foreign Exchange Variation on actual repayment of loans are eligible for recovery from the customers and hence the risk is mitigated. In respect of disputed orders, where the company has preferred an appeal against the adverse order, regulatory deferral liability has already been considered to the extent of estimated economic outflow of resources which will be discharged in the event of adverse order from the appellate authorities.

(iv) Reconciliation of the carrying amounts:

The regulated assets/liabilities recognised in the books to be recovered from or payable to beneficiaries in future periods are as follows:

a) Regulatory deferral account debit balance

(₹ in Crore)		
Particulars	March 31, 2026	March 31, 2025
A. Opening balance	456.77	807.75
B. Addition during the current year	511.96	181.01
C. Amount Adjustment/collected/refunded during the year	173.00	531.99
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss	328.71	(377.64)
E. Closing balance	795.73	456.77

b) Regulatory deferral account credit balance

(₹ in Crore)		
Particulars	March 31, 2026	March 31, 2025
A. Opening balance	1,062.23	2,916.98
B. Addition during the current year	102.94	892.37
C. Amount Adjustment/collected/refunded during the year	595.31	2,747.12
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss	(559.85)	(1,552.71)
E. Closing balance	569.86	1,062.23

NOTES TO STANDALONE FINANCIAL STATEMENTS

c) Total amount recognised in the Statement of Profit & Loss during the year

(₹ in Crore)		
Particulars	March 31, 2026	March 31, 2025
Total amount Income/(Expenses) recognised in the Statement of Profit & Loss during the year	888.56	1,175.07

The Company expects to recover the carrying amount of regulatory deferral account debit balance upon truing up at the end of the relevant tariff period and/or upon passing of orders by Appellate/Other Authorities.

Financial Instruments**Note 47 Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

Under the terms of major borrowing facilities, the Company is required to comply with the following financial covenants:

Secured Bonds - Minimum asset coverage ratio of 1.0

Loan from IndusInd Bank -Debt service coverage ratio not less than 1.20 and Debt to Total net worth not more than 2.5 times

ECB from SBI, Tokyo - Interest Service Coverage Ratio shall not be lower than 1:1 and ratio between the Total Outside Liabilities to the Tangible Net Worth shall not be higher than 2:1.

ECB from Sumitomo Mitsui Banking Corporation - Leverage Ratio of the Borrower on a standalone basis shall not be higher than 2:1, Interest Service Coverage Ratio shall be higher than 1:1 and Borrower will continue to hold at least 51% direct shareholding in NIRL.

There have been no breaches in the financial covenants of any interest bearing borrowings. Based on current forecasts and management assessment, the Company expects to remain in compliance with the covenants that fall due within the next twelve months.

The Company monitors capital, using a medium-term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of noncurrent borrowings (including current maturities) and current borrowings as specified in Note no.17 (a), 21 (a) less cash and cash equivalents (excluding earmarked deposits). Equity includes equity share capital and reserves (excluding earmarked Reserves) that are managed as capital. The gearing ratio at the end of the reporting period was as follows:

Gearing Ratio:

(₹ in Crore)		
Particulars	March 31, 2026	March 31, 2025
Debt #	10,157.36	7,524.97
Less: Cash and bank balances	90.13	163.47
Net debt	10,067.23	7,361.50
Total equity*	18,689.11	16,894.10
Net debt to total equity ratio (In times)	0.54	0.44

* excluding PRMA reserve, Contingency reserve and Capital redemption reserve

debt does not include amount payable to subsidiaries.



NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 48 Financial risk management

The treasury function of the company provides services to the business, co-ordinates access to domestic and international financial markets monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's principal financial liabilities comprise loans and borrowings in domestic and foreign currencies, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, short-term deposits, etc.

Risk management framework

The Company has a comprehensive Integrated Risk Management Policy and Framework approved by the Board. Besides risk prioritisation, the roles and responsibilities of the concerned personnel/committees are clearly defined. As per the policy, the Internal Risk Review Committee (below Board level) reviews the risks on a quarterly basis. The risk assessment together with the mitigation procedures is periodically reviewed by the Risk Management Committee, Audit Committee and the Board.

The Company has framed a comprehensive Foreign Exchange Risk Management Policy (FERMP) to prudently manage the risks associated with its foreign currency borrowings. The policy seeks to strike a balance between optimising the cost of borrowings and mitigating currency and interest rate risks in line with the Company's risk appetite. The key objectives of the policy are to identify, measure and monitor foreign exchange and interest rate exposures on a periodic basis, adopt selective hedging strategies to reduce risks to acceptable levels, and ensure that decisions are aligned with the overall risk management framework. The policy focuses on risk mitigation and financial stability rather than profit maximisation, thereby safeguarding the Company's long-term financial sustainability.

A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

Trade receivables

The Company primarily sells electricity to customers comprising mainly state electrical utilities owned by State Governments and Union Territories. The risk of default in case of power supplied to these state owned companies is considered to be low. The Company has not experienced any significant impairment losses in respect of trade receivables in past years. Pursuant to the adoption of Ind AS 109, the Company uses the expected credit loss (ECL) model to assess impairment loss allowances. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors, such as historical payment behaviour, credit defaults and the Company's historical experience for customers.

Since the Company has its customers within different states of India, geographically there is no concentration of credit risk. However, management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

At 31st March, 2026 the Company's most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) accounted for ₹ 900.40 Crore of the trade receivables carrying amount (₹1,936.14 Crore as at 31st March, 2025)

Loans and advances

The Company has granted loans and advances to its employees. Credit risk in respect of such loans and advances is managed through recovery/adjustment against settlement dues payable at the time of separation/retirement of employees.

Cash and cash equivalents and deposits with banks

The Company maintains banking relationships with highly rated scheduled banks, including banks owned by the Government of India and private sector banks. The risk of default in respect of balances with government-controlled entities is considered to be insignificant.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(i) Provision for expected credit losses**(a) Financial assets for which loss allowance is measured using 12 month expected credit losses**

The Company has financial assets where the counterparties/customers have sufficient capacity to meet their obligations and where the risk of default is considered to be low. Accordingly, no material impairment loss has been recognised during the reporting periods in respect of such assets.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers, primarily state government utilities, with strong capacity to meet their obligations. However, considering various regulatory and other disputes, historical payment behaviour and customer-specific credit risk assessments, impairment loss allowance has been recognised during the reporting period in respect of trade receivables. Management believes that the unimpaired amounts outstanding for more than 45 days are substantially recoverable.

(ii) Ageing analysis of trade receivables

The Company's debtors include debtors in respect of TPS, Mines, renewables and also other debtors. As a policy, the Company does an ageing analysis of debtors, the details of which is stated below.

The ageing analysis of the trade receivables is as below:

FY 2025-26

Particulars	Outstanding from the due date of Payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
A) Undisputed						
(i) Trade receivables – considered good	1,183.49	19.53	0.19	0.48	68.71	1,272.40
(ii) Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(B) Disputed						
(iv) Disputed Trade Receivables– considered good	1.43	3.50	11.32	51.15	376.37	443.77
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	208.82	-	82.81	291.63
Total (A+B)	1184.92	23.03	220.33	51.63	527.89	2007.80
Less: Loss allowance on trade receivables	-	-	21.90	0.50	128.58	150.97
Total (A+B-C)	1,184.92	23.03	198.43	51.13	399.31	1,856.83

Movement for Loss allowance on trade receivables

Particulars	Opening Balance as at 31.03.2025				Closing balance as at 31.03.2026	
	Additions		Deletions			
Loss allowance on trade receivables	267.95	35.62	152.60		150.97	



NOTES TO STANDALONE FINANCIAL STATEMENTS

FY 2024-25

(₹ in Crore)						
Particulars	Outstanding from the due date of Payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
A) Undisputed						
(i) Trade receivables – considered good	1,205.70	160.06	49.45	213.92	57.40	1,686.53
(ii) Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	3.74	-	-	3.74
(B) Disputed						
(iv) Disputed Trade Receivables– considered good	1.82	285.40	3.32	320.83	75.19	686.56
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	194.35	215.21	409.56
Total (A+B)	1,207.52	445.46	56.51	729.10	347.80	2,786.39
Less: Loss allowance on trade receivables	-	-	0.61	24.27	243.07	267.95
Total (A+B-C)	1,207.52	445.46	55.90	704.83	104.73	2,518.44

Movement for Loss allowance on trade receivables

(₹ in Crore)				
Particulars	Opening Balance as at 31.03.2024	Additions	Deletions	Closing balance as at 31.03.2025
Loss allowance on trade receivables	383.91	133.74	249.70	267.95

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

The Company manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows.

The Company’s treasury department is responsible for managing the short term and long term liquidity requirements of the Company.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crore)		
Particulars	March 31, 2026	March 31, 2025
Floating-rate borrowings		
Working capital Loan (SBI)	1,149.00	3,300.00
External Commercial Borrowings- SMBC - Term Loan	401.88	
Term Loan - Solar 709MW (SBI)	-	233.00
Term Loan - NNTPS Project (The South Indian Bank - SIB) - Ref note 17(a)	-	37.80
Term Loan - NNTPS Project - FGD (Indian Overseas Bank - IOB)	-	1,078.00
Term Loan - Solar 300 MW (IndusInd Bank Limited - IBL) Ref note 17(a)	-	1,000.00
Total	1,550.88	5,648.80

- a) SBI has Sanctioned Fund Based Working Capital of ₹ 4,000 Crore. and Non-Fund based Working Capital of ₹ 4,000 Crore. After availing the interchangeability option, the balance available limit of fund based working capital is ₹ 1,149 Crore as on 31.03.2026 (PY ₹ 3,300 Crore.). Out of which, the availment of fund based working capital as on 31.03.2026 is ₹ 2,851 Crore (PY NIL). Ref Note no. 21 (a).
- b) Sumitomo Mitsui Banking Corporation has sanctioned External Commercial Borrowing for On-lending to M/s NIRL for renewable projects. The undrawn amount as on 31.03.2026 is JPY 6,764 Million which is equivalent to ₹ 401.88 Crore. Ref Note no. 17 (a)
- c) SBI has sanctioned Rupee term loan of ₹ 2,552.00 Crore for solar 709 MW, out of which ₹ 2,319.00 Crore has been drawn and the undrawn amount is ₹ 233.00 Crore as on 31.12.2025. The entire outstanding loan amount as on 01.01.2026 has been transferred to M/s NIRL subsequent to Business Transfer Agreement. The outstanding balance in NLCIL books and undrawn portion as on 31.03.2026 is NIL.
- d) During FY 2025-26, the undrawn portion of ₹ 37.80 Crore and ₹ 1,000 Crore has been fully drawn from The South Indian Bank and IndusInd bank Limited respectively.
- e) Alternate fund has been sourced for NNTPS FGD project and the sanctioned limit from Indian Overseas Bank of ₹ 1,078 Crore has been cancelled.

(ii) Maturities of financial liabilities

The following are the contractual maturities (principal repayments) of non-derivative financial liabilities, based on contractual cash flows against the outstanding Loan balance as on:

31st March, 2026

(₹ in Crore)						
Contractual maturities of financial liabilities	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
KFW Loan (Foreign Currency Loan)	17.66	17.66	35.31	105.96	224.97	401.56
PNB_NNTPS ₹1200 Cr	-	300.00	300.00	449.79	-	1,049.79
RTL 581Cr_SIB	-	116.20	116.14	-	-	232.34
NLCIL Bonds 2019- Series I	-	-	-	1,475.00	-	1,475.00
NLCIL Bonds 2020- Series I	-	-	-	525.00	-	525.00
NLCIL Bonds 2021- Series II	-	-	-	-	500.00	500.00
Working Capital Loan	2,851.00	-	-	-	-	2,851.00
Commercial Paper	800.00	-	-	-	-	800.00
RTL 1000Cr_IndusInd	50.00	50.00	100.00	300.00	450.00	950.00
SMBC Loan (Foreign Currency Loan)	-	-	-	310.15	206.76	516.91
SBI Loan (Foreign Currency Loan)	-	-	109.97	329.90	439.87	879.74
TOTAL	3,718.66	483.86	661.42	3,495.80	1,821.60	10,181.34

Note : Refer note of 17 (a) and 21 (a)



NOTES TO STANDALONE FINANCIAL STATEMENTS

NOTES TO STANDALONE FINANCIAL STATEMENTS

31st March, 2025

Contractual maturities of financial liabilities	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
KFW Loan (Foreign Currency Loan)	14.92	14.92	29.84	89.51	219.94	369.13
PFC_NNTPS ₹3000 Cr	150.00	300.00	300.00	750.00		1,500.00
RTL 2552Cr_Solar 709 MW	127.60	119.60	205.20	615.60	102.04	1,170.04
RTL 581Cr_SIB	-	78.40	116.20	116.20		310.80
NLCIL Bonds 2019- Series I	-	-	-	1,475.00	-	1,475.00
NLCIL Bonds 2020- Series I	-	-	-	525.00	-	525.00
NLCIL Bonds 2020- Series II	500.00	-	-	-	-	500.00
NLCIL Bonds 2021- Series I	-	1,175.00	-	-	-	1,175.00
NLCIL Bonds 2021- Series II	-	-	-	-	500.00	500.00
TOTAL	792.52	1,687.92	651.24	3,571.31	821.98	7,524.97

The following are the contractual maturities (interest) of non-derivative financial liabilities, based on contractual cash flows against the outstanding Loan balance as on:

31st March, 2026

Contractual maturities of financial liabilities	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
KFW Loan (Foreign Currency Loan)	1.51	1.44	2.68	6.45	5.81	17.89
KFW Guarantee Fees	4.82	-	4.40	10.64	10.02	29.88
PNB_NNTPS ₹1200 Cr	19.82	53.94	51.17	34.00	-	158.93
RTL 581Cr_SIB	15.58	8.69	5.19	-	-	29.46
NLCIL Bonds 2019- Series I	119.33	-	119.33	238.66	-	477.32
NLCIL Bonds 2020- Series I	-	38.64	38.64	77.28		154.56
NLCIL Bonds 2021- Series II	-	34.25	34.25	102.75	45.01	216.26
Working Capital Loan	7.45	-	-	-	-	7.45
Commercial Paper	5.47	-	-	-	-	5.47
RTL 1000Cr_IndusInd	18.67	52.32	63.27	141.98	79.91	356.15
SMBC Loan (Foreign Currency Loan)	2.69	16.58	19.11	40.67	5.05	84.10
SBI Loan (Foreign Currency Loan)	-	18.01	17.53	39.01	20.46	95.01
TOTAL	195.34	223.87	355.57	691.44	166.26	1,632.48

31st March, 2025

Contractual maturities of financial liabilities	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
KFW Loan (Foreign Currency loan)	1.38	1.33	2.49	6.12	6.50	17.82
KFW Guarantee Fees	4.43	-	4.07	10.07	11.11	29.68
PFC_NNTPS ₹3000 Cr	28.68	77.18	80.19	92.60	-	278.65
RTL 581Cr_SIB	5.34	15.99	13.97	5.99		41.29
RTL 2552Cr_Solar 709 MW	25.93	66.99	72.98	109.48	2.24	277.62
NLCIL Bonds 2019- Series I	119.33	-	119.33	357.98	-	596.64
NLCIL Bonds 2020- Series I	-	38.64	38.64	115.92	-	193.20
NLCIL Bonds 2020- Series II	18.58	-	-	-	-	18.58
NLCIL Bonds 2021- Series I	-	71.09	-	-	-	71.09
NLCIL Bonds 2021- Series II	-	34.25	34.25	102.75	79.26	250.51
TOTAL	203.67	305.47	365.92	800.91	99.11	1,775.08

C) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

D) Currency risk

The Company enters into import agreements for the purchase of capital goods. Up to 31st March, 2016 the Company capitalised exchange gains/losses arising on reinstatement/actual payment of vendor liabilities up to the date of commercial operation. Such capital costs pertaining to regulated assets are allowed by the Central Electricity Regulatory Commission (CERC) for recovery from beneficiaries. Exchange gains/losses arising after the date of commercial operation are also recoverable from beneficiaries as part of the rate-regulated asset mechanism.

With effect from 1st April, 2016 exchange gains/losses on long-term foreign currency monetary items relating to regulated assets are recoverable from beneficiaries as part of the rate-regulated asset mechanism. Accordingly, the Company is not exposed to significant foreign currency risk in respect of long-term foreign currency monetary items relating to regulated assets. Foreign exchange risk relating to long-term foreign currency exposures pertaining to non-regulated assets is managed through hedging strategies in accordance with the Company's Foreign Exchange Risk Management Policy (FERMP). The exposure relating to short-term foreign currency monetary items is considered to be insignificant.

The Company adopts a policy of hedging a portion of its estimated foreign currency exposure in respect of forecast transactions over the loan tenure. The Company uses a call spread option strategy consisting of purchased and written foreign currency call options to hedge its currency risk. These contracts are generally designated as cash flow hedges. The Company designates the intrinsic value of the call spread option strategy as the hedging instrument and applies a hedge ratio of 1:1. Changes in the time value of the call spread option strategy are excluded from the designation of the hedging instrument and are separately accounted for as cost of hedging, which is recognised in other equity under the Cost of Hedging Reserve. The Company's policy is for the critical terms of the call spread option strategy to align with those of the hedged item.

The Company determines the existence of an economic relationship between the hedging instrument and the hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be, and has been, effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty's and the Company's own credit risk on the fair value of the call spread option strategy, which is not reflected in the change in the fair value of the hedged cash flows attributable to changes in exchange rates; and
- changes in the timing of the hedged transactions.



NOTES TO STANDALONE FINANCIAL STATEMENTS

Cash flow hedges

At 31st March, 2026 the Company held the following instruments to hedge exposures to changes in foreign currency rates.

Particulars	Maturity		
	1-6 months	6-12 months	More Than Year
Foreign currency risk			
Purchased call option			
Average INR: JPY strike rate	0.59	0.59	0.59
Notional amounts (in Crore of INR)	4.10	4.15	338.23
Carrying value (in Crore of INR)	0.17	0.29	61.85
Written call option			
Average INR: JPY strike rate	0.62	0.64	0.70
Notional amounts (in Crore of INR)	4.28	4.47	398.25
Carrying value (in Crore of INR)	(0.09)	(0.14)	(32.94)

Master netting or similar agreements

The Company enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under these agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the balance sheet, since the related financial assets and financial liabilities are settled on a gross basis in the normal course of business and the right of set-off is enforceable only upon the occurrence of specified future events.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements

Particulars	Amounts of financial instruments in the balance sheet		
	Related financial instruments that are not offset	Net Amount	
As at 31 st March, 2026			
Financial assets			
Derivatives:			
– call spread options used for hedging	29.13	-	29.13

The Company had not entered into derivative transactions during the previous year and accordingly, no disclosures are required as at 31st March, 2025

The currency profile of financial assets and financial liabilities as at 31st March, 2026 and as at 31st March, 2025

Particulars	March 31, 2026	
	March 31, 2025	
Financial liabilities		
External Commercial Borrowings (EURO) - KFW	401.56	369.13
External Commercial Borrowings (JPY) - SBI	879.74	-
External Commercial Borrowings (JPY) - SMBC	516.91	-

Note: ECB loan availed in Foreign Currency and converted into reporting currency.

NOTES TO STANDALONE FINANCIAL STATEMENTS

Sensitivity analysis

A strengthening/weakening of the Indian Rupee, as indicated below, against the foreign currency borrowings as at 31 March would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

Particulars	Profit and loss	
	Strengthening	Weakening
31 st March, 2026		
10% movement		
Borrowings - KFW	40.16	(40.16)
Borrowings - SBI	87.97	(87.97)
Borrowings - SMBC	51.69	(51.69)

Particulars	Profit and loss	
	Strengthening	Weakening
31 st March, 2025		
10% movement		
Borrowings - KFW	36.91	(36.91)

The sensitivity analysis reflects gross foreign currency exposure on foreign currency borrowings and does not consider offsetting impacts of derivative hedging instruments

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

E) Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. However, the actual interest incurred on normative loan is recoverable from beneficiary as fixed charge as per CERC Regulations.



NOTES TO STANDALONE FINANCIAL STATEMENTS

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

(₹ in Crore)		
Particulars	March 31, 2026	March 31, 2025
Financial assets		
Fixed-rate instruments		
Employee Loans	32.05	26.76
Variable-rate instruments		
Loans to Subsidiary company - NUPPL	290.00	555.00
Loans to Subsidiary company - NIGEL	-	98.55
Loans to Subsidiary company - NIRL	520.35	41.94
Financial liabilities		
Variable-rate instruments		
Rupee term loans		
- From Banks	2,232.13	1,480.84
- Power Finance Corporation (PFC)	-	1,500.00
Working Capital Demand Loan	2,851.00	-
Foreign Currency Loan		
- SBI	867.69	-
- SMBC	512.04	-
Fixed-rate instruments		
Bonds		
NLCIL Bonds 2019 Series I	1,475.00	1,475.00
NLCIL Bonds 2020 Series I	525.00	525.00
NLCIL Bonds 2020 Series II	-	500.00
NLCIL Bonds 2021 Series I	-	1,175.00
NLCIL Bonds 2021 Series II	500.00	500.00
Commercial Paper	794.53	-
Foreign Currency Loan		
- KFW	401.56	369.13

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

(₹ in Crore)		
Particulars	Profit or loss	
	50 bp increase	50 bp decrease
31st March, 2026		
Rupee term loans and WCDL		
- From Banks	(25.42)	25.42
Foreign Currency Loan		
- SBI	(4.34)	4.34
- SMBC	(2.56)	2.56
Loans to Subsidiaries	(4.05)	4.05
	(36.37)	36.37
31st March, 2025		
- From Banks	(7.40)	7.40
- Power Finance Corporation (PFC)	(7.50)	7.50
	(14.90)	14.90

NOTES TO STANDALONE FINANCIAL STATEMENTS

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Equity price risk

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. In the case of the Company, none of the investments in equity shares are quoted in the market and does not expose the Company to equity price risks.

Note 49 Disclosure as per Ind AS 115 'Revenue from Contract with the Customers'**I Nature of Goods and Services**

The revenue of the Company comprises of income from energy sales, Coal sales, lignite sales, consultancy and other services. The following is a description of the principal activities:

A Revenue from energy sales

The major revenue of the Company comes from energy sales. The Company sells electricity to customers mainly electricity utilities owned by State Governments. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

Product/Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Energy sales	The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from energy sales is determined in terms of CERC Regulations as notified from time to time. The amounts are billed on a monthly basis and are payable within contractually agreed credit period.

B Revenue from Coal sales

The company supplies coal from its captive mines to one of the subsidiary company (NTPL). After meeting the internal demand, the remaining coal are sold in the open market

Product/Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Coal Sales	The Company recognises revenue from contracts for sale of captive coal to subsidiary company when control of the goods is transferred to customers. The tariff for computing revenue from sale of captive coal to subsidiary company is determined in terms of CERC Tariff Regulations applicable for input price of coal from captive mines. The amounts are billed as and when goods are transferred and are payable as per agreed procedures. In the case of sales through open market sales has been reckoned to the extent of amount received/as per sale terms when performance obligation is satisfied.

C Revenue from Lignite sales

The company supplies lignite from its captive mines to one of the power generating company based on the fuel supply agreement entered with them. After meeting the internal demand, the remaining lignite are sold in the open market

Product/Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Lignite Sales	The Company recognises revenue from contracts for sale of captive lignite when control of the goods is transferred to customers. The amounts are billed as and when goods are transferred and are payable in accordance with the agreement entered with the party. In the case of sales through open market sales has been reckoned to the extent of amount received/as per sale terms when performance obligation is satisfied.

D Revenue from sales of fly ash and other by products

The Company recognises revenue from sale of fly ash and other by-products upon transfer of control to the customer, in accordance with the applicable terms of sale. Amounts are billed and collected as per the agreed contractual terms.



NOTES TO STANDALONE FINANCIAL STATEMENTS

E Revenue from consultancy services

Product/Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Consultancy Services	The Company has entered into corporate service agreement with its subsidiary company. The revenue from consultancy services is determined as per the terms of the contracts

II Disaggregation of revenue

(₹ in Crore)		
Particulars	As at 31st March 2026	As at 31st March 2025
Nature of revenue (Refer Note No. 26)		
- Power Sales	7,611.79	7,323.59
- Sale of Lignite	640.96	604.76
- Sale of Coal	2,522.51	2,246.39
- Sale of Fly ash and other By products	99.80	89.58
- Consultancy Services	42.85	40.72
Total	10,917.91	10,305.04
Primary geographical markets	India	
Timing of revenue recognition	Revenue from sale of power is recognised over time and revenue from remaining streams is recognised at a point in time.	

III Reconciliation of revenue recognised with contract price (Refer Note No. 26):

(₹ in Crore)		
Particulars	As at 31st March 2026	As at 31st March 2025
Contract price	10,917.91	10,305.04
Adjustments for:		
- Rebates	53.99	19.26
Revenue recognised	10,863.92	10,285.78

IV Contract balances

The following table provides information about receivables (including unbilled revenue)

(₹ in Crore)		
Particulars	As at 31st March 2026	As at 31st March 2025
Trade receivables (Refer Note No. 10 (b) & 7 (b))	1,856.83	2,518.44

V. Transaction price allocated to the remaining performance obligations

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations, where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognised once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. Therefore, transaction price to be allocated to remaining performance obligations cannot be determined reliably for the entire duration of the contract

VI. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company has not adjusted any of the transaction prices for the time value of money. The impact of subsequent modifications are duly recognised in the Statement of profit and loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 50 Disclosure as per Ind AS 108 'Operating segments'

The Company publishes its financial statements along with the consolidated financials. In accordance with the IND AS 108, Operating segments, the company has disclosed the segment information in the consolidated financial statements.

Note 51 Disclosure

Advances, trade receivables and trade payables are adjusted against corresponding balances, to the extent applicable. The Company follows a systematic process for periodic reconciliation of vendor and customer balances.

Note 52 Contingencies and Commitments

(₹ in Crore)				
Particulars	As at March 31, 2025	Additions	Deletions/ Settlement	As at March 31, 2026
A. Contingencies				
1. Claims against the Company not acknowledged as debts:				
(i) From Employees/Others	NQ	NQ	NQ	NQ
(ii) From Statutory Authorities/Central Govt/Govt Departments	699.03	40.70	24.66	715.07
(iii) From Statutory Authorities/State Govt/Govt Departments	2,681.02	577.11	699.96	2,558.17
(iv) From CPSEs	-	-	-	-
(v) From Others	3,000.57	2,202.75	235.46	4,967.86
Sub-Total of Claims not acknowledged as debts	6,380.63	2,820.56	960.08	8,241.11
2. Guarantees/Letter of comfort issued by company	2,425.87	782.44	331.44	2,876.87
Sub-Total Contingencies (A)	8,806.50	3,603.00	1,291.52	11,117.98
B. Commitment				
(i) Estimated value of contracts remaining to be executed on capital accounts not provided for	21,957.46	5,058.27	3,130.66	23,885.07
(ii) Other commitments *	-	-	-	-
Sub-Total Commitments (B)	21,957.46	5,058.27	3,130.66	23,885.07
Total Contingencies and Commitments (A+ B)	30,763.96	8,661.27	4,422.18	35,003.05

The above Contingent liabilities do not include the letter issued to various authorities against tax/other demand which has been challenged by the Company

The company is in the process of evaluating value of contingent assets. Based on preliminary estimate the same was not found material for separate disclosure.

Refer Note 59 for disclosures pertaining to the transfer of renewable energy assets/liabilities to NIRL under the BTA

NLCIL issued a Letter of Comfort (LOC) to Bank of Baroda (BOB) against subsidiary NIRL's term loan. The company has requested for substitution of the LOC and the lender is in the process of taking up the matter of substitution of LOC with their competent authority.

*The Company has entered into long-term Mine Developer and Operator (MDO) contracts, which are revenue in nature containing non-cancellable contractual commitment clauses. The financial effect of such clauses is not presently ascertainable and would arise only upon their invocation. No event requiring invocation occurred during the reporting period.

Pursuant to the judgement of the Hon'ble Supreme Court in 'Mineral Area Development Authority vs. Steel Authority of India Limited', the Company has evaluated the implications of the ORISED Act, 2004. Based on such evaluation, the Company has concluded that, in the absence of any enforceable statutory demand or notification as at 31st March, 2026, no provision or contingent liability is required to be recognised or disclosed in accordance with Ind AS 37

NQ : Not Quantifiable



NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 53 Disclosure as per Ind AS 12 'Income taxes'**(a) Income tax expense****i) Income tax recognised in Statement of Profit and Loss**

(₹ in Crore)		
Particulars	March 31, 2026	March 31, 2025
Current tax expense		
Current year	669.93	585.68
Adjustment for earlier years	13.32	5.35
Pertaining to regulatory deferral account balances	272.71	408.98
Total current tax expenses (A)	955.96	1,000.01
Deferred tax expense		
Origination and reversal of temporary differences	(442.22)	(42.17)
Less: MAT credit entitlement	-	-
Total deferred tax expense (B)	(442.22)	(42.17)
Total income tax expense (A + B)	513.74	957.84

ii) Income tax recognised in other comprehensive income

(₹ in Crore)						
Particulars	March 31, 2026			March 31, 2025		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	(9.25)	2.84	(12.09)	(19.53)	(6.80)	(12.73)
- cost of hedging reserve	(6.46)	-	(6.46)	-	-	-

iii) Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate

(₹ in Crore)		
Particulars	March 31, 2026	March 31, 2025
Profit before tax (including OCI)	3,023.10	2,838.30
Tax using the Company tax @ 34.944% (PY 34.944%)	1,056.39	991.82
Tax effect of:		
Non-deductible tax expenses	620.20	637.73
Tax deductions/allowances	(746.81)	(641.69)
Previous year tax liability	13.32	5.35
Interest	10.02	-
Deferred Tax expenses/(income)	(442.22)	(42.17)
Total tax expense in the Statement of Profit and Loss	510.90	951.04

NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 54 Information in respect of micro and small enterprises as at 31st March, 2026 as required by Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Crore)		
Particulars	March 31, 2026	March 31, 2025
a) Amount remaining unpaid to any supplier:		
Principal amount	164.08	160.43
Interest due thereon	-	-
b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-

The determination of the transactions with MSE vendors and balances thereof, have been done based on the certificate received from the respective parties as available in the system.

Note 55 Disclosure in respect of Supplier Finance Arrangements

The Company participates in Supplier Finance Arrangements (SFAs), primarily through Trade Receivables Discounting System (TReDS) platforms, to facilitate early payment to its suppliers and optimise working capital. Under these arrangements, a finance provider settles the supplier's invoice upon acceptance, and the Company subsequently settles the amount with the finance provider on the contractual due date. In cases where a supplier accepts the bid for its invoices on the TReDS platform, such arrangements are treated as SFAs.

For arrangements that do not extend the original credit terms, the liabilities remain classified as 'Trade Payables - Others', and cash outflows are presented as operating activities.

There were no specific arrangements where the Company had renegotiated extended payment terms, which require, the reclassification of these amounts to 'Short-Term Borrowings' (representing a non-cash addition to borrowings). Hence, presentation of cash flows as financing activities did not arise.

Liquidity Risk Management: In the event these financing facilities are withdrawn by the finance providers, the Company's payment obligations to its suppliers revert to the standard contractual due dates. The Company maintains sufficient cash and unutilised fund-based bank limits to comfortably settle these liabilities, thereby mitigating any significant liquidity risk.

Details of Supplier Finance Arrangements

(₹ in Crore)		
Particulars	March 31, 2026	April 1, 2025
Carrying amount of financial liabilities under SFAs		
Presented in Trade Payables (No extension of payment terms)	12.53	-
- Presented in Short-Term Borrowings (Extended terms)	0	-
- of which suppliers have received payment from finance provider	12.53	-
Range of payment due dates		
- Liabilities that are part of the arrangements	Payment terms remain same	-
- Comparable trade payables that are not part of the arrangements	0 to 45 days	

NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 56 Disclosure as per Ind AS 33 'Earnings per Share'

	(In ₹)	
	March 31, 2026	March 31, 2025
(i) Basic and diluted earnings per share for the year ended		
From operations including regulatory deferral account balances (a)	18.21	13.70
From regulatory deferral account balances (b)	4.44	5.52
From operations excluding regulatory deferral account balances (a)-(b)	13.77	8.18
Nominal value per share	10.00	10.00

	(₹ in Crore)	
	March 31, 2026	March 31, 2025
(ii) Profit attributable to equity shareholders (used as numerator)		
From operations including regulatory deferral account balances (a)	2,525.07	1,899.99
From regulatory deferral account balances-net of tax (b)	615.85	766.09
From operations excluding regulatory deferral account balances (a)-(b)	1,909.22	1,133.90

	March 31, 2026	March 31, 2025
(iii) Weighted average number of equity shares (used as denominator)		
Opening balance of issued equity shares (Nos.)	1,38,66,36,609	1,38,66,36,609
Effect of shares issued during the year, if any (Nos.)	-	-
Weighted average number of equity shares for Basic and Diluted EPS (Nos.)	1,38,66,36,609	1,38,66,36,609

Note 57 Capital Employed

		(₹ in Crore)	
Particulars	Formula	March 31, 2026	March 31, 2025
Capital Employed	Total Equity+ Total borrowings+ Deferred tax liability-Intangible Assets	31,523.60	28,646.40

Note 58 Additional Disclosures: to the notification dated 24th March 2021, by Ministry of Corporate Affairs

- a) **Title deeds/Assignment Deeds/Govt. Orders of Immovable Property not held in name of the Company:** As on the date of financials all the immovable properties are held in the name of the company by way of Title deed/Assignment deed/Government Order. In certain cases the company is in the process of updation of name in the revenue records.
- b) **Loans and Advances to Directors, KMPs, & Related Parties:** The company has a policy of loans and advances given to its employees including loans and advances given to Directors, KMPs and the related parties. All these loans are paid as in accordance with the Policy adopted by the company and repayments and interests are charged accordingly. No loans paid to Directors, KMPs and Related parties are repayable on demand or without specifying the terms of repayment. Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March, 2021 to companies Act 2013 is not applicable to the company. - Refer note 40
- c) **Details of benami Properties:** There is no benami properties held by the company as on date of financials. Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March, 2021 to companies Act 2013 is not applicable to the company.
- d) **Wilful Defaulter:** As on date of financials or any of the previous years, the company has not defaulted any of its loans paid to any Banks or Financial Institutions.



NOTES TO STANDALONE FINANCIAL STATEMENTS

e) Relationship with Struck off Companies :

Name of the Struck off Company	Nature of Transactions with struck off company	Balance Outstanding (in ₹)	Relationship with the struck off company, if any
J.Y. BLOCK BEARING COMPANY (P) LTD	Payables towards Goods and Services	-	Vendor for supply of Goods and Service
SONAR COMMUNICATIONS PVT. LTD.,	Payables towards Goods and Services	-	Vendor for supply of Goods and Service
GEO MINERAL WATERS PVT. LTD.,	Payables towards Goods and Services	2,217.60	Vendor for supply of Goods and Service
BERN ENGG PVT LTD	Payables towards Goods and Services	-	Vendor for supply of Goods and Service
READY ENGINEERING PVT LTD	Payables towards Goods and Services	-	Vendor for supply of Goods and Service
SKYNET TECHNOLOGIES PVT LTD	Payables towards Goods and Services	-	Vendor for supply of Goods and Service
MANAVEA TECHNOLOGIES PVT. LTD.	Payables towards Goods and Services	(705.30)	Vendor for supply of Goods and Service

- f) **Compliance with number of layers of companies :** Clause (87) of section 2, section 450 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 and section 2 Companies (Restriction on number of layers) Rules, 2017, government companies are exempt from requirements of disclosing the number of layers of its holding in subsidiaries. Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March, 2021 to companies Act 2013 is not applicable to the company.

g) Utilisation of Borrowed funds and share premium:

- The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that such Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, other than loans aggregating to ₹516.87 crore granted during the year to NLC India Renewables Limited, a wholly owned subsidiary of the Company, in the ordinary course of business and in compliance with applicable regulatory requirements, towards meeting its business requirements and/or loan prepayments.
- The Company has not received any funds from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Accordingly, the disclosures required under Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as amended vide notification no. GSR 207(E) dated 24th March, 2021 have been complied with.

- h) There were no scheme of arrangements approved by the competent authority during the year in terms of sections 230 to 237 of the companies act 2013.

- i) **Details of Crypto Currency or Virtual Currency:** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year or any of the previous financial years.

j) Borrowings secured against current assets

The company has availed Fund Based Working Capital of ₹ 4000 Crore and Non-Fund based Working Capital of ₹ 4000 Crore from M/s State Bank of India. Out of the Fund based working capital facility of ₹ 4,000 Crore ₹ 2,000 Crore towards secured and balance towards unsecured. This facility is secured by Hypothecation of entire current assets of the company i.e. Raw Materials, Stock in progress, Consumable stores, Spares and receivables. The outstanding balance as on 31.03.2026 is ₹ 2851 Crore.

The company has filed quarterly/monthly returns with the banks and financial institutions as per the terms of loans. These returns are in agreement with books of accounts of the company. There are no material discrepancies in the returns filed by the company during the FY 25-26 or any of the previous financial years.

NOTES TO STANDALONE FINANCIAL STATEMENTS

k) Registration of charges or satisfaction with Registrar of Companies (ROC): Not Applicable

l) Trade Payable Ageing Schedule

FY 2025-26

(₹ in Crore)

Particulars	Unbilled	Outstanding for following periods from due date of transaction				Total
		Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 Years	
a) MSE	102.45	56.81	3.66	0.07	1.09	164.08
b) Other	104.55	413.26	21.60	41.51	32.96	613.88
c) Disputed Dues- MSE	-	-	-	-	-	-
d) Disputed Dues- Others	-	-	-	-	-	-
	207.00	470.07	25.26	41.58	34.05	777.96

FY 2024-25

(₹ in Crore)

Particulars	Unbilled	Outstanding for following periods from due date of transaction				Total
		Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 Years	
a) MSE	71.70	76.40	1.47	1.65	9.22	160.43
b) Other	116.87	861.92	47.73	5.06	41.60	1,073.19
c) Disputed Dues- MSE	-	-	-	-	-	-
d) Disputed Dues- Others	-	-	-	-	-	-
	188.57	938.32	49.20	6.71	50.82	1,233.62

m) Analytical Ratios:

Name of Ratio	Numerator	Denominator	FY 2025-26	FY 2024-25	Variation (%)	Reason for Variation
1) Current Ratio	Current Assets	Current Liabilities	0.64	0.81	(21.80)	
2) Debt - equity ratio	Total debt (current + noncurrent)	Share holders Equity (Equity + retained earnings - Preliminary project expenditure)	0.53	0.43	22.34	
3) Debt Service Coverage Ratio	Earning Available for debt Service (EBDIT)	Interest + Principal Repayments	1.62	3.32	(51.15)	Reduced mainly due to increase of EBDIT and increase of loan repayments on account of bond repayments as compared to previous year.
4) Return on Equity	Profit for the period	Average Shareholders equity	13.75	11.36	21.05	
5) Inventory Turnover Ratio	COGS or Sales (revenue from operation)	Average Inventory	7.29	8.51	(14.38)	
6) Trade Receivable Turnover Ratio	Net credit Sales (Revenue from operation)	Average Trade Receivables	4.97	2.86	73.62	Increase mainly due to reduction in average trade receivable when compared to previous year.
7) Trade Payable Turnover Ratio	Total Other Expenses excluding provisions	Average Trade Payables	5.30	4.75	11.41	
8) Net Capital Turnover ratio	Net Sales (Revenue from operation)	Working Capital + current maturities of non current borrowings	(4.53)	9.42	(148.08)	The variation is mainly on account of decrease in working capital on account of reduction of Trade Receivables and increase of current borrowings (working capital loan) when compared with the previous year.



NOTES TO STANDALONE FINANCIAL STATEMENTS

Name of Ratio	Numerator	Denominator	FY 2025-26	FY 2024-25	Variation (%)	Reason for Variation
9) Net Profit Ratio	Profit for the period	Net Sales (revenue from operation)	21.49	16.58	29.60	Increase mainly on account of Increase of Profit and revenue from operations after considering the net movement regulatory balances as compared to previous year
10) Return on Capital Employed	Earning before interest and Taxes (EBIT)	Capital Employed (tangible net worth+ total debt+ deferred tax liability)	11.27	11.94	(5.61)	
11) Return on Investments	Dividend received from subsidiary companies	Average investment	12.03	10.00	20.25	

Note 59 Disclosure in respect of Business Transfer Agreement (BTA) to NIRL (Wholly owned subsidiary of NLCIL)

Pursuant to the issuance of National Monetisation Pipeline (NMP) by the Ministry of Finance on 23rd August, 2021 and in consultation with the Ministry of Coal, the Renewable Energy Assets of NLC India Limited were identified for the purpose of monetisation under the NMP and accordingly, NLCIL has entered into a Business Transfer Agreement (BTA) dated 31st October, 2025 with NLC India Renewables Limited (NIRL) to transfer its renewable energy assets (1430 MW), as a going concern on a slump sale basis.

The transfer of the Renewable Energy constitutes a business combination involving entities under common control. Accordingly, the transaction has been accounted for using the pooling of interest method in accordance with Appendix C of Ind AS 103 – Business Combinations. Under this method, the assets & liabilities pertaining to the transferred RE assets have been recorded at their existing carrying values as appearing in the books of NLCIL on the 01st of January 2026 without any remeasurement to fair value. Accordingly, no goodwill/capital reserve has arisen on the transaction.

Further, company has obtained tax exemption w.r.t transfer of assets under section 47(viaif) of the Income tax Act, 1961.

The purchase consideration has been arrived at ₹ 2419.24 Crore based on the statement of Assets and Liabilities drawn as at 01st January, 2026 as per the BTA. The transfer of Assets and Liabilities has been effected on a slump sale basis as a going concern with 01st January 2026 as the Appointed Date.

Particulars	As at 01/01/2026
Non-Current Assets	
Property, Plant and Equipment	4711.09
Right-of-Use Asset	18.53
Capital Work-in Progress	28.56
Other Non-Current Assets	83.34
Total Non Current Assets (1)	4841.52
Current Assets:	
a) Financial Assets	
Trade Receivables	156.66
b) Other Current Assets	11.85
Total Current Assets (2)	168.51
Total Assets (1+2)	5010.03
Liabilities	
Non-Current Liabilities	
(a) Financial Liabilities	
Borrowings	922.85
Lease liabilities	23.2
Other Financial Liabilities	153.88
(b) Deferred Tax Liabilities (Net)	1,079.59
(c) Other Non-Current Liabilities	101.74
Total Other Non Current liabilities (1)	2281.26



NOTES TO STANDALONE FINANCIAL STATEMENTS

Particulars	As at 01/01/2026
Current Liabilities	
(a) Financial Liabilities	
Trade Payables	23.8
Other Financial Liabilities	4.99
Other Current Liabilities	249.94
Provisions	19.81
Total Current Liabilities (2)	298.54
Regulatory Deferral Account Credit Balances (3)	10.99
Consideration for transfer	2419.24
Total Equity & Liabilities (1+2+3)	5010.03

NOTE:

1. As per the BTA, land has been transferred to NIRL from NLCIL. The execution of conveyance deed for transfer of title deeds of lands will be completed in due course as part of post-closing obligations as per BTA.
2. Pending completion of novation/assignment of certain contracts, permits, approvals and consents, transitional arrangements have been agreed between the parties in accordance with the terms of the BTA and related addendum. Accordingly, NLCIL continues to undertake certain activities relating to the transferred undertaking in trust and on behalf of NIRL without any beneficial interest therein.
3. Property, plant and Equipment having net book value of ₹ 4,711.09 Crore (gross value of assets ₹ 6,423.33 Crore with accumulated depreciation of ₹ 1,712.24 Crore) has been transferred to NIRL as part of BTA.
4. The purchase consideration has been settled during the year by cash payment as per the terms and conditions of BTA.
5. Pursuant to the BTA, the SBI loan secured against the assets of 709 MW Solar Project, were transferred from NLCIL to NIRL. SBI issued its NOC for the asset transfer on 04.02.2026, and NIRL has been servicing the loan from 01.01.2026. While certain procedural formalities are pending with respect to the substitution of the borrower's name in the lender's records, as on the reporting date, NIRL is the borrower in substance and has accordingly recognised the loan in its books of account.

