



NTPC-SAIL POWER COMPANY LTD

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the 27th Annual Report on the performance of your Company for the financial year ended March 31, 2026, along with Audited