Note 60 Recent Pronouncement

The Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules from time to time. MCA has notified amendments to Ind AS 1 – Presentation of Financial Statements (classification of liabilities as current or non current, including liabilities with covenants), Ind AS 12 – Income Taxes (International Tax Reform – Pillar Two Model Rules), Ind AS 21 – The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability), and Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures (Supplier Finance Arrangements), effective from 1st April, 2025.

The Company has reviewed these amendments and based on its evaluation, has determined that they do not have any impact on the Company’s financial statements. However, pursuant to the adoption of the amendments to Ind AS 7 and Ind AS 107, the Company has provided the required disclosures relating to liabilities under supplier finance arrangements in the notes to the financial statements.

New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1- The amendments clarify that lender waivers obtained after the reporting date cannot be considered for the purpose of classifying liabilities as current or non current and require retrospective application in accordance with Ind AS 8.

These amendments are effective for reporting periods beginning on or after 1st April, 2026. The Company does not expect any material impact on its financial statements.

Note 61 Additional Disclosures

- a) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for sale of energy, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation

NOTES TO STANDALONE FINANCIAL STATEMENTS

with beneficiaries for sale of power and lignite is generally done on periodical basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) ‘External Confirmations’, were sent to the parties. Loan outstanding balances of employees are also reconciled periodically.

- b) In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- c) The Company is facing with deficit in availability of land at Neyveli for lignite mining, which is impacting its operations. However, the Company is confident of overcoming the challenges on land acquisition at Neyveli mines with sustained efforts, in the near future. In order to ensure availability of lignite, the company has undertaken contingency mining with additional cost and resources.
- d) As per the requirements of Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company has used SAP accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility that has operated throughout the year and has been preserved as per the statutory requirements for record retention. Further, the audit trail facility has also been enabled and preserved in respect of integrated external applications relating to Auction & Tender System, Integrated Weighment Tracking System, Employee Advance and Reimbursement Claims, GST Central Invoicing System, House Allotment, Rent Accounting and other township-related management systems.
- e) As per DIPAM guidelines, the minimum annual dividend payable is 30% of Profit After Tax (PAT) or 4% of Net Worth, whichever is higher, which amounted to ₹770.81 Crore for FY 2025-26.

Considering the significant capital expenditure commitments and expansion plans of the Company, NLCIL sought exemption from payment of the minimum dividend requirement for FY 2024-25 and FY 2025-26. The Committee for Monitoring of Capital Management and Dividend in CPSEs (CMCDC), in its meeting held on 06th January, 2026 granted exemption for FY 2024-25 and advised the Company to target a dividend payout of ₹500 Crore for FY 2025-26.

Accordingly, the Company paid an interim dividend of ₹499.19 Crore (36%) on 10th February, 2026 and has proposed a final dividend of ₹34.67 Crore (2.5%), resulting in a total dividend payout of ₹533.86 Crore (38.5%), in line with the target indicated by CMCDC for FY 2025-26. The total dividend payout represents 21.14% of PAT and 2.77% of Net Worth.

- f) Subsequent to the balance sheet date, the Company identified certain events that provide additional evidence of conditions existing at the reporting date. Accordingly, necessary adjustments have been made in the financial statements. Management confirms that all material subsequent events up to the date of approval have been considered
- g) The standalone financial statements for the year ended 31st March, 2026 were approved for issue by the Board of Directors of the company on 13rd May, 2026.
- h) The Company has assessed the impact of the Code on Wages, 2019 and related labour codes, and does not expect any material impact on the financial statements.
- i) The Digital Personal Data Protection Act, 2023 (DPDP Act) encompasses the entire organisational ecosystem and has implications across all functions, business units, and support processes. Accordingly, it is being addressed as a strategic, enterprise-wide priority with active oversight at the highest levels of the Organisation.

The activities related to the DPDP Act are currently under active deliberation by the relevant internal stakeholders. The Management is cognisant of the regulatory framework and the compliance requirements thereunder.

The requisite steps, including those pertaining to consent management, awareness training, policy review, and control framework assessment, etc., shall be undertaken in a structured and time-bound manner as per the extant MeitY guidelines

- j) The Company has performed a detailed assessment of the recognition criteria prescribed under Paragraph 9 of Appendix B to Ind AS 16. Based on this assessment, the Company has concluded that for its over burden removal mining operations, the required conditions specified under Paragraph 9 of Appendix B to Ind AS 16 relating to recognition of stripping asset were not met. Accordingly, the related transactions have been accounted for appropriately in accordance with the applicable Indian Accounting Standards.

Inline with industry practice, the policy in this regard shall be reviewed at end of each financial year.



INDEPENDENT AUDITORS’ REPORT

To,
The Members of NLC INDIA LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of NLC INDIA LIMITED (hereinafter referred to as the “Holding Company” or “NLCIL”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), its associate and joint venture, which comprise the Consolidated Balance Sheet as at 31st March 2026, the Consolidated Statement of Profit and Loss (including other Comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

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 Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group, its associate and joint venture as at 31st March 2026, of Consolidated Profit (Including Other Comprehensive Income), Consolidated changes in Equity, and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the “Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements” Section of our report. We are independent of the Group, its associate and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Consolidated 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 ICAI’s Code of Ethics. We believe

that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in “Other Matters” Section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 62(c) of the Consolidated Financial Statements, wherein the non-availability of adequate quantum of land for lignite mining operations at Neyveli mines and power generation have been elaborated upon. Such non-availability of lignite mining land may cast significant uncertainties relating to the operations of NLCIL, and eventually the NLCIL’s ability to continue as a going concern in future.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated Financial Statements:

1.

Note 27 (d), with regard to amount billed on account of VSVS to DISCOMs and the matter is sub judice, the Group has retained the regulatory deferral liability for the disputed amount of ₹ 386.51 Crore, along with accrued interest of ₹ 25.06 Crore on the amount already received. Accordingly, a total regulatory deferral liability of ₹ 411.57 Crore has been recognised as of 31st March, 2026 in this regard.
2.

We draw attention to Note No 49 to the statement, which states that Group has filed tariff petitions for the control period 2024-29 and truing-up petitions for the control period 2019-24 within the statutory timelines.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Material Uncertainty Related to Going concern Section, we have determined the matters described below to be the key audit matters to be communicated in our report.

The following have been considered as Key Audit Matters:

Description of the Matter	Auditor's Response
Revenue from Operations – Sale of Power The Holding Company is engaged in the generation and sale of power, and its operating activities are subject to cost-of-service regulations under which the tariff for electricity generated is determined by the Central Electricity Regulatory Commission (CERC) based on allowable capital cost, operation & maintenance expenses, and a stipulated return on equity, in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2024, as modified by orders of the Appellate Tribunal for Electricity (APTEL) and the Hon'ble Supreme Court, where applicable. Revenue from sale of power of the Holding Company, comprising capacity charges and energy charges, amounted to ₹ 17,489.53 Crore for the year ended 31 st March 2026 (Previous Year: ₹ 15,282.96 Crore). Pending issue of the final tariff orders for certain stations w.e.f. 1 st April 2024, capacity charges have been recognised on a provisional basis in accordance with the principles of the CERC Tariff Regulations, 2024. Further, since the Holding Company is entitled to a fixed return on equity, the difference between revenue recognised based on provisional/approved tariff and the entitlement computed in terms of the regulations (including items such as deferred tax recoverable from beneficiaries, exchange rate variation, true-up of capital cost, and other regulatory adjustments) is recognised as Regulatory Deferral Account balances in accordance with Ind AS 114 – Regulatory Deferral Accounts. This area has been identified as a Key Audit Matter because: - Recognition and measurement of revenue and regulatory deferrals involve significant management judgement and estimation in the interpretation and application of CERC Tariff Regulations, tariff orders, and APTEL/Supreme Court rulings; - Accruals depend on the probability of recovery through future tariff true-up exercises and the outcome of disputed claims/regulatory proceedings pending before various authorities; - The amounts involved are material to the consolidated financial statements and movements in regulatory deferral balances directly impact the reported profit for the year; and - Tariff finalisation and true-up cycles are subject to inherent uncertainty in timing and outcome.	We obtained an understanding of the CERC Tariff Regulations, 2024, the relevant tariff orders, circulars, guidelines and the Holding Company's internal policies and procedures for recognition and measurement of revenue from sale of power and regulatory deferral balances, and performed the following audit procedures: Accounting Policies – Reviewed the Holding Company's material accounting policies for revenue recognition and regulatory deferrals and assessed their compliance with Ind AS 115 "Revenue from Contracts with Customers" and Ind AS 114 "Regulatory Deferral Accounts". Internal Controls – Evaluated the design and tested the operating effectiveness of key internal financial controls over (i) computation of capacity and energy charges, (ii) accrual of revenue based on provisional tariff, and (iii) determination and movement of regulatory deferral account balances. Tariff Computation – Verified, on a sample basis, the computation of capacity charges and energy charges with reference to the parameters notified under the CERC Tariff Regulations, 2024 (normative annual fixed cost components – return on equity, depreciation, interest on loan, interest on working capital, O&M expenses, and secondary fuel oil consumption) and approved/provisional tariff orders for each station. Provisional Accruals – For stations where final tariff orders are pending, examined the basis of provisional recognition, the underlying capital cost data filed with CERC, and management's assessment that there is no expectation of a downward adjustment to the revenue recognised. Regulatory Deferrals – Tested the additions/movements in regulatory deferral account balances by reference to (i) past trend of approvals and disallowances by CERC/APTEL, (ii) management's assessment of recoverability through future tariff, and (iii) legal/regulatory opinions, where obtained, for disputed claims. Disputed Claims & Litigation – Obtained the status of pending tariff petitions, true-up applications and APTEL/Supreme Court matters from the concerned department; evaluated management's judgement on the probability of favourable outcomes based on past precedents and external opinions. Sales Reconciliation – Reconciled invoices raised on beneficiaries (State Distribution Companies) with the dispatch data (Regional Energy Account issued by the Regional Power Committee), Scheduled Energy and Actual Energy supplied; tested cut-off around the year-end. Late Payment Surcharge & Rebates – Verified accruals for late payment surcharge, rebates for prompt payment, and incentives, in accordance with the relevant CERC notifications and Electricity (Late Payment Surcharge) Rules.

INDEPENDENT AUDITORS’ REPORT (CONTD.)

Description of the Matter	Auditor's Response
	• Disclosures – Assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements in accordance with the requirements of Ind AS 115 and Ind AS 114, including the reconciliation of opening and closing regulatory deferral balances and the risk and uncertainty associated with their future recovery. Based on the procedures performed, we found management's recognition, measurement and disclosure of revenue from sale of power and regulatory deferral account balances to be reasonable and adequate.
Property, Plant & Equipment	Our audit procedures included the following:
The Holding Company carries a significant base of Property, Plant and Equipment (PPE), Capital Work-in-Progress (CWIP) and Intangible Assets aggregating to ₹ 50,665.19 Crore as at 31st March 2026 (Previous Year: ₹ 45,899.08 Crore), comprising principally lignite mines, thermal power stations, renewable energy assets, mining rights and related infrastructure. In accordance with Ind AS 36 Impairment of Assets, management is required, at the end of each reporting period, to assess whether there is any indication that an asset or Cash Generating Unit (CGU) may be impaired, and where such indication exists, to estimate the recoverable amount. For the Holding Company, lignite mines, thermal power stations, and renewable projects has been considered as separate CGU. Management's impairment assessment involves significant judgement in respect of:	• Accounting Policies – Reviewed the Holding Company's material accounting policies relating to PPE, CWIP and impairment, and assessed compliance with Ind AS 16, Ind AS 38 and Ind AS 36. • Internal Controls – Evaluated the design and tested the operating effectiveness of internal financial controls over (i) periodic identification of impairment indicators, (ii) capitalisation and componentisation of PPE, (iii) review of useful lives and residual values, and (iv) monitoring of project cost overruns in CWIP. • CGU Identification – Evaluated management's identification of CGUs for consistency with the manner in which cash inflows are independently generated and monitored, and for consistency with the prior year. • Indicator Assessment – Critically evaluated management's assessment of internal and external impairment indicators with reference to: – Operating performance of each station/mine (PLF, despatch, lignite extraction quantities vs. approved mining plan); – Profitability and contribution of each CGU; – Tariff orders, true-up disallowances and pending regulatory matters affecting recoverability; – External factors including coal/lignite policy, renewable energy targets, and merit-order considerations affecting future utilisation of thermal capacity; – Status of long-gestation projects and any cost or schedule overruns. – Where impairment testing was performed – For CGUs where indicators of impairment were identified and a recoverable amount was computed: – Assessed the appropriateness of the value-in-use model and the methodology adopted; – Tested the key assumptions including projected revenue (with reference to CERC tariff parameters), operating costs, lignite reserve estimates, capital expenditure plans, terminal value and discount rate (WACC) by comparing them with the approved business plan, prior trends, and external/independent benchmarks; – Performed sensitivity analysis on key assumptions to evaluate whether reasonably possible changes would result in impairment; – Where applicable, considered the work and competence of the management's expert engaged for valuation, in accordance with SA 500.



Description of the Matter	Auditor's Response
	• CWIP and Old Projects – Reviewed the ageing of CWIP balances, particularly long-pending projects, and evaluated management's assessment of recoverability and timing of capitalisation. • Useful Lives – Verified that depreciation has been computed in accordance with the rates/useful lives prescribed under CERC Tariff Regulations, as permitted under Schedule II to the Companies Act, 2013, and assessed the appropriateness of any change in estimated useful life during the year. • Disclosures – Assessed the adequacy of disclosures in the consolidated financial statements in accordance with Ind AS 36, Ind AS 16 and Ind AS 38, including disclosure of key assumptions, sensitivities and the basis of impairment conclusions, where applicable. Based on the procedures performed, we found management's assessment of impairment of PPE, CWIP and Intangible Assets, and the related disclosures, to be reasonable and adequate.

Information Other Than the Consolidated Financial Statements and Auditors’ Report thereon

The Holding Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors’ Report including Annexures to Directors’ Report and Business Responsibility & Sustainability Report, but does not include the Consolidated Financial Statements and our Auditors’ report thereon. The other information is expected to be made available to us after the date of this Auditors’ report. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

On receipt of other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we shall:

- (a) If the material misstatement is corrected, perform necessary procedure to ensure the correction; or
- (b) If the material misstatement is not corrected after communicating the matter to those charged with governance, take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom this Auditors’ report is prepared.

Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including Other Comprehensive Income), Consolidated changes in equity and Consolidated cash flows of the Group, its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective Board of Directors of the companies included in the Group, its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and 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.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the Companies included in the Group, its associate and joint venture are responsible for assessing the ability of Group, its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective entities or to cease operations, or has no realistic alternative but to do so.



INDEPENDENT AUDITORS' REPORT (CONTD.)

The respective Board of Directors of the Companies included in the Group, its associate and joint venture are responsible for overseeing the financial reporting process of the Group, its associate and joint venture.

Auditors' Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 these Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, 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 financial control relevant to 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 the internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements 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 auditors' report. However, future events or conditions may cause the Group, its associate and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branches, entities within the Group, its associate and joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of NLCIL included in the Consolidated Financial Statements of which we are the independent auditors. In respect of the branches or other entities included in the Consolidated Financial Statements, which have been audited by the respective branch auditors or other auditors, who remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the Section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Holding Company 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a) We did not audit the financial statements of 2 Branches located at Talabira and Barsingsar, included in the Consolidated Financial Statements, whose financial statements reflect total assets of ₹ 9,337.47 Crore as at 31st March 2026 and total income of ₹ 3,199.88 Crore for the year ended 31st March 2026, total net profit before tax of ₹ 1,254.26 Crore for the year ended 31st March 2026 and total comprehensive income of ₹ 1,254.26 Crore for the year ended 31st March 2026, and net cash outflows of ₹ 0.93 Crore for the year ended 31st March 2026. The financial statements of these Branches

have been audited by their respective branch auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these Branches, is based solely on the reports of such branch auditors and the procedures performed by us as stated under Auditors' Responsibilities for the audit of the Consolidated Financial Statements Section above.

- b) We did not audit the financial statements of 7 Subsidiaries (which includes results of two step down subsidiaries) included in the Consolidated Financial Statements, whose financial statements reflect total assets of ₹ 36,907.47 Crore as at 31st March 2026, total income of ₹ 7,035.03 Crore for the year ended 31st March 2026, total net profit after tax of ₹ 1,477.42 Crore for the year ended 31st March 2026, and total comprehensive income of ₹ 1,476.95 Crore for the year ended 31st March 2026, and net cash inflows of ₹ 597.85 Crore for the year ended 31st March 2026, which have been audited by their respective other auditors. The Consolidated Financial Statements also include the Group's share of profit after tax of ₹ 0.15 Crore for the year ended 31st March 2026 and total comprehensive income of ₹ 0.15 Crore for the year ended 31st March 2026, as considered in the Consolidated Financial Statements, in respect of 1 associate whose financial statements have not been audited by us. The Consolidated Financial Statements also include the Group's share of profit after tax of ₹ 0.14 Crore for the year ended 31st March 2026 and total comprehensive income of ₹ 0.14 Crore for the year ended 31st March 2026, as considered in the Consolidated Financial Statements, in respect of 1 joint venture whose financial statements have not been audited by us.

These financials 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, associate and joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditors' Responsibilities for the audit of the Consolidated Financial Statements Section above.

- c) The consolidated financial statements as at and for the year ended 31st March 2025 have been audited by M/s. Sundaram & Srinivasan, Chartered Accountants, one of the joint statutory auditors of the Holding Company, together with another auditor M/s Chaturvedi & Co LLP whose report dated 19th May 2025 expressed an unmodified opinion on those consolidated financial statements. Accordingly, we, PKF Sridhar & Santhanam LLP, Chartered Accountants, do not express any opinion on the figures and disclosures reported in the consolidated financial statements as at and for the year ended 31st March 2025. Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Our opinion on the Consolidated Financial Statements, 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 the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the branch auditors and other auditors on separate Financial Statements of such branches, subsidiaries, its associate and joint venture, as were audited by branch auditors and other auditors, as noted in the 'Other Matters' paragraph, 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 including for the matters stated in the paragraph 2k(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
 - c) The reports on the accounts of the Branch Offices of the Holding Company audited under Section 143(8) of the Act by the Branch Auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
 - e) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act;
 - f) The matter described in the "Material Uncertainty Related to Going Concern" paragraph above, in our opinion, may not have an adverse effect on the functioning of the Holding Company;



INDEPENDENT AUDITORS' REPORT (CONTD.)

g) The provisions of Section 164(2) of the Act relating to disqualification of directors is not applicable to Government companies in view of the Notification No: G.S.R. 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs;	iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its associate and joint venture;	c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries, associate and joint venture, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.	account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year. During the course of our audit, we did not come across any instances of the audit trail feature being tampered with and the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention.
h) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3) of the Act and paragraph 2(k)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;	iv. a. The respective Managements of the Holding Company, its subsidiaries, associate and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, associate and joint venture, respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 60(g), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associate and joint venture to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, associate and joint venture (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. b. The respective Managements of the Holding Company, its subsidiaries, associate and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, associate and joint venture respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 60(g), no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries, associate and joint venture from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate and joint venture, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and	v. a. The final dividend paid during the year by the Holding company, which pertains to previous year 2024-25 is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend; b. The interim dividend declared and paid by the Holding company and one of its subsidiary (NLC Tamil Nadu Power Limited), during the year is in accordance with Section 123 of the Act; and c. The Board of Directors of the Holding Company have proposed final dividend for the year 2025-26 which is subject to the approval of the Members of the Holding Company at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.	Further, in relation to the 7 external applications that were integrated with SAP accounting software, in connection with Auction & Tender System, Integrated Weighment Tracking System, Employees Advance and Reimbursement Claims, GST Central Invoicing System & House Allotment, Rent Accounting & other Township related Management System, based on the audit procedures, information and explanation given to us, we confirm that the audit trail (edit log) facility has been enabled and the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention.
j) The provisions of Section 197 of the Act relating to managerial remuneration is not applicable to Government companies in view of the Notification No: G.S.R. 463(E) dated 5th June 2015, issued by the Ministry of Corporate Affairs. Accordingly, reporting in accordance with requirement of provisions of Section 197(16) of the Act is not applicable;		However, the aggregate of interim dividend paid by the Holding Company during the FY 2025-26 and proposed dividend for the FY 2025-26 is less than the minimum dividend criteria prescribed under the guidelines issued by Department of Investment & Public Asset Management (DIPAM). The Holding Company vide its letter dated 14th March 2025 had applied for exemption from payment of minimum dividend for the FY 2024-25 and FY 2025-26 as prescribed under DIPAM guidelines and approval for the same has been received on 06th January 2026.	With respect to subsidiaries, associate and joint venture, the respective auditors of these entities have reported that based on their examination, which included test checks, the subsidiaries, associate and joint venture have used accounting software for maintaining their books of account for the financial year ended 31st March 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of their audit, they did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the respective Company as per the statutory requirements for record retention.
k) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 associate and joint venture – Refer to Note 55 to Consolidated Financial Statements;		3. As required by Section 143(5) of the Act, our comments in regard to the directions and sub- directions issued by the Comptroller and Auditor General of India is given in “Annexure - III”.
ii. The Holding Company has long-term contracts for coal mining, power sale, lignite/coal sale, O&M/AMC Contracts, project execution etc. The Holding Company has assessed all these contracts as at 31st March 2026, and concluded that there were no material foreseeable losses that needs to be considered on account of these contracts. The Holding Company did not have any derivative contracts as at 31st March 2026 other than those disclosed in Note 51 to the consolidated financial statements. The subsidiaries, associate and joint venture does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;		The dividend paid by the NTPL for the FY 2025-26 is less than the minimum dividend criteria prescribed under the guidelines issued by Department of Investment & Public Asset Management (DIPAM). The Subsidiary Company is in the process of seeking exemption from payment of minimum dividend for the FY 2025-26 as prescribed under DIPAM guidelines.	Place: Neyveli Date: 13th May 2026



Annexure-I to Independent Auditors’ Report on the Consolidated Financial Statements

Referred to in paragraph 1 on ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of NLC India Limited (“the Company”) on the consolidated financial statements as of and for the year ended 31st March 2026.

- (i) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by its respective auditors in their reports under the Companies (Auditor’s Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/JV/Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	NLC India Limited	L93090TN1956GOI003507	Holding/Parent	3 (i) (c) & 3 (ii) (a)
2	NLC Tamil Nadu Power Limited	U40102TN2005GOI058050	Subsidiary	3 (xx)
3	Neyveli Uttar Pradesh Power Limited	U40300UP2012GOI053569	Subsidiary	3 (i) (c)
4	NLC India Renewables Limited	U35106TN2023GOI161134	Subsidiary	3 (i) (b) & 3 (i) (c)

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No. 004207S

P Menakshi Sundaram
Partner
M No. 217914
UDIN: 26217914XHRNIA4070

Place: Neyveli
Date: 13th May 2026

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Regn. No. 003990S/S200018

S Narasimhan
Partner
M No. 206047
UDIN: 26206047TCUAEY5010

Annexure-II to Independent Auditors’ Report on the Consolidated Financial Statements

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 Group, its associate and joint venture for the year ended 31st March 2026, we have audited the internal financial controls over financial reporting of **NLC INDIA LIMITED** (hereinafter referred to as “the Holding Company”) its subsidiary Companies, its associate and joint venture, which are Companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Company’s management and the Board of Directors of the Holding Company, its subsidiary Companies, its associate and joint venture are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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 (ICAI). 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 respective 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company, its subsidiary companies, its associate and its joint venture, which are companies incorporated in India, 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 issued by the ICAI. 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, and the audit evidence obtained by the other auditors of the relevant subsidiaries, joint venture and associate companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to Consolidated Financial Statements.

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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the “Other Matters” paragraph below, the Holding company, its subsidiary companies, its associate and joint venture, 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 31st March 2026, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report 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 2 branches, 7 subsidiary companies (which includes 2 step down subsidiaries), 1 associate and 1 joint venture, which are Companies incorporated in India, is based on the corresponding reports of the auditors of such branches/companies incorporated in India.

Our opinion is not modified in respect of the above matter

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No. 004207S

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Regn. No. 003990S/S200018

P Menakshi Sundaram
Partner
M No. 217914
UDIN: 26217914XHRNIA4070

S Narasimhan
Partner
M No. 206047
UDIN: 26206047TCUAEY5010

Place: Neyveli
Date: 13th May 2026



Annexure-III to Independent Auditors’ Report on the Consolidated Financial Statements

Comments in regard to the directions and sub-directions issued by the Comptroller and Auditor General of India

Directions u/s 143(5) of the Companies Act, 2013	Auditors’ reply on action taken on the directions	Impact on financial statement
1. Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	In respect of NLCIL: The Company’s post-retirement benefit plans comprise gratuity, medical benefits, retirement travelling allowance and provident fund, which are administered through dedicated trusts, namely NLC Employees (Executives and Non-Unionised Supervisors) Superannuation Fund, NLC Employees (Non-Executives and Workmen) Superannuation Fund and NLCIL Employees Provident Fund Trust. The contributions in the two superannuation funds are managed by LIC, and the Company has relied on the valuation statements and reports provided by LIC in respect of these funds. No independent procedures have been performed to assess the valuation methodologies or their compliance with Ind AS. In respect of the Provident Fund Trust, the investments are accounted for in accordance with Indian GAAP applicable to trusts and are audited by an independent auditor. As the audit for FY 2025-26 is yet to be completed for the NLCIL Employees Provident Fund Trust, the audited financial statements and audit report for FY 2024-25 have been reviewed. Based on the documents examined, no material discrepancies have been noted. However, given the reliance placed on external fund managers/auditors, no separate conclusion is drawn on the appropriateness of valuation methodologies or their compliance with Ind AS As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: The investments relating to Post Retirement Benefit funds of employees are administered, accounted for, and monitored centrally at the Corporate Office level for all employees of the Company, including employees of this branch. Based on the records and information made available to us at the branch level, no separate investments relating to Post Retirement Benefits are maintained or managed by the branch. As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given to us, the Branch has not made any investments directly or through trusts for post-retirement employee benefits during the year. Accordingly, this direction is not applicable. As reported by the auditor of the Subsidiary Company NLC TAMIL NADU POWER LIMITED (NTPL) in their audit report dated 11th May, 2026 is reproduced below: Based on the information and explanations provided to us and on examination of the books of account and other relevant records of the Company, we observe that the Company has not made any direct investments or investments through Trusts towards post-retirement benefits of employees. The post-retirement benefit funds, including Provident Fund and Gratuity, are maintained and administered by the Holding Company, NLCIL. Since the Company does not independently hold or manage any such investments, either directly or through Trusts, the question of assessing fair valuation of investments for post-retirement employee benefits does not arise in the context of the Company for the year under review. As reported by the auditor of the Subsidiary Company Neyveli Uttar Pradesh Power Limited (NUPPL) in their audit report dated 13th May, 2026 is reproduced below: Based on the information and explanations provided to us and on examination of the books of account and other relevant records of the Company, we observe that the Company has not made any direct investments or investments through Trusts towards post-retirement benefits of employees. The post-retirement benefit funds like Gratuity, Post Retirement Medical Assistance & Super annuation fund are maintained and administered by the Holding Company, NLCIL. Since the Company does not independently hold or manage any such investments, either directly or through Trusts, the question of assessing fair valuation of investments for post-retirement employee benefits does not arise in the context of the Company for the year under review. As reported by the auditor of the Subsidiary Company NLC India Green Energy Limited (NIGEL) in their audit report dated 11th May, 2026 is reproduced below: No such cases As reported by the auditor of the Subsidiary Company NLC India Renewables Limited (NIRL) in their audit report dated 12th May, 2026 is reproduced below: No such cases	NA

Annexure-III (Contd.)

Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
	As reported by the auditor of the Associate Company MNH Shakti Limited (MNH) in their audit report dated 13th April, 2026 is reproduced below: No such cases. As reported by the auditor of the Joint Venture Company Coal Lignite Urja Vikas Private Limited (CLUVPL) in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given by the management to us, The company had investment in FDR only and theirs valuation as matched with bank certificates	
2. Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.	In respect of NLCIL: As per the information and explanations given to us, the Company has a system in place to process all accounting transactions through an IT-based environment. SAP ERP continues to be implemented for key processes such as Financial Accounting (FI), Controlling (CO), Materials Management (MM), Sales and Distribution (SD), Production Planning (PP), Project Systems (PS), Plant Maintenance (PM), Fund Management (FM) and Human Capital Management (HCM). The Company has also implemented various interfaced IT applications which are integrated with SAP ERP, including but not limited to NLCIL eAuctioning & Tendering System (NeAT); Contract Labour Management System (CLMS); Integrated Weighment Tracking System (IWTS); Integrated Hospital Management System (IHMS); myLaptop Portal; Furniture Portal; Retirees Portal; Bill Tracking System; GST Central Invoicing System; eRecruitment System; House Allotment, Rent Accounting & other Township related Management System. As part of the audit, we have carried out a review of the IT systems and controls relevant to financial reporting. The scope of such review included: - Evaluation of IT General Controls (ITGCs) such as access management, change management, and IT operations. - Review of application controls within SAP ERP and interfaced systems. - Verification of system-based processing of accounting transactions. - Consideration of IT-dependent controls relevant to financial reporting. - Review of cyber security controls to the extent they impact the financial reporting process and safeguarding of financial data. Based on the audit procedures performed and on test check basis, no material weaknesses or significant deficiencies were observed in the design or operating effectiveness of such controls which could have a material impact on the financial statements. Further, no material cyber security incidents impacting financial reporting were reported during the year. As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: Based on our examination of the records and information made available to us at the branch level, the Company has an integrated IT-based system for processing accounting transactions. The accounting and financial transactions at the branch are transactions at the branch are processed through the centrally managed ERP system of the Company. Further, the review of IT systems, IT general controls, application controls, and cyber security framework, including audit/review by Information Security Auditing Organisations empaneled with CERT-In, dealt centrally at the Head Office/Corporate Office level. Based on the audit procedures carried out at the branch level, no accounting transactions processed outside the designated IT systems, having material impact on the integrity of accounts or financial statements of the branch, were noticed during the course of our audit.	NA



Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
	As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given to us, the Branch has a system in place to process all the accounting transactions through IT system. SAP ERP has been implemented for the processes like Financial Accounting (FI), Controlling (CO), Material Management (MM), Sales and Distribution (SD), Production Planning (PP), Project Systems (PS), Plant Maintenance (PM), Fund Management (FM) and Human Capital Management (HCM). The Branch is also using other support software's which are integrated to SAPERP and those transactions are also through IT systems, like NLCIL eAuctioning & Tendering System (NeAT); Contract Labour Management System (CLMS); myLaptop Portal; Furniture Portal; Bill Tracking System; GST Central Invoicing System, e-office for file management. Further, as per the information and explanation given to us the Branch, review of the IT systems and controls relating to financial reporting process and cyber security by Information Security Auditing Organisations empaneled with CERT-In has been carried out at H.O. level. Based on our examination of records on sample basis and other audit procedures carried out and as per the information and explanation given to us, no accounting transactions have been processed/carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts. As reported by the auditor of the Subsidiary Company NLC TAMIL NADU POWER LIMITED (NTPL) in their audit report dated 11th May, 2026 is reproduced below: The Company has implemented the SAP ERP system for recording and managing its financial and operational transactions through various integrated modules, including Finance and Controlling (FICO), Material Management (MM), Sales and Distribution (SD), Fund Management (FM), and Human Capital Management (HCM). The FICO module is used for accounting and financial reporting, while the MM module facilitates procurement activities such as indent creation, purchase requisition (PR) approvals, purchase order (PO) generation, inventory management, and related accounting entries. The SD module is used for recording and monitoring revenue transactions, and the FM module is operated for budgetary control and fund management activities. The Company is using the Human Capital Management (HCM) module for payroll processing and other human resource management activities. The Company has entered into a Corporate Service Agreement with its parent company, NLC India Limited, for availing services relating to generation and maintenance planning, human resource management, procurement, and contract management. The Company has established an e-tendering process for procurement activities. Further, for energy trading operations on the Indian Energy Exchange (IEX) platform, the Company has entered into an agreement with NLC India Limited, which acts as the participant on the platform. For payroll processing, employee attendance is captured through a biometric attendance system, and the monthly attendance reports, duly authorised, are used for salary processing. However, accounting of following items is carried out manually: a) Computation of Rebate and Surcharge to Discoms b) Computation of Gaining Ratio on sale of Power through trading c) Computation of Exchange Gain/loss on payment to Import coal. Since all accounting transactions are ultimately incorporated into the IT system and are subject to established internal controls, review mechanisms, and statutory audit, the integrity of accounts is not materially affected. However, processing of certain activities outside the IT system involves inherent risks such as manual errors, delays in updation, and reliance on reconciliation controls. The Company has adequate internal control mechanisms to mitigate such risks, and no material financial implications have been observed.	

Annexure-III (Contd.)

Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
	As reported by the auditor of the Subsidiary Company Neyveli Uttar Pradesh Power Limited (NUPPL) in their audit report dated 13th May, 2026 is reproduced below: The Company has implemented the SAP ERP system for recording and managing its financial and operational transactions through various integrated modules, including Finance and Controlling (FICO), Material Management (MM), Sales and Distribution (SD), and Human Capital Management (HCM). The system and controls that are significant to the Companies' financial reporting process have been reviewed and sufficient cyber security measures are in place. Based on the information and explanations provided to us and on examination of the books of account and other relevant records of the Company, no material discrepancies were found. No accounting transactions were found recorded outside the IT system. As reported by the auditor of the Subsidiary Company NLC India Green Energy Limited (NIGEL) in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given by the management to us, the Company has a system in place to process all the accounting transactions through the IT system i.e. SAP ERP Software. Further, as per the information and explanation given by the management and basis of our examination of the records of the company there is no accounting transaction processed outside the above software. As reported by the auditor of the Subsidiary Company NLC India Renewables Limited (NIRL) in their audit report dated 12th May, 2026 is reproduced below: As per the information and explanation given by the management to us, the Company has a system in place to process all the accounting transactions through the IT system i.e. SAP ERP Software. Further, as per the information and explanation given by the management and basis of our examination of the records of the company there is no accounting transaction processed outside the above software. As reported by the auditor of the Associate Company MNH Shakti Limited (MNH) in their audit report dated 13th April, 2026 is reproduced below: The Company's accounts are maintained in computer system through Tally.ERP software, wherein all the data are captured through manual feeding. During the year there is no manufacturing or any other operations in the company. However, no cyber security has been done by Information Security Auditing organisations empanelled by Cert-In. As reported by the auditor of the Joint Venture Company Coal Lignite Urja Vikas Private Limited (CLUVPL) in their audit report dated 11h May, 2026 is reproduced below: As per the information and explanation given by the management to us, the Company has a system in place to process all the accounting the transactions through the IT system i.e. Tally Software. Further, as per the information and explanation given by the management and basis of our examination of the records of the company there is no significant accounting transaction processed outside the above Software.	NA



Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
3. Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilised as per its terms and conditions? List the cases of deviation.	In respect of NLCIL: During the year, the Company has received a sum of ₹ 11.36 crore and receivable of ₹ 0.16 Crore toward reimbursement of teachers' salary from Government of Tamil Nadu. The schools are run by the Company. As per the practice in various States, salaries of the school teachers are being paid by the Govt. of Tamil Nadu through its education department. Apart from Salary, all retirement benefits of these school teachers as per applicable guidelines issued by Government of Tamil Nadu are paid by Government of Tamil Nadu. The salary of the teachers is paid by Govt. of Tamil Nadu through NLCIL bank account as there are no separate bank accounts operated by the schools. These regular salary payment of school teachers, in our opinion, is not considered as a grant. As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given to us, the Branch has not received any Grants during the Financial Year 2025-26. As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given to us, the Branch has not received any grants/subsidy for specific schemes from Central/State Government or its agencies during the year. Accordingly, this direction is not applicable. As reported by the auditor of the Subsidiary Company NLC TAMIL NADU POWER LIMITED (NTPL) in their audit report dated 11th May, 2026 is reproduced below: According to the information and explanations provided to us and based on our examination of the books of account and records of the Company, the Company has not received or does not have any receivable funds by way of grants, subsidies, or financial assistance for any specific scheme from the Central Government, State Government, or their agencies during the period under review. Accordingly, the question of accounting, utilisation of such funds, and accounting of interest earned thereon as per the applicable terms and conditions does not arise. No deviations in this regard were observed. As reported by the auditor of the Subsidiary Company Neyveli Uttar Pradesh Power Limited (NUPPL) in their audit report dated 13th May, 2026 is reproduced below: Based on the information and explanations provided to us and on examination of the books of account, there is no such fund which has been received/receivable for specific schemes from Central/State Government or its agencies during the year. As reported by the auditor of the Subsidiary Company NLC India Green Energy Limited (NIGEL) in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given by the management to us and basis of our examination of the records of the company, no funds (grants/subsidy) were received/accounted during the year. As reported by the auditor of the Subsidiary Company NLC India Renewables Limited (NIRL) in their audit report dated 12th May, 2026 is reproduced below: As per the information and explanation given by the management to us and basis of our examination of the records of the company, no deviations were noticed during the year. As reported by the auditor of the Associate Company MNH Shakti Limited (MNH) in their audit report dated 13th April, 2026 is reproduced below: No such cases As reported by the auditor of the Joint Venture Company Coal Lignite Urja Vikas Private Limited (CLUVPL) in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given by the management to us and basis of our examination of the records of the company, no funds (grants/subsidy) were received/accounted during the year.	NA



Annexure-III (Contd.)

Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
4. Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	In respect of NLCIL: The Company has comprehensively identified key risk areas and formulated an Integrated Risk Management Policy approved by the Board in March 2020. The Company has systematically categorised risks into three broad classifications: (a) Strategic Risks - covering competitive environment, regulatory changes, land acquisition, diversification, and environmental compliance; (b) Business Risks - encompassing operational economics, project delays, human resource gaps, credit risks, and industrial relations; and (c) Operational Risks - including internal process failures, cyber security, equipment maintenance, fuel availability, and safety. These risks are further classified functionally across nine operational areas: Organisational, Mining, Thermal Power, Renewable Energy, Contracts & Purchase, Finance, Commercial, Human Resources, and Information Technology. The Policy operates through a four-tier governance structure comprising Board of Directors, Risk Management Committee, Internal Risk Review Committee (with representatives from Finance, HR, Power, Mines, and Projects directorates at ED/CGM/GM level), and a Risk Cell headed by Chief Risk Officer supported by Risk Owners and Risk Managers at unit level. The Risk Management Policy has been formulated in line with global best practices and ISO Guide 31000:2018 – Risk Management Vocabulary. The Policy explicitly states alignment with "emerging global standards and best practices in IRM" and employs internationally recognised methodologies including risk heat maps, impact-frequency assessment scales (Insignificant to Highly Significant), risk matrices, and four-tiered risk strategies (Avoid, Transfer, Reduce, Retain). The governance structure follows international best practices with clear separation of oversight (Board, Audit Committee, RMC), executive management (IRRC), and operational implementation (Risk Cell). The Policy incorporates quarterly reviews by IRRC, half-yearly reviews by RMC/Board, and annual updates to align with evolving global standards. However, the Company has not formally identified its data assets as part of its risk management or governance framework. Consequently, there is no defined methodology in place for valuation of such data assets. This represents an area for improvement, as identification and appropriate valuation of data assets are increasingly considered critical components of effective risk management, particularly in the context of data protection, cybersecurity, and regulatory compliance. As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanations given to us, Company has in place Board approved Integrated Risk Management Policy. However, the formulation, implementation, monitoring, and evaluation of the overall Risk Management framework are administered centrally at the Corporate Office level for the Company as a whole. As reported by the auditor of the Talabira branch of NLCIL in their audit report dated 11th May, 2026 is reproduced below: As per the information and explanation given to us by the Branch, The Company has identified key risk areas and has formulated an Integrated Risk Management Policy, which was approved by the Board of Directors in March 2020. The Policy classifies risks into three broad categories: - Strategic Risks – including competition, regulatory changes, land acquisition, diversification, and environmental compliance; - Business Risks – including operational economics, project delays, human resource gaps, credit risks, and industrial relations; and - Operational Risks – including process failures, cybersecurity, equipment maintenance, fuel availability, and safety.	NA

Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
	These risks are monitored across various functional areas such as Mining, Thermal Power Renewable Energy, Contracts & Purchase, Finance, Commercial, Human Resources and Information Technology. The Policy is implemented through a structured governance mechanism comprising the Board of Directors, Risk Management Committee, Internal Risk Review Committee, and Risk Cell, with designated Risk Owners and Risk Managers at unit level and the above is made applicable at Branch level. (a) Risk Management Policy and Global Best Practices As per the information and explanation given to us by the Branch, the Risk Management Policy has been formulated considering global best practices and is aligned with ISO Guide 73:2009 – Risk Management Vocabulary. The Policy incorporates internationally accepted tools and methodologies such as risk heat maps, impact-frequency assessment matrices, and risk treatment strategies including Avoid, Transfer, Reduce, and Retain. (b) Identification and Valuation of Data Assets As per the information and explanation given to us by the Branch, the Branch has noT formally identified and valued its data assets under the current risk management framework. Accordingly, no specific methodology has been established for valuation of such data assets. As reported by the auditor of the Subsidiary Company NLC TAMIL NADU POWER LIMITED (NTPL) in their audit report dated 11th May, 2026 is reproduced below: Based on the verification and explanations provided to us the Company has identified all key risk areas including strategic, operational, financial, compliance, cybersecurity, and reputational risks. A Risk Register is maintained and reviewed periodically by the Risk Management Committee, with regular updates to the Board of Directors. Risk Management Policy: Yes. The Company has formulated and adopted a comprehensive Risk Management Policy (RMP), duly approved by the Board of Directors in compliance with the Companies Act, 2013. The Policy defines risk appetite, tolerance levels, escalation matrix, roles and responsibilities, and mitigation measures for all identified risks. A) Alignment with global best practices: The Risk Management Policy has been formulated in alignment with globally recognised frameworks, namely ISO 31000:2018 (Risk Management Guidelines) and the COSO Enterprise Risk Management (ERM) Framework, ensuring adherence to international best practices in risk governance and mitigation. B) Identification and Valuation of Data Asset: The Company has identified its data assets and maintains a Data Asset Inventory covering databases, digital records, customer data, and operational data. A Data Classification Framework is in place to categorise assets by sensitivity and criticality. Data assets are valued periodically using recognised methodologies considering replacement cost, income potential, and strategic value. Appropriate information security controls including access management, encryption, and cyber risk insurance are in place to safeguard these assets. As reported by the auditor of the Subsidiary Company Neyveli Uttar Pradesh Power Limited (NUPPL) in their audit report dated 13th May, 2026 is reproduced below: Based on the verification and explanations provided to us, the Company has identified all key risk areas including strategic, operational, financial, compliance, cybersecurity, and reputational risks. Risk Management Policy: Yes. The Company has formulated and adopted a comprehensive Risk Management Policy (RMP), duly approved by the Board of Directors in compliance with the Companies Act, 2013. The Policy defines risk appetite, tolerance levels, escalation matrix, roles and responsibilities, and mitigation measures for all identified risks. A half-yearly risk mitigation and minimisation procedure is put up to the Board for review. A) Alignment with global best practices: The Risk Management Policy has been formulated in alignment with globally recognised frameworks, namely ISO 31000:2018 (Risk Management Guidelines) and the COSO Enterprise Risk Management (ERM) Framework, ensuring adherence to international best practices in risk governance and mitigation.	



Annexure-III (Contd.)

Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
	B) Identification and Valuation of Data Asset: The Company has not formally identified its data assets as part of its risk management or governance framework and hence the valuation of such data assets is not applicable to the Company. As reported by the auditor of the Subsidiary Company NLC India Green Energy Limited (NIGEL) in their audit report dated 11th May, 2026 is reproduced below: The company is yet to formally identify and document the key risk areas. The Company has not yet formulated a risk management policy to mitigate these risks as it is not a listed Company. However, NLCIL has formulated a Risk Management Policy for NLCIL and its subsidiaries. The company has not identified any data assets and consequently these have not been subject to valuation. As reported by the auditor of the Subsidiary Company NLC India Renewables Limited (NIRL) in their audit report dated 12th May, 2026 is reproduced below: The company is yet to formally identify and document the key risk areas. The Company has not yet formulated a risk management policy to mitigate these risks, as it is not a listed Company. However, NLCIL has formulated a Risk Management Policy for NLCIL and its subsidiaries. The company has not identified any data assets and consequently these have not been subject to valuation. As reported by the auditor of the Associate Company MNH Shakti Limited (MNH) in their audit report dated 13th April, 2026 is reproduced below: The company is yet to formally identify and document the key risk areas. The Company has not yet formulated a risk management policy to mitigate these risks as it is not a listed Company. However, NLCIL has formulated a Risk Management Policy for NLCIL and its subsidiaries. The company has not identified any data assets and consequently these have not been subject to valuation. As reported by the auditor of the Joint Venture Company Coal Lignite Urja Vikas Private Limited (CLUVPL) in their audit report dated 11th May, 2026 is reproduced below: There is no any risk area.	NA
5. Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	In respect of NLCIL: The Company has generally complied with the provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations issued by SEBI, the Ministry of Corporate Affairs (MCA), the Department of Public Enterprises (DPE), the Department of Investment and Public Asset Management (DIPAM), the Reserve Bank of India (RBI), CERT-IN, the Ministry of Electronics and Information Technology, and other relevant regulatory authorities, wherever applicable. During FY 2025-26, the Company maintained compliance with most statutory and regulatory requirements, including those relating to financial reporting, corporate governance disclosures, audit requirements, cybersecurity frameworks, and environmental and operational regulations. No material non-compliance has been reported with respect to regulators such as RBI, CERT-IN, TRAI (not applicable), NPCI (not materially applicable), and sectoral regulators. However, certain deviations were observed in compliance with SEBI (LODR) Regulations during the year. These deviations primarily pertained to: - Board and Committee Composition Non-Compliance: Non-fulfilment of prescribed Board composition requirements under Regulation 17(1) of SEBI (LODR) Regulations, 2015, including: - Shortage of Independent Directors on the Board - Non-appointment of a Woman Director as mandated - Resulting non-compliance with quorum requirements and composition of Board Committees	

Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
	- Stock Exchange Penalties: Consequently, monetary penalties were levied by both BSE Limited and the National Stock Exchange of India: - BSE imposed a fine of ₹ 5,42,800 (including GST) in February 2026 for non-compliance with board composition requirements - NSE imposed similar penalties during the year - The Company has also received penalties in preceding quarters for similar non-compliance - Reasons and Remedial Actions: These deviations were largely attributable to delays in appointment of requisite Independent Directors by the Government of India. Being a Government Company, the power to appoint Directors on the Board of the Company vests with the President of India. The Ministry of Coal (the Administrative Ministry) has been periodically apprised regarding the requirement of appointing the requisite number of Independent Directors, including a Woman Director. The Company has formally requested waiver of penalties from both stock exchanges, citing that the non-compliance was neither due to negligence nor default on its part and was not within the control of management. Three Independent Directors (Shri. M. T. Ramesh, Dr. Vasant Ashok Patil, and Shri. Pradeep Kumar Saraogi) were appointed by the Ministry of Coal around March 2025 to address the compliance gap. However, these directors completed their one-year term and ceased to hold office on March 27, 2026, creating a recurring compliance challenge. The Company continues to coordinate with the Ministry of Coal for timely appointment of Independent Directors to ensure sustained compliance. - Other Regulatory Filings: There were minor delays in submission of certain regulatory filings during the year. Further, with respect to the dividend payout guidelines prescribed by DIPAM, the Company had sought exemption from the Government where the prescribed threshold could not be met. The exemption has since been approved, along with guidance to the Company to ensure a dividend payout of ₹ 500 crore in FY 2025-26. Overall, the Company's compliance framework remains robust, and except for the above deviations — which are primarily attributable to administrative delays in Government appointments and are being actively addressed - no material or systemic non-compliance has been reported. For detailed information on the compliance status, instances of deviation, penalties levied, corrective actions taken, and Board composition updates, refer to the Corporate Governance Report and the relevant regulatory filings submitted to BSE and NSE forming part of the Annual Report for FY 2025-26 and subsequent disclosures made under Regulation 30 of the SEBI (LODR) Regulations, 2015, which have been considered as part of our audit procedures. As reported by the auditor of the Barsingsar branch of NLCIL in their audit report dated May 11, 2026 is reproduced below: As per the information and explanations given to us, compliance of these rules and regulations are ensured at Head Office level. As reported by the auditor of the Talabira branch of NLCIL in their audit report dated May 11, 2026 is reproduced below: As per the information and explanation given to us, the compliances relating to the above regulations and guidelines are monitored and carried out at the Head Office level. Accordingly, no separate compliance mechanism is maintained at the branch level.	



Annexure-III (Contd.)

Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
	As reported by the auditor of the Subsidiary Company NLC TAMIL NADU POWER LIMITED (NTPL) in their audit report dated 11th May, 2026 is reproduced below: The Company is complying with all applicable rules and regulations issued by the Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-In, Ministry of Electronics and Information Technology, and National Payments Corporation of India, wherever applicable, and other regulatory authorities except the following - The regulations and guidelines issued by Securities and Exchange Board of India (SEBI) are not applicable to the Company, as the Company is neither a listed entity nor engaged in activities regulated by SEBI. - The Company did not have requisite number of Independent Directors as required under the DPE Guidelines on Corporate Governance regarding composition of the Board of Directors. - The Composition of Audit Committee and Nomination and Remuneration Committee is not as per DPE guidelines due to non-appointment of independent directors on the Board of the Company. - The quorum at the Audit Committee meetings is not as per DPE guidelines due to non-appointment of independent directors on the Board of the Company. - As required under Section 149 of Companies Act, 2013 and Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014, there was no Woman Director on the Board of the Company - As per DIPAM guidelines, the Company is required to pay a minimum annual dividend of 30% of Profit After Tax (PAT) or 4% of Net Worth, whichever is higher, subject to applicable statutory provisions. The Company has not complied with the said requirement during the year. The management informed that exemption from compliance is proposed to be sought from the Holding Company as per the extant guidelines. As reported by the auditor of the Subsidiary Company Neyveli Uttar Pradesh Power Limited (NUPPL) in their audit report dated 13th May, 2026 is reproduced below: The Company is complying with all applicable rules and regulations issued by the Department of Investment and Public Asset Management (DIPAM), Ministry of Corporate Affairs (MCA), Department of Public Enterprises (DPE), Reserve Bank of India (RBI), Telecom Regulatory Authority of India (TRAI), CERT-In, Ministry of Electronics and Information Technology (MeitY), and National Payments Corporation of India (NPCI), wherever applicable, and other regulatory authorities except the following: Non-applicability of SEBI Regulations: The regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) are not applicable to the Company, as the Company is neither a listed entity nor engaged in activities regulated by SEBI. Composition of the Board of Directors: The Company did not have the requisite number of Independent Directors as required under the DPE Guidelines on Corporate Governance regarding the composition of the Board of Directors. Composition of Board Committees: The composition of the Audit Committee and the Nomination and Remuneration Committee is not as per DPE guidelines due to the non-appointment of independent directors on the Board of the Company. Quorum of Audit Committee Meetings: The quorum at the Audit Committee meetings is not as per DPE guidelines due to the non-appointment of independent directors on the Board of the Company.	

Directions u/s 143(5) of the Companies Act, 2013	Auditors' reply on action taken on the directions	Impact on financial statement
	Absence of Woman Director: As required under <i>Section 149 of the Companies Act, 2013 and Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014</i>, there was no Woman Director on the Board of the Company. Non-compliance with Dividend Declaration (DIPAM Guidelines): As per DIPAM guidelines, the Company is required to pay a minimum annual dividend of 30% of Profit After Tax (PAT) or 4% of Net Worth, whichever is higher, subject to applicable statutory provisions. The Company has not complied with the said requirement during the year. The management informed that an exemption from compliance is proposed to be sought from the Holding Company, NLCIL, as per the extant guidelines. As reported by the auditor of the Subsidiary Company NLC India Green Energy Limited (NIGEL) in their audit report dated 11th May, 2025 is reproduced below: The Company is complying with the rules and regulations of Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and SEBI, of Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable As reported by the auditor of the Subsidiary Company NLC India Renewables Limited (NIRL) in their audit report dated 12th May, 2026 is reproduced below: The company has generally complied with the applicable provisions of SEBI Regulations and other applicable statutory/regulatory requirements wherever applicable As reported by the auditor of the Associate Company MNH Shakti Limited (MNH) in their audit report dated 13th April, 2026 is reproduced below: The Company is complying with the rules and regulations of Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and SEBI, of Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable As reported by the auditor of the Joint Venture Company Coal Lignite Urja Vikas Private Limited (CLUVPL) in their audit report dated 11th May, 2026 is reproduced below: It is a Pvt. Ltd. Co. so this is not applicable for that company	NA

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No. 004207S

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Regn. No. 003990S/S200018

P Menakshi Sundaram
Partner
M No. 217914
UDIN: 26217914XHRNIA4070

S Narasimhan
Partner
M No. 206047
UDIN: 26206047TCUAEY5010

Place: Neyveli
Date: 13th May 2026

CONSOLIDATED BALANCE SHEET

as at March 31, 2026

(₹ Crore)			
Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	36,120.92	30,389.08
(b) Right-of-Use Assets	3	223.49	97.27
(c) Intangible Assets	4	251.23	212.57
(d) Capital Work-in-Progress	5	14,293.04	15,297.43
(e) Asset Under Development	6	-	-
(f) Investments Accounted for using the Equity Method	7	7.86	8.08
(g) Financial Assets	8		
i) Trade Receivables	a	-	71.81
ii) Loans	b	11.07	9.22
iii) Other Financial Assets	c	703.72	664.82
(h) Deferred Tax Assets (Net)	d	458.12	-
(i) Other Non-Current Assets	9	3,799.20	2,215.08
		55,868.65	48,965.36
(2) Current Assets			
(a) Inventories	10	2,281.28	1,912.65
(b) Financial Assets	11		
i) Investments	a	0.61	1.40
ii) Trade Receivables	b	3,337.69	4,121.59
iii) Cash and Cash Equivalents	c	711.48	186.96
iv) Bank balances other than cash and cash equivalents	d	130.74	132.74
v) Loans	e	24.01	20.03
vi) Other Financial Assets	f	431.10	448.05
(c) Current Tax Assets (Net)	12	26.90	151.01
(d) Other Current Assets	13	1,499.73	1,398.42
		8,443.54	8,372.85
(3) Assets held for sale	14	37.57	43.50
(4) Regulatory Deferral Account Debit Balances	15	852.50	469.64
Total Assets and Regulatory Deferral Account Debit Balances		65,202.26	57,851.35
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	1,386.64	1,386.64
(b) Other Equity	17	20,138.12	17,336.33
		21,524.76	18,722.97
Non-controlling Interest	18	3,749.25	3,221.75
Total Equity		25,274.01	21,944.72
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities	19		
(i) Borrowings	a	23,032.42	18,491.11
(ii) Lease Liabilities	b	85.37	34.35
(iii) Other Financial Liabilities	c	1,016.69	526.56
(b) Provisions	20	140.34	160.96
(c) Deferred Tax Liabilities (Net)	21	3,483.85	4,028.44
(d) Other Non-Current Liabilities	22	874.84	767.33
		28,633.51	24,008.75
(2) Current Liabilities			
(a) Financial Liabilities	23		
(i) Borrowings	a	4,769.52	3,901.00
ii) Lease Liabilities	b	4.47	2.12
(iii) Trade Payables	c		
- Total outstanding dues of Micro and Small enterprises		222.94	163.16
- Total outstanding dues of creditors other than Micro and Small enterprises		1,126.84	1,734.84
(iv) Other Financial Liabilities	d	1,324.33	1,579.32
(b) Other Current Liabilities	24	1,948.98	2,103.08
(c) Provisions	25	979.60	1,223.77
(d) Current Tax Liabilities (Net)	26	185.88	-
		10,562.56	10,707.29
(3) Regulatory Deferral Account Credit Balances	27	732.18	1,190.59
Total Equity & Liabilities and Regulatory Deferral Account Credit Balances		65,202.26	57,851.35

Material Accounting Policies

1

The Accompanying Notes 1 to 62 forms an integral part of the Consolidated Financial Statements

Sushanta Kumar Panda
COMPANY SECRETARY
FCS: 11740

This is the Consolidated Balance Sheet referred to in our report of even date.
For M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No.: 004207S

P.MENAKSHI SUNDARAM
PARTNER
M.NO. 217914

Place: Neyveli
Date: 13.05.2026

For and on behalf of the Board of Directors

Dr. Prasanna Kumar Acharya
DIRECTOR (FINANCE) & CFO
DIN: 09625170

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

For M/s PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants
Firm Regn No: 003990S/S200018

S NARASIMHAN
PARTNER
M.NO.206047



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2026

(₹ Crore)			
Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025
INCOME			
I Revenue from Operations	28	17,489.53	15,282.96
II Other Income	29	977.36	1,606.49
III Total Income (I+II)		18,466.89	16,889.45
EXPENSES			
IV Cost Of Fuel Consumed	30	3,417.16	2,261.91
Changes in Inventories	31	(48.42)	(177.02)
Employee Benefits Expense	32	2,548.65	3,076.42
Finance Costs	33	1,221.58	931.76
Depreciation and Amortisation Expenses	34	2,378.58	1,884.27
Other Expenses	35	5,983.70	5,281.42
Total Expenses (IV)		15,501.25	13,258.76
V Profit/(Loss) before Exceptional items, Tax & Rate Regulatory Activity (III-IV)		2,965.64	3,630.69
VI Net Movement in Regulatory Deferral Account Balances Income/(Expenses)	36	909.48	66.24
VII Profit/(Loss) before Exceptional Items and Tax (V+VI)		3,875.12	3,696.93
VIII Exceptional Items-Expenses/(Income)		-	-
IX Profit/(Loss) before Tax (VII-VIII)		3,875.12	3,696.93
X Tax Expense:	56		
(1) Current Tax			
- Current Year Tax		824.22	970.30
- Previous Year Tax		(33.55)	5.36
- Tax Expenses/(Savings) on Rate Regulated Account		271.04	214.71
(2) Deferred Tax (after MAT adjustment)		(955.77)	(206.81)
Total Tax Expenses (X)		105.94	983.56
XI Profit/(Loss) after Tax before share of Profit/(Loss) of associates & JVs (IX-X)		3,769.18	2,713.37
XII Share of Profit/(loss) of Associates & Joint Venture		0.28	0.24
XIII Profit/(Loss) for the Year (XI+XII)		3,769.46	2,713.61
XIV Other Comprehensive Income	37		
(A) (i) Items that will not be reclassified to Profit or Loss:	a	(9.73)	(20.61)
(ii) Income tax relating to Items that will not be reclassified to Profit or Loss		2.84	6.82
(B) (i) Items that will be reclassified to Profit or Loss:	b	(6.46)	-
(ii) Income tax relating to Items that will be reclassified to Profit or Loss		-	-
XV Total Comprehensive Income for the Year (Comprising Profit/(Loss) and other Comprehensive Income) (XIII+XIV)		3,756.11	2,699.82
XVI Profit attributable to			
- Owners of the company		3,522.20	2,621.36
- Non-Controlling Interest (NCI)		247.26	92.25
XVII Total Comprehensive Income attributable to			
- Owners of the company		3,508.99	2,607.92
- Non-Controlling Interest (NCI)		247.12	91.90
XVIII Earnings per Equity Share (of ₹ 10 each) (before adjustment of Net Regulatory Deferral Balances):			
(1) Basic (in ₹)	38	20.80	19.98
(2) Diluted (in ₹)		20.80	19.98
XIX Earnings per Equity Share (of ₹ 10 each) (after adjustment of Net Regulatory Deferral Balances):			
(1) Basic (in ₹)	38	25.40	18.90
(2) Diluted (in ₹)		25.40	18.90

The Accompanying Notes 1 to 62 forms an integral part of the Consolidated Financial Statements.

Sushanta Kumar Panda
COMPANY SECRETARY
FCS: 11740

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.
For M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No.: 004207S

P.MENAKSHI SUNDARAM
PARTNER
M.NO. 217914

Place: Neyveli
Date: 13.05.2026

For and on behalf of the Board of Directors

Dr. Prasanna Kumar Acharya
DIRECTOR (FINANCE) & CFO
DIN: 09625170

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

For M/s PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants
Firm Regn No: 003990S/S200018

S NARASIMHAN
PARTNER
M.NO.206047



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2026

A. Equity Share Capital

(₹ in Crore)		
Particulars	No of Shares	Amount
Balance as at 1 st April, 2025	1,38,66,36,609	1,386.64
Movement during the financial year	-	-
Closing balance as at 31 st March, 2026	1,38,66,36,609	1,386.64
Balance as at 1 st April, 2024	1,38,66,36,609	1,386.64
Movement during the financial year	-	-
Closing balance as at 31 st March, 2025	1,38,66,36,609	1,386.64

B. Other Equity

(₹ in Crore)											
Particulars	Retained Earnings and Other Reserves					Other Comprehensive income			Other Equity attributable to owners of the parent company	Non-Controlling Interest	Total
	KFW Interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	Remeasurement of Actuarial Gains/(Losses)	Cost of Hedge Reserve			
Balance as at 01.04.2025	370.15	160.00	1,457.00	291.07	120.00	15,015.96	(77.85)	-	17,336.33	3,221.75	20,558.08
Changes in accounting policy or prior period errors											
Total Comprehensive Income for the year											
Profit						3,522.20			3,522.20	247.26	3,769.46
Other comprehensive income						-	(6.75)	(6.46)	(13.21)	(0.14)	(13.35)
Total Comprehensive Income	-	-	-	-	-	3,522.20	(6.75)	(6.46)	3,508.99	247.12	3,756.11
Issue of Equity Shares by Subsidiaries										309.26	309.26
Dividend paid:											
- Interim dividend (FY 2025-26)						(499.19)			(499.19)	(28.88)	(528.07)
- Final dividend (FY 2024-25)						(208.00)			(208.00)		(208.00)
Appropriations- Transfer from /(to) Retained Earnings			-	-		-			-		-
	(1.29)	10.00			-	(8.71)			-		-
Balance as at 31.03 2026	368.86	170.00	1,457.00	291.07	120.00	17,822.26	(84.60)	(6.46)	20,138.12	3,749.25	23,887.37

(₹ in Crore)											
Particulars	Retained Earnings and Other Reserves					Other Comprehensive income			Other Equity attributable to owners of the parent company	Non-Controlling Interest	Total
	KFW Interest differential Reserve	Contingency Reserve	General Reserve	Capital Redemption Reserve	PRMA Reserve Fund	Retained Earning	Remeasurement of Actuarial Gains/(Losses)	Cost of Hedge Reserve			
Balance as at 01.04.2024	369.21	150.00	1,457.00	291.07	120.00	12,821.54	(64.41)	-	15,144.41	2,835.17	17,979.58
Changes in accounting policy or prior period errors											
Total Comprehensive Income for the year											
Profit						2,621.36			2,621.36	92.25	2,713.61
Other comprehensive income							(13.44)	-	(13.44)	(0.35)	(13.79)
Total Comprehensive Income	-	-	-	-	-	2,621.36	(13.44)	-	2,607.92	91.90	2,699.82
Issue of Equity Shares by Subsidiaries										318.75	318.75
Dividend paid:											-
- Interim dividend- FY 2024-25						(208.00)			(208.00)	(24.07)	(232.07)
- Final dividend- FY 2023-24						(208.00)			(208.00)		(208.00)
Appropriations- Transfer from/(to) Retained Earnings	0.94	10.00			-	(10.94)			-		-
Balance as at 31.03 2025	370.15	160.00	1,457.00	291.07	120.00	15,015.96	(77.85)	-	17,336.33	3,221.75	20,558.08

Sushanta Kumar Panda
COMPANY SECRETARY
FCS: 11740

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.
For M/s. SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No.: 004207S

P.MENAKSHI SUNDARAM
PARTNER
M.NO. 217914

Place: Neyveli
Date: 13.05.2026

For and on behalf of the Board of Directors

Dr. Prasanna Kumar Acharya
DIRECTOR (FINANCE) & CFO
DIN: 09625170

Prasanna Kumar Motupalli
CHAIRMAN AND MANAGING DIRECTOR
DIN: 08456692

For M/s PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants
Firm Regn No: 003990S/S200018

S NARASIMHAN
PARTNER
M.NO.206047

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2026

(₹ Crore)				
Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
A. Cash flow from Operating activities:				
Net Profit Before Tax	3,875.12		3,696.93	
Adjustments for:				
Less:				
Profit on Disposal of Asset	98.37		45.62	
Interest Income	83.43		109.15	
Deferred income on Govt. Grant	7.37	189.17	10.72	165.49
Add:				
Depreciation/Amortisation	2,378.58		1,884.27	
Other Non-cash charges	307.93		894.93	
Provision for Loss on Assets	17.73		12.53	
Interest expense	1,221.58	3,925.82	931.76	3,723.49
Operating Profit before working capital changes	7,611.77		7,254.93	
Adjustments for :				
Trade Receivables	958.78		1,368.80	
Loans & Advances	(108.10)		(433.25)	
Inventories	(369.63)		(434.08)	
Other current assets	(926.05)		1,654.11	
Trade payables & other current liabilities	(1,114.77)	(1,559.77)	79.40	2,234.98
Cash Flow generated from Operations	6,052.00		9,489.91	
Direct Taxes paid	(886.02)		(610.32)	
Cash Flow Before Extraordinary Items	5,165.98		8,879.59	
Grants received	0.09		97.53	
Net Cash from Operating activities (A)	5,166.07		8,977.12	
B. Cash flow from Investing activities:				
Purchase of property, plant and equipment/preliminary expenses (including capital advances and CWIP)	(7,944.94)		(7,340.18)	
Sale of property, plant and equipment/Projects from continuing operations	304.63		71.64	
Sale/Purchase of Investments	1.29		(1.40)	
Interest Received	90.50		110.38	
Net Cash (used)/received in Investing activities (B)	(7,548.52)		(7,159.56)	
C. Cash flow from Financing activities:				
Short-Term Borrowings (Net)	868.52		747.27	
Long-Term Borrowings (Net)	4,541.31		(734.61)	
Payment of lease obligations	(92.63)		(5.57)	
Interest paid	(1,983.41)		(2,081.58)	
Issue of equity shares	309.28		318.74	
Dividend Paid	(736.10)		(440.32)	
Net Cash (used)/received in Financing activities (C)	2,906.97		(2,196.07)	
Net increase, decrease(-) Cash and Cash equivalents (A+B+C)	524.52		(378.51)	
Cash and Cash Equivalents as at the beginning of the year	186.96		565.47	
Cash and Cash Equivalents as at the end of the year	711.48		186.96	

NOTE: (-) INDICATES CASH OUTFLOW.

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2026

(₹ Crore)		
Details of Cash and Cash Equivalents:	As at March 31, 2026	As at March 31, 2025
Cash at Bank in Current Accounts	160.45	143.66
Cash at Bank in Deposit Accounts	551.00	43.26
Cash in Hand	0.03	0.04
Total	711.48	186.96

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

For the year ended 31st March 2026

(₹ Crore)			
Particulars	Non-Current borrowings	Lease Liabilities	Current borrowings
Opening balance as at 1st April 2025	18,491.11	36.47	3,901.00
Cash flows during the year	4,541.31	(92.63)	868.52
Non-cash changes in lease liabilities		146.00	
Closing balance as at 31st Mar 2026	23,032.42	89.84	4,769.52

For the year ended 31st March 2025

(₹ Crore)			
Particulars	Non-Current borrowings	Lease Liabilities	Current borrowings
Opening balance as at 1st April 2024	19,225.72	36.04	3,153.73
Cash flows during the year	(734.61)	(5.57)	747.27
Non-cash changes in lease liabilities		6.00	
Closing balance as at 31st Mar 2025	18,491.11	36.47	3,901.00

For and on behalf of the Board of Directors		
Sushanta Kumar Panda COMPANY SECRETARY FCS: 11740	Dr. Prasanna Kumar Acharya DIRECTOR (FINANCE) & CFO DIN: 09625170	Prasanna Kumar Motupalli CHAIRMAN AND MANAGING DIRECTOR DIN: 08456692
This is the Consolidated Statement of Cashflow referred to in our report of even date. For M/s. SUNDARAM & SRINIVASAN Chartered Accountants Firm Regn. No.: 004207S		
P.MENAKSHI SUNDARAM PARTNER M.NO. 217914		For M/s PKF SRIDHAR & SANTHANAM LLP Chartered Accountants Firm Regn No: 003990S/S200018
		S NARASIMHAN PARTNER M.NO.206047
Place: Neyveli Date: 13.05.2026		



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Material Accounting Policies

For the year ended March 31, 2026

(Expressed ₹ in crore, unless otherwise stated)

Reporting entity

NLC India Limited (“NLCIL” or “the Group”), is a Government Group (CIN: L93090TN1956GOI003507) registered under the erstwhile Companies Act, 1956 with its registered office located at No. 135, E.V.R. Periyar High Road, Kilpauk, Chennai - 600 010 and is listed with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. NLCIL is engaged in the business of mining of Lignite, Coal and generation of power by using lignite as well as Renewable Energy Sources and consultancy.

Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (‘Ind AS’) notified under the Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act,2013 and the Electricity Act,2003.

The financial statements have been prepared on a historical cost basis, except otherwise stated.

The financial statements are presented in Indian Rupees (₹) which is also the Group’s functional currency. All amounts are rounded to the nearest crore (upto two decimals), except otherwise indicated.

b. Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, revenue expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management’s judgements are based on previous experience & other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates, which may have a material impact.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under:

1. Formulation of Accounting Policies

Accounting policies are formulated to ensure the financial statements contain relevant and reliable information about the transactions, events, and conditions to which they apply. Management exercises judgement in determining materiality; policies need not be applied when the financial effect of applying them is immaterial.

2. Useful Life of Property, Plant and Equipment (PPE) and Depreciation

Significant judgement is involved in determining the useful lives, residual values and depreciation methods of Property, Plant and Equipment. These estimates are based on technical evaluations, past operating experience, nature of usage, maintenance requirements, technological developments and applicable provisions of CERC Tariff Regulations and Schedule II of the Companies Act, 2013.

Significant judgement is also involved in assessing whether there are indicators of impairment of Property, Plant and Equipment and in estimating the recoverable amount of such assets or cash-generating units, wherever applicable. Significant estimation is required regarding the expected market outlook and future cash flows associated with power plants or integrated coal mines and other PPE to ensure the carrying amount of the asset does not exceed its recoverable amount.

3. Inventory Valuation:

Determining NRV requires estimating the selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4. Comprehensive Impairment Assessments

Management must continually evaluate assets for impairment across multiple categories using complex cash flow projections. Significant judgement is involved in:

- **Investments in Joint Ventures:** Assessing the future cash flows of investee companies to determine if the investment value has suffered an impairment.
- **Expected Credit Loss (ECL) model:** Assessing the impairment of financial assets (such as trade receivables, unbilled revenue, and loans) based on the Expected Credit Loss (ECL) model in accordance with Ind AS 109.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. Assets Held for Sale

Significant judgement is required to apply the accounting principles for non-current assets held for sale under Ind AS 105. Management must exercise judgement, evaluate the availability of the asset for immediate sale in its present condition, the group's commitment to the sale plan, and the probability of the sale to conclude whether the carrying amount will be recovered principally through a sale transaction rather than through continuing use.

6. Leases Not in Legal Form of a Lease

Significant judgement is required to apply lease accounting rules under Ind AS 116 to determine whether an arrangement contains a lease. In assessing these arrangements, management evaluates the right to use the underlying asset, the economic substance of the transaction (including legally enforceable agreements), and other significant terms and conditions to conclude whether the criteria for a lease are met.

7. Defined Benefit Plans and Long-Term Employee Benefits

Employee benefit obligations are measured based on actuarial valuations. This requires key assumptions including discount rates, return on plan assets, mortality rates, employee turnover, retirement ages, and expected rates of salary escalation etc. The Group considers the assumptions used to measure these obligations to be appropriate. However, changes in these assumptions may have a material impact on the actuarial valuation of such obligations.

8. Regulatory Deferral Account Balances

Because the Group operates in a rate-regulated environment, timing differences often occur between when costs are incurred and when they are recovered through tariffs. Recognising these deferral balances involves significant judgements including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

9. Provisions and Contingencies

The assessments undertaken in recognising provisions and contingencies are made in accordance with Ind AS 37. Significant estimates and judgements are required to evaluate the likelihood of contingent events to determine the exact amount of provision required or the appropriate level of disclosure needed in the financial notes. Should circumstances change following unforeseeable developments, this likelihood could alter.

10. Income Taxes

Significant estimates are involved in determining the provision for current and deferred taxes. This includes exercising judgement to estimate the amounts expected to be paid to, or recovered from, tax authorities regarding uncertain tax positions.

11. Fair Value Measurement

Management applies judgement for Fair Value Measurement which includes materiality.

c. Current and Non-Current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.:

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The Group Classifies its assets & liabilities as current/non current in the balance sheet considering 12 months period as normal operating cycle.

Deferred tax assets/liabilities are classified as non-current.

I. Property, Plant and Equipment

Recognition and measurement

Items of Property, Plant and Equipment (PPE) are initially measured at cost. Subsequently it is measured at cost less accumulated depreciation and accumulated impairment losses, if any. 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. The cost of Property, Plant and Equipment also includes the present value of obligations arising, if any, from decommissioning, restoration and similar liabilities related to the same. The present value of those costs (decommission and/or restoration costs) is capitalised as an asset and depreciated over the useful life of the asset.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if,

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

In accordance with Ind AS 101, the Group has availed the exemption where in the carrying value of the PPE and intangible assets as previous GAAP has been treated as the deemed cost on the date of transition to Ind AS.

If significant parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment. Items costing more than 25% of the original cost of the whole of the asset(s) are only considered as significant part.

Cost of a self-constructed item of Property, Plant and Equipment includes the cost of materials, direct labour and any other costs including borrowing cost and overhead expenses directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Other direct expenses relating to construction of Property, Plant and Equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

Subsequent Cost of Capitalisation

Subsequent expenditure incurred on the existing assets are recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalised, when it meets the asset recognition criteria as per Ind AS 16. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognised. The costs of the day-to-day servicing of Property, Plant and Equipment are recognised as expenses in the statement of profit and loss as and when it is incurred.

The cost of replacing part of an item of Property, Plant and Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied

within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

In the case of assets ready to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.

Life Extension Programme of Thermal Stations

Expenditure on Life Extension Programme (LEP) of Thermal Power Stations 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 extended life of the Unit from the completion of original life/from the date of synchronisation of the Unit as the case may be.

Spares and Equipment

Initial spares: Purchased along with Property, Plant and Equipment are capitalised and depreciated along with the main asset.

Spares purchased subsequent to commissioning of the asset: Item of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment as per Ind AS16 and are having value of more than ₹ 10 lakhs (limit not applicable for renewable projects) are capitalised. Other spare parts are carried as inventory and recognised in the Statement of Profit or Loss on consumption.

Capitalisation of Land

- a. **Freehold Land:** Land acquired for mining, thermal plants, wind mills, solar plants and other related purposes including for establishing townships is in accordance with and subject to the provisions of the Land Acquisition Act, 1894/Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997, Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and amendments/changes made by respective State Govt. from period to period. The cost of the said land is capitalised on the date of taking over the possession/ issuance of government order(GO)/transfer of title deed in favour of the Group.
- b. **Lease hold Land:** Land is taken on lease as per the provisions under Coal Bearing Area (Acquisition and Development) Act; 1957. The said leasehold land is capitalised when the entire land/substantial portion of land is ready for development and mining activity.
- c. **Coal/Lignite Mines:** The date of commercial operation in case of integrated mines (commissioned after 31st March, 2019) shall mean the earliest of: -

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- a. The first date of the year succeeding the financial year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or.
- b. The first date of the year succeeding the financial year in which the value of production estimated in accordance with CERC Regulation 2024-29, exceeds total expenditure in that financial year; or
- c. The date of two years (i.e., Financial Year) from the date of commencement of production.

Subsequent capitalisation:

Subsequent material expenditure incurred for bringing land into minable conditions are also capitalised as additional expenditure to land.

Capitalisation

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 viz., 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. Thermal Power Generation Unit

Test and trial production for Thermal Power Generation unit commences from the date of synchronisation and goes up to the date of commercial commissioning. The date of receipt of certificate from the statutory authorities pursuant to seventy-two hours full load operation is deemed as the date of Commercial Operation Date (COD) for commissioning of the units. Depreciation charge commences from the month of commercial operations. Excess of net sale proceed of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management is deducted from the directly attributable cost considered as part of an item of property, plant and equipment.

c. Wind Turbine Generators (WTG)

Each WTG is capitalised on the date on which it is connected to grid based on the commissioning and acceptance certificate issued by DISCOM's.

d. Solar Power Plant

Solar Power Plants are capitalised on the date on which it is connected to Grid or the date of COD if any specified in the agreement after complying necessary technical parameters. In case the date of COD is later than the date of connection to Grid, revenue if any arises from sale of infirm Power off sets to the Capital Cost of the project.

e. Other Assets

Other assets are capitalised when they are available for the use as intended by the Management.

Depreciation/Amortisation

Depreciation is provided on cost of the Property, Plant and Equipment net of estimated residual values over their estimated useful lives and is recognised in the Statement of Profit and Loss. Freehold land is not depreciated. Depreciation of assets covered under CERC/SERC are depreciated as per rates and methodologies provided in the respective regulation as applicable.

Major overhaul and inspection costs which have been capitalised are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

The cost of the land taken on lease is amortised from the date of commencement of commercial operation over the estimated useful life of the Mine or life of the linked Thermal Power Plant originally estimated whichever is less and in all other cases over the lease period, wherever applicable.

However, the cost of land which is not expected to be used after the linked asset has completed its effective life is amortised over the effective life of linked asset.

The cost of mining land capitalised in the Books of Accounts is amortised on the basis of minerals extracted during the year to the total estimated minable reserves of the said quantum of land used for mining in the year under review as certified by Technical Experts.

The residual values of assets are determined in accordance with applicable CERC Tariff Regulations, Schedule II of the Companies Act, 2013, and independent technical assessments. These estimates are reviewed at the end of each financial year, and any required changes are adjusted prospectively as a change in an accounting estimate.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

i. a. Assets of Thermal Power Stations excluding vehicles other than Ash Tipplers	The Company follows the provisions of the Electricity Act 2003. Depreciation is as per the rates/guidelines prescribed by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act, 2003.
b. Wind Turbine Generator (WTG) and Solar Power Plants.	As per the estimated life of the plant in line with guidelines issued by Ministry of New and Renewable Energy ('MNRE')/CERC/SERC as applicable.
c. Life Extension programme ('LEP') Assets.	Life assessed as per technical estimate/life approved by CERC/SERC.
ii. Residential Buildings	At useful life prescribed in Schedule II to the Companies Act, 2013.
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 life or useful life prescribed in Schedule II to the Companies Act, 2013.
iv. Specialised Mining Equipment	At technically assessed life.
v. Other Assets	At useful life prescribed in Schedule II of the Companies Act, 2013.
vi. Decommissioning cost capitalised with Property, Plant and Equipment	Depreciated similar to that of the Parent Asset.
vii. Spares treated as PPE	At technically assessed life.
viii. Asset costing less than ₹ 5,000	Fully depreciated in the financial year the asset is available for use.

In the case of Assets of Integrated Mines, declared Commercial Operation on or after 1st April 2019, depreciation is computed as per rates/guidelines prescribed by Central Electricity Regulatory Commission (CERC).

Property, plant and equipment relating to Research and Development are depreciated in a like manner as any other asset of the Group.

In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis recognised from the month of capitalisation.

Depreciation on the following major assets is provided on the technically estimated useful life:

Asset	Useful Life of Asset in years
Specialised Mining Equipment	15
Furniture- Others	5 to 10
Fire Fighting Equipment's	10
Photo copier	10
Air Conditioner and Refrigerator	8 to 14
Telecommunication Equipment	10

On transition to Schedule II of the Companies Act, 2013, assets partially depreciated has been migrated as per the Companies Act, 2013 by considering the balance depreciable value of asset with the balance life as prescribed in the Schedule II of the Companies Act, 2013 which has been considered for computation of depreciation and the said derived rate/remaining useful life period is treated as "Technically Estimated" rate for the purpose of depreciation of those migrated Assets.

The useful life estimates are reviewed at the end of each financial year, and any required changes are adjusted prospectively as a change in an accounting estimate.

Amortisation of Mine Development Cost

Overburden removal and related initial development costs are classified as Mine development cost under Capital Work-In- Progress till achievement of CoD of respective Mines. On achievement of CoD, the mine development cost are capitalised as a 'Mine Development Cost' and the same is amortised over a period of 20 years from the date of CoD of respective mines or life of the mines whichever is lower.

Based on CERC regulation, further ongoing development costs as specified in mining plan is classified as ongoing mine development cost and shall be capitalised till achievement of peak rated capacity of respective mines. Amortisation in such cases is over a period of 20 years from the date of capitalisation or life of mines whichever is earlier.

Derecognition

Property, Plant and Equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of Property, Plant and Equipment, and are recognised in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

II. Intangible Assets Recognition and measurement

The Group recognises an intangible asset and measures that at cost if, and only if:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Research and development Cost - Research costs are expensed as and when incurred. Development cost, if reliably measurable, on an individual project are recognised as an intangible asset when the Group can demonstrate the requirements as specified in Ind AS 38 are met.

Other intangible assets - Other Intangible Assets including Computer software that are acquired by the Group for an amount more than ₹ 10 lakh and have finite useful lives are measured at cost.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The estimated useful lives of intangible assets are as follows:

Development Cost (Internally generated projects)	Over the estimated useful life
Expenditure during projects and subsequent expenditure	Over the residual life of the parent asset
Software costing more than ₹ 10 lakh	5 years or life of asset whichever is lower
Mining Rights-Lignite/Coal	20 Years
Mining rights -Minor Minerals	10 Years

Gains or losses arising from de-recognition of an intangible asset are recognised in the Statement of Profit and Loss.

III. Inventories

Inventories are valued at the lower of Cost or Net Realisable Value.

Stock Items	Basis
Lignite/Coal/others	At absorption cost excluding allocated administration charges and social overhead.
Stores and Spares including light diesel oil, heavy furnace oil	At weighted average acquisition cost
Fly ash brick	At absorption cost
Waste product, used belt reconditioned, Stores and Spares discarded for disposal, medicines and canteen Stores	NIL
Goods in Transit including goods received but pending inspection/ acceptance	Cost

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Non – Moving Stores and Spares.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of Stores and Spares (excluding insurance/Mandatory/Critical spares) are ascertained on review and provided for.

IV. Mine closure expenditure

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

V. Prepaid expenses

Expenses are accounted under prepaid expenses only where the initial amounts exceed ₹ 1 crore in each case.

VI. Financial Instruments

Non-derivative Financial Assets

Initial recognition and Measurement

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

Financial assets measured at amortised cost:

A financial asset is subsequently measured at amortised cost, using the effective interest rate method and net of any impairment loss, if:

- the asset is held within the business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Group's financial assets consist of staff advances, trade receivables, etc.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. Interest income on such investments is presented under 'Other income'.

Investment in Subsidiaries

A Subsidiary is an entity controlled by the Group. Control exists when the Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost, if any.

Investment in Joint Ventures and Associates

A joint venture is a type of joint agreement whereby the parties that have joint control of the agreement have rights to the net assets of the joint ventures. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in Joint Ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Derecognition

Financial assets are derecognised when and only when:

- the contractual rights to the cash flows from the financial asset has expired, or
- the right to receive cash flows from the asset has been transferred; or
- the contractual right to receive the cash flow is retained and also an obligation to pay the received cash flows in full without material delay to a third party under an arrangement is assumed, due to transfer of either 'risk & rewards' or 'control' of such financial asset.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, borrowings, etc.

Subsequent measurement

Financial liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Gains and losses are recognised in Statement of Profit or Loss Account when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised upon extinguishment of such liability, i.e., through discharge or cancellation or expiration of the obligation under the liability. An exchange of debt instruments with substantially different terms or a substantial modification of the terms of the existing financial liability or part of it shall be accounted for as extinguishment of original financial liability and recognition of new financial liability. Any differences arising between the respective carrying amount is recognised in the Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial asset and financial liability are offset and the net amount is presented in the balance sheet when and only when the Group:

- currently has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

VII. Derivative Financial Instruments and Hedge Accounting:**a. Initial recognition and subsequent measurement of derivative financial instruments**

The Group enters into a variety of derivative financial instruments to manage its exposure to risks such as foreign exchange rate risks, interest rate risks, etc.

Derivatives are initially measured at fair value. Subsequently, derivatives are measured at fair value and changes therein are generally recognised in profit or loss.

b. Hedge accounting

At the inception of the hedge relationship, the Group formally designates and documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

c. Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in intrinsic value of an option contract as a hedging instrument. The effective portion of the change in intrinsic value is recognised in OCI and accumulated in a separate reserve called hedging reserve. The ineffective portion of the change in intrinsic value of call option contracts is recognised in the statement of profit or loss as finance costs.

The amount accumulated in the hedging reserve are reclassified to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged cashflows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve and immediately reclassified to profit or loss.

d. Cost of hedge reserve

The changes in time value of an option contract designated in cash flow hedge relationship are accumulated in cost of hedge reserve. The time value at the date of designation of the option as a hedging instrument, to the extent that it relates to the hedged item, is amortised on a systematic and rational basis over the period during which the hedge adjustment for the option's intrinsic value affects profit or loss.

VIII. Impairment**Financial Assets (including receivables)**

Impairment of financial assets in accordance with Ind AS 109- 'Financial instruments', the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments and are measured at amortised cost e.g., loans, debt securities, deposits and bank balance.
- Financial assets that are debt instruments and are measured as at Fair Value Through OCI.
- Lease receivables under Ind AS 116.
- Trade receivables, unbilled revenue and contract assets under Ind AS 115.
- Loan commitments which are not measured as at Fair Value Through P&L.
- Financial guarantee contracts which are not measured as at Fair Value Through P&L.

For trade receivables and contract assets/unbilled revenue, the Group applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognised from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Non-financial assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are provided for Cash Generating Units (CGU) and also for individual assets, when the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a pro rata basis.

Impairment loss of individual assets being the excess of the carrying amount over its recoverable amount is recognised in the Statement of Profit & Loss.

On review of impairment loss at the end of each reporting period any decrease in or non-existence of impairment loss are recognised accordingly.

IX. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is the use of fair value at the measurement date in measuring the assets and liabilities of an entity. The Group does fair value measurement where it is required to follow, as per extant Ind AS viz., in respect of financial assets and financial liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: hierarchy includes financial instruments measured using quoted prices. This includes investments in quoted equity instruments. Quoted equity instruments are valued using quoted prices on national stock exchange.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This level includes mutual funds which are valued using the closing NAV.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from prevailing market transactions and dealer quotes of similar instruments.

X. Preliminary project development expenditure

Preliminary project development expenditure includes expenditure on feasibility and other studies, development expenditure, expenditure on exploration works, technical know-how etc. The cost of the project is transferred to capital as and when implemented. In case such projects are identified for transfer of business by Govt. of India, the expenditure incurred will be recovered from the prospective buyer. If the projects are abandoned with reference to Government orders or otherwise, such expenditure are charged to the Statement of Profit and Loss in the respective years.

XI. Assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

XII. Government/Other Grants**Related to assets**

Grants related to assets are presented in the balance sheet by setting up the grant as deferred income when there is reasonable assurance that, it will be received and the Group will comply with the conditions associated with the grant. The deferred income is recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Related to income

Grants related to income are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate or when the conditions related to the grant is fulfilled.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

XIII. Employee benefits**a. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The amount of defined benefit obligations is computed quarterly and annually by an independent actuary using the projected unit credit method and accounted accordingly.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense/income, service cost and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain/loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group's liability towards Gratuity and Provident Fund Scheme to the extent of interest liability on PF contribution are considered as Defined Benefit Plan and provided for in accordance with the Guidelines issued by Department of Public Enterprises.

b. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in statement of profit and loss in the period during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Contribution towards Post-Retirement Medical Benefit Scheme and Super annuation Fund/NPS are treated as Defined Contribution Plans.

c. Other long-term employee benefits

Benefits under the Group's leave encashment and Transport Allowance for settlement at hometown constitute other long term employee benefits. The Group's net obligation in respect of these long-term employee benefits is calculated

through actuarial valuation performed annually by a qualified actuary using the projected unit credit method. Remeasurement comprising of actuarial gain and losses, return on plan assets (excluding the amount included in net interest on the net defined liability) & effect of asset ceiling (excluding the amount included in net interest on the net defined liability) and the same are recognised in statement of profit and loss account in the period in which they arise.

d. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Short term employee benefits comprise wages, salaries, incentives, short term leave salary etc.

e. Terminal benefits

Terminal benefits like Voluntary Retirement Service are expensed when the Group can no longer withdraw the offer of those benefits. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted. Liability towards VRS is booked in the year of exercise of option by the employee upto the date of closure of each offer in accordance with terms and conditions of each offer.

XIV. Allocation of common charges/social overhead expenses/interest on working capital

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

XV. Prior period items, accounting estimates and effect of change in Accounting Policy

Prior period items/errors of material nature are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred. If the prior period error found material occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

The effect of change in accounting estimate is recognised prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognised by adjusting the carrying amount of related assets/liability/equity in the period of change.

Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in the respective Ind AS. In other cases, the changes in accounting policy are done retrospectively; the application of such change is limited to the earliest period practicable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

XVI. Events occurring after the reporting date

Events of material nature occurring after the reporting date are those events that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Such events are disclosed or given effect to in the financial statements as provided for in Ind AS 10.

XVII. Revenue Recognition

Revenue from Operation includes (i) sale of Power generated by Thermal Power Stations (ii) sale of power generated from renewable energy sources such as wind and solar (iii) sale of lignite/coal (iv) sale of by products & joint products (v) consultancy & management services relating to mining and power generation and (vi) commission on trading of power.

Revenue is recognised as per Ind AS-115 when the following criteria are met:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- the entity can identify each party's rights regarding the goods or services to be transferred;
- the entity can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

Sale of power generated by Thermal Power Stations

Sale of power is accounted in accordance with the provisions of the Electricity Act, 2003, wherein the tariff rates are approved by the Central Electricity Regulatory Commission (CERC)/State Electricity Regulatory Commission (SERC).

The Group adopts the tariff rates as approved by CERC for the sale of power. Such Tariff rates include lignite transfer price which is subject to revision as calculated by the Group

from time to time in accordance with guidelines issued by CERC/Ministry of Coal (MoC) or as delegated by MoC.

In case where the tariff rates are yet to be approved, provisional tariff rates, calculated on the basis of CERC/Ministry of Coal guidelines or as delegated by MoC on lignite transfer price for energy charges and other relevant CERC's Regulations/guidelines, for capacity charges are adopted.

Exchange differences arising from settlement of monetary items denominated in foreign currency to the extent recoverable from or payable to beneficiaries for the current accounting period as per the CERC Tariff Regulations are accounted for as Revenue/Expenditure, respectively.

Rebates/discounts allowed to beneficiaries/customers for early payment incentives are netted off with the amount of revenue from operations.

Sale of Un-Requisitioned Surplus Power

Sale of surplus power (if any) which is traded through power exchange on consent from the beneficiaries, wherever required is accounted net off sharing of any gain arising from such sale.

Sale of Power through Renewable Energy Sources

Revenue from sale of solar energy and wind energy are recognised in accordance with the price agreed under the Power Purchase Agreement (PPA) and in accordance with the orders passed by the respective State Electricity Regulatory Commission (SERC).

Sale of Lignite/Coal and others

Sale of Lignite/Coal, by e-auction sales has been reckoned to the extent of amount received/as per sale terms. Sale of Lignite/Coal other than by e-auction is recognised in accordance with the agreement entered into with the respective parties.

Sale of Coal for end use power plant is accounted in accordance with the provisions of tariff regulations issued by Central Electricity Regulatory Commission (CERC) for integrated mines.

Sale of byproducts/Fly ash etc. has been reckoned as per sale terms.

Unbilled Revenue

As at each reporting date, revenue from operations includes an accrual for sales made to beneficiaries/Customers but not billed i.e. "Unbilled Revenue" and the same is categorised under Trade Receivables in the Balance Sheet.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consultancy, Technical and Management Services

Revenue from consultancy, technical and management services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on the agreement with service recipient.

Commission on trading of power

Commission on trading of power for third party recognised on receipt of payment.

Other Income

Other income includes interest income, insurance claims, surcharge, dividend income and income from sale of scrap and fly ash

Interest income

Interest income with respect to advances provided to employees is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income due on income tax recoverable is recognised in the year of acceptance of the claim.

Insurance claims

Insurance claims are recognised in the period in which there is an acceptance of the claim if the realisation of the claim is virtually certain

Surcharge

The interest/surcharge on late payment/overdue sundry debtors on thermal power is recognised based on agreement with beneficiaries. On renewable power the same is recognised based on realisation/certainty of realisation.

Dividend Income

Dividend income is recognised when the shareholder's right to receive payment is established.

Scrap Sale

Scrap is accounted for as and when sold.

XVIII. Foreign currency transactions

Initial recognition and measurement

Foreign currency transaction is recorded in the functional currency, by applying to the foreign currency exchange rate between the functional currency and the foreign currency at the date of the transaction. For the finance costs charged using EIR method, the Group uses an average rate.

Subsequent measurement

Foreign currency monetary items are translated at the closing rate at the end of each reporting period.

Recognition of exchange gain/loss

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were recorded on initial recognition during the period or translated in previous financial statements are recognised in the Statement of Profit and Loss in the period in which they arise.

The Group has availed the exemption provided under Ind AS from recognising in the Statement of Profit and Loss the exchange difference arising on translation of long term foreign currency monetary items recognised in the financial statements prior to 31st March, 2016 as per the previous GAAP and continues to capitalise the same.

XIX. Income taxes

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss; and
- Temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are adjusted accordingly.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria set out in Ind AS 12 are met.

XX. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in respect of long-term foreign currency liabilities of the respective asset to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed. When Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for qualifying asset.

All other borrowing costs are expensed in the year in which they occur.

XXI. Leases

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease as per the requirements under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into on or after 1st April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices and aggregate standalone prices of non-lease components. However, for the leases of land and buildings and vehicles in which it is a lessee, the Group has elected not to separate non-lease components and account for lease and non-lease components as a single lease component.

i. As a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease payments included in the lease liability comprises of fixed payments (including in-substance fixed payments), residual value guarantees and where the Group is reasonably certain to exercise purchase, renewal and termination options includes exercise price under a purchase option, lease payments in an optional renewal period and penalties for early termination of a lease.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there are any reassessments or lease modifications or revised in-substance fixed payments. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-to-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and lease liabilities as Financial Liabilities in the balance sheet.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for all short-term leases that have lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis or any other systematic basis over the lease term.

ii. As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease as per requirements under Ind AS 116.

To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risk and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 to allocate the consideration in the contract. The Group recognises lease payments received under operating leases as income on a straight-line basis over lease term as part of 'other income'.

XXII. Provisions and Contingent Liability**Recognition and measurement**

A provision is recognised when the Group 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. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not discounted to present value.

Contingent liabilities are disclosed when there is (i) a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or (ii) a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made

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

XXIII. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

XXIV. Earnings per share

The Group presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the Profit or Loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is calculated by taking the weighted average number of ordinary shares which is calculated for basic earnings per share and adjusted to the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

The Group also presents EPS before and after adjustment of regulatory expenses/income, where applicable.

XXV. Operating segments

Segment reports are prepared in accordance with Ind AS 108. The operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

The operating segments have been identified on the basis of the nature of products/services.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and Overheads allocated on a reasonable basis are considered as segment expenses.

XXVI. Business Combinations:

'Business combinations under common control (such as transfers of business between government entities) are accounted for using the pooling of interests method as prescribed in Appendix C to Ind AS 103. Other business combinations are accounted for using the acquisition method'.

XXVII. Dividend

Dividends and interim dividends paid to Group's shareholders are recognised as changes in equity in the period in which they are approved by the shareholders meeting and the Board of Directors respectively.

XXVIII. Cash Flow Statement

Cash Flow Statement is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flow'.

XXIX. Related Party Disclosures

Transactions with related parties are recorded and disclosed in accordance with Ind AS 24 and relevant provisions of Companies Act, 2013.

XXX. Regulatory Deferral Accounts

Income/Expense recognised in the Statement of Profit or Loss to the extent recoverable from/payable to the beneficiaries in the subsequent periods as per CERC tariff regulations are recognised as Regulatory Deferral Account Balances. Regulatory Deferral Account Balances are adjusted from the year in which the same become recoverable from/payable to the beneficiaries.

Pending the disposal of review/appeal petitions filed by the Group against adverse orders before CERC/SERC/Other Appellate Authorities, the impact of the said orders are considered under Regulatory Deferral Account in the Profit or Loss of the respective financial year. In case of appeal by the beneficiary against the CERC/SERC orders, the impact on the same is not considered as Regulatory Deferral Liability and disclosed under Contingent Liability. However, the same is subject to application of best judgement by management on case-to-case basis.

Regulatory Deferral Account Balances are reviewed and evaluated at each balance sheet date to ensure the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If this criteria are not met this regulatory deferral account balances are derecognised.

Regulatory Deferral Account Balances are presented as separate line item in the Balance Sheet. The movement in the Regulatory Deferral Account Balances for the reporting period is presented as a separate line item in the Statement of Profit and Loss.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NON-CURRENT ASSETS

Note 2 Property, Plant and Equipment

As at 31st March 2026

(₹ in Crore)										
Description	Gross Block			Accumulated Depreciation				Net Block		
	As at 01.04.2025	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2026	As at 01.04.2025	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2026	As at 31.03.2026	As at 31.03.2025
Land										
Freehold Land	793.84	0.26	(0.00)	794.10	-	-	-	-	794.10	793.84
Lease hold mining land	460.38	379.05	-	839.43	51.71	-	15.44	67.15	772.28	408.67
Mining Land	1,051.08	75.61	-	1,126.69	753.94		79.66	833.60	293.09	297.14
Roads	230.71	39.97	-	270.68	125.04	-	14.75	139.79	130.89	105.67
Buildings	1,067.65	95.53	0.07	1,163.11	170.53	0.06	31.05	201.53	961.58	897.12
Electrical Installations	254.67	125.05	5.86	373.86	169.02	5.16	13.61	177.47	196.39	85.65
Water Supply & Drainage	1,333.67	1.64	-	1,335.31	183.62	-	66.75	250.37	1,084.94	1,150.05
Plant & Machinery	37,952.79	7,491.02	269.59	45,174.23	12,771.51	48.11	2,002.07	14,725.48	30,448.75	25,181.28
Furniture & Equipment	264.18	42.10	8.17	298.11	111.35	6.14	35.94	141.15	156.96	152.83
Vehicles	126.59	20.25	2.55	144.29	58.66	2.14	11.94	68.46	75.83	67.93
Railway Siding	656.86	41.55	-	698.41	15.06	-	23.50	38.56	659.85	641.80
Assets Costing ₹ 5,000 and below	4.19	1.05	0.02	5.21	4.19	0.03	1.06	5.22	(0.00)	-
Mine Development					-			-	-	-
Mine-I	206.97	-		206.97	206.97			206.97	-	-
Mine-IA	518.13	0.50		518.63	155.67		21.34	177.01	341.62	362.46
Mine-II	348.51	-		348.51	242.38		23.83	266.21	82.30	106.13
Barsingsar Mine	110.85	-		110.85	70.80		10.01	80.81	30.04	40.05
Talabira Mines	123.10	-		123.10	24.64		6.16	30.80	92.30	98.46
Total	45,504.17	8,313.59	286.26	53,531.49	15,115.09	61.64	2,357.11	17,410.57	36,120.92	30,389.08

As at 31st March 2025

(₹ in Crore)										
Description	Gross Block			Accumulated Depreciation				Net Block		
	As at 01.04.2024	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2025	As at 01.04.2024	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Land										
Freehold Land	788.78	10.33	5.27	793.84	-			-	793.84	788.78
Lease hold mining land	404.65	55.73	-	460.38	35.55		16.16	51.71	408.67	369.10
Mining Land	955.27	95.81	-	1,051.08	745.40		8.54	753.94	297.14	209.87
Roads	191.70	42.45	3.44	230.71	109.02	2.99	19.01	125.04	105.67	82.68
Buildings	893.12	181.37	6.84	1,067.65	154.11	1.19	17.61	170.53	897.11	739.01
Electrical Installations	248.93	6.34	0.60	254.67	161.53	0.53	8.02	169.02	85.65	87.40
Water Supply & Drainage	523.54	811.10	0.97	1,333.67	145.10	0.79	39.31	183.62	1,150.05	378.44
Plant & Machinery	30,353.32	7,621.18	21.71	37,952.79	11,104.22	1.08	1,668.37	12,771.51	25,181.28	19,249.10
Furniture & Equipment	216.99	50.59	3.40	264.18	81.33	2.18	32.20	111.35	152.83	135.66
Vehicles	109.25	17.80	0.46	126.59	49.08	0.19	9.77	58.66	67.93	60.17
Railway Siding	295.52	361.34	-	656.86	0.82	-	14.24	15.06	641.80	294.70
Assets Costing ₹ 5,000 and below	4.00	0.19	0.00	4.19	4.00	0.00	0.19	4.19	-	-
Mine Development					-			-	-	-
Mine-I	206.97	-		206.97	206.97			206.97	-	-
Mine-IA	518.13	-		518.13	134.48		21.19	155.67	362.46	383.65
Mine-II	348.51	-		348.51	218.55		23.83	242.38	106.13	129.96
Barsingsar Mine	110.85	-		110.85	60.79		10.01	70.80	40.05	50.06
Talabira Mines	123.10	-		123.10	18.48		6.16	24.64	98.46	104.62
Total	36,292.63	9,254.22	42.69	45,504.17	13,229.43	8.95	1,894.61	15,115.09	30,389.08	23,063.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- a) In respect of land acquired by the group during the periods 1956 to 1977 and 1997 to 2001, ownership is subject to certain restrictions imposed through the assignment deeds and through the Tamil Nadu Acquisition of Land for Industrial Purpose Act, 1997 respectively.
- b) PPE Includes assets belonging to Ministry of Coal obtained under Coal Science &Technology Projects. This also includes residual value of assets considered as addition to the assets under Life extension programme.
- c) Freehold land includes ₹ 194.75 crore pertaining to Bithnok Power and related mining project, which is currently on hold. Refer Note 5 (CWIP) for further details.
- d) All units of Thermal Power Station -I has been retired from operation subsequent to 30.09.2020 and reclassified as Assets held for sale as per the requirements of IND AS 105 (Refer Note 14)
- e) Spares meeting the criteria of PPE and having a value of more than ₹ 10 lakh have been considered for capitalisation.
- f) Depreciation on Renewable Assets has been calculated considering 5% residual value in line with guidelines of MNRE/SERC.
- g) There is no impairment loss identified for the Property Plant and Equipment (PPE) during the year.
- h) The group has identified land with limited life and classified the same under the head mining land.
- i) Based on physical verification of assets conducted, the net book value of assets which are not available has been provided and the same are included as part of asset register. Refer Note 25
- j) Property, plant and equipment costing ₹ 5,000/- or less, are depreciated fully in the year of acquisition.
- k) Refer Note 19a for information on property, plant and equipment pledged as security by the Group
- l) Refer Note 55 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Note 3 Right-of-Use Assets

As at 31st March 2026

(₹ in Crore)										
Description	Gross Block			Accumulated Depreciation				Net Block		
	As at 01.04.2025	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2026	As at 01.04.2025	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2026	As at 31.03.2026	As at 31.03.2025
Land	108.17	130.65	-	238.82	31.68	-	6.63	38.31	200.51	76.49
Building	3.81	1.73	0.30	5.24	2.34	0.09	0.90	3.15	2.09	1.47
Vehicle	2.55	4.24	-	6.79	2.41	-	1.77	4.18	2.61	0.14
Plant and Machinery	24.06	0.10	-	24.16	4.89	-	0.99	5.88	18.28	19.17
Total	138.59	136.72	0.30	275.01	41.32	0.09	10.29	51.52	223.49	97.27

As at 31st March 2025

(₹ in Crore)										
Description	Gross Block			Accumulated Depreciation				Net Block		
	As at 01.04.2024	Additions/ Transfers	Disposals/ Trans./Adjt.	As at 31.03.2025	As at 01.04.2024	Withdrawals/ Trans./Adjt.	For the Year	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Land	108.17	-	-	108.17	29.35	-	2.33	31.68	76.49	78.83
Building	2.49	1.32	-	3.81	1.55	-	0.79	2.34	1.47	0.94
Vehicle	3.41	-	0.86	2.55	2.54	0.46	0.33	2.41	0.14	0.86
Plant and Machinery	22.05	2.01	-	24.06	3.71	-	1.18	4.89	19.17	18.34
Total	136.12	3.33	0.86	138.59	37.15	0.46	4.63	41.32	97.27	98.97

Refer Note 48 for disclosures pertaining to Leases



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4 Intangible Assets

As at 31st March 2026

(₹ in Crore)										
Description	Gross Block			Accumulated Amortisation				Net Block		
	As at 01.04.2025	Additions/ Transfers	Disposals/ Trans./Adj.	As at 31.03.2026	As at 01.04.2025	Withdrawals/ Trans./Adj.	For the Year	As at 31.03.2026	As at 31.03.2026	As at 31.03.2025
Software	50.68	6.13	-	56.81	42.57	-	7.71	50.28	6.53	8.11
Mining license	264.21	53.96	-	318.17	59.75	-	13.72	73.47	244.70	204.46
Total	314.89	60.09	-	374.98	102.32	-	21.43	123.75	251.23	212.57

As at 31st March 2025

(₹ in Crore)										
Description	Gross Block			Accumulated Amortisation				Net Block		
	As at 01.04.2024	Additions/ Transfers	Disposals/ Trans./Adj.	As at 31.03.2025	As at 01.04.2024	Withdrawals/ Trans./Adj.	For the Year	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Software	45.59	5.09	-	50.68	36.00	-	6.57	42.57	8.11	9.59
Mining license	264.21	-	-	264.21	45.13	-	14.62	59.75	204.46	219.08
Total	309.80	5.09	-	314.89	81.13	-	21.19	102.32	212.57	228.67

- a) There is no impairment loss identified for the intangible assets during the year.
- b) Mining Rights represents license obtained to operate coal and lignite mines which is capitalised in lines with the CERC regulations

Note 5 Capital Work-in-Progress

(₹ in Crore)				
Particulars	As at March 31, 2026		As at March 31, 2025	
Plan Expenditure				
i) Neyveli New Thermal Plant				
Supply and Erection	1,040.01		995.72	
Expenditure during Construction	3.08	1,043.09	-	995.72
ii) Bithnok Project*				
Supply and Erection	11.85		11.85	
Expenditure during Construction	12.51	24.36	12.51	24.36
iii) Barsingsar Extension & Hadla Mines*				
Supply and Erection	9.11		9.11	
Expenditure during Construction	17.19	26.30	17.19	26.30
iv) Mine-IA Expansion				
Supply and Erection	-		2.34	
Expenditure during Development	-	-	-	2.34
v) Talabira II & III Mine				
Expenditure on Land Acquisition	760.97		653.20	
Expenditure during Development	0.01	760.98	0.01	653.21
vi) Odisha Thermal Power Project				
Expenditure on Land Acquisition	1,222.12		382.46	
Expenditure during Construction	36.59	1,258.71	19.24	401.70
vii) TPS II - 2nd Expansion				
Supply and Erection	55.14		-	
Expenditure during Construction	2.32	57.46	63.04	63.04

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)				
Particulars	As at March 31, 2026		As at March 31, 2025	
viii) Solar 100 MW - Hybrid				
Supply and Erection	-		-	
Expenditure during Construction	2.60	2.60	2.24	2.24
ix) Solar 300 MW - Barsingsar				
Supply and Erection	3.60		564.79	
Expenditure during Construction	-	3.60	16.73	581.52
x) Solar 200 MW - Gujarat				
Supply and Erection	-		-	
Expenditure during Construction	8.23	8.23	5.67	5.67
xi) Solar 50 MW - MINE II (Captive)				
Supply and Erection	169.56		137.37	
Expenditure during Construction	0.38	169.94	0.38	137.75
xii) Wind 50 MW - Hybrid				
Supply and Erection	321.48		292.80	
Expenditure during Construction	0.88	322.36	0.13	292.93
xiii) North Dhadu (Western Part) Coal Project				
Supply and Erection	4.71		3.58	
Expenditure during development	19.04	23.75	11.59	15.17
xiv) Macchakata Coal Mine				
Supply and Erection	219.98		216.38	
Expenditure during development	8.70	228.68	1.75	218.13
xv) New Patrapara South Coal Mine				
Supply and Erection	200.44		197.32	
Expenditure during development	0.05	200.49	-	197.32
xvi) MINE III				
Supply and Erection	-		-	
Expenditure during Development	43.18	43.18	43.05	43.05
xvii) Gurha Barsingsar Thermal Power Plant				
Supply and Erection	0.09			
Expenditure during Construction	-	0.09		
xviii) 3.5 MW-Captive Solar - Neyveli				
Supply and Erection	14.01			
Expenditure during Construction	-	14.01		
xix) NLC Tamil Nadu Power Limited[#]				
Supply and Erection	829.42		701.01	
Expenditure during Construction	89.93	919.35	53.03	754.04
xx) Neyvei Uttar Pradesh Power Limited				
Supply and Erection	4,091.62		6,385.55	
Expenditure during Construction	2,557.03	6,648.65	3,533.85	9,919.40
xxi) 600 MW Khavda-Solar Project				
Supply and Erection	1,601.57		303.79	
Expenditure during Construction	49.06	1,650.63	0.59	304.38
xxii) 810 MW Rajasthan- Solar Project				
Supply and Erection	185.91		-	
Expenditure during Construction	8.91	194.82	0.06	0.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
xxiii) 200 MW Wind Project SJVN				
Supply and Erection	2.37		-	
Expenditure during Construction	0.30	2.67	-	
xxiv) 250 MW/500 MWhr- BESS Project- TN				
Supply and Erection	-		-	
Expenditure during Development	0.27	0.27	-	-
xxv) 600 MW SPP & 300 MW/1800Mwh BESS				
Supply and Erection	3.54		-	
Expenditure during Development	0.06	3.60	-	-
xxvi) 130 MW SPP- Neyveli				
Supply and Erection	1.03		-	
Expenditure during Development		1.03	-	-
Non-Plan Expenditure				
Supply and Erection	396.51		423.83	
Land Acquisition	283.71		225.54	
Capital Goods in Stock & Transit	3.97	684.19	9.73	659.10
TOTAL		14,293.04		15,297.43

*Project on Hold. Discussions are underway with various stakeholders for revival of the project. Refer Note No. 25

#NTPL capital Work in Progress includes expenditure of ₹ 901.50 crore towards the installation of Flue Gas Desulphurisation (FGD) Package.

Details of exchange differences and borrowing costs capitalised are disclosed in Note 47

CWIP Ageing schedule

A) CWIP Ageing schedule FY 2025-26

(₹ in Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
A) Plan Projects Expenditure					
1) Projects in Progress	4,307.69	4,661.68	984.57	3,600.17	13,554.11
2) Projects that are temporarily suspended	-	-	-	54.74	54.74
B) Non-Plan Expenditure	124.40	390.92	127.49	41.38	684.19
Total	4,432.09	5,052.60	1,112.06	3,696.29	14,293.04

CWIP Ageing schedule FY 2024-25

(₹ in Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
A) Plan Projects Expenditure					
1) Projects in Progress	4,288.31	2,631.42	2,156.37	5,507.49	14,583.59
2) Projects that are temporarily suspended	-	-	-	54.74	54.74
B) Non-Plan Expenditure	366.05	217.02	39.78	36.25	659.10
Total	4,654.36	2,848.44	2,196.15	5,598.48	15,297.43



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CWIP movements schedule

(₹ in Crore)

Description	As at 01.04.2025	Additions	Disposals/Transfers/Retirement/ Capitalised	As at 31.03.2026
Plan Projects in Progress	14,583.59	4,963.39	5,992.86	13,554.12
Plan Projects Temporarily suspended	54.74	-	-	54.74
Non-Plan projects in progress	680.24	296.52	292.58	684.18
Total	15,318.57	5,259.91	6,285.44	14,293.04
Previous Year	17,726.49	5,757.91	8,186.97	15,297.43

Note 6 Assets under Development

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Preliminary project expenditure	21.17	21.64
Less : Impairment allowance	21.17	21.64
	-	-

Impairment allowance includes expenditure incurred for various projects which has not been taken up for further development, pending formalities for write off.

Note 7 Investments accounted for using the equity method

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Investments in Equity Instruments		
Non-Trade Un Quoted Investments		
(i) Associates		
In equity shares fully paid up 52,65,000 (PY 52,65,000) shares @ ₹ 10 per share of MNH Shakti (15% Stake)	6.56	6.45
Add: Share of Profit/(loss) in MNH Shakti	0.14	0.11
	6.70	6.56
(ii) Joint Venture		
In equity shares fully paid up 10,000 shares @ ₹ 10 per share of Coal Lignite Urja Vikas Private Limited (CLUVPL) (50% Stake)	1.52	1.39
Add: Share of Profit/(loss) in CLUVPL	0.14	0.13
Less: Dividend Received	0.50	
	1.16	1.52
Total Investment in Associate and Joint Venture	7.86	8.08

Note 8 Financial Assets

a Trade Receivables

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Unsecured		
Considered good	-	71.81
	-	71.81



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As per the Late payment surcharge rules notified by Ministry of Power on 3rd June, 2022 one DISCOM had opted ₹ 910.92 crore under interest free instalment scheme within the given cut off date. The dues of such beneficiary has been presented at fair value as per the requirements of IND AS 109. The non-current portion as at 31st March 2026 is NIL.

b Loans

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Considered good, unless otherwise stated		
Loans to related parties		
- Secured	0.07	0.09
- Unsecured	-	-
Other Loans : Loans to Employees		
- Secured	3.24	4.14
- Unsecured	7.76	4.99
	11.07	9.22

- a) Secured and unsecured loans to employees include house building loans, vehicle loans, multipurpose loans, etc. Such loans are initially recognised at fair value and subsequently measured at amortised cost in accordance with Ind AS 109. The difference between the loan amount disbursed and fair value at initial recognition is recognised as employee benefit expense.
- b) The loans to employees (Housing, Vehicle) are secured against the mortgage of the house property and hypothecation of Vehicles for which the loan has been given in line with the policy of the Group.
- c) Refer Note 42 for disclosures relating to related party transactions and balances.

c Other Non-Current Financial Assets

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Mine Closure Deposits	660.52	604.31
Margin for Bank Guarantee & Letter of Credit	-	48.00
Security Deposits	14.07	9.51
Interest Accrued	-	3.00
Derivative Asset	29.13	-
	703.72	664.82

- a) As per the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, Escrow Accounts have been opened in the name of "Coal Controller Escrow Account NLC India Limited" for each captive mine and the balances held in these escrow accounts are presented as 'Mine closure deposit'.

Interest earned (net of TDS) on the escrow account is added to the mine closure deposit account on renewal. The deposits are renewed annually.

As per the earlier mine closure guidelines dated 29th May, 2020, up to 50% of the total deposited amount including interest accrued in the escrow account shall be released after every five years in line with the periodic examination of the closure plan. During the year, a sum of ₹ 4.39 crore was released pursuant to an order received from the Coal Controller in respect of Barsingsar Mine for the period 2016-17 to 2020-21.

The Mine closure guidelines was subsequently revised and the Guidelines for preparation of mining plan and mine closure plan for Coal and Lignite Blocks 2025 was issued on 31st January, 2025.

Fresh deposits made during the previous year relating to FY 2025-26 is ₹ 57.37 crore.

Refer Note 22 (b) for Mine Closure liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- b) NUPPL has established a Fixed Deposit Escrow account with the Coal Controller Organisation (CCO) to provide financial assurance for the Pachwara South OCP, as mandated by 2025 government guidelines. The company deposited ₹ 2.66 crore for the 2025-26 financial year across two non-callable deposits to support progressive mine closure and community development. Under this framework, NUPPL will recover deposited amounts from the Mine Developer and Operator (MDO), who is then eligible for annual reimbursements of up to 50% based on certified closure work.

- c) Refer Note 51 for disclosures relating to derivatives instruments.

Movement of Mine Closure Deposit

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	604.31	639.41
Additions during the year	65.86	109.10
Deletions during the Year	9.65	144.20
Closing Balance	660.52	604.31

d Deferred Tax Assets (Net)

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Assets		
- on tax losses/provisions	40.75	-
MAT Credit Entitlement	768.18	-
Less: Deferred Tax Liabilities		
- on depreciation	350.81	-
	458.12	-

Refer Note 57 (b) for deferred tax liabilities/assets movement

Note 9 Other Non-Current Assets

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Secured considered Good		
Capital Advances	2,978.60	1,669.05
Unsecured considered Good		
Capital Advances	737.47	422.53
Others	83.13	123.50
	3,799.20	2,215.08

- a) Capital Advances includes ₹ 121.62 crore paid against a bank guarantee to an EPC contractor with respect to Barsingsar extension & Bithnok Project. On invocation of the BG, the EPC contractor initially opted for judicial intervention. However subsequently the contractor agreed for arbitration, keeping the BG valid till arbitral award.
- b) Capital Advances includes an amount of ₹ 2,079.60 crore towards Talabira Thermal project, ₹ 269.06 crore relating to Talabira Mines, ₹ 61.35 crore relating to Land acquisition for Neyveli mines and ₹ 57.79 crore relating to 200 MW solar Gujarat In case of EPC contracts advances paid against the Bank Guarantee as per terms and conditions of the contract.
- c) NTPL - Capital Advances for the installation of Flue Gas Desulphurisation (FGD) Package and Advances for Capital Spares procurement.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CURRENT ASSETS

Note 10 Inventories

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Raw Materials- Lignite	436.22	495.83
Raw Materials- Coal	574.65	364.82
Other Minor Minerals	5.19	1.66
Solid/Hollow/Fly Ash Bricks	1.71	2.59
Goods-in-transit (Stores and Spares)	218.74	180.43
Stores and Spares	1,098.23	919.78
Less: Provision for obsolete/unserviceable stores and spares	53.46	52.46
	2,281.28	1,912.65

- a) Inventories are valued as per the material accounting policy.
- b) Other Minor minerals includes Ball clay, silica sand and Gravels.
- c) Goods in transit referred to above consist of stores and spares that have been received at the stores but are pending acceptance.
- d) Refer Note no. 23 (a) for information on inventory pledged as security by the Group.

Note 11 Financial Assets

a Investments

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Mutual Fund Investment		
Axis Overnight Fund Direct Growth	0.61	1.40

Details of Axis Overnight Fund Direct Growth

Particulars	As at March 31, 2026	As at March 31, 2025
Units (No's)	4,264.53	10,371.95
NAV (₹)	1,425.73	1,351.14
Closing as at March 31 (₹ in crore)	0.61	1.40

b Trade Receivables

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
a) Secured (considered good)	940.86	1,055.50
b) Unsecured		
Considered good		
- Others	886.72	2,085.95
- Unbilled revenue	1,511.26	980.14
Credit impaired	250.39	354.61
	3,589.23	4,476.20
Less: Loss allowance on trade receivables	251.54	354.61
	3,337.69	4,121.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (a) The Group measures the expected credit loss allowance on trade receivables using the simplified approach prescribed under Ind AS 109. Considering the ageing of receivables, historical collection trends, subsequent realisations and interventions by the Ministry of Power and Ministry of Coal, a cumulative loss allowance of ₹ 251.54 crore (Previous year: ₹ 354.61crore) has been recognised.
- (b) Secured Trade Receivables represents value of Letter of Credit (LC) submitted by DISCOM's as per the MoP order dated 28/06/2019 w.e.f. 01/08/2019 as Payment Security Mechanism under Power Purchase Agreements.
- (c) Unbilled Revenue includes ₹ 1,423.49 crore (PY : ₹ 1,272.25 crore) of billing done after March 31, for Sale of Power related to March 2026.
- (d) In respect of Thermal Power Station-II (Neyveli), NLC India Limited had filed an appeal before the Appellate Tribunal for Electricity against the Central Electricity Regulatory Commission tariff order for 2009–14 on issues relating to Secondary Fuel Consumption (SFC), Life Extension Programme (LEP) assets and capital expenditure. The Hon'ble Tribunal, vide order dated 17.07.2025, set aside the impugned order on these issues and remanded the matter to CERC. Subsequently, CERC vide order dated 27.03.2026 allowed actual SFC for computing energy charges and inclusion of residual value of LEP assets in capital cost. Accordingly, net unbilled income of ₹ 21.02 crore has been recognised during FY 2025-26.
- (e) The Company has billed various DISCOMs an amount of ₹ 386.51 Crore during the financial year 2022-23 towards income tax recoverable as per the CERC tariff Regulations for different Tariff periods in respect of payments made under 'Vivad Se Vishwas Scheme' (VSVS). While few DISCOMs have paid ₹ 68.39 Crore, some of the DISCOMs have disputed this claim and initiated legal proceedings which are pending for adjudication. However, the Company is of the opinion that the entire balance outstanding amounting to ₹ 318.12 Crore is recoverable.
- (f) Dues receivable through interest free instalment scheme as per MOP Late Payment surcharge rules amounting to ₹ 41.45 crore.
- (g) A detailed ageing analysis of trade receivable and movement for provisional for bad & doubtful debts has been provided in Note no. 51.

c Cash and cash equivalents

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
i) Bank Balance		
- Current Account	160.45	143.66
- Short-Term Deposits	551.00	43.26
ii) Cash and Stamp on hand	0.03	0.04
	711.48	186.96

- (a) Stamps on hand as on 31.03.2026 - ₹ 38,486/- (31.03.2025 - ₹ 43,675/-)
- (b) Cash on hand as on 31.03.2026 - ₹ 2,12,098/- (31.03.2025 - ₹ 3,40,178/-)

d Bank balances other than cash and cash equivalents

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Unpaid Dividend Account Balance	2.03	2.06
Earmarked deposits with Banks:-		
i) Endowment fund in the name of NLC Schools	0.60	0.55
ii) PRMA Deposit	120.00	120.00
iii) Security for Bank Guarantee	3.33	3.11
iv) Land for Fly Ash deck	0.32	0.32
v) Unspent CSR deposit	4.44	6.68
vi) Deposit for Coal Mining	0.02	0.02
	130.74	132.74



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- a) In order to meet the post retirement medical expenditure of employees retired on or before 1st January, 2007, based on estimates, the Company maintains a minimum corpus of 3 years' requirements i.e. ₹ 120 Crore towards PRMA in a separate deposit account, for this purpose termed as PRMA deposit account. The interest accrued in this fund is added to the fund. The deposit matured on 24th March, 2026 and renewed on 25th March, 2026.
- b) As per Section 135 of Companies Act, 2013, unspent CSR amount has been deposited in Unspent Corporate Social Responsibility Account. The unspent CSR represents shortfall in CSR expenditure of NTPL (a subsidiary) deposited into separate bank accounts.
- c) Refer Note no. 45 for disclosures required under Ind AS 19 'Employee Benefits'.

e Loans

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Loans to related parties		
Considered good -Secured	0.02	0.02
Considered good -Unsecured	-	-
Other Loans : Loans to employees		
Considered good -Secured	5.84	7.18
Considered good -Unsecured	18.15	12.83
	24.01	20.03

- a) Refer Note 42 for disclosures relating to related party transactions and balances.
- b) Secured and unsecured loans to employees include house building loans, vehicle loans, multipurpose loans, etc. Such loans are initially recognised at fair value and subsequently measured at amortised cost in accordance with Ind AS 109. The difference between the loan amount disbursed and fair value at initial recognition is recognised as employee benefit expense.
- c) The loans to employees (Housing, Vehicle) are secured against the mortgage of the house property and hypothecation of Vehicles for which the loan has been given in line with the policy of the Group.

f Other Financial Assets

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
i) Interest Accrued	21.11	28.18
ii) Fixed Deposits	1.27	0.18
iii) Margin for Bank Guarantee & Letter of Credit	50.56	68.02
iv) Security Deposits	0.09	0.09
v) Recoverable from BGRESL		
Considered Good:	353.47	351.58
Unsecured Advance from BGRESL	756.56	192.52
Less: Provision for doubtful Advance	756.56	192.52
Interest Recoverable from BGRESL	266.87	188.91
Less: Provision for Interest recoverable from BGRESL	266.87	188.91
vi) Deferred Financing Cost	4.60	-
	431.10	448.05

- a) Interest Accrued includes interest due on loans given to employees, and interest on various deposits such as PRMA etc.
- b) Margin for bank guarantee includes ₹ NIL (PY ₹ 1.74 crore) kept as deposit to facilitate M/s BGR Energy System Limited (GA-3: Balance of Plant package contractor of NUPPL) to provide security for opening of Letter of Credit in favour of the sub-vendors for supply of materials.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- c) Unsecured advance from M/s BGRESL includes - Recoverable from BGRESL (GA-3: Balance of Plant package contractor) beyond the contractual terms as per board approval to assist in fund flow of the package on request of the contractor under the risk and cost clause of contract.

Further, Provision for additional capital cost, has been created against the recoverable from BGRESL to the extent of the recoverable amount over and above the amount payable to M/s BGRESL.

Note 12 Current Tax Asset (Net)

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Advance Income Tax	54.99	1,249.09
Less : Provision for Tax	28.09	1,098.08
	26.90	151.01

Note 13 Other Current Assets

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Disposable/Dismantled Assets, Spares	14.20	7.64
Prepaid Expenses	40.14	50.45
Plan Assets over plan liability	48.68	
Advances other than capital advances (unsecured)		
i. Considered good		
- Staff Advances	44.12	44.68
- for purchase of Coal	4.95	26.32
- for Rail Freight	2.04	3.06
- Others	1,089.15	851.50
ii. Considered doubtful	2.14	2.14
Less: Provision for doubtful advances	2.14	2.14
Deposits With Govt. Authorities		
- Towards Indirect Tax	23.02	125.68
- Towards Advance TDS	0.18	0.20
GST receivable	220.14	266.52
TCS receivable	0.35	0.31
Escrow with RITES Limited	4.10	6.24
Others	8.66	15.82
	1,499.73	1,398.42

- a) Advances other than capital advances-Staff advance includes advances paid towards PRP/UIS pending final rating of employees & the Group.
- b) Advances other than capital advances includes ₹ 463.53 crore pertaining to advances to MDO, against which corresponding provision has been recognised under provisions for contingencies (Refer Note 25).
- c) Others include ₹ 7.08 crore (Previous year: ₹ 4.13 crore) towards excess CSR expenditure carried forward for set-off against future CSR obligations.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- d) Advances other than capital advances - Others - represents advances given to contractors and suppliers in the ordinary course of supply of goods and services.
- e) Balance in Escrow Account with RITES lies in Current A/c and Fixed Deposits in the name of NUPPL but under the control of RITES Limited for the purpose of payment to contractors for Railway Siding Works.
- f) Considered good others includes - Other Current Assets include advance paid towards procurement of coal amounting ₹ 296.97/- Crore as on 31-03-2026 (₹ 101.35 Crore as on 31-03-2025).

Note 14 Assets held for sale

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Building	1.39	1.70
Plant and Machinery	33.99	41.55
Others	2.19	0.25
	37.57	43.50

All units of Thermal Power Station -I (TPS - I) have been retired from operation subsequent to 30.09.2020. The net block of TPS-I assets as on 31.03.2024 were reclassified as Assets held for sale as per the requirements of IND AS 105. Estimated net sale proceeds of the retired assets is expected to be above the residual value of assets appearing in the books.

NLC India Limited issued a Letter of Award dated 30 March 2023 for sale of the decommissioned TPS-I plant for a total consideration of ₹ 600.09 crore to M/s.Priya Blue Industries Pvt Limited. The entire lot of Plant & Machinery including Civil Structures has been divided into Twelve Segments keeping in view the locations and ease of dismantling and lifting of material of various segments. Till 31.03.2026, NLCIL received amount for four segments amounting to ₹ 238.20 crore and sale order has been issued for three segments.

During the year written down value of assets amounting to ₹ 5.93 crore has been disposed off and profit on the same has been accounted appropriately.

Note 15 Regulatory Deferral Account Debit Balances

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Foreign Currency Fluctuation	170.34	120.48
Other items recoverable as per CERC Order/Regulations	557.08	244.05
Others	125.08	105.11
	852.50	469.64

- a) The regulatory deferral account balances has been accounted in line with the company’s accounting policy. Refer Note no. 46 for detailed disclosures.
- b) Exchange differences (KfW Loan) arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised on an undiscounted basis as Regulatory deferral account debit/credit balance. Accordingly, an amount of ₹ 170.34 crore for the year ended 31 March 2026 has been accounted for as ‘Regulatory deferral account debit balance’ (PY: ₹ 120.48 crore).
- c) As per CERC regulations 2024-29, security expenses, water charges and capital spares will be allowed separately after prudence check. By considering the regulations, regulatory income of ₹ 137.06 Crore in respect of those charges for the year ended 31st March 2026 are accounted in regulatory deferral account debit balances. Regulatory Asset cumulative balance in this regard as on 31.03.2026 is ₹ 312.81 crore.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- d) As the company continues to bill beneficiaries based on the latest available Tariff Order applicable for the previous control period (2019-24), in accordance with the regulations, until the Tariff Order for the current control period (2024-29) is issued. During the year O&M difference amounting to ₹ 119.21 crore arising between last approved 2019-24 tariff order in respect of Thermal power plants and normative O&M applicable for the current control period 2024-29 is considered under regulatory deferral account debit balances. Regulatory Asset cumulative balance in this regard as on 31.03.2026 is ₹ 187.51 crore.
- e) The Company undertakes concurrent Mine Closure activity. In line with the Mine Closure Guidelines issued by Ministry of Coal, GoI, actual expenses incurred on mine closure up to a maximum of 50% of the Mine Closure Deposit along with interest in Escrow Account can be withdrawn on verification in every five years. Further, an amount of ₹ 32.84 crore (PY : ₹ 23.92 crore) has been considered as regulatory income/assets based on the revised mine plan. Regulatory Asset cumulative balance in this regard as on 31.03.2026 is ₹ 125.08 crore.
- f) NTPL - As per CERC regulations 2024-29, security expenses, water charges and capital spares will be allowed separately after prudence check. By considering the regulations, regulatory income of ₹ 13.61 Crore in respect of those charges for the year ended 31st March 2026 are accounted in regulatory deferral account debit balances. Regulatory Asset cumulative balance in this regard as on 31.03.2026 is ₹ 26.48 crore.
- g) NUPPL - As per CERC regulations 2024-29, security expenses, water charges and capital spares will be allowed separately after prudence check. Hence income in respect of those charges as on 31st March 2026 are accrued in regulatory deferral balances on undiscounted basis. The Company bills beneficiaries based on 90% of the annual fixed cost as per revised tariff petition filed with CERC on COD of Unit-2. The O&M charges is allowed by the regulations on a normative basis and since, the company has only billed 90% of the normative O&M charges, the difference arising between billed O&M charges and normative O&M applicable for the current control period is also considered under above regulatory deferral balances.

Note 16 Equity Share Capital

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Authorised, Issued, Subscribed and Paid-Up Share Capital:		
Authorised:		
2,00,00,00,000 Equity Shares of par value ₹ 10 each (2,00,00,00,000 Equity Shares of par value ₹ 10 each as at 31 st March 2025)	2,000.00	2,000.00
Issued:		
1,38,66,36,609 Equity Shares of par value ₹ 10 each fully paid (1,38,66,36,609 Equity Shares of par value ₹ 10 each as at 31 st March 2025)	1,386.64	1,386.64
	1,386.64	1,386.64

a Movement in Share Capital during the year

(₹ in Crore)		
Particulars	For the year ended	
	March 31, 2026	March 31, 2025
No. of shares outstanding at 1 st April	1,38,66,36,609	1,38,66,36,609
Shares issued during the year	-	-
Shares bought back during the year	-	-
No of Shares outstanding at 31 st March	1,38,66,36,609	1,38,66,36,609

b Rights attached to each class of Shares

The Group has only one class of equity shares having a par value ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

c Shareholders holding more than 5% of shares

Particulars	As at 31 st March 2026	
	No. of Shares (face value @ 10)	% of holding
President of India	1,00,11,56,562	72.20%
Nippon Life India Trustee Ltd	7,83,91,930	5.65%

Shareholders holding more than 5% of shares

Particulars	As at 31 st March 2025	
	No. of Shares (face value @ 10)	% of holding
President of India	1,00,11,56,562	72.20%
Nippon Life India Trustee Ltd	7,02,39,520	5.07%

d Shares held by Promoters at the end of the year

Particulars	As at 31 st March 2026		
	No. of Shares (face value @ 10)	% of holding	% Change in Holding
President of India	1,00,11,56,562	72.20%	0.00%

e Dividends

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
i) Dividends paid and recognised during the year		
- Final dividend for the year ended 31 st March 2025 of ₹ 1.50 (31 st March 2024 ₹ 1.50) per fully paid equity share	208.00	208.00
- Interim dividend for the year ended 31 st March 2026 of ₹ 3.60 (31 st March 2025 ₹ 1.50) per fully paid equity share	499.19	208.00
ii) Dividends not recognised during the year		
Since year end, the board of directors NLCIL have recommended the payment of final dividend @2.5% amounting to ₹0.25 per share for FY 2025-26 (31March 2025: ₹ 1.50 per share) which will be paid subject to approval of shareholders in the AGM.	34.67	208.00

f Movement in Equity Shares Last Five Years preceding 01.04.2025

Number of Shares as on 01.04.2020	1,38,66,36,609
Aggregate number allotted as fully paid up pursuant to contract without payment being received in cash - FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24 & FY 2024-25	-
Aggregate number and class of shares allotted as fully paid up by way of bonus of shares in - FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24 & FY 2024-25	-
Aggregate number and class of shares bought back - FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24 & FY 2024-25	-
Number of Shares as on 31.03.2025	1,38,66,36,609



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 17 Other Equity

Particulars	As at	
	March 31, 2026	March 31, 2025
a) Retained Earnings	17,822.26	15,015.96
b) (i) Other Reserves		
KfW Interest Differential Reserve	368.86	370.15
General Reserve	1,457.00	1,457.00
Contingency Reserve	170.00	160.00
Capital Redemption Reserve	291.07	291.07
PRMA Reserve Fund	120.00	120.00
b) (ii) Other Comprehensive Income	(91.07)	(77.85)
Total (b)	2,315.86	2,320.37
Total Other Equity (a + b)	20,138.12	17,336.33

Retained Earnings are the profits of the Group earned till date net of appropriations. The same will be utilised for the purposes as per the provisions of the Companies Act, 2013.

a) Retained Earnings

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Opening Balance	15,015.96	12,821.54
Addition during the year	3,769.46	2,713.61
Retained Earning available for Appropriation	18,785.42	15,535.15
Less: Appropriations		
Net transfer to/from Interest Differential Fund Reserve	(1.29)	0.94
Transfer to Contingency Reserve	10.00	10.00
Transfer to PRMA Reserve Fund	-	
Interim Dividend	499.19	208.00
Final Dividend	208.00	208.00
Non Controlling Interest (NCI)	247.26	92.25
Closing Balance	17,822.26	15,015.96

b) (i) Other Reserves

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
KfW Interest Differential Reserve		
Opening Balance	370.15	369.21
Transfer from Retained Earnings	24.83	22.54
Less : Withdrawal/Adjustment during the year	26.12	21.60
Closing Balance	368.86	370.15

The Group sets aside a reserve equivalent to the amount in rupees of 6% pa of the outstanding soft loan amount, to be utilised for covering the exchange rate risk under this loan and for any charges imposed by the guarantor in line with the agreement entered into with KfW.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

b) (ii) Other comprehensive income

	(₹ in Crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
General Reserve		
Opening Balance	1,457.00	1,457.00
Transfer from Retained Earnings	-	-
Less : Withdrawal/Adjustment during the year	-	-
Closing Balance	1,457.00	1,457.00

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The same will be utilised as per the provisions of the Companies Act, 2013.

	(₹ in Crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Contingency Reserve		
Opening Balance	160.00	150.00
Transfer from Retained Earnings	10.00	10.00
Less : Withdrawal/Adjustment during the year	-	-
Closing Balance	170.00	160.00

Apportionment of profits amounting to ₹ 10 cr every year to secure the contingency payments in the future periods.

	(₹ in Crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Capital Redemption Reserve		
Opening Balance	291.07	291.07
Transfer from Retained Earnings	-	-
Less : Withdrawal/Adjustment during the year	-	-
Closing Balance	291.07	291.07

In accordance with the applicable provisions of the Companies Act, 2013 read with Rules where a Group purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares bought back shall be transferred to the capital redemption reserve account.

During the previous financial years (i.e. FY 2016-17 & FY 2018-19 ; 29,10,72,991 number of shares have been bought back and the total amount in capital redemption reserve represents the nominal value of the shares bought back.

	(₹ in Crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
PRMA Reserve Fund		
Opening Balance	120.00	120.00
Transfer from Retained Earnings	-	-
Less : Withdrawal/Adjustment during the year	-	-
Closing Balance	120.00	120.00

Represents reserve towards Post Retirement Medical Assistance (PRMA) benefits provided to retired employees (before 1.1.2007) and their spouse.

	(₹ in Crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Remeasurement of Defined benefit obligation		
Opening Balance	(77.85)	(64.41)
Actuarial Gains/(Losses)	(9.73)	(20.61)
Less : Income tax on Actuarial gains/(Losses)	2.84	6.82
Less : Transfer to NCI	(0.14)	(0.35)
Closing Balance	(84.60)	(77.85)

Represents actuarial gains/losses recognised in OCI on remeasurement of defined benefit obligations under Ind AS 19.

	(₹ in Crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Cashflow Hedge Reserve		
Opening Balance	-	-
Changes in fair value of hedging instruments	-	-
Income tax on fair value change	-	-
Closing Balance	-	-

The Group uses derivative instruments in pursuance of managing its foreign currency risk associated on borrowings. For hedging foreign currency risk, the Group uses foreign currency option contracts. To the extent the derivative contracts designated under the hedge accounting are effective hedges, the change in fair value of the hedging instrument is recognised in 'Effective Portion of Cash Flow Hedges'. Amounts recognised in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss.

	(₹ in Crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Cost of Hedge Reserve		
Opening Balance	-	-
Changes in fair value of hedging instruments	(6.46)	-
Income tax on fair value change	-	-
Closing Balance	(6.46)	-

The changes in time value of an option contract designated in cash flow hedge relationship are accumulated in cost of hedge reserve.

Note 18 Non Controlling Interest

	(₹ in Crore)	
Particulars	As at March 31, 2026	As at March 31, 2025
a) NLC Tamilnadu Power Limited (NTPL)	503.07	400.89
b) Neyveli Uttar Pradesh Power Limited (NUPPL)*	3,237.42	2,820.86
c) NLC Rajasthan Power Limited (NRPL)	0.01	-
d) NIRL Rajasthan Renewables Limited (NRRL) - (Subsidiary of NIRL)	8.74	-
e) NIRL Assam Renewables Limited (NARL) - (Subsidiary of NIRL)	0.01	-
	3,749.25	3,221.75

*Includes shares application money pending for allotment

NON-CURRENT LIABILITIES

Note 19 Financial Liabilities		
a Borrowings		
(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
A) Secured Loans		
(i) Neyveli Bonds		
- Series-I-2019	1,475.00	1,475.00
- Series-I-2020	525.00	525.00
(ii) Term Loans		
- From Banks	3,432.97	1,544.70
- Power Finance Corporation Ltd.	15,355.06	8,707.14
- Rural Electrification corporation Ltd.	-	5,399.98
B) Unsecured Loans		
(i) Neyveli Bonds		
- Series-II-2021	500.00	500.00
(ii) Foreign Currency loans		
- Kfw Germany- 4.61 Million Euro (5.05 Million Euro) - I [#]	45.50	42.48
- Kfw Germany- 32.23 Million Euro (35.03 Million Euro)-II [#]	320.75	296.81
- External Commercial Borrowings - SBI	867.69	
- External Commercial Borrowings- SMBC - Term Loan	510.45	
[#] Guaranteed by the Government of India.		
	23,032.42	18,491.11

Details of Terms of Repayment, Rate of Interest and Security:

- a. To meet the General Funding arrangement, 8.09% Secured, Redeemable, Non-Cumulative, Taxable, Non-Convertible NLCIL BONDS 2019 SERIES I was Issued on 29.05.2019 for ₹ 1475 Crore and 7.36% Secured, Redeemable, Non-Cumulative, Taxable, Non-Convertible NLCIL BONDS 2020 SERIES I was issued on 27.01.2020 for an amount of ₹ 525 Crore. These Bonds were initially secured by pari-passu 1st charge on the project assets of TPS II Expansion 500 MW (250 MW X 2) Thermal power station (including Land) to the extent of the facility and subsequently to have sufficient asset cover additional security has been created by pari-passu 1st charge on the project assets of 1000 MW (2 X 500 MW) NNTPS, Neyveli project to the extent of ₹ 1,184 Crore. Out of ₹ 1,475 Crore, ₹ 749.22 Crore has been allocated towards TPS II Expansion Project (2*250 MW) and balance were used for general purpose. These Bonds are repayable on 29.05.2029 & 25.01.2030 respectively as bullet payment.
- b. To meet the fund requirement of 300 MW Solar Power Project at Barsingsar, Rajasthan, borrowing arrangement has been done with M/s. IndusInd Bank Limited for an amount of ₹ 1000 Crore during the FY 2025-26 and the loan is fully drawn as on 31.03.2026. This loan is secured by hypothecation of non-current assets, excluding land and carries floating interest rate linked to 3M Treasury Bill-FBIL rate. This loan is repayable in 20 equal half- yearly instalments commencing from 31.12.2025. The outstanding balance as on 31.03.2026 is ₹ 950.00 crore. The final repayment for this loan is due on 30-06-2035.
- c. To meet the fund requirement of Tamilnadu Solar Power Project 709 MW, borrowing arrangement has been done with SBI for an amount of ₹ 2,552 Crore, repayable on 20 equal half-yearly instalments. Out of the facility, ₹ 2319 Crore was drawn and balance are lapsed. As part of Business Transfer Agreement, the entire outstanding balance as on 31.12.2025 amounting to ₹ 922.85 Crore was transferred to M/s NLC India Renewables Limited on 01.01.2026. The outstanding Balance as on 31.03.2026 is NIL.



- d. To meet the fund requirement of Neyveli New Thermal Power Station (NNTPS 1000 MW) the following borrowing arrangement has been done with:

i) Loan of ₹ 3000 Crore was availed from M/s. Power Finance Corporation Ltd. is secured by pari passu charge on project lands & fixed assets of NNTPS, repayable in 20 equal bi-annual instalments commencing from 31.03.2020. The interest rate is on the basis of 3 year AAA Reuter rate i.e. 7.38% p.a plus fixed spread 0.85%). The outstanding balance of the PFC loan was refinanced by M/s. Punjab National Bank (PNB) by taking over the entire outstanding balance as on 29.11.2025 amounting to ₹ 1200 Cr. which is repayable in 8 equal bi-annual instalments commencing from 31.03.2026. This loan (PNB) is secured through by pari-passu charge on Non-Current asset of NNTPS (Excluding Land) and the loan carries floating interest rate linked to PNB Repo Linked Lending Rate-Elite rate. The outstanding balance of fully drawn loan (PNB) as on 31.03.2026 is ₹ 1049.79 Cr. The final repayment for this loan is due on 30.09.2029.

ii) NLCIL Bonds 2021 Series-II was issued on 20.12.2021 for an amount of ₹ 500 Crore, out of which ₹ 295.60 Crore was utilised towards NNTPS project and balance ₹ 204.40 Crore was utilised towards general business purpose. This Bond is unsecured, carried fixed interest rate at 6.85% p.a. and will be repayable by bullet payment on 13.04.2032.

iii) Rupee Term loan of ₹ 581 Crore has been availed from M/s. The South Indian Bank and is fully drawn as on 31.03.2026. This Loan is secured by pari passu charge by hypothecation of Non-Current assets of NNTPS excluding land, repayable in 10 equal bi-annual instalments commencing from 30.09.2023. The loan carries floating interest rate linked to 3M Treasury Bill-FBIL rate. The outstanding balance as on 31.03.2026 is ₹ 232.34 crore. The final repayment for this loan is due on 31-03-2028.

iv) M/s. State Bank of India, Tokyo has sanctioned External Commercial Borrowing of JPY 14806.80 Million (equivalent to USD 100 Million) during FY 2025-26, for NNTPS FGD and the loan has been fully drawn. This Loan is unsecured and carries floating interest rate linked to Tokyo Overnight Average(TONA) Rate and repayable in 16 equal bi-annual instalments commencing from 30.09.2027. The outstanding balance as on 31.03.2026 is JPY 14806.80 Million equivalent to ₹ 879.72 Cr, excluding the unamortised processing charges of ₹ 12.03 Crore (the outstanding balance is derived by applying the Effective Interest Rate (EIR) method as per Ind AS 109). The final repayment for this loan is due on 31-03-2035.
- e. Bi-annual equal repayment (Presently € 0.219 Million each) of fully drawn Foreign Currency loan - I from KfW Germany, commenced from 30.12.2001, ending on 30.06.2036. This loan is unsecured and guaranteed by Government of India by paying guarantee fee to GoI. This loan carries Fixed interest rate of 0.75% p.a. and Guarantee Fees @ 1.2% p.a. The outstanding loan as on 31.03.2026 is Euro 4.61 million.
- f. Bi-annual repayment (presently € 1.401 Million each) of fully drawn Foreign Currency loan - II from KfW Germany, commenced from 30.06.2002, ending on 30.06.2037. This loan is unsecured and guaranteed by Government of India by paying the Guarantee fees to GoI. This loan carries Fixed interest rate of 0.75% p.a. and Guarantee Fees @ 1.2% p.a. The outstanding loan as on 31.03.2026 is Euro 32.23 million.
- g. Sumitomo Mitsui Banking Corporation has sanctioned External Commercial Borrowings of JPY 15.464 Billion (equivalent to USD 100 Million) during FY 2025-26, for on-lending to NLC India Renewables Limited (wholly owned subsidiary) for its Renewable projects through inter corporate loan arrangement. This ECB loan is unsecured, carries floating rate of interest linked to Tokyo Overnight Average (TONA) Rate. Out of the sanctioned limit JPY 8.7 Billion has been drawn during FY 2025-26 which is repayable in 5 equal annual instalment starting from January 2029 and ending on January 2033. The balance JPY 6.764 Billion is undrawn as on 31.03.2026. The loan outstanding as on 31.03.2026 is JPY 8.7 Billion equivalent to ₹ 516.68 Crore, excluding the unamortised processing charges of ₹ 6.23 Crore (the outstanding balance is derived by applying the Effective Interest Rate (EIR) method as per Ind AS 109).
- h. The company has maintained required asset cover as per the terms of offer document/information memorandum and/or Debenture trust deed, including compliance with all the covenants, in respect of the listed non-convertible debt securities.

Pursuant to the revised regulatory framework issued by SEBI vide Master Circular No. SEBI/HO/DDHS/P0D1/P/CIR/2024/54 dated May 22, 2024, NLC India Limited has been classified as a Large Corporate (LC) effective FY 2024-25. In line with the applicable compliance requirements, the Company shall align its future borrowing strategy to ensure adherence to the stipulated norms over the prescribed three-year period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

i. In respect of NTPL (Subsidiary of NLCIL):

i) Nature of Security-

- (a) State Bank of India - Term Loan is secured through exclusive charge over the FGD assets of NTPL.
- (b) Letter of comfort from NLCIL for the long-term loans have been availed by NTPL in favour of:
 - State Bank of India on Term Loan.

ii) Repayment of Loan

- a) **State Bank of India - Term Loan** - Sanctioned - ₹ 572.85 crore:- Repayable in Twenty (20) equal half yearly instalments starting from June 2025 and ending on Dec 2034. The rate of interest on the loan as on 31.03.2026 is 7.38% p.a. (on the basis of 91 days T-bills plus 2.00% fixed spread). Out of the sanctioned amount of ₹ 572.85 crore, an amount of ₹ 137.47 crore is unavailed as on 31.03.2026 and Two instalments amount of ₹ 28.64 crore each paid on 30.06.2025 & 31.12.2025.
- b) NTPL has borrowings amounting to ₹ 378.10 crore as at 31.03.2026 which are subject to financial and/or non-financial covenants. These borrowings are classified as non-current because the Company has the right, at the reporting date, to defer settlement for at least twelve months thereafter. As at the reporting date, the Company was in compliance with all covenants required to be tested on or before that date. Based on current forecasts and management assessment, the Company expects to remain in compliance with the covenants that fall due within the next twelve months.
- c) Bank of India - Rupee Term Loan - Sanctioned - ₹ 483.52 crore:- Repayable in Twenty (20) equal half yearly instalments from March 2019 and the rate of interest on the loan as on 31.03.2025 is 8.73% p.a. (on the basis of 1 month MCLR plus 0.28% fixed spread).
- d) State Bank of India - Term Loan - Sanctioned - ₹ 572.85 crore:- Repayable in Twenty (20) equal half yearly instalments starting from June 2025 and ending on Dec 2034. The rate of interest on the loan as on 31.03.2025 is 9.05% p.a. (on the basis of 1 year MCLR plus 0.05% fixed spread). Out of the sanctioned amount of ₹ 572.85 crore, an amount of ₹ 175.91 crore is unavailed as on 31.03.2025. Term Loan is secured through exclusive charge over the FGD assets of NTPL.

j. In respect of NUPPL (Subsidiary of NLCIL):

- i) Long-Term Borrowings with sanctioned limit of ₹ 11,338.53/- Crore has already been signed with PFC and ₹ 5,478.17/- Crore earlier sanctioned by REC Limited has also been refinanced by PFC. The floor rate of interest of Loan with PFC for ₹ 11,338.53/- Crore is 8.75% p.a and the present rate of interest of loan with PFC for ₹ 5,478.17/- Crore is 7.90%.

The term loans are secured by first pari passu charge, by way of mortgage, in favour of the Lenders in a form satisfactory to the lenders of all the immovable properties along with negative lien/other assets & by way of hypothecation of all the movable assets (save and except book debt) including movable machinery, mandatory spares, tools and accessories, fuel stock, spares and materials of projects (Ghatampur Thermal Power Station & Pachwara South Opencast Project), both present and future. The loans are repayable in 20 equal Half Yearly instalments for both the existing loans. The first instalment will become due on October 2028. The subsequent instalments will become due for payment on April & October of every year for both the loans.

k. In respect of NIRL (wholly owned Subsidiary of NLCIL):

The Company has availed a Rupee Term Loan facility of ₹ 2,669 Crore from Bank of Baroda for financing the 600 MW Khavda Solar Power Plant Project. As on 31st March 2026, ₹ 678.58 Crore has been drawn. The outstanding balance as on 31.03.2026 is ₹ 678.58 Cr. This loan is secured by hypothecation of all Non- Current assets excluding project Land. The loan is repayable in 60 equal quarterly and first instalment will become due after 10 months from SCOD. The interest rate is on the basis of overnight MCLR + Nil Spread.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

b Lease Liability

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liability on		
- Land	62.08	10.61
- Building	1.40	0.96
- Vehicle	0.47	0.04
- PPE	21.42	22.74
	85.37	34.35

Refer Note 48 for disclosures required under Ind AS 116 'Leases'

c Other Financial Liability

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Capital purchase, Capital works-in-progress and other capital liabilities	979.48	526.56
Deferred Premium Payable	37.21	-
	1,016.69	526.56

Note 20 Provisions

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Retirement Travel Allowance	140.34	160.96
	140.34	160.96

Refer Note 45 for disclosures required under Ind AS 19 'Employee Benefits'

Note 21 Deferred Tax Liabilities (Net)

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Liabilities		
on Depreciation	3,797.72	4,949.72
Deferred Tax Assets		
Deferred tax asset on tax losses/Provisions	313.87	290.24
MAT Credit Entitlement	-	631.04
Deferred Tax Liabilities (Net)	3,483.85	4,028.44



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

a. The tax holiday period under Section 80-IA of the Income-tax Act, 1961 ('IT Act') for the NLCIL Barsingsar project is up to FY 2025-26. Accordingly, deferred tax relating to temporary differences expected to reverse during the tax holiday period has been derecognised to the extent of ₹ 173.24 crore.

b. NTPL:

NTPL has availed deduction U/s 80IA as a result, Temporary Difference of ₹ 474.47 crore arising out of difference between carrying amount of the assets and the tax base of the assets has been reversed for the tax holiday period MAT credit amount of ₹ 28.87 crore which will lapse during the tax holiday period is also reversed in the books of accounts during FY 2025-26 based on 80IA availment. MAT credit amount of ₹ 46.90 crore has been availed on opting of Section 80IA for the FY 2024-25 and accounted in the FY 2025-26 after filing the Income Tax Return.

c. Refer Note 57 (b) for deferred tax liabilities/assets movement

Note 22 Other Non-Current Liabilities

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Mine Closure Liability	661.57	546.85
Deferred Income	213.27	220.48
	874.84	767.33

a) **NLCIL** - Deferred income includes capital grant of ₹ 65.75 crore, ₹ 44.75 crore and ₹ 0.98 crore (Unamortised value of Grant) received from Ministry of New and Renewable Energy (MNRE) in respect of installation of 300 MW solar at Rajasthan, 200 MW of Solar Plant at Gujarat and 1.06 MW roof top solar at Neyveli.

NIRL - Deferred income includes capital grants amounting to ₹ 64.27 crore, ₹ 34.01 crore and ₹ 2.01 crore (being the Unamortised value of Grant) received from Ministry of New and Renewable Energy (MNRE). These grants pertain to 130 MW solar at various locations in Neyveli, 20 MW of Solar Plant at Andaman and Nicobar and 10 MW (New) solar plant at Neyveli.

In proportion to the depreciation of the respective solar asset, the grant is amortised to profit and loss account each year.

b) In respect of lignite/coal mines, the annual mine closure cost is determined in accordance with the Mine Closure Guidelines issued by the Ministry of Coal, Government of India, as amended from time to time, at the current prescribed rate of ₹ 14 lakh per hectare for open-cast mines, adjusted for changes in the Wholesale Price Index (WPI), wherever applicable.

The Company recognises a mine closure liability based on the approved Mine Closure Plan and applicable regulatory requirements. Correspondingly, annual contributions towards the mine closure obligation, computed as per the approved mine closure cost of ₹ 14 lakh per hectare and the prescribed compounding requirements, are deposited in designated Escrow Accounts maintained with the Coal Controller.

Interest earned on the escrow deposits, net of applicable taxes, is credited to the respective escrow accounts and forms part of the mine closure deposits.

Inline with industry practice, the policy in this regard shall be reviewed at end of each financial year.

Refer Note 8(c) (a) for Mine Closure Deposits.

Movement of Mine Closure Liability

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	546.85	589.88
Additions during the year	124.29	106.28
Deletions during the Year	9.57	149.31
Closing Balance	661.57	546.85

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CURRENT LIABILITIES

Note 23 Financial Liabilities

a Borrowings

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
a) Loans Repayable on Demand		
From Banks (Secured):		
- Working Capital Demand Loan	310.00	452.51
- Treasury Bill Linked WCDL	2,851.00	-
From Banks (Unsecured):		
- Commercial Paper	794.53	500.00
b) Current maturities of Long-Term Debt		
Secured		
- Banks	778.68	793.65
- Power Finance Corporation Ltd.	-	450.00
Unsecured		
i. Foreign Currency loan from KfW	35.31	29.84
ii. NLCIL Bonds		
- Series-II-2020	-	500.00
- Series-I-2021	-	1,175.00
	4,769.52	3,901.00

A. In respect of NLCIL

a. State Bank of India has sanctioned Fund based working capital amounting ₹ 4000 Cr consisting ₹ 2000 Cr towards secured and balance towards unsecured. This facility is secured by Hypothecation of entire current assets of the company i.e. raw Materials, Stock in progress, Consumable stores, Spares and receivables. The outstanding balance as on 31.03.2026 is ₹ 2851 Cr. During the year, the non-fund-based working capital (NFBWC) limit was enhanced from ₹ 1,000 crore to ₹ 4,000 crore, the utilised portion of which has been disclosed under Contingencies and Commitments. Further, within the NFBWC limit, issuance of LCs/BGs on behalf of subsidiaries and joint ventures up to ₹ 1,500 crore is permitted. Accordingly, Letters of Comfort were issued in favour of NIRL (₹ 585.87 crore) and NUPPL (₹ 38.06 crore) during the year.

b. Commercial Paper amounting to ₹ 800 crore (excluding unamortised discount on Commercial Paper of ₹ 5.47 crore) was outstanding as at 31.03.2026, carrying a coupon rate of 7.05% p.a. The Commercial Paper was issued on 06.02.2026 to meet standalone business operation requirements of the company for a tenure of 90 days and is repayable on maturity on 07.05.2026. The instrument is unsecured in nature, with a face value of ₹ 5,00,000 per unit aggregating to 16,000 units outstanding as at the reporting date.

c. To meet the General Funding arrangement, 5.34% Unsecured, Redeemable, Non-Cumulative, Taxable, Non-Convertible NLCIL Bond 2020 Series-II (unsecured) was issued on 31.07.2020 for ₹ 500 crore, which was redeemed by bullet payment on 11.04.2025.

d. To meet the General Funding arrangement, 6.05% Unsecured, Redeemable, Non-Cumulative, Taxable, Non-Convertible NLCIL Bonds 2021 Series-I was issued on 12.02.2021 for ₹ 1175 Crore, which was redeemed by bullet payment on 12.02.2026.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

B. In respect of NTPL (subsidiary of NLCIL)

- (i) Rupee term loan II is refinanced by South Indian Bank from Power Finance Corporation Ltd on 07.11.2024 is preclosed on 25.07.2025, against the actual repayment schedule of 15.10.2025.

Bank of India - Rupee Term Loan - is preclosed on 24.07.2025, against actual repayment schedule of 25.03.2026.

- (ii) Bank of India Working Capital loan with Fund based Limit of ₹ 1300.00 crore and Non-Fund based Limit of ₹ 200.00 crore is subject to the availability of drawing power. Secured by pari passu charge on book debts, operating cash flows, receivables, all other current assets, commissions, revenues of whatsoever nature and wherever arising present & future relating to the project.

Bank of India sanctioned Line of Credit (WC Loan) as a sublimit to WCFB limit with tenor ranging from 1/3/6/9/12 months. Rate of interest is linked to Repo Rate. The rate of interest as on 31.03.2026 is 6.20% p.a. (on the basis of Repo Rate + Mark Up 2.85% - BSD 1.90%) on Working capital demand loan and 8.20% p.a. (on the basis of 1 month MCLR plus 0.20% fixed spread) on Cash Credit. The outstanding Working Capital loan as on 31.03.2026 is Nil.

- (iii) State Bank of India Working Capital loan with Fund based Limit of ₹ 1000.00 crore and Non-Fund based Limit of ₹ 10.00 crore (sub-limit of Fund based Limit of ₹ 1000.00 crore) is subject to the availability of drawing power.

Secured by pari passu first charge over the entire current assets of the company i.e., hypothecation of raw materials, stock in process, finished goods, consumable stores, spares and charge on the receivables. The outstanding Working Capital loan as on 31.03.2026 is Nil. The ROI for last availed loan are in the form of T-bill linked at 6.20% p.a.

C. In respect of NUPPL (subsidiary of NLCIL)

Working capital loan of ₹ 2,000 Crore (₹ 1,800 Crore Fund Based & ₹ 200 Crore Non-Fund Based) has been tied up with State Bank of India. The present agreed interest rate for Cash Credit limit is 8.25% (3 months SBI MCLR+0% Spread) and for WCDL interest rate at mutually agreed rate on the date of availment. The weighted average cost of WCDL availed during FY 2025-26 comes to around 8.07%.

The working capital loan is secured by exclusive Hypothecation Charge over the entire current assets of the Company (both present and future). NLCIL has also issued a letter of comfort in favour of State Bank of India for the working capital loan.

b Lease Liabilities

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liability on		
- Land	-	0.09
- Building	0.83	0.57
- Vehicle	2.20	0.12
- P&M	1.44	1.34
	4.47	2.12

Refer Note 48 for disclosures required under Ind AS 116 'Leases'

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

c Trade Payable

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Trade Payables:		
- Towards Micro and Small Enterprises	222.94	163.16
- Other than Micro and Small Enterprises*	1,126.84	1,734.84
	1,349.78	1,898.00

A detailed ageing analysis of trade payable has been provided in Note no. 60.

d Other Financial Liabilities

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
a) Interest Accrued but not due Loans:		
- NLCIL Bonds	116.71	143.91
- KfW Germany	0.75	0.69
- Term Loans from Banks & FI's	116.01	82.11
- Working Capital Demand Loan	-	0.19
- External Commercial Borrowings	1.59	-
b) Unclaimed Dividend	2.03	2.06
c) Capital Liability	55.19	249.48
d) Other Payables - Contractual Obligations	1,032.05	1,100.88
	1,324.33	1,579.32

Note 24 Other Current Liabilities

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Unutilised Revenue Grant	3.94	4.01
Advance and Deposits	1,094.15	1,131.90
Other liabilities		
- Employees	481.64	487.43
- Statutory	183.95	278.75
- Others	185.30	200.99
	1,948.98	2,103.08

- a) Employee liabilities includes liability towards PF/PRP & UIS liabilities which will be settled in future periods.
- b) Other liabilities include Liquidated Damages, credit balance from vendors, EMD/SD for lignite supply, caution deposits etc. which are to be settled/Adjustment against services/goods received from/to the vendors/Customers.
- c) Advances and Deposits include income received in advance w.r.t coal, Fly ash sales etc.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 25 Provisions

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Short-term Benefit of Leave Salary	7.88	133.73
Post Retirement Medical Benefit	16.17	387.87
Provision for Gratuity & Other	341.37	244.90
Provision for Retirement Travelling Allowance	35.01	36.25
Provision for Loss on Assets	74.03	85.32
Provision for Contingencies	495.91	326.56
Provision for unspent CSR	9.23	9.14
	979.60	1,223.77

*Includes Provision for other items amounting ₹ 153.02 crore (PY ₹ 176.00 crore)

- Provision for loss on assets includes provision created on CWIP relating to Bithnok, Barsingsar expansion and Halda mines project amounting to ₹ 40.64 crore.
- Provision for contingencies includes provision made towards the differential mining charges and HPC wages in respect of Talabira Mines, cumulative amounting to ₹ 463.53 crore (PY ₹ 322.40 crore) which are under dispute.
- Provision for other items includes provision created towards M/s RIL claim for an amount of ₹ 29.98 crore relating to Bithnok and Barsingsar expansion project arbitration claim and ₹ 36.17 crore relating to Surface Right Compensation towards Non-Alienated Poramboke Land within NLCIL leasehold area
- Provision for unspent CSR (NTPL- Subsidiary of NLCIL) pertains to expenditure other than ongoing projects for the FY 2025-26 of ₹ 0.47 crore and same will be transferred to Fund specified under Schedule VII of the companies act, 2013 on or before 30.09.2026.
- Refer Note 45 for disclosures required under Ind AS 19 ‘Employee Benefits and Note 41 for disclosures required under Ind AS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’.

Note 26 Current Tax Liabilities (Net)

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Tax	973.38	-
Less : Advance Tax	(787.50)	-
	185.88	-

Note 27 Regulatory Deferral Account Credit Balances

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Foreign Currency Fluctuation	56.26	36.90
CERC Order/Petition filed with APTEL/Others	675.92	1,153.69
	732.18	1,190.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- Amounts under regulatory deferral liabilities as on 31.03.2026 relates to the impact arises out of various regulatory orders for the previous and current tariff periods.
- Thermal Power Station II (Neyveli) – Rejection of substitution of actual secondary fuel consumption (SFC) in place of normative SFC in computing energy charge rate, disallowance of de-capitalisation of LEP Assets and reduction of claim towards capital expenses while truing up for the tariff period 2009-14. The Hon’ble Tribunal, vide Order dated 17.07.2025, has set aside the impugned CERC order to the extent of these issues and remanded the matter to CERC for fresh consideration. CERC has issued final order dated 27.03.2026 in which Commission has allowed actual SFC for computing energy charges and allowed inclusion of residual value of LEP assets in the capital cost. Accordingly, the Regulatory Deferral liability accounted in the books of accounts amounting to ₹ 128.41 Cr has been reversed during the year.
- Regulatory liability has been provided towards sharing of Non-tariff income arising from sale of lignite for an amount of ₹ 65.99 crore during the year in respect of Barsingsar mines on account of outside lignite sales.
- During the financial year 2022-23, the Company billed an amount of ₹ 386.51 crore to various DISCOMs towards income tax recoverable under the provisions of the CERC Tariff Regulations, pertaining to different tariff periods in respect of payments made under the ‘Vivad Se Vishwas Scheme’ (VSVS), 2020. Of this, ₹ 68.39 crore has been received from certain DISCOMs. The balance amount remains disputed by other DISCOMs, who have initiated legal proceedings currently pending before various High Courts. In one such matter involving TANGEDCO, the Hon’ble Madras High Court, through its order dated September 11, 2024, disposed of the writ petition with a direction to approach the Central Electricity Regulatory Commission (CERC) for adjudication. TANGEDCO subsequently filed an appeal, and the Division Bench of the Madras High Court. Vide court order dated April 9, 2025 this matter has been sent back to CERC once again for resolution in accordance with the law. Also, the Hon’ble Kerala High Court, vide order dated 12.11.2025, disposed of the matter by remanding it to Central Electricity Regulatory Commission (CERC). Pursuant thereto, NLC India Limited has filed a petition before CERC seeking adjudication of the dispute relating to the Tamil Nadu Generation and Distribution Corporation and Kerala State Electricity Board portions. Further, the writ petition filed by Karnataka DISCOMs was vacated vide order dated 09.03.2026, with directions to approach CERC for appropriate relief. The Company is actively pursuing the vacation of stay orders in other High Courts.

Since the matter is sub judice, the Company has retained the regulatory deferral liability for the disputed amount of ₹ 386.51 crore, along with accrued interest of ₹ 25.06 crore on the amount already received. Accordingly, a total regulatory deferral liability of ₹ 411.57 crore has been recognised as of March 31, 2026 in this regard.

- CERC has issued order on March 14, 2024 read with corrigendum on April 06, 2024 towards Lignite Input Price for tariff period 2009-14. Based on the order, the Company had issued debit notes to TANGEDCO for an amount of ₹ 694.33 Crore (including interest of ₹ 417.63 Crore) w.r.t TPS – I. Further, TANGEDCO had filed a writ petition before the Madras High Court with respect to the interest portion, and an interim stay was granted on 10 July 2024. Subsequently, the stay was vacated by the Hon’ble High Court vide order dated 23 August 2024 with a direction that the matter be adjudicated by Central Electricity Regulatory Commission. Accordingly, TANGEDCO filed a petition before CERC. In its order dated November 8, 2024, CERC upheld the Company’s claim for interest, directing TANGEDCO to make payment within three months from the date of the order. However, TANGEDCO has filed an appeal (Appeal No. 37 of 2025) against the above CERC Order before the Appellate Tribunal for Electricity (APTEL), which is currently pending adjudication. Appellate Tribunal for Electricity vide order dated 12.02.2025 granted interim relief directing payment of 50% by Tamil Nadu Generation and Distribution Corporation Limited and ordered that the appeal be listed for final hearing. Accordingly, based on management assessment during the year, regulatory deferral liability of ₹ 417.63 Crore has been reversed in FY 2025-26.
- Based on the Tariff Petition filed for the Period 2024-29 by NTPL, an amount of ₹ 22.98 crore billing difference has been booked in the Regulatory Deferral Expense in the FY 2025-26. Accordingly, a total regulatory deferral liability of ₹ 151.34 crore has been recognised as of March 31, 2026 in this regard.
- NIRL- Filed appeal against the TNERC order before APTEL challenging the reduction in levelised tariff for Solar 500 MW plants. The differential tariff is accrued in regulatory deferral liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 28 Revenue from Operation

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Sale of:		
- Power	14,542.95	12,445.17
- Lignite	640.96	604.76
- Coal	2,241.04	2,153.43
- Fly Ash & other by-products	181.68	146.63
Other Operating Revenue:		
Consultancy and Technical Fees	0.60	0.19
	17,607.23	15,350.18
Less: Transfer to Capital Work in Progress	29.86	39.52
Less: Rebate on sale of Power	87.84	27.70
	17,489.53	15,282.96

- a) The Central Electricity Regulatory Commission (CERC) notified the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 vide notification dated 15 March 2024 (hereinafter referred to as “Tariff Regulations, 2024”) for determination of tariff for the tariff period 2024-29.

The Company has filed tariff petitions with CERC for the tariff period 2024-29 for determination of Annual Fixed Charges in respect of its thermal generating stations and for determination of input price of lignite/coal in respect of its integrated mining operations. Pending issuance of tariff orders by CERC, capacity charges for thermal stations are being billed based on the last approved Annual Fixed Charges, and energy charges for integrated mines are being billed based on the Provisional/last approved input price and as per norms, in accordance with the provisions of the Tariff Regulations, 2024-29.

Further, in respect of Barsingsar Mines, the input price petition filed for the tariff period 2024-29 is lower than the last approved input price order for the period 2019-24 and accordingly, billing of energy charges with effect from 1 April 2025 is being carried out provisionally based on the input price as filed in the petition before CERC for the tariff period 2024-29 based on mutual consent with DISCOM.

In respect of projects declared under commercial operation with effect from 1 April 2024 and projects where tariff applicable as on 31 March 2024 is pending approval from CERC, billing is carried out based on the capacity charges or Input price as filed in the tariff petitions submitted to CERC.

- b) Power Sale includes Sale of Power through Trading for FY 2025-26 ₹ 111.61 Crore. (FY 2024-25 ₹ 94.25 Crore).
- c) During the year CERC has issued final order dated 27.03.2026 in which Commission has allowed actual SFC for computing energy charges and allowed inclusion of residual value of LEP assets in the capital cost w.r.t Thermal Power Station II (Neyveli) Accordingly, Unbilled income of ₹ 29.08 Cr has been booked during the year.
- d) Under the CPSU Scheme, a total DCR Solar PV capacity of 510 MW was allocated to NLC India Limited by IREDA, comprising of 10 MW at Neyveli (Tamil Nadu), 300 MW at Barsingsar (Rajasthan), and 200 MW at Bhuj (Gujarat).

During the year, 300 MW Barsingsar Solar Power Project has declared commercially operational. CERC vide order dated 31.12.2025 has adopted tariff of ₹ 2.45 per kWh with a direction to approach Commission for seeking relief with respect to Change in law events of GST rate changes. Accordingly, NLCIL has filed a petition during the quarter to claim the impact of such Change in Law. NLCIL started billing at the tariff of ₹ 2.45 per kWh, as adopted by the Hon’ble Commission, the project having achieved full commissioning in accordance with the terms of the PPA.

- e) During April 2025, the State of Tamil Nadu has enacted a new legislation titled the Tamil Nadu Mineral Bearing Land Tax Act, 2024, which came into effect from 4th April 2025. The Act provides for the levy of tax on minerals excavated from mineral-bearing lands. The company is complying with the requirements of this Act from the current financial year (FY 2025-26), in accordance with its applicability.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Meanwhile, NLCIL has filed a miscellaneous petition before the Central Electricity Regulatory Commission (CERC) seeking approval to include the mineral-bearing land tax under Energy Charges, treating it as part of the landed cost of primary fuel, being a statutory levy. CERC, vide order dated 15.01.2026, permitted recovery of the expenditure incurred towards the said levy from beneficiaries through the landed price of lignite as part of the Energy Charge Rate (ECR), in accordance with Regulations 38, 50, and 58 of the 2024 Tariff Regulations. Accordingly, the differential Energy charges on account of revised Landed cost of ₹ 379.07 Cr has been recognised.

- f) Lignite sales includes sales to M/s TAQA as per Fuel Supply Agreement (FSA) amounting to ₹ 437.25 crore (PY ₹ 413.38 crore) and e- auction sales from Barsingsar Mines.
- g) Coal sales includes sales to subsidiary of NLCIL - NTPL amounting to ₹ 281.47 crore (FY 2024-25 ₹ 92.95crore) and e-auction sales etc.
- h) NUPPL - Capacity Charges under Sale of Power are billed to beneficiaries at 90% of total capacity charges as per Revised Tariff Petition Filed before CERC on 26-02-2026 after COD of Unit-2. Energy Charges under Sale of Power are billed in accordance with the operational norms specified in Regulations, 2024.

Note 29 Other Income

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(a) Interest on		
(i) Bank Deposits	33.42	58.58
(ii) Employees Loans	2.98	3.97
(iii) Mine Closure Deposits	47.03	46.60
(iv) Others	356.17	720.98
(b) Gain/Loss on redemption of MFs	2.17	0.70
(c) Unwinding of Interest Income	10.85	24.64
(d) Recoveries Toward Rent & others	29.26	27.60
(e) Profit on Sale of Assets	98.37	45.62
(f) Coal Handling Charges	-	0.50
(g) Provision Written Back	239.67	259.12
(h) Surcharge on sale of power	20.03	44.88
(i) Exchange Fluctuation	0.25	6.22
(j) Deferred Income on Govt. Grant	7.37	10.72
(k) Miscellaneous	178.10	461.76
	1,025.67	1,711.89
Less: Transfer to Capital Work in Progress	5.97	63.53
Less: Transfer to Mine Closure Liability	42.34	41.87
	977.36	1,606.49

- a) Interest on others includes:
- i) During the year, final order in Petition No. 2/MP/2014 was received on 05.01.2026 from Central Electricity Regulatory Commission, pursuant to the remand by Appellate Tribunal for Electricity, in respect of the dispute raised by Kerala State Electricity Board regarding reimbursement of income tax relating to the linked mines portion of Thermal Power Station-I Expansion for the period 2003-2009. Accordingly, interest income on the disputed amount aggregating to ₹ 85.06 crore was recognised during the year.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- ii) In respect of Petition No. 9/RP relating to revision of pooled lignite price for the period 2009–14 pursuant to the remand by the Appellate Tribunal for Electricity and consequent inclusion of Mine-II Expansion, interest income amounting to ₹ 166.98 crore on account of outstanding dues due to inclusion of Mine II Expansion in pooled price has been recognised during the year.
- iii) In respect of Thermal Power Station-II (Neyveli), NLC India Limited had filed an appeal before the Appellate Tribunal for Electricity against the Central Electricity Regulatory Commission tariff order for 2009–14 on issues relating to Secondary Fuel Consumption (SFC), Life Extension Programme (LEP) assets and capital expenditure. The Hon'ble Tribunal, vide order dated 17.07.2025, set aside the impugned order on these issues and remanded the matter to CERC. Subsequently, CERC vide order dated 27.03.2026 allowed actual SFC for computing energy charges and inclusion of residual value of LEP assets in capital cost. Accordingly, unbilled interest income of ₹ 70.33 crore for the differential annual fixed cost and Energy charge has been recognised during the year.
- b) Deferred income on Govt. grant includes grant received from Ministry of New and Renewable Energy (MNRE) on various Solar Projects executed by the Company.
- c) Profit on sale of assets includes, an amount of ₹ 89.34 crore w.r.t sale of portion of TPS I assets.
- d) Provision written back includes
- i) By taking into the period of outstanding, realisation made and the trend of realisation expected credit loss provision has been reversed for an amount of ₹ 152.60 Crore
- ii) The provision of ₹ 12.51 crore created earlier has been reversed during the year consequent to the asset being brought into usable condition
- iii) Provision created earlier towards land compensation amounting to ₹ 54.75 crore has been reversed pursuant to a detailed review.
- e) Miscellaneous Income includes
- i) Scrap sales amounting to ₹ 34.56 crore (PY : ₹ 39.24 crore)
- ii) Insurance claims aggregating to ₹ 27.02 crore in respect of Plant & Machinery and damages caused due to floods, etc., have been recognised during the year
- iii) Income amounting to ₹ 16.18 crore from blasting services has been recognised during the year, based on blasting services rendered by the Company to contractors.
- f) NTPL - Miscellaneous Income for the FY 2025-26 includes write back value of unclaimed payables older than 5 years amounting to ₹ 6.36 crore.

Note 30 Cost of fuel consumed

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Coal Consumption	3,458.60	2,295.79
Oil Consumption	242.96	104.01
Bio Mass Pellets Consumption	1.62	0.05
	3,703.18	2,399.85
Less: Transfer to Capital Work in Progress	286.02	137.94
	3,417.16	2,261.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 31 Changes in Inventories

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
OPENING STOCK		
Raw Material		
- Lignite	495.81	327.59
- Coal	212.43	205.29
- Other Minor Minerals	1.66	-
CLOSING STOCK		
Raw Material		
- Lignite	436.22	495.81
- Coal	316.91	212.43
- Other Minor Minerals	5.19	1.66
Less: Transfer to Capital Work in Progress	-	-
Increase (-)/Decrease in Stock	(48.42)	(177.02)

Other Minor minerals includes Ball clay, silica sand and Gravels.

Note 32 Employee Benefits Expenses

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, Wages and Incentives	1,925.90	2,266.78
Contribution to Provident and other funds	340.12	727.14
Gratuity	179.11	48.23
Welfare Expenses	167.24	122.95
	2,612.37	3,165.10
Less: Transfer to Capital Work in Progress	63.72	88.68
	2,548.65	3,076.42

Disclosures as per Ind AS 19, 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 45.

Note 33 Finance Costs

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest Expenses:		
i) KfW - Foreign Currency Loan*	4.80	2.82
ii) NLCIL Bonds	254.69	290.01
iii) Loan from Banks	247.97	311.53
iv) Loan from Power Finance Corporation	1,019.80	771.91
v) Loan from Rural Electrification Corporation	382.20	570.12
vi) Treasury Bill Linked WCDL	33.33	
vii) Others (incl. interest on Cash Credit & WCDL)	33.71	61.20
viii) Interest on Lease Liability	9.50	3.07



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Others:		
i) Discount on Commercial Papers	10.64	66.51
ii) Guarantee Fees on KfW loan	4.43	4.67
	2,001.07	2,081.84
Less: Transfer to Capital Work in Progress	779.49	1,150.08
	1,221.58	931.76

*Net of borrowing cost capitalised of ₹ 9.63 Crore. Refer Note 47

With respect SBI ECB, foreign exchange gain of ₹ 1.33 crore is considered as an adjustment to borrowing costs.

Note 34 Depreciation and Amortisation Expenses

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Property, Plant and Equipment and Intangible assets	2,317.22	1,854.60
Mine Development & other Amortisations	61.33	61.19
Amortisation of ROU Asset	10.29	4.63
	2,388.84	1,920.42
Less: Transfer to Capital Work in Progress	10.26	36.15
	2,378.58	1,884.27

Note 35 Other Expenses

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Consumption of Stores and Spares	877.12	1,043.68
Fuel	205.57	207.81
Mine Closure	65.67	47.84
Rent	1.93	1.92
Rates and Taxes		
- Electricity Tax	0.61	0.54
- Others	754.13	236.84
Repairs and Maintenance		
- Plant and Machinery	691.84	583.48
- Buildings	40.91	37.16
- Others	465.93	445.03
Overburden Removal Expenditure	717.21	681.22
Insurance	114.13	111.01
Payments to Auditors		
- Audit fees	1.13	1.10
- Tax Audit fees	0.12	0.16
- Other Certification Fees	0.30	0.46
- Reimbursement of expenses	0.22	0.21
Travelling Expenses	58.03	53.86
Training Expenses	38.40	35.62
Advertisement	17.58	13.58

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Legal Charges	7.62	11.30
Professional charges	2.63	2.04
Family Welfare Expenses	31.21	30.90
Selling Expenses - Commissions	3.40	1.84
Afforestation Expenses	20.46	20.66
Royalty	1,032.61	1,037.33
Central Industrial Security Force Expenses	260.63	236.35
Corporate Social Responsibility	60.13	52.93
Provision for Unspent CSR	4.79	2.63
Exchange Fluctuation	20.14	5.47
Miscellaneous Expenses	202.05	194.34
Transit and Handling loss	3.01	3.97
Consultancy Charges	23.84	22.72
Electricity Expenses	35.00	26.35
Transmission Charges	66.07	173.82
Commercial Paper Issue Expenses	0.06	0.34
Loss on assets disposed/written off/discarded	17.73	12.53
Provision for Stores & Materials	6.37	5.06
Provision on Fixed Assets	21.03	8.95
Loss allowances for debtors and others	49.61	322.65
Provision for contingency	169.35	160.77
Write off debtors	-	1.90
	6,088.57	5,836.37
Less: Transfer to Capital Work in Progress	104.87	554.95
	5,983.70	5,281.42

- a) The Group has made the provision for loss allowance on debtors is ₹ 49.53 core (PY : ₹ 133.74 crore) and others provision amounting to ₹ 0.08 crore (PY : ₹ 188.91 crore).
- b) NUPPL - Transmission Line Charges has been booked for charges up to 31st March, 2026 as per UPERC order dated 09-07-2021 and 14-02-2023. Appeal against both the UPERC order has been filed with APTEL.

Note 36 Net Movement in Regulatory Deferral Account Balances Income/(Expenses) - Net

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Income		
a) Deferred Foreign Currency	39.61	(27.24)
b) Mine Closure	32.83	(147.23)
c) CERC Orders	300.17	(1,253.93)
Expenses		
a) CERC/SERC orders	(536.87)	(1,494.64)
Net Movement	909.48	66.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- a) The Company has reviewed the final order dated 27.03.2026 from CERC in respect of TPS II for the 2009-14 truing-up pursuant to the remand by Appellate Tribunal for Electricity. In the said order, the Commission allowed actual SFC for computation of energy charges, permitted inclusion of the residual value of LEP assets in the capital cost, and approved the corresponding AFC. Accordingly, the Regulatory Deferral Liability amounting to ₹ 128.41 crore recognised in the books of accounts has been reversed during the year.
- b) The Company undertakes concurrent Mine Closure activity. In line with the Mine Closure Guidelines issued by Ministry of Coal, GoI, actual expenses incurred on mine closure up to a maximum of 50% of the Mine Closure Deposit along with interest in Escrow Account can be withdrawn on verification in every five years. Further, an amount of ₹ 32.84 crore (PY : ₹ 23.92 crore) has been considered as regulatory income/assets based on the revised mine plan.

Further, an amount of ₹ 23.92 crore (PY: ₹ 22.78 crore) has been considered as regulatory income based on the revised mine plan.

- c) During the current year, regulatory liability for NTI with respect to Barsingsar mines to the extent of ₹ 65.99 Crore has been provided by the year.
- d) During the financial year 2022-23, the Company billed an amount of ₹ 386.51 crore to various DISCOMs towards income tax recoverable under the provisions of the CERC Tariff Regulations, pertaining to different tariff periods in respect of payments made under the 'Vivad Se Vishwas Scheme' (VSVS), 2020. Of this, ₹ 68.39 crore has been received from certain DISCOMs. The balance amount remains disputed by other DISCOMs, who have initiated legal proceedings currently pending before various High Courts. In one such matter involving TANGEDCO, the Hon'ble Madras High Court, through its order dated September 11, 2024, disposed of the writ petition with a direction to approach the Central Electricity Regulatory Commission (CERC) for adjudication. TANGEDCO subsequently filed an appeal, and the Division Bench of the Madras High Court Vide court order dated April 9, 2025 this matter has been sent back to CERC once again for resolution in accordance with the law.

Also, the Hon'ble Kerala High Court, vide order dated 12.11.2025, disposed of the matter by remanding it to Central Electricity Regulatory Commission (CERC). Pursuant thereto, NLC India Limited has filed a petition before CERC seeking adjudication of the dispute relating to the Tamil Nadu Generation and Distribution Corporation and Kerala State Electricity Board portions. Further, the writ petition filed by Karnataka DISCOMs was vacated vide order dated 09.03.2026, with directions to approach CERC for appropriate relief. The Company is actively pursuing the vacation of stay orders in other High Courts. Since the matter is sub judice, the company has provided for accrued interest of ₹ 8.54 Cr for the financial year FY 25-26 under regulatory deferral account credit balances.

- e) As the company continues to bill beneficiaries based on the latest available Tariff Order applicable for the previous control period (2019-24), in accordance with the regulations, until the Tariff Order for the current control period (2024-29) is issued. During the year O&M difference amounting to ₹ 119.21 Crore arising between last approved 2019-24 tariff order in respect of Thermal power plants and normative O&M applicable for the current control period 2024-29 is considered under regulatory income.
- f) As per CERC regulations 2024-29, security expenses, water charges and capital spares will be allowed separately after prudence check. By considering the regulations, regulatory income of ₹ 137.06 Crore in respect of those charges for the year ended 31st March 2026 are accounted in regulatory deferral account debit balances.
- g) CERC has issued order on March 14, 2024 read with corrigendum on April 06, 2024 towards Lignite Input Price for tariff period 2009-14. Based on the order, the Company had issued debit notes to TANGEDCO for an amount of ₹ 694.33 Crore (including interest of ₹ 417.63 Crore) w.r.t TPS – I. Further, TANGEDCO had filed a writ petition before the Madras High Court with respect to the interest portion, and an interim stay was granted on 10 July 2024. Subsequently, the stay was vacated by the Hon'ble High Court vide order dated 23 August 2024 with a direction that the matter be adjudicated by Central Electricity Regulatory Commission. Accordingly, TANGEDCO filed a petition before CERC on the direction of high court. In its order dated November 8, 2024, CERC upheld the Company's claim for interest, directing TANGEDCO to make payment within three months from the date of the order. However, TANGEDCO has filed an appeal (Appeal No. 37 of 2025) against the above CERC Order before the Appellate Tribunal for Electricity (APTEL), which is currently pending adjudication. Appellate Tribunal for Electricity vide order dated 12.02.2025 granted interim relief directing payment of 50% by Tamil Nadu Generation and Distribution Corporation Limited and ordered that the appeal be listed for final hearing. Accordingly, based on management assessment during the year, regulatory deferral liability of ₹ 417.63 Crore has been reversed in FY 2025-26.
- h) The regulatory deferral liability of ₹ 30.79 Crore recognised during the previous year has been reversed during the current year on account of issue of credit notes for excess billing made based on the last available Input Price Tariff Order for the control period (2019-24) vis-à-vis input price petition filed in respect of Barsingsar Thermal Power Plant. Billing has thereafter been made based on the petitioned Input Price for the control period (2024-29), with the approval of the competent authority.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- i) Exchange differences (KfW Loan) arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised on an undiscounted basis as Regulatory deferral account debit/credit balance. Accordingly, an amount of ₹ 39.61 crore of regulatory income has been recognised during the year (PY : ₹ -27.24 crore).
- j) NTPL (Subsidiary company) - Based on the Tariff Petition filed for the Period 2024-29 by NTPL, an amount of ₹ 22.98 crore billing difference has been booked in the Regulatory Deferral Expense in the FY 2025-26.
- k) NUPPL - As per CERC regulations 2024-29, security expenses, water charges and capital spares will be allowed separately after prudence check. Hence income in respect of those charges as on 31st March 2026 are accrued in regulatory deferral balances on undiscounted basis. NUPPL bills beneficiaries based on 90% of the annual fixed cost as per revised tariff petition filed with CERC on COD of Unit-2. The O&M charges is allowed by the regulations on a normative basis and since, the NUPPL has only billed 90% of the normative O&M charges, the difference arising between billed O&M charges and normative O&M applicable for the current control period is also considered under above regulatory deferral balances.
- l) The group undertakes review of regulatory assets and liabilities at the end each year and based on reassessment of recoverability/refund of such assets/liabilities necessary accounting adjustments are carried out and based on expert opinion wherever required period cost on regulatory liability has also been considered subject to approval of Regulatory Authority.

Note 37 Other Comprehensive Income

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a Items that will not be reclassified to Profit or Loss:		
a) Remeasurement of Actuarial Gains/(Losses)	(9.73)	(20.61)
b) Tax expenses/(savings) Remeasurement of Actuarial Gains/(Losses)	2.84	6.82
Total (a-b)	(6.89)	(13.79)
b Items that will be reclassified to Profit or Loss:		
a) Cash Flow Hedge Reserve		
b) Cost of Hedge Reserve	(6.46)	-
c) Tax expenses/(savings) relating to items that will be reclassified to Profit or Loss	-	-
Total (a+b-c)	(6.46)	-

Note 38 Earnings per Equity Share (EPS):

Earnings per Equity Share (of ₹ 10 each) (before adjustment of Net Regulatory Deferral Balances)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Profit after Tax (₹ in Crore)	2,883.76	2,769.83
Weighted Avg. Number of Shares (No's)	1386636609	1386636609
Face Value of Share (₹)	10.00	10.00
Earning Per Share - Basic and Diluted (₹)*	20.80	19.98

Earnings per Equity Share (of ₹ 10 each) (after adjustment of Net Regulatory Deferral Balances)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Profit after Tax (₹ in Crore)	3,522.20	2,621.36
Weighted Avg. Number of Shares (No's)	1386636609	1386636609
Face Value of Share (₹)	10.00	10.00
Earning Per Share - Basic and Diluted (₹)*	25.40	18.90

The Group does not have any potentially dilutive shares, thus the basic and the diluted earnings per share is the same.

*EPS excluding NCI in both CY and PY



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 39 Disclosure as per IND AS I 'Presentation of Financial Statements'

a) Disclosure of accounting policies

Pursuant to amendment in IND AS 1, the Group has disclosed material accounting policies (Note no. 1)

b) Reclassification of comparative figures

The Group has made certain reclassifications to the comparative period’s financial statements mainly to enhance comparability with the current year’s financial statements.

(₹ in Crore)			
Particulars	Before Reclassification	Reclassification	After Reclassification
1 Other Non-Current Assets (Note no. 9)	2,566.66	(351.58)	2,215.08
2 Current Financial Asset- Investments (Note no. 11(a))	-	1.40	1.40
3 Current Assets - Trade Receivable (Note no. 11(b))	3,141.45	980.14	4,121.59
4 Current Assets - Other financial Asset (Note no. 11(f))	1,078.01	(629.96)	448.05

Note 40 Effect of Foreign Exchange Fluctuation

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a) The amount of exchange rate difference debited/(credited) to the Profit & Loss Account	19.89	(0.74)
b) The amount of exchange rate difference Adjustment and debited/(credited) to the carrying amount of fixed assets & WIP	60.57	8.17
	80.46	7.43

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.

Note 41 Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets':

(₹ in Crore)				
Movement in Provisions	As on April 1, 2025	Additions	Withdrawals	As on March 31, 2026
i) Provision for loss on Assets	85.32	24.31	35.60	74.03
ii) Provision for contingencies	326.56	169.56	0.21	495.91
iii) Provision for other items (other than Gratuity)	176.00	31.89	54.87	153.02
iv) Provision for unspent CSR	9.14	4.80	4.71	9.23
	597.02	230.56	95.39	732.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- a. In all these cases, outflow of economic benefits is expected within next one year.
- b. The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Group to compute the possible effect of assumptions and estimates made in recognising these provisions.

Note 42 Disclosure of transactions with the related parties as defined in the Ind AS-24 are given below:

a) List of related parties

i) Key Managerial Personnel (KMP):

(A) Parent Company

Whole Time Directors		
Shri. Prasanna Kumar Motupalli	Chairman and Managing Director	
Dr. Suresh Chandra Suman	Director (Mines)	
Shri. Samir Swarup	Director (Human Resource)	
Shri. M Venkatachalam	Director (Power)	
Dr. Prasanna Kumar Acharya	Director (Finance)	
Shri. Rajesh Pratap Singh Sisodia	Director (Planning and Projects)	Appointed w.e.f 02.12.2025

Independent Directors		
Shri. M.T. Ramesh	Non-Executive Director	Relinquished w.e.f. 28.03.2026
Dr. Vasant Ashok Patil	Non-Executive Director	Relinquished w.e.f. 28.03.2026
Shri. Pradeep Kumar Saraogi	Non-Executive Director	Relinquished w.e.f. 28.03.2026

Nominee Directors		
Smt. Vismita Tej	Non-Executive Director	Relinquished w.e.f. 03.04.2025
Shri. Sanjeev Kumar Kassi	Non-Executive Director	Appointed w.e.f 03.04.2025
Shri. Sanjeev Kumar Kassi	Non-Executive Director	Relinquished w.e.f. 01.05.2025
Shri. Sanoj Kumar Jha	Non-Executive Director	Appointed w.e.f 09.05.2025
Shri. Mangat Ram Sharma	Non-Executive Director	Appointed w.e.f 16.01.2026
Smt. Beela Venkatesan	Non-Executive Director	Relinquished w.e.f. 24.09.2025 (Due to demise)

Chief Financial officer and Company Secretary		
Dr. Prasanna Kumar Acharya	Chief Financial Officer	
Shri. Prashant Vinay Kaushik	Company Secretary	Relinquished w.e.f 29.10.2025
Shri. Sushanta Kumar Panda	Company Secretary	Appointed w.e.f 30.10.2025

(B) Subsidiary Companies

NLC Tamilnadu Power Limited (NTPL)		
i) Directors		
Shri. Prasanna Kumar Motupalli	Chairman	
Shri. M Venkatachalam	Director	
Dr. Suresh Chandra Suman	Director	Relinquished w.e.f. 02.12.2025
Dr. Prasanna Kumar Acharya	Director	
Shri. K Karukkuvel Rajan	Director	Relinquished w.e.f. 01.10.2025
Shri. Deepak Goel	Director	
Shri. Govinda Rao Mantri	Additional Director	Appointed w.e.f 24.11.2025
Shri. Rajesh Pratap Singh Sisodia	Additional Director	Appointed w.e.f 02.12.2025

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

a) List of related parties		
ii) Key Managerial Personnel (KMP):		
Shri. K.Anandaramanujam	Chief Executive Officer	
Shri. Rajinder Kumar Singh	Chief Financial Officer	
Smt. K.Suganyaa	Company Secretary	
Neyveli Uttar Pradesh Power Limited (NUPPL)		
i) Directors:		
Shri. Prasanna Kumar Motupalli	Chairman	
Shri. Sudheer Babu Motana	Director	
Shri. M Venkatachalam	Director	
Dr. Prasanna Kumar Acharya	Director	
Shri. Nidhi Kumar Narang	Director	Relinquished w.e.f 17.08.2025
Shri. Sanjay Kumar Dutta	Director	
Shri. Samir Kumar Swain	Director	Appointed w.e.f 27.08.2025
ii) Key Managerial Personnel (KMP):		
Shri. S Durai Kumar	Chief Executive Officer	
Shri. Ashok Kumar Mali	Chief Financial Officer	
Shri. Nikhil Kumar	Company Secretary	
NLC India Renewables Limited (NIRL)		
i) Directors		
Shri. Prasanna Kumar Motupalli	Director	
Dr. Suresh Chandra Suman	Director	Relinquished w.e.f 03.12.2025
Dr. Prasanna Kumar Acharya	Director	
Shri. Ramachandra R Parashar	Additional Director	Appointed w.e.f 07.01.2026
Smt. Rani Alli	Director	Relinquished w.e.f 01.07.2025
Shri. Rajesh Pratap Singh Sisodia	Additional Director	Appointed w.e.f 03.12.2025
ii) Key Managerial Personnel (KMP):		
Shri. Devendra Pratap Singh	Chief Executive Officer	
Smt. Jatavallabhula Padmavathi	Chief Financial Officer	
Shri. Prashant Vinay Kaushik	Company Secretary	Appointed w.e.f 15.11.2025
Smt. Deepali Agarwal	Company Secretary	Relinquished w.e.f 15.11.2025
NLC India Green Energy Limited (NIGEL)		
i) Directors		
Shri. Prasanna Kumar Motupalli	Director	
Shri. N. Hariramakrishnan	Director	Relinquished w.e.f 30.06.2025
Shri. D Dhanapal	Additional Director	Appointed w.e.f 13.01.2026
ii) Key Managerial Personnel (KMP):		
Shri. Anbuchelvan	Chief Executive Officer	
Shri. Sanjay Sen	Chief Financial Officer	
Shri. Sujit Lal Lohar	Company Secretary	
NLC RAJASTHAN POWER LIMITED (NRPL)		
i) Directors		
Shri. Prasanna Kumar Motupalli	Director	Appointed w.e.f 02.06.2025
Dr. Suresh Chandra Suman	Director	Appointed w.e.f 02.06.2025
Shri. M Venkatachalam	Director	Appointed w.e.f 02.06.2025
Dr. Prasanna Kumar Acharya	Director	Appointed w.e.f 02.06.2025
Shri. Manoj Kumar Khandelwal	Director	Appointed w.e.f 02.06.2025
Shri. Sanjay Sanadhya	Additional Director	Appointed w.e.f 05.03.2026
Shri. Devendra Sringi	Director	Relinquished w.e.f. 05.03.2026



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

a) List of related parties		
ii) Key Managerial Personnel (KMP):		
Shri. Vijaya Kumar Shanmugham	Chief Executive Officer	Appointed w.e.f 26.06.2025
Shri. Yatendra Kumar Upadhyay	Chief Financial Officer	Appointed w.e.f 07.10.2025
(C) Step Down Subsidiary Companies		
NIRLASSAM RENEWABLES LIMITED (NARL)		
ii) Subsidiaries, Joint Ventures and Associates:		
i) Directors		
Shri. Prasanna Kumar Motupalli	Director	Appointed w.e.f 07.05.2025
Shri. Rakesh Kumar	Director	Appointed w.e.f 07.05.2025
Dr. Prasanna Kumar Acharya	Director	Appointed w.e.f 07.05.2025
Shri. Bijoy Sankar Baruah	Director	Appointed w.e.f 07.05.2025
Shri. Rajesh Pratap Singh Sisodia	Additional Director	Appointed w.e.f 10.12.2025
Dr. Suresh Chandra Suman	Director	Relinquished w.e.f 10.12.2025
ii) Key Managerial Personnel (KMP):		
Shri. Ravish	Chief Executive Officer	Appointed w.e.f 09.05.2025
Shri. R Srinivasan	Chief Financial Officer	Appointed w.e.f 09.05.2025
NIRL RAJASTHAN RENEWABLES LIMITED (NRRL)		
i) Directors		
Shri. Prasanna Kumar Motupalli	Director	Appointed w.e.f 02.06.2025
Dr. Prasanna Kumar Acharya	Director	Appointed w.e.f 02.06.2025
Shri. Manoj Kumar Khandelwal	Director	Appointed w.e.f 02.06.2025
Shri. Rajesh Pratap Singh Sisodia	Additional Director	Appointed w.e.f 10.12.2025
Shri. Kajod Lal Meena	Additional Director	Appointed w.e.f 18.07.2025
Dr. Suresh Chandra Suman	Director	Relinquished w.e.f 10.12.2025
ii) Key Managerial Personnel (KMP):		
Shri. D Muthukumaravel	Chief Executive Officer	Appointed w.e.f 26.06.2025
Smt. Rekha Agarwal	Chief Financial Officer	Appointed w.e.f 07.10.2025
Smt. R Varshini	Company Secretary	Appointed w.e.f 07.10.2025
ii) Subsidiaries, Joint Ventures and Associates:		
- NLC Tamilnadu Power Limited (NTPL)	Subsidiary	
- NLC India Renewables Limited (NIRL)	Wholly Owned Subsidiary	
- NLC India Green Energy Limited (NIGEL)	Wholly Owned Subsidiary	
- NLC Rajasthan Power Limited (NRPL)	Subsidiary	
- MNH Shakti Limited	Associate	
- Coal Lignite Urja Vikas Private Limited (CLUVPL)	Joint Venture	
- NIRL Assam Renewables Limited (NARL)	Step down Subsidiary	
- NIRL Rajasthan Renewables Limited (NRRL)	Step down Subsidiary	
iii) Post Employment Benefit Plans:		
- NLC Employees PF Trust		
- NLC Employees Pension Fund		
- NLC Post Retirement Medical Assistance Fund		
- NLC Employee Gratuity Fund		



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

iii) Entities under the control of the same government:

The Company is a Public Sector Undertaking (PSU) wherein majority of shares are held by the President of India. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available under Paragraph 25 & 26 of Ind AS 24 for government related entities and have made disclosures accordingly in the financial statements.

b) Transactions with the related parties:

The aggregate value of transactions and outstanding balances related to key managerial personnel and entities over which they have control or significant influence were as follows:

(₹ in Crore)		
i) Key Management Personnel compensation	Year ended March 31, 2026	Year ended March 31, 2025
Short-Term Employee Benefit	6.73	5.86
Post-employment benefits	0.85	0.49
Other long-term benefits	0.85	0.69
Sitting fees	0.36	0.31
	8.79	7.35
(₹ in Crore)		
ii) Transactions with Post employment benefit plans:	Year ended March 31, 2026	Year ended March 31, 2025
Contributions made during the year	319.44	339.71

iii) Transactions with the related parties under the control of the same government:

(₹ in Crore)			
Name of the Company	Nature of transaction	2025-26	2024-25
Bharat Heavy Electricals Limited	Purchase of Stores and spares and package contracts	19,439.36	754.41
BEML Limited	Purchase of Stores and spares and package contracts	91.58	117.11
Hindustan Petroleum Corporation Limited	Purchase of furnace oil	464.11	291.11
Bharat Petroleum Corporation Limited	Purchase of furnace oil	697.03	290.42
Indian Oil Corporation Limited	Purchase of furnace oil	617.37	371.87
Steel Authority Of India Limited	Purchase of Steel	385.65	46.37
Balmer Lawrie & Co Limited	Purchase of Lubricants	14.88	15.57
MSTC Limited	E-auction agent Commission	3.46	1.53
Mecon Limited	Consultancy Services-MOEF norms	0.01	0.12
Instrumentation Limited	Supply of spares	0.38	1.15
Power Grid Corporation Of India Limited	Maintenance Contract	36.91	1.09
Central Power Research Institute (CPRI)	Consultancy and Testing Fee	0.53	0.57
Projects Development India Limited	Consultancy Services-Methanol Project	-	0.06
LIC India Limited	Risk Insurance Policy Premium	59.49	-
National Insurance company Limited	PRMI Insurance/Mega insurance	101.22	42.99
New India Assurance Company Limited	Insurance Premium (group insurance)	1,806.50	1.49
United India Insurance Company Limited	Insurance Premium	3.31	9.87
Oriental Insurance Company Limited	Insurance Premium	0.03	0.74
Railtel Corporation of India Limited	Internet Services	-	0.05
Rites Limited	Consultancy for Railway siding	30.02	25.99
NTPC limited	Sale of Coal	449.56	947.66
Bharat Sanchar Nigam Limited (BSNL)	Land Line and Internet Services	2.71	0.63
Grid Controller of India Limited	Transmission Charges	153.79	105.53

(₹ in Crore)			
Name of the Company	Nature of transaction	2025-26	2024-25
National Informatics Centre Services	E mail Service	2.66	-
Certification Engineers International	TPI Charges	0.33	0.41
Central Transmission Utility of India	Transmission Charges	5.37	1.76
National Power Training Institute	Seminar/Conference Participation Fee	0.01	-
Engineers India Limited	Project consultancy works	0.41	2.11
National Securities Depository Limited	Annual Custodial Charges	0.01	0.01
Petroleum Conservation Research Association (PCRA)	Energy Audit	-	0.01
National Productivity Council	Seminar/Conference Participation Fee	0.12	-
National Buildings Construction Corporation Limited	Purchase/Construction of Asset	37.31	0.93
Hindustan Antibiotics Limited	Purchase of medicine	0.55	0.14
Karnataka Antibiotics and Pharmaceuticals Limited	Purchase of medicine	0.60	0.06
Wapcos Limited	Consultancy Services	-	0.50
SJVN Limited	Bid Processing Charges	-	0.18
National Institute of Technology	Consultancy Services	0.03	0.02
Structural Engineering Research Centre	Inspection Charges	0.86	0.06
Department Of Telecommunication (DOT)	Spectrum Charges	-	0.02
Bureau of Indian Standards	Consultancy Services	-	0.04
National Metallurgical Laboratory	Consultancy Services	-	0.02
Energy Efficient Services Limited	E Vehicle Services	-	0.10
Mineral Exploration Corp Ltd, Nagpur	Consultancy Services	0.00	-
Edcil (India) Limited	Consultancy Services	0.43	-
Central Institute of Mining	Consultancy Services	0.00	-
Airports Authority of India	Advertising Services	0.01	-
Geological Survey of India	Analysis charges	0.00	-
National Council for Cement and Building Materials	Analysis charges	0.00	-
Tantranseo Limited	Maintenance of 230KV &110Kv Tower Lines, Rental Charges for CAAQMS	0.34	-
Central Mine Planning Development	Consultant fee	0.70	-
Central Electrochemical Research Institute	Sample Testing Fee	0.03	-
Cupid Limited	Purchase of stores and consumables	0.00	-
WPIL Limited	Purchase of stores and consumables	3.07	-
Electronic corporation of India Limited	Rental charges for EVM	0.06	-
V.O Chidambaram Port Trust	Wharfage Charges	2,426.00	27.11
Mahanadi Coal Fields (MCL)	Purchase of Coal	-	7.55
Eastern Coal Fields Limited	Purchase of Coal	403.99	-
Quality Control of India	Sampling and Analysis of Coal	128.41	1.66
NSDL Database Management Limited	Annual Custodian Charges and Corporate Action Fee	-	0.00
Northern Coalfields Limited	Purchase of coal	528.64	207.86
Central Coalfields Limited	Purchase of Coal	219.39	-
HITES Limited	Consultancy Service	1.78	-
Hindustan Latex FPP Trust	Purchases of medicines	0.34	-
Solar Energy Corporation	Tender fee and Bid processing fee	0.24	-
NHPC Limited	Tender fee and Bid processing fee	0.35	-



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

c) Outstanding balances with related parties are as follows:

(₹ in Crore)

i) Key Managerial Personnel	Transactions value for the year ended March 31,		Balance outstanding as at March 31,	
	2025-26	2024-25	2025-26	2024-25
Shri. Udhayashankar/Company Secretary				
- CAR Loan		0.01		
- Multipurpose Loan		0.01		
Shri.Sushanta Kumar Panda/Company Secretary				
- Festival Advance	0.00		0.00	
Shri. D.Dhanapal - Chief Financial Officer/NTPL				
- Multi Purpose Loan		0.01		
Smt. K.Suganyaa, Company Secretary/NTPL				
- Festival Advance	0.00	0.00	-	0.00
Shri. Ashok Kumar Mali/CFO/NUPPL				
- Car advance	0.01	0.01	0.03	0.03
Shri. Nikhil Kumar, Company Secretary/NUPPL				
- Car advance	0.01	0.00	0.06	0.07

ii) Post Employment Benefit Plan:

(₹ in Crore)

Description	Balance outstanding as at March 31,	
	2025-26	2024-25
- Receivable		-
- Payable	27.21	28.56

d) Terms and conditions of transactions with the related parties

- Transactions with the related parties are made on normal commercial terms and conditions and at prevailing market rates.
- NLCIL (The Holding company) is seconding its personnel to Subsidiary Companies as per the terms and conditions agreed between the companies. The cost incurred by the group towards superannuation and employee benefits are recovered from these companies.
- Outstanding balances of Subsidiaries and Associate at the year-end other than Loans are unsecured and interest free.
- For the year ended March 31, 2026 and March 31, 2025 the Group has not recorded any impairment of receivables relating to amounts payable by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 43 Non- Controlling Interests

Set out below is summarised financial information for each subsidiary that has non-controlling interest. The amounts disclosed for each subsidiary are before inter-company eliminations.

(₹ in Crore)

March 31, 2026	NLC Tamilnadu Power Ltd. (NTPL)	Neyveli Uttar Pradesh Power Ltd. (NUPPL)	NLC Rajasthan Power Limited (NRPL)	NIRL Rajasthan Renewables Limited (NRRL) - (Subsidiary of NIRL)	NIRL Assam Renewables Limited (NARL) - (Subsidiary of NIRL)	Intra-group Eliminations	Total
NCI %	11%	49%	26%	26%	49%	-	-
Summarised balance sheet as at March 31, 2026							
Non-Current Asset	4,683.32	21,711.97	-	33.54	-	-	26,428.83
Current Asset	1,098.13	2,128.19	0.05	0.09	0.04	-	3,226.50
Non-Current Liability	371.44	15,609.19	-	-	-	-	15,980.63
Current Liability	836.69	1,623.96	0.02	0.01	0.01	-	2,460.69
Net Asset	4,573.32	6,607.01	0.03	33.62	0.03	-	11,214.01
Net Assets attributable to NCI	503.07	3,237.42	0.01	8.74	0.01	-	3,749.25
Summarised statement of profit and loss for the year ended March 31, 2026							
Total Income	3,477.98	3,355.87	-	0.00	-	-	6,833.85
Profit for the period	1,191.71	238.15	(0.02)	(1.93)	(0.02)	-	1,427.89
OCI	(0.24)	(0.23)	-	-	-	-	(0.47)
Total Comprehensive income	1,191.47	237.92	(0.02)	(1.93)	(0.02)	-	1,427.42
Profit Allocated to NCI	131.09	116.69	(0.01)	(0.50)	(0.01)	-	247.26
OCI allocated to NCI	(0.03)	(0.11)	-	-	-	-	(0.14)
Dividends paid to NCI	28.88	-	-	-	-	-	28.88
Summarised cash flows for the year ended March 31, 2026							
Cash flows from/(used in) operating activities	1,816.12	794.94	(0.00)	(2.56)	(0.01)	-	2,608.49
Cash flows from/(used in) investing activities	(274.50)	(1,894.00)	-	(32.66)	-	-	(2,201.16)
Cash flows from/(used in) financing activities	(1,416.74)	1,351.90	0.05	35.31	0.05	-	(29.43)
Net increase (decrease) in cash and cash equivalents	124.88	252.84	0.05	0.09	0.04	-	377.90



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)				
March 31, 2025	NLC Tamilnadu Power Ltd.	Neyveli Uttar Pradesh Power Ltd.	Intra-group Eliminations	Total
NCI %	11%	49%	-	-
Summarised balance sheet as at March 31, 2025				
Non-Current Asset	4,412.10	20,102.19	-	24,514.29
Current Asset	1,866.86	737.31	-	2,604.17
Non-Current Liability	662.41	13,201.04	-	13,863.45
Current Liability	1,972.14	1,881.60	-	3,853.74
Net Asset	3,644.41	5,756.86	-	9,401.27
Net Assets attributable to NCI	400.89	2,820.86	-	3,221.75
Summarised statement of profit and loss for the year ended March 31, 2025				
Total Income	5,091.95	703.66	-	5,795.61
Profit for the period	1,060.69	(49.87)	-	1,010.82
OCI	(0.45)	(0.60)	-	(1.05)
Total Comprehensive income	1,060.24	(50.47)	-	1,009.77
Profit Allocated to NCI	116.68	(24.43)	-	92.25
OCI allocated to NCI	(0.05)	(0.30)	-	(0.35)
Dividends paid to NCI	24.07	-	-	24.07
Summarised cash flows for the year ended March 31, 2025				
Cash flows from/(used in) operating activities	1,535.58	(159.96)	-	1,375.62
Cash flows from/(used in) investing activities	338.69	(1,419.70)	-	(1,081.01)
Cash flows from/(used in) financing activities	(1,863.88)	1,581.81	-	(282.07)
Net increase (decrease) in cash and cash equivalents	10.39	2.14	-	12.54

Note 44 Disclosure in respect of the Equity Accounted Investees as per Ind AS-112 is furnished as under:

(i) Equity Accounted Joint Venture

Company Name : M/s Coal Lignite Urja Vikas Private Limited

Registered Office : Coal India office, Scope Minar, New Delhi

NLC India Limited and Coal India Limited has entered into a joint venture agreement for incorporating a company namely Coal Lignite Urja Vikas Private Limited (CLUVPL) with 50 : 50 equity participation. The newly formed company is incorporated on 10.11.2020 with the objective to develop and operate the conventional as well as renewable power projects and also to provide Project Management Consultancy (PMC) services for developing power projects.

(₹ in Crore)		
Particulars	2026	2025
Interest in Coal Lignite Urja Vikas Private Limited	1.16	1.52
Balance as at March 31,	1.16	1.52

The following table summarises the Un-audited financial information of Coal Lignite Urja Vikas Private Limited as included in its own financial statements, adjustment for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Coal Lignite Urja Vikas Private Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)		
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Percentage ownership interest	50.00%	50.00%
Non-current assets	-	-
Current assets	2.52	3.18
Non-current liabilities	-	-
Current liabilities	0.21	0.15
Net assets (100%)	2.31	3.03
Group's share of net assets (50%)	1.15	1.51
Elimination of unrealised profit and loss (if any)	-	-
Carrying amount of interest in Joint Venture	1.16	1.52
Revenue	0.29	0.17
Other Income	0.16	0.19
Depreciation & amortisation	-	-
Finance cost	0.00	0.00
Employee benefit	-	-
Other expenses	0.07	0.01
Profit before tax	0.38	0.35
Income tax expense	0.09	0.09
Profit from continuing operations (100%)	0.28	0.27
Total comprehensive income (100%)	0.28	0.27
Total comprehensive income (50%)	0.14	0.13
Elimination of unrealised profit and loss (if any)	-	-
Group's share of total comprehensive income	0.14	0.13
Carrying amount of interests in Joint Venture	1.16	1.52
Share of:		
Profit from continuing operations	0.14	0.13
OCI	-	-

(ii) Equity Accounted - Associates

Company Name : M/s MNH Shakti Limited

Registered Office : Anand Vihar, PO Jagruti Vihar, Sambalpur District, Odisha.

M/s. Mahanadi Coalfields Limited (MCL), NLC & Hindalco formed MNH Shakti Limited, a Joint Venture Company with equity participation of 70:15:15 to implement 20.0 MTPA coal mining project in Talabira in the State of Odisha. The Talabira II & III coal blocks allocated for this purpose have been cancelled pursuant to the judgement dated 25th August 2014 of Hon'ble Supreme Court of India and the coal Mines (Special Provisions) Ordinance 2014 dated 21st October 2014. The JV Company has proposed for the winding up and necessary formalities are being worked out by them.

(₹ in Crore)		
Particulars	2026	2025
Interest in MNH Shakti	6.70	6.56
Balance as at March 31,	6.70	6.56



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarises the financial information of MNH Shakti as included in its own financial statements, Adjustment for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group’s interest in MNH Shakti.

	(₹ in Crore)	
Particulars	March 31, 2026	March 31, 2025
Percentage ownership interest	15.00%	15.00%
Non-current assets	0.01	0.01
Current assets	47.36	46.06
Non-current liabilities	-	-
Current liabilities	2.69	2.36
Net assets (100%)	44.68	43.71
Group’s share of net assets (15%)	6.70	6.56
Elimination of unrealised profit and loss (if any)	-	-
Carrying amount of interest in associate	6.70	6.56
Revenue	-	-
Other Income	1.55	1.29
Depreciation & amortisation	-	-
Finance cost	0.15	0.15
Employee benefit	0.07	0.14
Other expenses	0.03	0.04
Profit before tax	1.30	0.95
Income tax expense	0.33	0.24
Profit from continuing operations (100%)	0.97	0.71
Total comprehensive income (100%)	0.97	0.71
Total comprehensive income (15%)	0.15	0.11
Elimination of unrealised profit and loss (if any)	-	-
Group’s share of total comprehensive income	0.15	0.11
Carrying amount of interests in associates	6.70	6.56
Share of:		
Profit from continuing operations	0.15	0.11
OCI	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 45 Employee benefits

A. Defined Contribution Plans

1. Pension Scheme

The Group operates a defined contribution pension scheme for its eligible employees. Employees who has joined on or before 31.10.2024 are provided an option to either participate in the Group trust-managed pension fund or the National Pension System (NPS). After 31.10.2024, new joiners will be enrolled with NPS under the corporate scheme by default. In either case, Group’s contribution is made at predetermined rates and recognised as employee benefits expense in the Statement of Profit and Loss in the year in which the related services are rendered. The Group has no further obligation beyond such contributions.

During the year ended March 31, 2026, an amount of ₹ 131.27 crore (Previous Year: ₹ 140.36 crore) has been recognised as expense towards this scheme.

2. Post Retirement Medical Facilities (PRMF)

The Group operates Post-Retirement Medical Facilities (PRMF) scheme which provides medical coverage for eligible retired employees and their spouses/dependants administered through a separate trust. In accordance with the guidelines issued by the Department of Public Enterprises (DPE),the Group’s obligation is limited to the contributions/premiums payable under the scheme and accordingly the scheme is accounted for as a defined contribution plan. For employees retired on or before 31 December 2006, medical assistance is provided through Mediclaim insurance policies and fixed cash reimbursements, for which a separate fund/ reserve is maintained by the Group through annual contribution of upto 1.5% of Profit Before Tax (PBT). For employees retired after 31 December 2006, medical assistance is provided through Mediclaim insurance policies and fixed contributions are made towards the scheme in accordance with the applicable policy. The Group’s obligation is limited to the contributions/premiums payable towards the scheme.

Accordingly, Contribution and insurance premium of ₹ 81.24 crore (Previous year: ₹ 447.26 crore) has been recognised as employee benefits expense in the Statement of Profit and Loss for employees. Closing provision outstanding towards PRMA as at 31 March 2026 amounts to ₹ 16.17 crore (31 March 2025: ₹ 387.87 crore).

(i) Defined benefit plans:

The defined benefit plans are administered through trusts that is legally separated from the Group. The board of the trustees is required by law to act in the best interest of the plan participants and is responsible for setting certain policies (e.g. investment, contribution and indexation policies) of the trust. The Group's defined benefit plans expose the Group to actuarial risks, such as longevity risk, salary escalation risk, interest rate risk and market (investment) risk.

A. Funding

Defined benefit plan is fully funded by the Group. The funding requirements are based on the fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose.

The Group has determined that in accordance with the terms and conditions of the defined benefit plan, and in accordance with statutory requirements, the present value of refunds or reductions in future contributions is not lower than the balance of the total fair value of the plan asset less the total present value of obligations.

B. Movement in net defined benefit (Asset) Liabilities

1. Gratuity

The Group has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26* last drawn wages) for each completed year of service subject to a maximum of ₹ 0.25 Crore on superannuation, resignation, termination, disablement or on death. The gratuity scheme is funded by the Group and is managed by separate fund (NLC Employee Gratuity Fund) and administered by LIC. The liability for gratuity scheme is recognised on the basis of actuarial valuation using projected unit credit method.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)			
Particulars	Gratuity		
	Defined benefit Obligations	Fair value of plan asset	Net Amount
Balance as at April 1, 2025	965.17	896.26	68.91
Included in profit and loss			
Current Service Cost	46.02	-	46.02
Past service cost and gain or loss on settlement	131.15	-	131.15
Interest cost/Expected return on plan assets	58.99	56.66	2.33
Included in OCI			
Remeasurement of loss (gain):			
Actuarial loss (gain) arising from			
Demographic assumptions	-	-	-
Financial assumptions	(13.15)	-	(13.15)
Experience adjustment	30.69	7.73	22.96
Return on plan asset excluding interest income	-	-	-
Change in the effect of the asset ceiling	-	-	-
Increase/(decrease) due to effect of any business combination/disinvestment/transfer	-	-	-
Other			
Contributions Paid by the employer	-	68.91	(68.91)
Benefits paid	(185.00)	(185.00)	-
Balance at March 31, 2026	1,033.87	844.56	189.31

(₹ in Crore)			
Particulars	Gratuity		
	Defined benefit Obligations	Fair value of plan asset	Net Amount
Balance as at April 1, 2024	1,007.76	979.55	28.21
Included in profit and loss			
Current Service Cost	47.36	-	47.36
Past service cost and gain or loss on settlement	-	-	-
Interest cost/Expected return on plan assets	61.95	61.00	0.95
Included in OCI			
Remeasurement of loss (gain):			
Actuarial loss (gain) arising from			
Demographic assumptions	-	-	-
Financial assumptions	7.25	-	7.25
Experience adjustment	23.48	10.12	13.36
Return on plan asset excluding interest income	-	-	-
Change in the effect of the asset ceiling	-	-	-
Increase/(decrease) due to effect of any business combination/disinvestment/transfer	-	-	-
Other			
Contributions Paid by the employer	-	28.22	(28.22)
Benefits paid	(182.63)	(182.63)	-
Balance at March 31, 2025	965.17	896.26	68.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)		
Particulars	Gratuity	
	March 31, 2026	March 31, 2025
Represented by:		
Defined benefit asset	844.56	896.26
Defined benefit liability	1,033.87	965.17

I) Plan Asset

Plan assets comprises the followings:

(₹ in Crore)		
Particulars	Gratuity	
	March 31, 2026^	March 31, 2025
Equity Securities	19.85%	19.85%
Govt Bonds	80.15%	80.15%

^Provisional

Details of the employee benefits and plan assets are provided below:

(₹ in Crore)		
Particulars	Gratuity	
	March 31, 2026	March 31, 2025
Present value of defined benefit obligation	1,033.87	965.17
Less : Fair value of plan assets	844.56	896.26
Net defined benefit (asset)/liability	189.31	68.91
Unrecognised past service cost	-	-

II) Actuarial Assumptions

The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

(₹ in Crore)		
Particulars	Gratuity	
	March 31, 2026	March 31, 2025
Discount rate per annum	7.13%	6.76%
Expected return per annum on plan asset	6.76%	6.95%
Salary escalation per annum	5.00%	5.00%
Mortality	IALM 2012-14 ULT	IALM 2012-14 ULT
Attrition rate	1.00%	1.00%



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

III) Sensitivity Analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, the defined benefit obligation amount will be as under.

(₹ in Crore)				
Particulars	Gratuity			
	March 31, 2026		March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 50 BP)	1,015.89	1,052.21	947.95	984.25
Salary escalation per annum (+/- 50 BP)	1,040.66	1,026.31	970.24	959.61
Mortality (+/- 10%)	1,033.90	1,033.23	965.50	964.77
Attrition rate (+/- 1%)	1,036.95	1,030.02	968.66	961.32

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(₹ in Crore)					
Expected maturity analysis of the defined benefit plans in future years	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2026					
Gratuity	225.41	180.56	380.94	246.66	1,033.57
Total	225.41	180.56	380.94	246.66	1,033.57
Expected maturity analysis of the defined benefit plans in future years	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2025					
Gratuity	176.41	163.74	364.79	260.23	965.17
Total	176.41	163.74	364.79	260.23	965.17

Expected contributions to the plan for the next reporting period is ₹ 45.71 crore (PY : ₹ 19.53 crore)

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 8.71 years (31 March 2025: 8.72 years).

Provident Fund

The Group pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Group has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Group has obtained report of the actuary, based on which overall interest earnings and cumulative surplus is more than the statutory interest payment requirement for all the periods presented. Further, contribution to employee pension scheme is paid to the appropriate authorities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the provident fund plan as at balance sheet date:

(₹ in Crore)						
Particulars	Defined benefit Obligations		Fair value of plan asset		Net defined benefit (asset)/liability	
	2026	2025	2026	2025	2026	2025
Balance as at April 1	2,888.32	2,938.33	2,881.63	2,944.26	6.69	(5.93)
Current Service Cost	122.80	159.54	122.80	159.54	-	-
Interest cost/Expected return on plan assets	180.74	194.70	184.44	200.66	(3.70)	(5.96)
Actuarial loss/(gain)	9.95	(137.23)	12.94	(149.13)	(2.99)	11.90
Interest rate guarantee Deficit/(Surplus)	(10.22)	6.68	-	-	(10.22)	6.68
Contributions Paid by the employer	288.06	294.13	288.06	294.13	-	-
Benefits paid	(717.34)	(567.83)	(717.34)	(567.83)	-	-
Balance at March 31	2,762.31	2,888.32	2,772.53	2,881.63	(10.22)	6.69

Pursuant to Para 57 of Ind AS 19, accounting by an entity for defined benefit plans, inter-alia, involves determining the amount of the net defined benefit liability (asset) which shall be adjusted for any effect of limiting a net defined benefit asset to the asset ceiling prescribed in Para 64. As per Para 64 of Ind AS 19, in case of surplus in a defined benefit plan, an entity shall measure the net defined benefit asset at the lower of actual surplus or the value of the assets ceiling determined using the discount rate. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Further, Para 65 provides that a net defined benefit asset may arise where a defined benefit plan has been overfunded or where actuarial gains have arisen.

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act,1952, the Group has no right to the benefits either in the form of refund from the plan or reductions in future contribution to the plan towards the net surplus of ₹ 10.22 Crore (Previous year - deficit of ₹ 6.69 Crore) determined through actuarial valuation. Accordingly, Group has not recognised the surplus as an asset or the deficit as liability. Consequently the actuarial gains/losses relating to such surplus/deficit have not been recognised in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the Group.

I) Plan Asset

Plan assets comprises the followings:

Particulars	March 31, 2026		March 31, 2025	
	(₹ in Crore)	% of total assets	(₹ in Crore)	% of total assets
Equity Securities	116.17	4.19%	77.45	2.69%
Fixed Income/Debt Securities	2,656.36	95.81%	2,804.18	97.31%
	2,772.53	100.00%	2,881.63	100.00%

II) Actuarial Assumptions

The followings are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

(₹ in Crore)		
	March 31, 2026	March 31, 2025
Discount rate per annum	7.13%	6.76%
Expected return per annum on plan asset	6.76%	8.25%
Super annuation age	60 Years	60 Years
Remaining work life	Average of 8.84 years	Average of 9.23 years
Mortality	IALM 2012-14 ULT	IALM 2012-14 ULT

Pending notification from EPFO, interest on Provident fund has been considered on a provisional basis based on recommendation of Central Board of Provident Fund.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

C Defined Contribution Plan

Post Retirement Medical Assistance (PRMA)

1. Leave

The Group provides earned leave (EL) and half-pay/medical leave (HPL) benefits to its employees, which accrue annually at 30 days and 20 days, respectively. EL is encashable during service, whereas half-pay/medical leave is encashable only upon separation from service and cannot be commuted. However, total number of leave that can be encashed on superannuation shall be restricted to 300 days and commutation of half-pay/medical leave is not permissible.

The leave benefit scheme is funded through SBI Life Leave Encashment Fund and the related liability is recognised based on actuarial valuation carried out at each reporting date. Special Additional Leave, being mandatorily encashable at the end of the annual leave cycle, is recognised on an undiscounted basis as a short-term employee benefit.

An amount of ₹(48.39) crore (Previous year: ₹ 84.25 crore) has been recognised as employee benefits expense in the Statement of Profit and Loss during the year. Closing provision/(asset) as at 31 March 2026 amounts to ₹ (48.39) crore (31 March 2025: ₹ 85.06 crore).

2. Retirement Travelling Allowance (RTA)

Employees are eligible for Retirement Travel Allowance (RTA) for travel to the place of settlement in India upon superannuation. The scheme is unfunded and the related liability is recognised based on actuarial valuation carried out at each reporting date.

An amount of ₹(21.86) crore (Previous year: ₹ 8.02 crore) has been recognised as employee benefits expense in the Statement of Profit and Loss during the year. Closing provision as at 31 March 2026 amounts to ₹ 175.35 crore (31 March 2025: ₹ 197.21 crore).

The super annuation schemes of the group including Provident Fund, Gratuity, Pension and Post-Retirement Medical Benefit Schemes as per extant statutes/applicable guidelines.

Note 46 Financial Instruments - Fair value disclosures

a) Financial instruments by category

The carrying amounts of financial instruments by measurement categories are as follows:

March 31, 2026	Carrying Amount			
	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	Total
A. Financial Assets				
Investments (Non-Current Assets)	7.86	-	-	7.86
Investments (Current Assets)	-	0.61	-	0.61
Loans	35.08	-	-	35.08
Trade Receivables	3,337.69	-	-	3,337.69
Cash and Cash equivalents	711.48	-	-	711.48
Other Bank balances	130.74	-	-	130.74
Other financial assets	1,105.69	-	29.13	1,134.82
B. Financial Liabilities				
Borrowings	27,801.94	-	-	27,801.94
Lease Liability	89.84	-	-	89.84
Trade Payable	1,349.78	-	-	1,349.78
Other financial liabilities	2,341.02	-	-	2,341.02



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)				
March 31, 2025	Amortised Cost	Fair Value through profit and loss	Fair Value through OCI	Total
A. Financial Assets				
Investments (Non-Current Assets)	8.08	-	-	8.08
Investments (Current Assets)	-	1.40	-	1.40
Loans	29.25	-	-	29.25
Trade Receivables	4,193.40	-	-	4,193.40
Cash and Cash equivalents	186.96	-	-	186.96
Other Bank balances	132.74	-	-	132.74
Other financial assets	1,112.87	-	-	1,112.87
B. Financial Liabilities				
Borrowings	22,392.11	-	-	22,392.11
Lease Liability	36.47	-	-	36.47
Trade Payable	1,898.00	-	-	1,898.00
Other financial liabilities	2,105.88	-	-	2,105.88

b) Fair values hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Ind AS. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

March 31, 2026

(₹ in Crore)		
Particulars	Level 2	Total
Financial assets		
Measured at FVTPL		
Investments in Mutual Funds	0.61	0.61
Measured at FVTOCI		
Derivative financial instruments	29.13	29.13

March 31, 2025

(₹ in Crore)		
Particulars	Level 2	Total
Financial assets		
Measured at FVTPL		
Investments in Mutual Funds	1.40	1.40

The carrying amounts of trade receivables, trade payables, payable for capital expenditure, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair valuation of employee loans has been carried out and accounted for appropriately through the Statement of Profit and Loss. However, the amount being immaterial, the same has not been disclosed separately.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This level includes investments in mutual funds which are valued using the closing NAV.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from prevailing market transactions and dealer quotes of similar instruments.

There have been no transfers between levels in the fair value hierarchy during the years ended 31 March 2026 and 31 March 2025



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Valuation Techniques for fair value disclosures

Instrument type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Call spread options - purchased and written foreign currency options	Option contracts are fair valued using Black-Scholes model for valuation of plain vanilla European FX options. The inputs to the model include spot exchange rates, yield curves of the respective currencies and implied volatilities.	Not applicable	Not applicable
Mutual funds	Closing NAV as at reporting date	Not applicable	Not applicable

Note 47 Disclosure as per Ind AS 23 on 'Borrowing Costs'

Borrowing costs capitalised during the year is ₹ 789.12 Crore (previous year ₹ 1150.08 Crore).

Note 48 Disclosure as per Ind As 116 'Leases'

The Group significant leasing arrangements are in respect of various assets are as follows:

- a) **Land** : The Group has lease arrangement with respect to its office and township requirements at various locations (i.e. HUDCO land at Delhi and office & township land in Talabira project, Odisha) for 99 years. The lease rental are fixed for entire lease term, which has been arrived based on lease agreement. The lease can be extended for similar periods on mutually agreed terms after the completion of the current lease period. The Group do not have to option to buy.
- b) **Vehicles** : The Group has taken certain vehicles (including e-vehicles) on lease for a period extending up to 5 years, which can be further extended at mutually agreed terms. All the lease rental of vehicles are fixed in nature except for e-vehicles Lease rental for which are escalated @10% each year.
- c) **Plant and Machinery** : An agreement has been arrived between NLCIL (the Group) and Solar Development Operator (SDO) to use power evacuation facility for a period of 25 years. The lease rental are fixed in nature.
- d) **Buildings** : Premises for use of offices and guest houses on lease are usually renewable on mutually agreeable terms. The lease rental are fixed in nature for 2 properties and escalated by 10% each year for other properties.
- e) Leasehold mining land is outside the scope of Ind AS 116 and is accordingly classified as Property, Plant and Equipment under Ind AS 16.
- f) Due to variable nature of payment for overburden removal, the right of use asset and lease liability under Ind AS 116 is not ascertainable.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate.

i. As a lessee

Following are the changes in the carrying value of right of use assets for the year ended 31st March 2026:

A. Right-of-use Assets

(₹ in Crore)					
Particulars	Plant and Machinery	Property	Vehicles	Land	Total
Balance at 1 April 2025	19.17	1.47	0.14	76.49	97.27
Additions	0.10	1.73	4.24	130.65	136.72
Deductions					
Depreciation Charge	0.99	0.90	1.77	6.63	10.29
Short closure		0.21	-	-	0.21
Balance at 31 March 2026	18.28	2.09	2.61	200.51	223.49

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

B) Lease Liability

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	36.47	36.04
Additions:		
- Addition to lease liability	136.72	3.33
- Interest towards lease liability	9.50	3.07
Deductions:		
- Payment of lease liability	92.63	5.57
- Short Closure	0.22	0.40
Closing Balance	89.84	36.47

C) Maturity analysis – contractual undiscounted cash flows

(₹ in Crore)		
Particulars	2025-26	2024-25
Maturity analysis – contractual undiscounted cash flows		
3 months or less	1.59	1.09
3- 12 months	8.93	3.54
1- 2 years	8.54	4.33
2- 5 years	23.21	11.67
More than five years	235.69	84.21
Total	277.96	104.84

D) Total undiscounted lease liabilities as at 31st March

(₹ in Crore)		
Particulars	2025-26	2024-25
Lease liabilities included in the balance sheet as at 31 st March	89.84	36.47
Current	4.47	2.12
Non-current	85.37	34.35

E) Amounts recognised in profit or loss

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on lease liabilities	9.50	3.07
Depreciation on ROU Assets	10.29	4.63
Lease Rentals	1.93	1.92
Total	21.72	9.62

F) Amounts recognised in the statement of cash flows

(₹ in Crore)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total cash outflow for leases	92.63	5.57

The Group does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

ii. As a lessor

The Group has not entered any agreement as on date of this financial year as a lessor. Thus the disclosure requirements of Ind AS 116 as lessor does not arise for the Group.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 49 Disclosure on Ind AS 114, 'Regulatory Deferral Accounts'**(i) Nature of rate regulated activities**

The Group is engaged in the business of mining of lignite/coal and generation of power by using lignite as well as renewable energy sources. The price to be charged by the Group for electricity sold to its customers is determined by the Central Electricity Regulatory Commission (CERC)/State Electricity Regulatory Commission (SERC)/bidding process as applicable. The CERC provide extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of power and Supply of lignite/Coal from its integrated mines.

Under the prevailing tariff framework, several tariff components are determined on a normative basis, while certain components such as capital cost, additional capitalisation and specific O&M expenses like Security charges, Water charges and Capital spares are considered on actual basis subject to prudence check by the Commission.

The tariff generally comprises recovery of energy charges and fixed charges, including depreciation, interest on loan, operation and maintenance expenses, working capital, and regulated Return on Equity, in accordance with the applicable tariff regulations.

This form of rate regulation is known as cost plus service model regulations which enable the Group to recover its costs of providing the goods or services plus a fair return.

Group has filed truing up petition for tariff period 2019-24 of both Mines and Thermals. However, billing to beneficiaries is being done as per latest approved CERC tariff order received for the respective units in line with the applicable regulations. However, for Barsingsar Mines, the input price petition filed for the tariff period 2024-29 is lower than the input price approved in the Tariff Order for 2019-24. Billing of energy charges with effect from 1st April 2025 is being carried out provisionally based on the input price as filed in the petition before CERC for the 2024-29 period.

CERC has notified tariff regulations for the tariff period 2024-29. Accordingly, NLCIL has filed tariff petition before CERC as per the applicable regulations.

(ii) Recognition and measurement

As per the CERC/SERC Tariff Regulations, any gain or loss on account of exchange rate variation during the construction period shall form part of the capital cost till declaration of Commercial Operation Date (COD) to be considered for calculation of tariff. CERC during the past periods in tariff orders for various stations has allowed exchange differences incurred during the construction period in the capital cost. Accordingly, exchange difference arising during the construction period is within the scope of Ind AS 114.

In view of the above, exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised on an undiscounted basis as 'Regulatory deferral account debit/credit balance' by credit/debit to 'Movements in Regulatory deferral account balances' during construction period and Adjustment from the year in which the same becomes recoverable from or payable to the beneficiaries. Accordingly, an amount of ₹ 170.34 crore for the year ended 31 March 2026 has been accounted for as 'Regulatory deferral account debit balance' (31st March 2025: ₹ 120.48 crore accounted as 'Regulatory deferral account debit balance'.)

As per CERC regulations 2024-29, security expenses, water charges and capital spares will be allowed separately after prudence check. Hence income in respect of those charges for the year ended 31st March 2026 are accrued in regulatory deferral balances on undiscounted basis

In accordance with applicable regulations, the Group continues to bill beneficiaries based on the last available Tariff Order pertaining to the previous control period, until the Tariff Order for the current control period is issued except for the cases where it is mutually agreed with the beneficiaries

The O&M difference arising between last approved tariff order in respect of Thermal plants for previous control period and normative O&M applicable for the current control period is also considered under regulatory deferral balances.

When the Group prefers review/appeal in CERC/APTEL/Other authorities the impact of the adverse items in the order along with period cost if any required is considered under the Regulatory Deferral Account in the Profit or Loss of the respective financial year based on the reliable estimates of the Group on case to case basis. Regulatory deferral account balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(iii) Risks associated with future recovery/reversal of regulatory deferral account balances:

- Demand risk** - Availability of alternative and cheaper sources of power may result in reduced demand.
- Regulatory risk** - the regulatory deferral balances may undergo a change due to the rate setting process or truing up at the end of the tariff period resulting in derecognition of regulatory deferral asset/liability.
- Other risks** - The Foreign Exchange Variation on actual repayment of loans are eligible for recovery from the customers and hence the risk is mitigated.

In respect of disputed orders, where the Group has preferred an appeal against the adverse order, regulatory deferral liability has already been considered to the extent of estimated economic outflow of resources which will be discharged in the event of adverse order from the appellate authorities.

(iv) Reconciliation of the carrying amounts:

The regulated assets/liability recognised in the books to be recovered from or payable to beneficiaries in future periods are as follows:

a) Regulatory deferral account debit balance

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
A. Opening balance	469.64	1,801.10
B. Recognised during the current year	555.86	193.88
C. Amount Adjustment/collected/refunded during the year	173.00	1,525.34
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss	372.61	(1,428.40)
E. Closing balance	852.50	469.64

b) Regulatory deferral account credit balance

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
A. Opening balance	1,190.59	2,916.99
B. Recognised during the current year	136.90	1,020.72
C. Amount Adjustment/collected/refunded during the year	595.31	2,747.12
D. Regulatory deferral account balances recognised in the Statement of Profit & Loss	(536.87)	(1,494.64)
E. Closing balance	732.18	1,190.59

c) Total amount recognised in the Statement of Profit & Loss during the year

(₹ in Crore)		
Particulars	As at March 31, 2026	As at March 31, 2025
Total amount recognised in the Statement of Profit & Loss during the year	909.48	66.24

The Group expects to recover the carrying amount of regulatory deferral account debit balance upon truing up at the end of the relevant tariff period and/or upon passing of orders by Appellate/Other Authorities.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL INSTRUMENTS

Note 50 Capital management

The Group 's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

There have been no breaches in the financial covenants of any interest bearing borrowings.

Under the terms of major borrowing facilities, the Group is required to comply with the following financial covenants:

Secured Bonds - Minimum asset coverage ratio of 1.0

Loan from IndusInd Bank -Debt service coverage ratio not less than 1.20 and Debt to Total net worth not more than 2.5 times

ECB from SBI, Tokyo - Interest Service Coverage Ratio shall not be lower than 1:1 and ratio between the Total Outside Liabilities to the Tangible Net Worth shall not be higher than 2:1.

ECB from SMBC - Leverage Ratio of the Borrower on a standalone basis shall not be higher than 2:1, Interest Service Coverage Ratio shall be higher than 1:1 and Borrower will continue to hold at least 51% direct shareholding in NIRL.

NIRL -Loan from Bank of Baroda - Debt Equity ratio of 80:20

There have been no breaches in the financial covenants of any interest bearing borrowings. Based on current forecasts and management assessment, the Group expects to remain in compliance with the covenants that fall due within the next twelve months.

The Group monitors capital, using a medium-term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Group is not subject to externally imposed capital requirements.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 19(a), 23(a) offset by cash and bank balances) and total equity of the Group. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

Gearing Ratio:

(₹ in Crore)		
Particulars	March 31, 2026	March 31, 2025
Debt	27,801.94	22,392.11
Less: Cash and bank balances	711.48	186.96
Net debt	27,090.46	22,205.15
Total equity*	24,692.94	21,373.65
Net debt to total equity ratio (In times)	1.10	1.04

*Excluding PRMA reserve, Contingency reserve and Capital redemption reserve

Note 51 Financial risk management

The treasury function of the Group provides services to the business, co-ordinates access to domestic and international financial markets monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group’s principal financial liabilities comprise loans and borrowings in domestic and foreign currencies, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group’s operations. The Group’s principal financial assets include loans, trade and other receivables, short-term deposits, etc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Risk management framework

The Group has a comprehensive Integrated Risk Management Policy and Framework approved by the Board. Besides risk prioritisation, the roles and responsibilities of the concerned personnel/committees are clearly defined. As per the policy, the Internal Risk Review Committee (below Board level) reviews the risks on a quarterly basis. The risk assessment together with the mitigation procedures is periodically reviewed by the Risk Management Committee, Audit Committee and the Board.

The Group has framed a comprehensive Foreign Exchange Risk Management Policy (FERMP) to prudently manage the risks associated with its foreign currency borrowings. The policy seeks to strike a balance between optimising the cost of borrowings and mitigating currency and interest rate risks in line with the Group’s risk appetite. The key objectives of the policy are to identify, measure and monitor foreign exchange and interest rate exposures on a periodic basis, adopt selective hedging strategies to reduce risks to acceptable levels, and ensure that decisions are aligned with the overall risk management framework. The policy focuses on risk mitigation and financial stability rather than profit maximisation, thereby safeguarding the Group’s long-term financial sustainability.

A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

Trade receivables

The Group primarily sells electricity to customers comprising mainly state electrical utilities owned by State Governments and Union Territories. The risk of default in case of power supplied to these state owned companies is considered to be low. The Group has not experienced any significant impairment losses in respect of trade receivables in past years. Pursuant to the adoption of Ind AS 109, the Group uses the expected credit loss (ECL) model to assess impairment loss allowances. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors, such as historical payment behaviour, credit defaults and the Group’s historical experience for customers.

Since the Group has its customers within different states of India, geographically there is no concentration of credit risk. However, management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

At March 31, 2026, the Group’s most significant customer, Tamil Nadu Generation & Distribution Co. Ltd (TANGEDCO) accounted for ₹ 1,231.15 Crore of the trade receivables carrying amount (₹ 1,997.19 crore of the trade receivables as at March 31, 2025).

Loans and advances

The Group has granted loans and advances to its employees. Credit risk in respect of such loans and advances is managed through recovery/adjustment against settlement dues payable at the time of separation/retirement of employees.

Cash and cash equivalents and deposits with banks

The Group maintains banking relationships with highly rated scheduled banks, including banks owned by the Government of India and private sector banks. The risk of default in respect of balances with government-controlled entities is considered to be insignificant.

(i) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Group has financial assets where the counterparties/customers have sufficient capacity to meet their obligations and where the risk of default is considered to be low. Accordingly, no material impairment loss has been recognised during the reporting periods in respect of such assets.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Group has customers, primarily state government utilities, with strong capacity to meet their obligations. However, considering various regulatory and other disputes, historical payment behaviour and customer-specific credit risk assessments, impairment loss allowance has been recognised during the reporting period in respect of trade receivables. Management believes that the unimpaired amounts outstanding for more than 45 days are substantially recoverable.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(ii) Ageing analysis of trade receivables

The Group's debtors include debtors in respect of TPS, Mines, renewables and also other debtors. As a policy, the Group does an ageing analysis of debtors, the details of which is stated below.

The ageing analysis of the trade receivables is as below:

FY 2025-26

Particulars	Outstanding from the due date of Payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
A) Undisputed						
(i) Trade receivables – considered good	2,651.30	21.16	0.61	0.49	168.15	2,841.71
(ii) Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						-
(B) Disputed						
(iv) Disputed Trade Receivables– considered good	12.42	3.50	11.31	51.15	376.37	454.75
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired	1.15	-	208.81	-	82.81	292.77
Total (A+B)	2,664.87	24.66	220.73	51.64	627.33	3,589.23
Less: Loss allowance on trade receivables	1.15	-	21.89	0.50	228.00	251.54
Total (A+B-C)	2,663.72	24.66	198.84	51.14	399.33	3,337.69

Movement for Loss allowance on trade receivables

Particulars	Opening Balance as at 31.03.2025	Additions	Deletions	Closing balance as at 31.03.2026
Loss allowance on trade receivables	354.61	49.53	152.60	251.54

FY 2024-25

Particulars	Out standing from the due date of Payment					Total
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
A) Undisputed						
(i) Trade receivables – considered good	2,825.07	201.85	54.86	213.94	65.76	3,361.48
(ii) Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired	-	-	3.74	-	-	3.74
(B) Disputed						
(iv) Disputed Trade Receivables– considered good	1.82	285.40	3.32	320.84	75.19	686.57
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	281.01	215.21	496.22
Total (A+B)	2,826.89	487.25	61.92	815.79	356.16	4,548.01
Less: Loss allowance on trade receivables (C)	-	-	0.60	110.94	243.07	354.61
Total (A+B-C)	2,826.89	487.25	61.32	704.85	113.09	4,193.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Movement for Loss allowance on trade receivables

Particulars	Opening Balance as at 31.03.2024	Additions	Deletions	Closing balance as at 31.03.2025
Loss allowance on trade receivables	470.57	133.74	249.70	354.61

B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows.

The Group's treasury department is responsible for managing the short-term and long-term liquidity requirements of the Group.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	Drawn on	March 31, 2026	March 31, 2025
Floating-rate borrowings			
a) Term Loan			
- Solar 709 MW	State Bank of India	-	233.00
- Term Loan - NNTPS Project	The South Indian Bank - SIB	-	37.80
- Term Loan - NNTPS Project - FGD	Indian Overseas Bank - IOB	-	1,078.00
- Term Loan - Solar 300 MW	IndusInd Bank Limited - IBL	-	1,000.00
- NUPPL (Project Asset)	Rural Electrification Corporation limited (REC)	-	78.19
- NUPPL (Project Asset)	Power Finance Corporation (PFC)	1,461.63	3,681.39
- NUPPL (Project Asset)	State Bank of India	720.00	360.00
- NTPL (for FGD)	State Bank of India	137.47	175.91
- NIRL - Solar 600 MW	Bank of Baroda	1,990.42	2,638.69
- NLCL - External Commercial Borrowings	SMBC	401.88	-
b) Working Capital Loan			
NLC India	State Bank of India	1,149.00	3,300.00
NTPL - BOI	Bank Of India	1,496.35	1,310.04
NTPL - SBI	State Bank of India	1,000.00	1,000.00
NUPPL	State Bank of India	770.00	634.21
Total		9,126.75	15,527.23

- a) SBI has Sanctioned Fund Based Working Capital of ₹ 4,000 Crore. and Non-Fund based Working Capital of ₹ 4,000 Crore. After availing the interchangeability option, the balance available limit of fund based working capital is ₹ 1,149 Crore as on



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31.03.2026 (PY ₹ 3,300 Crore.). Out of which, the availment of fund based working capital as on 31.03.2026 is ₹ 2,851 crore (PY NIL). Ref Note no. 23(a).

- b) Sumitomo Mitsui Banking Corporation has sanctioned External Commercial Borrowing for On-lending to M/s NIRL for renewable projects. The undrawn amount as on 31.03.2026 is JPY 6,764 Million which is equivalent to ₹ 401.88 crore. Ref Note no. 19(a).
- c) SBI has sanctioned Rupee term loan of ₹ 2,552 Crore for solar 709 MW, out of which ₹ 2,319 Crore has been drawn and the undrawn amount is ₹ 233 Crore as on 31.12.2025. The entire outstanding loan amount as on 01.01.2026 has been transferred to M/s NIRL subsequent to Business Transfer Agreement. The outstanding balance and undrawn portion as on 31.03.2026 is NIL.
- d) During FY 2025-26, the undrawn portion of ₹ 37.80 crore and ₹ 1,000 crore has been fully drawn from The South Indian Bank and IndusInd bank Limited respectively.
- e) Alternate fund has been sourced for NNTPS FGD project and the sanctioned limit from Indian Overseas Bank of ₹ 1,078 crore has been cancelled.
- f) NIRL - Bank of Baroda has sanctioned Rupee term loan of ₹ 2,669 Crore for solar 600 MW Khavda Project in Gujarat, out of which ₹ 678.58 Crore has been drawn and the undrawn amount is ₹ 1,990.42 Crore as on 31.03.2026.

(ii) Maturities of financial liabilities

The following are the contractual maturities (principal repayments) of non-derivative financial liabilities, based on contractual cash flows against the outstanding Loan balance as on:

March 31, 2026

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
KFW Loan (Foreign Currency Loan)	17.66	17.66	35.31	105.96	224.97	401.56
PNB_NNTPS ₹ 1200 Cr	-	300.00	300.00	449.79	-	1,049.79
RTL 581Cr_SIB	-	116.20	116.14	-	-	232.34
NLCIL Bonds 2019- Series I	-	-	-	1,475.00	-	1,475.00
NLCIL Bonds 2020- Series I	-	-	-	525.00	-	525.00
NLCIL Bonds 2021- Series II	-	-	-	-	500.00	500.00
Working Capital Loan	2,851.00	-	-	-	-	2,851.00
Commercial Paper	800.00	-	-	-	-	800.00
RTL 1000Cr_IndusInd	50.00	50.00	100.00	300.00	450.00	950.00
SMBC Loan (Foreign Currency Loan)	-	-	-	310.15	206.76	516.91
SBI Loan (Foreign Currency Loan)	-	-	109.97	329.90	439.87	879.74
State Bank of India Term Loan	28.64	28.64	57.28	171.84	91.70	378.10
SBI Working capital loan	310.00	-	-	-	-	310.00
PFC Term Loan	-	-	-	3,838.76	11,516.30	15,355.06
Bank of Baroda - Solar 600 MW - Rupee Term Loan	-	-	22.62	135.72	520.24	678.58
RTL 2552 Crore_Solar 709 MW	102.60	102.60	205.20	512.45	-	922.85
TOTAL	4,159.90	615.10	946.52	8,154.57	13,949.84	27,825.92

Refer Note no. 19(a) and 23(a)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
KFW Loan (Foreign Currency Loan)	14.92	14.92	29.84	89.51	219.94	369.13
PFC_NNTPS ₹ 3000 Cr	150.00	300.00	300.00	750.00	-	1,500.00
RTL 2552Cr_Solar 709 MW	127.60	119.60	205.20	615.60	102.04	1,170.04
RTL 581Cr_SIB	-	78.40	116.20	116.20	-	310.80
NLCIL Bonds 2019- Series I	-	-	-	1,475.00	-	1,475.00
NLCIL Bonds 2020- Series I	-	-	-	525.00	-	525.00
NLCIL Bonds 2020- Series II	500.00	-	-	-	-	500.00
NLCIL Bonds 2021- Series I	-	1,175.00	-	-	-	1,175.00
NLCIL Bonds 2021- Series II	-	-	-	-	500.00	500.00
South Indian Bank	-	-	-	-	-	-
- Rupee Term Loan I	-	59.40	-	-	-	59.40
- Rupee Term Loan II	162.81	162.80	-	-	-	325.61
Bank of India Rupee Term Loan	-	45.25	-	-	-	45.25
State bank of India Term Loan	28.64	28.64	57.28	171.84	110.54	396.94
Working capital Loan from Bank of India	186.72	-	-	-	-	186.72
Commercial Paper	500.00	-	-	-	-	500.00
SBI Working capital loan	265.79	-	-	-	-	265.79
PFC Term Loan	-	-	-	1,148.57	6,508.57	7,657.14
REC Term Loan	-	-	540.00	1,619.99	3,239.99	5,399.98
Bank of Baroda - Solar 600 MW - Rupee Term Loan	-	-	1.01	6.06	23.24	30.31
Total	1,936.48	1,984.01	1,249.53	6,517.77	10,704.32	22,392.11

The following are the contractual maturities (interest) of non-derivative financial liabilities, based on contractual cash flows against the outstanding Loan balance as on:

March 31, 2026

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
KFW Loan (Foreign Currency Loan)	1.51	1.44	2.68	6.45	5.81	17.89
KFW Guarantee Fees	4.82	-	4.40	10.64	10.02	29.88
PNB_NNTPS ₹ 1200 Cr	19.82	53.94	51.17	34.00	-	158.93
RTL 581Cr_SIB	15.58	8.69	5.19	-	-	29.46
NLCIL Bonds 2019- Series I	119.33	-	119.33	238.66	-	477.32
NLCIL Bonds 2020- Series I	-	38.64	38.64	77.28	-	154.56
NLCIL Bonds 2021- Series II	-	34.25	34.25	102.75	45.01	216.26
Working Capital Loan	7.45	-	-	-	-	7.45
Commercial Paper	5.47	-	-	-	-	5.47



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crore)

Contractual maturities of financial liabilities	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
RTL 1000 Crore_IndusInd	18.67	52.32	63.27	141.98	79.91	356.15
SMBC Loan (Foreign Currency Loan)	2.69	16.58	19.11	40.67	5.05	84.10
SBI Loan (Foreign Currency Loan)	-	18.01	17.53	39.01	20.46	95.01
State bank of India Term Loan	7.03	18.90	21.73	39.54	5.54	92.74
PFC Term Loan	324.34	973.03	1,297.37	3,432.63	3,486.69	9,514.06
SBI Working Capital Loan	1.90	-	-	-	-	1.90
RTL 2552 Crore_Solar 709 MW	13.20	39.73	52.85	138.95	238.64	483.37
Bank of Baroda - Solar 600 MW - Rupee Term Loan	18.06	46.35	48.41	50.28	-	163.10
TOTAL	559.87	1,301.88	1,775.93	4,352.84	3,897.13	11,887.65

March 31, 2025

(₹ in Crore)

Contractual maturities of financial liabilities	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
KFW Loan (Foreign Currency Loan)	1.38	1.33	2.49	6.12	6.50	17.82
KFW Guarantee Fees	4.43	-	4.07	10.07	11.11	29.68
PFC_NNTPS ₹ 3000 Cr	28.68	77.18	80.19	92.60	-	278.65
RTL 581Cr_SIB	5.34	15.99	13.97	5.99	-	41.29
RTL 2552Cr_Solar 709 MW	25.93	66.99	72.98	109.48	2.24	277.62
NLCIL Bonds 2019- Series I	119.33	-	119.33	357.98	-	596.64
NLCIL Bonds 2020- Series I	-	38.64	38.64	115.92	-	193.20
NLCIL Bonds 2020- Series II	18.58	-	-	-	-	18.58
NLCIL Bonds 2021- Series I	-	71.09	-	-	-	71.09
NLCIL Bonds 2021- Series II	-	34.25	34.25	102.75	79.26	250.51
South Indian Bank						
- Rupee Term Loan I	1.13	0.19	-	-	-	1.32
- Rupee Term Loan II	2.56	4.48	-	-	-	7.04
Bank of India Rupee Term Loan	0.98	1.84	-	-	-	2.82
State bank of India Term Loan	8.95	24.37	28.14	53.37	9.72	124.55
PFC Term Loan	167.50	502.50	670.00	1,917.87	2,325.46	5,583.33
REC Term Loan	148.50	445.50	569.25	1,351.34	1,098.90	3,613.49
SBI Working Capital Loan	1.93	-	-	-	-	1.93
Bank of Baroda - Solar 600 MW - Rupee Term Loan	0.62	1.85	2.46	6.49	11.13	22.55
TOTAL	535.84	1,286.20	1,635.77	4,129.98	3,544.32	11,132.11

C) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

D) Currency risk

The Group enters into import agreements for the purchase of capital goods. Up to March 31, 2016, the Group capitalised exchange gains/losses arising on reinstatement/actual payment of vendor liabilities up to the date of commercial operation. Such capital costs pertaining to regulated assets are allowed by the Central Electricity Regulatory Commission (CERC) for recovery from beneficiaries. Exchange gains/losses arising after the date of commercial operation are also recoverable from beneficiaries as part of the rate-regulated asset mechanism.

With effect from April 1, 2016, exchange gains/losses on long-term foreign currency monetary items relating to regulated assets are recoverable from beneficiaries as part of the rate-regulated asset mechanism. Accordingly, the Group is not exposed to significant foreign currency risk in respect of long-term foreign currency monetary items relating to regulated assets. Foreign exchange risk relating to long-term foreign currency exposures pertaining to non-regulated assets is managed through hedging strategies in accordance with the Group’s Foreign Exchange Risk Management Policy (FERMP). The exposure relating to short-term foreign currency monetary items is considered to be insignificant.

The Group adopts a policy of hedging a portion of its estimated foreign currency exposure in respect of forecast transactions over the loan tenure. The Group uses a call spread option strategy consisting of purchased and written foreign currency call options to hedge its currency risk. These contracts are generally designated as cash flow hedges.

The Group designates the intrinsic value of the call spread option strategy as the hedging instrument and applies a hedge ratio of 1:1. Changes in the time value of the call spread option strategy are excluded from the designation of the hedging instrument and are separately accounted for as cost of hedging, which is recognised in other equity under the Cost of Hedging Reserve. The Group’s policy is for the critical terms of the call spread option strategy to align with those of the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and the hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be, and has been, effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty’s and the Group’s own credit risk on the fair value of the call spread option strategy, which is not reflected in the change in the fair value of the hedged cash flows attributable to changes in exchange rates; and
- changes in the timing of the hedged transactions.

Cash flow hedges

At 31 March 2026, the Group held the following instruments to hedge exposures to changes in foreign currency rates.

(₹ in Crore)

Particulars	Maturity		
	1-6 months	6-12 months	More Than Year
Foreign currency risk			
Purchased call option			
Average INR: JPY strike rate	0.59	0.59	0.59
Notional amounts (in crore of INR)	4.10	4.15	338.23
Carrying value (in crore of INR)	0.17	0.29	61.85
Written call option			
Average INR: JPY strike rate	0.62	0.64	0.70
Notional amounts (in crore of INR)	4.28	4.47	398.25
Carrying value (in crore of INR)	(0.09)	(0.14)	(32.94)

Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under these agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The ISDA agreements do not meet the criteria for offsetting in the balance sheet, since the related financial assets and financial liabilities are settled on a gross basis in the normal course of business and the right to set-off is enforceable only upon the occurrence of specified future events.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements

(₹ in Crore)			
Particulars	Amounts of financial instruments in the balance sheet	Related financial instruments that are not offset	Net Amount
As at March 31, 2026			
Financial assets			
Derivatives			
- call spread options used for hedging	29.13	-	29.13

The Group had not entered into derivative transactions during the previous year and accordingly, no disclosures are required as at March 31, 2025

The currency profile of financial assets and financial liabilities as at March 31, 2026 and March 31, 2025.

(₹ in Crore)		
Particulars	31-Mar-26	31-Mar-25
Financial liabilities		
Borrowings - KFW	401.56	369.13
External Commercial Borrowings (JPY) - SBI	879.74	-
External Commercial Borrowings (JPY) - SMBC	516.91	-

Note : ECB loan availed in Foreign Currency and converted into reporting currency.

Sensitivity analysis

A strengthening/weakening of the Indian Rupee, as indicated below, against the foreign currency borrowings as at 31 March would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

(₹ in Crore)		
March 31, 2026	Profit and loss	
10% movement	Strengthening	Weakening
Borrowings - KFW	40.16	(40.16)
Borrowings - SBI	87.97	(87.97)
Borrowings - SMBC	51.69	(51.69)

(₹ in Crore)		
March 31, 2025	Profit and loss	
10% movement	Strengthening	Weakening
Borrowings - KFW	36.91	(36.91)

The sensitivity analysis reflects gross foreign currency exposure on foreign currency borrowings and does not consider offsetting impacts of derivative hedging instruments

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

E) Interest rate risk

The Group is exposed to interest rate risk arising mainly from long-term borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. However, the actual interest incurred on normative loan is recoverable from beneficiary as fixed charge as per CERC Regulations.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments is as follows:

(₹ in Crore)		
Particulars	March 31, 2026	March 31, 2025
Financial assets		
Fixed-rate instruments		
Employee Loans	35.08	29.25
Financial liabilities		
Variable-rate instruments		
Rupee term loans		
- From Banks	4,211.65	2,338.35
- Power Finance Corporation (PFC)	15,355.06	9,157.14
- Rural Electrification Corporation	-	5,399.98
Working Capital Demand Loan	2,851.00	-
Foreign Currency Loan		
- SBI	867.69	-
- SMBC	512.04	-
Fixed-rate instruments		
Commercial Paper	794.53	500.00
Bonds		
- Series-I-2019	1,475.00	1,475.00
- Series-I-2020	525.00	525.00
- Series-II-2020	-	500.00
- Series-I-2021	-	1,175.00
- Series-II-2021	500.00	500.00
Rupee term loans		
- Working Capital Demand Loan	310.00	452.51
Foreign Currency Loan		
- KFW	401.56	369.13

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

(₹ in Crore)		
Particulars	Profit or loss	
	50 bp increase	50 bp decrease
March 31, 2026		
Rupee term loans and WCDL		
- From Banks	(35.31)	35.31
- Power Finance Corporation (PFC)	(76.78)	76.78
- Rural Electrification Corporation	0.00	0.00
Foreign Currency Loan		
- SBI	(4.34)	4.34
- SMBC	(2.56)	2.56
	(118.99)	118.99



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(₹ in Crore)	
	Profit or loss	
	50 bp increase	50 bp decrease
March 31, 2025		
- From Banks	(11.69)	11.69
- Power Finance Corporation (PFC)	(45.79)	45.79
- Rural Electrification Corporation	(27.00)	27.00
	(84.48)	84.48

Fair value sensitivity analysis for fixed-rate instruments

The Group’s fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Equity price risk

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. In the case of the Group, none of the investments in equity shares are quoted in the market and does not expose the Group to equity price risks.

Note 52 Disclosure as per Ind AS 115 'Revenue from Contract with the Customers'

1 Nature of Goods and Services

The revenue of the Group comprises of income from energy sales, Coal sales, consultancy and other services. The following is a description of the principal activities:

A Revenue from energy sales

The major revenue of the Group comes from energy sales. The Group sells electricity to customers mainly electricity utilities owned by State Governments. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

Product/Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Energy sales	The Group recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Group. The tariff for computing revenue from energy sales is determined in terms of CERC Regulations as notified from time to time. The amounts are billed on a monthly basis and are payable within contractually agreed credit period.

B Revenue from Coal sales

Product/Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Coal Sales	In the case of sales through open market sales has been reckoned to the extent of amount received/as per sale terms when performance obligation is satisfied.

C Revenue from Lignite sales

The Group supplies lignite from its captive mines to one of the power generating Group based on the fuel supply agreement entered with them. After meeting the internal demand, the remaining lignite are sold in the open market.

Product/Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Lignite Sales	The Group recognises revenue from contracts for sale of captive lignite when control of the goods is transferred to customers. The amounts are billed as and when goods are transferred and are payable in accordance with the agreement entered with the party. In the case of sales through open market sales has been reckoned to the extent of amount received/as per sale terms when performance obligation is satisfied.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

D Revenue from sales of fly ash and other by products

The Group recognises revenue from sale of fly ash and other by-products upon transfer of control to the customer, generally upon dispatch, in accordance with the applicable terms of sale. Amounts are billed and collected as per the agreed contractual terms.

II Disaggregation of revenue (₹ in Crore)

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
Nature of revenue (Refer Note No. 28)		
- Power Sales	14,542.95	12,445.17
- Sale of Coal	2,241.04	2,153.43
- Sale of Lignite	640.96	604.76
- Sale of Fly ash, other By products and consultancy charges	182.28	146.63
Total	17,607.23	15,349.99
Primary geographical markets	India	
Timing of revenue recognition	Revenue from sale of power is recognised over time and revenue from remaining streams is recognised at a point in time.	

III Reconciliation of revenue recognised with contract price (Refer Note No. 28)

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
Contract price	17,607.23	15,349.99
Adjustments for:		
- Rebates	87.84	27.70
Less: Transfer to Capital Work in Progress	29.86	-
Revenue recognised	17,489.53	15,322.29

IV. Contract balances

The following table provides information about receivables (including unbilled revenue)

Particulars	(₹ in Crore)	
	As at March 31, 2026	As at March 31, 2025
Trade receivables (Refer Note No. 8(a) and 11(b))	3,337.69	4,193.40

V. Transaction price allocated to the remaining performance obligations

Revenue from sale of energy is accounted for based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable. In case of power stations, where the tariff rates are yet to be approved/items indicated provisional by the CERC in their orders, provisional rates are adopted considering the applicable CERC Tariff Regulations. Revenue from sale of energy is recognised once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. Therefore, transaction price to be allocated to remaining performance obligations cannot be determined reliably for the entire duration of the contract.

VI. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group has not adjusted any of the transaction prices for the time value of money. The impact of subsequent modifications are duly recognised in the Statement of profit and loss.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 53 Disclosure as per Ind AS 108 'Operating segments'**A. Basis for segmentation**

The Group has the following three strategic divisions, which are its reportable segments. These divisions are managed separately because they require different technology and operational methodologies. The following summary describes the operations of each reportable segment.

Reportable segments	Product/Service from which reportable segment derives revenues
Mining	Mining of lignite and Coal
Power - Thermal	Generation of power and sale to power utilities across the country
Power - Renewable	Generation of power and sale to power utilities across the country

The Chairman cum Managing Director monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the consolidated financial statements.

B. Information about reportable segments:

Particulars	(₹ in Crore)									
	Mining		Power - Thermal		Power - Renewable		Inter segment Adjustment		Total	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
REVENUE										
External Sales	2,901.00	2,733.60	13,862.47	11,847.75	726.06	701.61			17,489.53	15,282.96
Inter-segment sales	5,894.50	4,499.43	580.33	918.28	-	-	6,474.83	5,417.71	-	-
Total Revenue	8,795.50	7,233.03	14,442.80	12,766.03	726.06	701.61	6,474.83	5,417.71	17,489.53	15,282.96
RESULT										
Segment Result	1,805.68	980.89	2,110.61	1,538.76	322.47	379.53			4,238.76	2,899.18
Other Income									977.36	1,606.49
Unallocated Corporate expenses.									1,468.22	773.11
Operating Profit									3,747.90	3,732.56
Interest Expense									1,221.58	931.76
Interest Income									439.60	830.13
Exceptional Items										
Income taxes									105.94	983.56
Profit from Ordinary activities									2,859.98	2,647.37
Net Movement in regulatory account balance income/ (expenses)									909.48	66.24
Other Comprehensive Income									(13.35)	(13.79)
Net Profit									3,756.11	2,699.82
OTHER INFORMATION	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Segment Assets	8,770.75	7,644.76	42,318.21	29,742.51	9,124.43	5,635.34			60,213.39	43,022.61
Unallocated Corporate assets(Including Capital Work-in Progress)									4,988.87	14,828.74
Total Assets									65,202.26	57,851.35
Segment liabilities	7,273.04	4,222.38	24,036.84	10,330.23	5,270.87	2,372.61			36,580.75	16,925.22
Unallocated Corporate liabilities										
Total liabilities										
Capital Expenditure	944.89	1,594.31	4,401.00	4,208.41	2,911.98	707.17			8,257.87	6,509.89
Depreciation	419.98	345.22	1,654.17	1,258.84	264.07	245.22			2,338.22	1,849.28
Non-cash expenses other than depreciation	125.47	229.61	660.26	196.08	(17.81)	-			767.92	425.69

Note:

- Since the business operation is within India the secondary disclosure does not arise.
- The inter-segment transfers are priced on cost plus profit basis.
- Allocation of
 - Storage charges on the basis of material consumption,
 - Common charges and social overhead on the basis of salaries & wages and
 - Service Centres Assets & Liabilities are apportioned among the Segments on the basis of the service rendered.

C. Information about major customers

Revenue from one major customer under "generation of energy" segment is ₹ 5,727.50 Crore (March 31, 2025 : ₹ 7,910.61 crore) which is more than 10% of group total revenues.

Note 54 Advances, trade receivables and trade payables are adjusted against corresponding balances, to the extent applicable. The Group follows a systematic process for periodic reconciliation of vendor and customer balances.

Note 55 Contingencies and Commitments

Particulars	(₹ in Crore)			
	As at March 31, 2025	Additions	Deletions/Settlement	As at March 31, 2026
A. Contingencies				
1. Claims against the Corporation not acknowledged as debts:				
(i) From Employees/Others	NQ			NQ
(ii) From Statutory Authorities/Central Govt/Govt Departments	828.17	70.57	24.70	874.04
(iii) From Statutory Authorities/State Govt/Govt Departments	2,897.59	577.11	699.96	2,774.74
(iv) From CPSEs	-	-	-	-
(v) From Others	4,616.10	3,587.95	1,747.12	6,456.93
Sub-Total Claims not acknowledged as debt	8,341.86	4,235.63	2,471.78	10,105.71
2. Guarantees issued by Group	2,535.23	922.57	563.41	2,894.39
Sub-Total Contingencies (A)	10,877.09	5,158.20	3,035.19	13,000.10
B. Commitment				
(i) Estimated value of contracts remaining to be executed on capital accounts not provided for	23,300.76	8,703.98	5,281.06	26,723.68
(ii) Other commitments*	-	-	-	-
Sub-Total Commitments (B)	23,300.76	8,703.98	5,281.06	26,723.68
Total Contingencies and Commitments (A+ B)	34,177.85	13,862.18	8,316.25	39,723.78

The above Contingent liabilities do not include the letter issued to various authorities against tax/other demand which has been challenged by the Group.

The group is in the process of evaluating value of contingent assets. Based on preliminary estimate the same found not material for separate disclosure.

NLCIL issued a Letter of Comfort (LOC) to Bank of Baroda (BOB) against subsidiary NIRC's term loan. The company has requested for substitution of the LOC and the lender is in the process of taking up the matter of substitution of LOC with their competent authority.

*The Company has entered into long-term Mine Developer and Operator (MDO) contracts, which are revenue in nature containing non-cancellable contractual commitment clauses. The financial effect of such clauses is not presently ascertainable and would arise only upon their invocation. No event requiring invocation occurred during the reporting period.

Pursuant to the judgement of the Hon'ble Supreme Court in 'Mineral Area Development Authority vs. Steel Authority of India Limited', the Company has evaluated the implications of the ORISED Act, 2004. Based on such evaluation, the Company has concluded that, in the absence of any enforceable statutory demand or notification as at 31 March 2026, no provision or contingent liability is required to be recognised or disclosed in accordance with Ind AS 37

NQ : Not Quantifiable



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 56 Disclosure as per Ind AS 12 'Income taxes'**(a) Income tax expense****i) Income tax recognised in Statement of Profit and Loss**

(₹ in Crore)		
Particulars	March 31, 2026	March 31, 2025
Current tax expense		
Current year	824.22	970.30
Adjustment for earlier years	(33.55)	5.36
Pertaining to regulatory deferral account balances	271.04	214.71
Total current tax expense	1,061.71	1,190.37
Deferred tax expenses		
Origination and reversal of temporary differences	(865.49)	(64.05)
Less: MAT credit	(90.28)	(142.76)
Total deferred tax expense	(955.77)	(206.81)
Total income tax expense	105.94	983.56

ii) Income tax recognised in other comprehensive income

(₹ in Crore)						
Particulars	March 31, 2026			March 31, 2025		
	Before tax	Tax expense/(benefit)	Net of tax	Before tax	Tax expense/(benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	(9.73)	2.84	(12.57)	(20.61)	(6.82)	(13.79)
- Cost of Hedging Reserve	(6.46)	-	(6.46)	-	-	-

iii) Reconciliation of tax expense and the accounting profit multiplied by Group's tax rate

(₹ in Crore)		
Particulars	March 31, 2026	March 31, 2025
Profit before tax (including OCI)	3,858.93	3,676.32
Tax using the Group tax	1,393.61	1,371.30
Tax effect of:		
Non-deductible tax expenses	1,404.27	778.29
Tax deductions/allowances	(1,535.43)	(720.99)
Tax on business loss	(267.49)	(393.15)
Previous year tax liability	(33.55)	5.35
Interest	10.02	-
Deferred Tax expenses/(income)	(955.77)	(206.75)
MAT credit entitlement	90.28	142.69
Total tax expense in the Statement of Profit and Loss	105.94	976.74

Note 57**a) Disclosure in respect of Supplier Finance Arrangements**

The Group participates in Supplier Finance Arrangements (SFAs), primarily through Trade Receivables Discounting System (TReDS) platforms, to facilitate early payment to its suppliers and optimise working capital. Under these arrangements, a finance provider settles the supplier's invoice upon acceptance, and the Company subsequently settles the amount with the finance provider on the contractual due date. In cases where a supplier accepts the bid for its invoices on the TReDS platform, such arrangements are treated as SFAs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For arrangements that do not extend the original credit terms, the liabilities remain classified as 'Trade Payables - Others', and cash outflows are presented as operating activities.

There were no specific arrangements where the Group had renegotiated extended payment terms, which require, the reclassification of these amounts to 'Short-Term Borrowings' (representing a non-cash addition to borrowings). Hence, presentation of cash flows as financing activities did not arise.

Liquidity Risk Management: In the event these financing facilities are withdrawn by the finance providers, the Group payment obligations to its suppliers revert to the standard contractual due dates. The Company maintains sufficient cash and unutilised fund-based bank limits to comfortably settle these liabilities, thereby mitigating any significant liquidity risk.

Details of Supplier Finance Arrangements

(₹ in Crore)		
Particulars	March 31, 2026	April 1 st 2025
Carrying amount of financial liabilities under SFAs		-
Presented in Trade Payables (No extension of payment terms)	12.53	-
- Presented in Short-Term Borrowings (Extended terms)	-	-
- of which suppliers have received payment from finance provider	12.53	-
Range of payment due dates		
- Liabilities that are part of the arrangements	Payment terms remain same	-
- Comparable trade payables that are not part of the arrangements	0 to 45 days	

b) Deferred Tax Asset/Liabilities Movement**FY 2025-26**

(₹ in Crore)					
Particulars	As at 1 st April 2025	Recognised in P&L	Recognised in OCI	Others	As at March 31, 2026
Deferred Tax Liabilities (A)					
Difference in book depreciation and tax depreciation	4,984.25	(404.75)	-	0.00	4,579.50
Deferred Tax Assets (B)					
Deferred tax asset on tax losses/provisions	(324.76)	(460.76)	(0.08)	-	(785.60)
MAT Credit entitlement	(631.03)	(90.28)	0.04	(46.90)	(768.17)
Deferred Tax Liabilities (Net) (A+B)	4,028.46	(955.79)	(0.04)	(46.90)	3,025.73

FY 2024-25

(₹ in Crore)					
Particulars	As at 1 st April 2024	Recognised in P&L	Recognised in OCI	Others	As at March 31, 2025
Deferred Tax Liabilities (A)					
Difference in book depreciation and tax depreciation	5,048.27	(64.02)	-	-	4,984.25
Less: Deferred Tax Assets (B)					
Deferred tax asset on tax losses/provisions	(324.73)	(0.03)	-	-	(324.76)
MAT Credit entitlement	(933.15)	301.66	0.06	0.38	(631.05)
Deferred Tax Liabilities (Net) (A+B)	3,790.39	237.61	0.06	0.38	4,028.44

Disclosed as

(₹ in Crore)		
	As at 31.03.2026	As at 31.03.2025
Deferred tax Asset	458.12	-
Deferred tax Liability	3483.85	4,028.44



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 58 Disclosure as per Ind AS 33 'Earnings per Share'

	March 31, 2026	March 31, 2025
(i) Basic and diluted earnings per share for the year ended		
From operations including regulatory deferral account balances (a) (in ₹)	27.18	19.57
From regulatory deferral account balances (b) (in ₹)	4.60	(1.07)
From operations excluding regulatory deferral account balances (a)-(b) (in ₹)	22.58	20.64
Nominal value per share (in ₹)	10.00	10.00
(ii) Profit attributable to equity shareholders (used as numerator)		
From operations including regulatory deferral account balances (a) (₹ in Crore)	3,769.46	2,713.61
From regulatory deferral account balances (b) (₹ in Crore)	638.44	(148.47)
From operations excluding regulatory deferral account balances (a)-(b) (₹ in Crore)	3,131.02	2,862.08
(iii) Weighted average number of equity shares (used as denominator)		
Opening balance of issued equity shares (No's)	1,38,66,36,609	1,38,66,36,609
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares for Basic and Diluted EPS (No's)	1,38,66,36,609	1,38,66,36,609

Note 59 Capital Employed

		(₹ in Crore)	
Particulars	Formula	As at March 31, 2026	As at March 31, 2025
Capital Employed	Total Equity (excluding NCI)+ Total borrowings+ Deferred tax liability-Intangible Assets	52,559.32	44,930.95

Note 60 Additional Disclosures: to the notification dated 24th March 2021, by Ministry of Corporate Affairs

- a) **Title deeds/Assignment Deeds/Govt.Orders of Immovable Property not held in name of the Group:** As on the date of financials all the immovable properties are held in the name of the company by way of Title deed/Assignment deed/Government Order. In certain cases the company is in the process of updation of name in the revenue records.
- b) **Loans and Advances to Directors, KMPs, & Related Parties:** The Group has a policy of loans and advances given to its employees including loans and advances given to Directors, KMPs and the related parties. All these loans are paid as in accordance with the Policy adopted by the Group and Repayments and interests are charged accordingly. No loans paid to Directors, KMPs and Related parties are repayable on demand or without specifying the terms of repayment. Hence the additional disclosure as specified in the notification no.GSR 207 (e) dated 24th March 2021 to companies Act 2013 is not applicable to the Group.
- c) **Details of benami Properties:** There is no benami properties held by the Group as on date of financials. Hence the additional disclosure as specified in the said notification companies Act 2013 is not applicable to the Group.
- d) **Wilful Defaulter:** As on date of financials or any of the previous years, the Group has not defaulted any of its loans paid to any Banks or Financial Institutions.
- e) **Relationship with Struck off Companies:**

Name of the Struck off	Nature of Transactions with Group	Balance Outstanding (in. ₹)	Relationship with the Group, if any
J.Y. BLOCK BEARING COMPANY (P) LTD	Payables towards Goods and Services	-	Vendor for supply of Goods and Service
SONAR COMMUNICATIONS PVT. LTD.,	Payables towards Goods and Services	-	Vendor for supply of Goods and Service
GEO MINERAL WATERS PVT. LTD.,	Payables towards Goods and Services	2,217.60	Vendor for supply of Goods and Service
BERN ENGG PVT LTD	Payables towards Goods and Services	-	Vendor for supply of Goods and Service
READY ENGINEERING PVT LTD	Payables towards Goods and Services	-	Vendor for supply of Goods and Service
SKYNET TECHNOLOGIES PVT LTD	Payables towards Goods and Services	-	Vendor for supply of Goods and Service
MANAVEA TECHNOLOGIES PVT. LTD.	Payables towards Goods and Services	(705.30)	Vendor for supply of Goods and Service

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- f) **Compliance with number of layers of companies:** Clause (87) of section 2, section 450 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 and section 2 Companies (Restriction on number of layers) Rules, 2017, government companies are exempt from requirements of disclosing the number of layers of its holding in subsidiaries. Hence the additional disclosure as specified in the notification no. GSR 207 (e) dated 24th March 2021 to companies Act 2013 is not applicable to the Group.
- g) **Utilisation of Borrowed funds and share premium:**
- 1) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that such Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 2) The Group has not received any funds from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Accordingly, the disclosures required under Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as amended vide notification no. GSR 207(E) dated 24th March 2021, have been complied with.

- h) There were no scheme of arrangements approved by the competent authority during the year in terms of sections 230 to 237 of the companies act 2013.
- i) **Details of Crypto Currency or Virtual Currency:** The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year or any of the previous financial years.
- j) **Borrowings secured against current assets**

The group has availed working capital facility of ₹ 5000 crore (₹ 4000 crore Fund based and ₹ 1000 crore non fund based.) agreed with SBI and is secured by Hypothecation of entire current assets of the group i.e. raw Materials, Stock in progress, Consumable stores, Spares and charge on receivables. The outstanding Working Capital loan as on 31.03.2025 is NIL (PY: ₹ NIL) in the form of T-bill linked WCL.

NTPL (Subsidiary company) availed working capital loan and cash credit facility agreed with Bank of India with Fund based Limit of ₹ 1300.00 crore and Non-Fund based Limit of ₹ 200.00 crore is subject to the availability of drawing power. The loan bears an interest rate of 6.70% p.a. (on the basis of Repo Rate + Mark Up 2.85% - BSD 2.15%) on Working capital demand loan and 8.55% p.a. (on the basis of 1 month MCLR plus 0.20% fixed spread) on Cash Credit. The loan is secured by pari passu charge on book debts, operating cash flows, receivables, all other current assets, commissions, revenues of whatsoever nature and wherever arising present & future relating to the project.

In addition to the above NTPL (Subsidiary Company) has also availed State Bank of India Working Capital loan with Fund based Limit of ₹ 1000 Crore and Non-Fund based Limit of ₹ 10 crore (sub-limit of Fund based Limit of ₹ 1000 crore) is subject to the availability of drawing power. This loan was Secured by pari passu first charge over the entire current assets of the Group i.e., hypothecation of raw materials, stock in process, finished goods, consumable stores, spares and charge on the receivables. The outstanding Working Capital loan as on 31.03.2025 is in the form of T-bill linked WCL.

NUPPL signed an agreement of ₹ 1,000 Crore (₹ 900 Crore Fund Based & ₹ 100 Crore Non-Fund Based) with SBI, CAG Branch for its requirement of working capital. The agreed interest rate for Cash Credit limit is 9.05% (3 months SBI MCLR+0.5% Spread) and for WCDL interest rate at mutually agreed rate at the time of availment, which is at present 8.70% (1 Month SBI MCLR+0.5%).

The working capital loan is secured by exclusive Hypothecation Charge over the entire current assets of the Company (both present and future). NLCIL has also issued a letter of comfort in favour of State Bank of India for the working capital loan.

The Group has filed quarterly/monthly returns with the banks and financial institutions as per the terms of loans. These returns are in agreement with books of accounts of the Group. There are no material discrepancies in the returns filed by the Group during the FY 2025-26 or any of previous financial years.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

k) Registration of charges or satisfaction with Registrar of Companies (ROC): Not Applicable

Trade Payable Ageing - FY 2025-26

(₹ in Crore)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of transaction				Total
			Less than 1 year	1 - 2 year	2 - 3 year	More than 3 year	
a) MSE	109.55	51.61	56.96	3.66	0.07	1.09	222.94
b) Others	156.24	2.91	871.62	21.60	41.51	32.96	1,126.84
c) Disputed Dues- MSE	-	-	-	-	-	-	-
d) Disputed Dues- Others	-	-	-	-	-	-	-
	265.79	54.52	928.58	25.26	41.58	34.05	1,349.78

Trade Payable Ageing - FY 2024-25

(₹ in Crore)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of transaction				Total
			Less than 1 year	1 - 2 year	2 - 3 year	More than 3 year	
a) MSE	72.37	0.98	77.47	1.47	1.65	9.22	163.16
b) Others	177.52	124.16	1,338.77	47.73	5.06	41.60	1,734.84
c) Disputed Dues- MSE	-	-	-	-	-	-	-
d) Disputed Dues- Others	-	-	-	-	-	-	-
Total	249.89	125.14	1,416.24	49.20	6.71	50.82	1,898.00

Note 61 Recent Pronouncement

The Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules from time to time. MCA has notified amendments to Ind AS 1 – Presentation of Financial Statements (classification of liabilities as current or non current, including liabilities with covenants), Ind AS 12 – Income Taxes (International Tax Reform – Pillar Two Model Rules), Ind AS 21 – The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability), and Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures (Supplier Finance Arrangements), effective from April 1, 2025.

The Company has reviewed these amendments and based on its evaluation, has determined that they do not have any impact on the Company’s financial statements. However, pursuant to the adoption of the amendments to Ind AS 7 and Ind AS 107, the Company has provided the required disclosures relating to liabilities under supplier finance arrangements in the notes to the financial statements.

New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1- The amendments clarify that lender waivers obtained after the reporting date cannot be considered for the purpose of classifying liabilities as current or non current and require retrospective application in accordance with Ind AS 8.

These amendments are effective for reporting periods beginning on or after 1st April, 2026. The Company does not expect any material impact on its financial statements.

Note 62 Additional Disclosures

a) The Group has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to receivables for sale of energy, the Company sends demand intimations to the beneficiaries with details of amount paid and balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries for sale of power and lignite is generally done on periodical basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) ‘External Confirmations’, were sent to the parties. Loan outstanding balances of employees are also reconciled periodically.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

b) In the opinion of the management, the value of assets, other than property, plant and equipment and non-current investments, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

c) The Company is facing with deficit in availability of land at Neyveli for lignite mining, which is impacting its operations. However, the Company is confident of overcoming the challenges on land acquisition at Neyveli mines with sustained efforts, in the near future. In order to ensure availability of lignite, the company has undertaken contingency mining with additional cost and resources.

d) Due to Slow progress in Balance of Plant (BoP) package of Ghatampur Thermal Power Project, the Commissioning of the plant is delayed and may have corresponding impact on the project Cost. Government of India has approved the Revised cost estimate-II of ₹ 21,780.94 Cr on 12th November 2024.Unit-1 COD has been declared on 12-12-2024. The tentative revised scheduled date of commissioning is 15-07-2025 & 31-10-2025 for Unit-2 & Unit-3 respectively.

e) As per the requirements of Rule 3(1) of the Companies (Accounts) Rules, 2014, the group has used SAP accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility that has operated throughout the year and has been preserved as per the statutory requirements for record retention. Further, the audit trail facility has also been enabled and preserved in respect of integrated external applications relating to Auction & Tender System, Integrated Weightment Tracking System, Employee Advance and Reimbursement Claims, GST Central Invoicing System, House Allotment, Rent Accounting and other township-related management systems.

f) As per DIPAM guidelines, the minimum annual dividend payable is 30% of Profit After Tax (PAT) or 4% of Net Worth, whichever is higher, which amounted to ₹ 770.81 crore for FY 2025-26.

Considering the significant capital expenditure commitments and expansion plans of the Company, NLCIL sought exemption from payment of the minimum dividend requirement for FY 2024-25 and FY 2025-26. The Committee for Monitoring of Capital Management and Dividend in CPSEs (CMCDC), in its meeting held on 06 January 2026, granted exemption for FY 2024-25 and advised the Company to target a dividend payout of ₹ 500 crore for FY 2025-26.

Accordingly, the Company paid an interim dividend of ₹ 499.19 crore (36%) on 10 February 2026 and has proposed a final dividend of ₹ 34.67 crore (2.5%), resulting in a total dividend payout of ₹ 533.86 crore (38.5%), in line with the target indicated by CMCDC for FY 2025-26. The total dividend payout represents 21.14% of PAT and 2.77% of Net Worth.

g) NTPL has paid the dividend for the FY 2024-25, which is less than the minimum dividend criteria prescribed under the guidelines issued by DIPAM. NTPL has sought exemption from payment of Minimum Dividend and in line with the directions of MoC, the exemption was granted to NTPL from payment of Minimum Dividend.

For FY 2025-26, Board of Directors of NTPL in their 150th Meeting held on 11th May, 2026 has approved the proposal for seeking exemption from payment of minimum dividend. The approval of granting exemption to NTPL is under process.

h) Subsequent to the balance sheet date, the Company identified certain events that provide additional evidence of conditions existing at the reporting date. Accordingly, necessary adjustments have been made in the financial statements. Management confirms that all material subsequent events up to the date of approval have been considered.

i) The consolidated financial statements for the year ended March 31, 2026, were approved for issue by the Board of Directors of the company on May 13, 2026.

j) The Group has assessed the impact of the Code on Wages, 2019 and related labour codes, and does not expect any material impact on the financial statements.

k) The Digital Personal Data Protection Act, 2023 (DPDP Act) encompasses the entire organisational ecosystem and has implications across all functions, business units, and support processes. Accordingly, it is being addressed as a strategic, enterprise-wide priority with active oversight at the highest levels of the Organisation.

The activities related to the DPDP Act are currently under active deliberation by the relevant internal stakeholders. The Management is cognisant of the regulatory framework and the compliance requirements thereunder.

The requisite steps, including those pertaining to consent management, awareness training, policy review, and control framework assessment, etc., shall be undertaken in a structured and time-bound manner as per the extant MeitY guidelines.

l) The Company has performed a detailed assessment of the recognition criteria prescribed under Paragraph 9 of Appendix B to Ind AS 16. Based on this assessment, the Company has concluded that for its over burden removal mining operations, the required conditions specified under Paragraph 9 of Appendix B to Ind AS 16 relating to recognition of stripping asset were not met. Accordingly, the related transactions have been accounted for appropriately in accordance with the applicable Indian Accounting Standards.

Inline with industry practice, the policy in this regard shall be reviewed at end of each financial year.

PART "A": SUBSIDIARIES (INCLUDING STEP DOWN SUBSIDIARIES)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules 2014
Statement containing salient features of the financial statement of Subsidiaries (including step down subsidiaries)

(₹ in Crore)								
Sl. No.		1	2	3	4	5	6	7
Sl. No.	Name of the Subsidiary/step down subsidiary	NLC Tamil Nadu Power Limited	Neyveli Uttar Pradesh Power Limited	NLC India Renewables Limited*	NLC India Green Energy Limited	NLC Rajasthan Power Limited	NIRL Rajasthan Renewables Limited [#]	NIRL Assam Renewables Limited [#]
1	Reporting Period	2025-26	2025-26	2025-26	2025-26	2025-26	2025-26	2025-26
2	Reporting Currency	₹	₹	₹	₹	₹	₹	₹
3	Share Capital	2,188.04	5,821.82	3,119.75	50.00	0.05	35.55	0.05
4	Share Application Money Pending Allotment		612.24					
5	Reserves and Surplus (net of OCI)	2,385.28	172.93	44.72	(0.35)	(0.02)	(1.93)	(0.02)
6	Total Assets	5,781.45	23,840.16	7,203.10	49.68	0.05	33.63	0.04
7	Total Liabilities (excluding share holder funds)	1,208.13	17,233.17	4,038.63	0.03	0.02	0.01	0.01
8	Investments	-	-	26.33	-	-	-	-
9	Total Income	3,477.98	3,355.87	197.37	3.81	-	0.00	-
10	Profit before taxation	697.78	302.90	68.77	2.78	(0.02)	(2.58)	(0.02)
11	Provision for taxation	(493.93)	64.75	21.42	0.60	-	(0.65)	-
12	Profit for the period	1,191.71	238.15	47.35	2.18	(0.02)	(1.93)	(0.02)
13	Total comprehensive income	1,191.47	237.90	47.35	2.18	(0.02)	(1.93)	(0.02)
14	Proposed Dividend	-	-	-	-	-	-	-
15	% of Shareholding	89%	51%	100%	100%	74%	74%	51%
	Remarks	NTPL has declared interim dividend of 12% per share at par value for FY 2025-26						

*not restated
[#]step down subsidiary of NLCIL and Subsidiary of NIRL

Sushanta Kumar Panda COMPANY SECRETARY FCS: 11740	For and on behalf of the Board of Directors Dr. Prasanna Kumar Acharya DIRECTOR (FINANCE) & CFO DIN: 09625170	Prasanna Kumar Motupalli CHAIRMAN AND MANAGING DIRECTOR DIN: 08456692
For M/s. SUNDARAM & SRINIVASAN Chartered Accountants Firm Regn. No.: 004207S		For M/s PKF SRIDHAR & SANTHANAM LLP Chartered Accountants Firm Regn No: 003990S/S200018
P.MENAKSHI SUNDARAM PARTNER M.NO. 217914		S NARASIMHAN PARTNER M.NO.206047
Place: Neyveli Date: 13.05.2026		



PART "B": ASSOCIATE AND JOINT VENTURE

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies
(Accounts) Rules 2014 related to Associate/Joint Venture

Sl. No.	Particulars	Coal Lignite Urja Vikas Private Limited	MNH Shakti Limited
	Reporting period	2025-26	2025-26
1	Status	Joint Venture	Associate
2	Share of the JV/Associate held by the Company on the year end	10000	5265000
3	Amount of investment in JV/Associate (₹ in crores)	0.01	5.27
4	Extent of holding	50%	15%
5	Description of how there is significant influence	Joint Management control	By way of representation on Board
6	Reason why the Joint Venture/Associate is not consolidated	NA	NA
7	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in Crore)	1.16	6.70
8	Profit/(Loss) for the year :		
	i) Considered for consolidation (₹ in Crore)	0.14	0.14
	ii) Not Considered for consolidation	NA	NA
9	Remarks	CLUVPL has declared dividend of 5000% per share at par value for FY 2025-26	

Sushanta Kumar Panda COMPANY SECRETARY FCS: 11740	For and on behalf of the Board of Directors Dr. Prasanna Kumar Acharya DIRECTOR (FINANCE) & CFO DIN: 09625170	Prasanna Kumar Motupalli CHAIRMAN AND MANAGING DIRECTOR DIN: 08456692
For M/s. SUNDARAM & SRINIVASAN Chartered Accountants Firm Regn. No.: 004207S		For M/s PKF SRIDHAR & SANTHANAM LLP Chartered Accountants Firm Regn No: 003990S/S200018
P.MENAKSHI SUNDARAM PARTNER M.NO. 217914		S NARASIMHAN PARTNER M.NO.206047

Place: Neyveli
Date: 13.05.2026

GRI CONTENT INDEX

NLC India Limited (‘NLCIL’) has reported the information cited in this GRI content index for the period April 1, 2025 to March 31, 2026 with reference to the GRI Standards.

GRI Standard	GRI Disclosure	Description	BRSR Linkage	Reference	Page Number
General Disclosures	GRI 2-1	Organisational details	Section A: Question 1	NLCIL at a Glance	16
	GRI 2-2	Entities included in the organisation’s sustainability reporting	-	About the report	6
	GRI 2-3	Reporting period, frequency and contact point	Section A: Question 9	About the report	6
	GRI 2-5	External assurance	Section A: Question 15	About the report	7
	GRI 2-6	Activities, value chain and other business relationships	Section A: Question 16	NLCIL at a Glance	16-17
	GRI 2-7	Employees	Section A: Question 20	Our People	89, 247
	GRI 2-8	Workers who are not employees	Section A: Question 20	Our People	89
	GRI 2-9	Governance structure and composition	-	Governance	36-38
	GRI 2-10	Nomination and selection of the highest governance body	-	Governance	44
	GRI 2-11	Chair of the highest governance body	-	Governance	36-43
	GRI 2-12	Role of the highest governance body in overseeing - the management of impacts	-	Governance	36-43
	GRI 2-13	Delegation of responsibility for managing impacts	-	Governance	44-45
	GRI 2-14	Role of the highest governance body in sustainability reporting	-	Governance	36-45
	GRI 2-15	Conflicts of interest	Section C: Principle-1, Essential indicator 6	BRSR Report	257
	GRI 2-17	Collective knowledge of the highest governance body	-	Governance	39-42
	GRI 2-19	Remuneration policies	Section B , Question -1	BRSR Report	253
	GRI 2-20	Process to determine remuneration	Section B , Question -1	BRSR Report	253
	GRI 2-21	Annual total compensation ratio	Section C: Principle-5, Essential indicator 3a	BRSR Report	269
	GRI 2-22	Statement on sustainable development strategy	Section B: Question 5	BRSR Report	253
	GRI 2-23	Policy commitments	Section B: Question 1c	BRSR Report	253
	GRI 2-25	Processes to remediate negative impacts	-	Risk Management	60
Material Topics	GRI 3-1	Process to determine material topics	Section A: General disclosures	Materiality assessment	52-59, 249
	GRI 3-2	List of material topics	Section A: Question 26	Material issues	52-59, 249
	GRI 3-3	Management of material topics	Section A: Question 26	Material issues	52-59, 249
Biodiversity	GRI 101-1	Policies to halt and reverse biodiversity loss	-	Biodiversity Conservation	119-121
	GRI 101-2	Management of biodiversity impacts	-	Biodiversity Conservation	119-121
	GRI 101-3	Access and benefit-sharing	-	Biodiversity Conservation	119-121

INFORMATION ON SUBSIDIARY AND ASSOCIATE

Statement pursuant to section 129, Companies Act, 2013 (Schedule III)

	Net Assets, i.e, total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of Consolidated net Assets	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated other comprehensive income	Amount (₹ in crore)	As % total comprehensive Income	Amount (₹ in crore)
(A) Parent								
NLC India Limited								
31 st March 2026	76.24%	19,268.13	60.80%	2,291.75	96.44%	(12.87)	60.68%	2,278.88
31 st March 2025	79.56%	17,462.27	62.93%	1,707.47	92.38%	(12.74)	62.78%	1,694.73
(B) Subsidiaries								
1. NTPL								
31 st March 2026	8.40%	2,122.90	28.14%	1,060.62	1.57%	(0.21)	28.23%	1,060.41
31 st March 2025	5.91%	1,296.17	34.79%	944.02	2.90%	(0.40)	34.95%	943.62
2. NUPPL								
31 st March 2026	0.35%	88.20	3.22%	121.46	1.00%	(0.13)	3.23%	121.33
31 st March 2025	-0.15%	(33.13)	-0.94%	(25.44)	2.18%	(0.30)	-0.95%	(25.74)
3. NIRL								
31 st March 2026	0.18%	44.74	1.26%	47.37	-	-	1.26%	47.37
31 st March 2025	-0.01%	(2.63)	-0.09%	(2.56)	-	-	-0.09%	(2.56)
4. NIGEL								
31 st March 2026	0.00%	(0.35)	0.06%	2.18	-	-	0.06%	2.18
31 st March 2025	-0.01%	(2.53)	-0.09%	(2.37)	-	-	-0.09%	(2.37)
5. NRPL								
31 st March 2026	0.00%	(0.02)	0.00%	(0.02)	-	-	0.00%	(0.02)
31 st March 2025	0.00%	-	-	-	-	-	-	-
(C) Step down Subsidiaries								
1. NRRL (Subsidiary of NIRL)								
31 st March 2026	-0.01%	(1.43)	-0.04%	(1.43)	-	-	-0.04%	(1.43)
31 st March 2025	0.00%	-	-	-	-	-	-	-
2. NARL (Subsidiary of NIRL)								
31 st March 2026	0.00%	(0.01)	0.00%	(0.01)	-	-	0.00%	(0.01)
31 st March 2025	0.00%	-	-	-	-	-	-	-
(D) Joint Venture (Indian)								
Coal Lignite Urja Vikas (P) ltd.								
31 st March 2026	0.00%	1.16	0.00%	0.14	-	-	0.00%	0.14
31 st March 2025	0.01%	1.52	0.00%	0.13	-	-	0.00%	0.13
(E) Associate (Indian)								
MNH Shakti								
31 st March 2026	0.01%	1.44	0.00%	0.14	-	-	0.00%	0.14
31 st March 2025	0.01%	1.30	0.00%	0.11	-	-	0.00%	0.11
(F) Non-Controlling Interest in all Subsidiaries								
31 st March 2026	14.83%	3,749.25	6.56%	247.26	1.05%	(0.14)	6.58%	247.12
31 st March 2025	14.68%	3,221.75	3.40%	92.25	2.54%	(0.35)	3.40%	91.90
Total								
31 st March 2026	100.00%	25,274.01	100.00%	3,769.46	100.00%	(13.35)	100.00%	3,756.11
31 st March 2025	100.00%	21,944.72	100.00%	2,713.61	100.00%	(13.79)	100.00%	2,699.82



GRI Standard	GRI Disclosure	Description	BRSR Linkage	Reference	Page Number
Economic Performance	GRI 201-1	Direct economic value generated and distributed	-	Financial Capital	70
	GRI 201-3	Defined benefit plan obligations and other retirement plans	Section C: Principle 3, Essential indicator 2	BRSR Report	261
Market Presence	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Section C: Principle 5, Essential indicator 3	BRSR Report	269
Indirect Economic Impacts	GRI 203-1	Infrastructure investments and services supported	-	Social and Relationship Capital	98-111
Procurement Practices	GRI 204-1	Proportion of spending on local suppliers	Section C: Principle 8, Essential indicator 4	BRSR Report	281
Anti-corruption	GRI 205-2	Communication and training about anti-corruption policies and procedures	Section C: Principle 1, Essential indicator 4	BRSR Report	257
	GRI 205-3	Confirmed incidents of corruption and actions taken	Section C: Principle 1, Essential indicator 5	BRSR Report	257
Anti-competitive Behavior	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Section C: Principle 7, Essential indicator 2	BRSR Report	256
Materials	GRI 301-3	Reclaimed products and their packaging materials	Section C: Principle 2, Leadership indicator 4	BRSR Report	259
Energy	GRI 302-1	Energy consumption within the organisation	Section C: Principle 6, Essential indicator 1	Efforts towards energy management	113, 272
	GRI 302-3	Energy intensity	Section C: Principle 6, Essential indicator 1	Efforts towards energy management	113, 272
	GRI 302-4	Reduction of energy consumption	Section C: Principle 6, Essential indicator 6	Efforts towards energy management	113, 272
Water	GRI 303-1	Interactions with water as a shared resource	-	Water and Effluent Management	117
	GRI 303-2	Management of water discharge-related impacts	Section C: Principle 6, Leadership indicator 3	Water and Effluent Management	117, 277
	GRI 303-3	Water withdrawal	Section C: Principle 6, Essential indicator 2	Water and Effluent Management	117,272
	GRI 303-4	Water discharge	Section C: Principle 6, Essential indicator 3	Water and Effluent Management	117, 272
	GRI 303-5	Water consumption	Section C: Principle 6, Essential indicator 2	Water and Effluent Management	117,272
Emissions	GRI 305-1	Direct (Scope 1) GHG emissions	Section C: Principle 6, Essential indicator 6	Greenhouse Gas Emissions	113,273
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	Section C: Principle 6, Essential indicator 6	Greenhouse Gas Emissions	113,273
	GRI 305-3	Other indirect (Scope 3) GHG emissions	Section C: Principle 6, Leadership indicator 4	Greenhouse Gas Emissions	113, 278
	GRI 305-4	GHG emissions intensity	Section C: Principle 6, Essential indicator 6	Greenhouse Gas Emissions	113,273
	GRI 305-5	Reduction of GHG emissions	Section C: Principle 6, Essential indicator 7	Greenhouse Gas Emissions	113,274
	GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Section C: Principle 6, Essential indicator 5	Air Emissions	116, 275
Effluents and Waste	GRI 306-1	Waste generation and significant waste-related impacts	Section C: Principle 6, Essential indicator 9	Waste Management	118, 274
	GRI 306-2	Management of significant waste-related impacts	Section C: Principle 6, Essential indicator 9	Waste Management	118, 274
	GRI 306-3	Waste generated	Section C: Principle 6, Essential indicator 9	Waste Management	118, 274
	GRI 306-4	Waste diverted from disposal	Section C: Principle 6, Essential indicator 9	BRSR Report	274
	GRI 306-5	Waste directed to disposal	Section C: Principle 6, Essential indicator 9	BRSR Report	274
Environmental Compliance	GRI 307-1	Non-compliance with environmental laws and regulations	Section C: Principle 6, Essential indicator 12	BRSR Report	276

GRI Standard	GRI Disclosure	Description	BRSR Linkage	Reference	Page Number
Supplier Environmental Assessment	GRI 308-1	New suppliers that were screened using environmental criteria	Section C: Principle 6, Leadership indicator 7	BRSR Report	279
Employment	GRI 401-1	New employee hires and employee turnover	Section A: Question 20	Our People	89, 247
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Section C: Principle 3, Essential indicator 1	Human Capital	88-97, 260
	GRI 401-3	Parental leave	Section C: Principle 3, Essential indicator 5	BRSR Report	261
Occupational Health and Safety	GRI 403-1	Occupational health and safety management system	Section C: Principle 3, Essential indicator 8	Health and Safety	96,262
	GRI 403-2	Hazard identification, risk assessment, and incident investigation	Section C: Principle 3, Essential indicator 10	BRSR Report	263
	GRI 403-3	Occupational health services	-	Health and Safety	96
	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Section C: Principle 3, Essential indicator 8	BRSR Report	262
	GRI 403-5	Worker training on occupational health and safety	Section C: Principle 3, Essential indicator 8	BRSR Report	262
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Section C: Principle 3, Essential indicator 12	BRSR Report	264
	GRI 403-8	Workers covered by an occupational health and safety management system	Section C: Principle 3, Essential indicator 10	BRSR Report	263
	GRI 403-9	Work-related injuries	Section C: Principle 3, Essential indicator 11	BRSR Report	264
	GRI 403-10	Work-related ill health	Section C: Principle 3, Essential indicator 11	BRSR Report	264
Training and Education	GRI 404-1	Average hours of training per year per employee	Section C: Principle 3, Essential indicator 8	BRSR Report	262
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Section C: Principle 3, Essential indicator 8	BRSR Report	262
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Section C: Principle 3, Essential indicator 9	BRSR Report	263
Diversity and Equal Opportunity	GRI 405-1	Diversity of governance bodies and employees	Section C: Principle 5, Essential indicator 3	BRSR Report	269
Non-discrimination	GRI 406-1	Incidents of discrimination and corrective actions taken	Section C: Principle 5, Essential indicator 6	BRSR Report	270
Rights of Indigenous Peoples	GRI 411-1	Incidents of violations involving rights of indigenous peoples	Section C: Principle 5, Essential indicator 4	BRSR Report	270
Human Rights Assessment	GRI 412-2	Employee training on human rights policies or procedures	Section C: Principle 5, Essential indicator 1	BRSR Report	269
Local Communities	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	-	Social and Relationship Capital	98-111

SASB INDEX

Indicator	SASB Code	Reference	Page Number
1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations and (3) emissions-reporting regulations	IF-EU-110a.1	Natural Capital – Greenhouse Gas Emissions	113, 278
Greenhouse gas (GHG) emissions associated with power deliveries	IF-EU-110a.2	BRSR – Principle 6	278
Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	IF-EU-110a.3	Financial Capital – Driving Innovation and Sustainability	
Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	IF-EU-120a.1	Natural Capital – Air Emissions	116
(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	IF-EU-140a.1	Natural Capital – Water and effluent management	117
Number of incidents of non-compliance associated with water quality permits, standards and regulations	IF-EU-140a.2	Natural Capital – Water and effluent management	117
Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-EU-140a.3	BRSR – Principle 6	277
Amount of coal combustion residuals (CCR) generated, percentage recycled	IF-EU-150a.1	Natural Capital – Waste Management	118
Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	IF-EU-150a.2	Natural Capital – Waste Management	118
Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	IF-EU-240a.1	Not Applicable as electricity generated is sold to DISCOMs	
Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	IF-EU-240a.2	Not Applicable as electricity generated is sold to DISCOMs	
Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	IF-EU-240a.3	Not Applicable as electricity generated is sold to DISCOMs	
Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	IF-EU-240a.4	Not Applicable as electricity generated is sold to DISCOMs	
1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	IF-EU-320a.1	Health and Safety	96-97
Percentage of electric load served by smart grid technology	IF-EU-420a.2	Not Applicable as electricity generated is sold to DISCOMs	
Customer electricity savings from efficiency measures, by market	IF-EU-420a.3	Not Applicable as electricity generated is sold to DISCOMs	
Total number of nuclear power units, broken down by results of most recent independent safety review	IF-EU-540a.1	Not Applicable as NLCIL generates electricity from thermal and renewable energy (Solar and Wind) sources	
Description of efforts to manage nuclear safety and emergency preparedness	IF-EU-540a.2	Not Applicable as NLCIL generates electricity from thermal and renewable energy (Solar and Wind) sources	
Number of incidents of non-compliance with physical or cybersecurity standards or regulations	IF-EU-550a.1	BRSR - Principle 9	283
(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	IF-EU-550a.2	Not Applicable	
Number of: (1) residential, (2) commercial, and (3) industrial customers served	IF-EU-000.A	Not Applicable as electricity generated is sold to DISCOMs	
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	IF-EU-000.B	Not Applicable as electricity generated is sold to DISCOMs	
Length of transmission and distribution lines	IF-EU-000.C	Not Applicable as electricity generated is sold to DISCOMs	
Total electricity generated, percentage by major energy source, percentage in regulated markets	IF-EU-000.D	Manufactured Capital – Reducing Environmental Impact of Thermal Power	78-83
Total wholesale electricity purchased	IF-EU-000.E	Not Applicable as electricity generated is sold to DISCOMs	



CREATING WEALTH
FOR WELLBEING

NLC India Limited

'Navratna – Govt. of India Enterprise



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L93090TN1956GO1003507



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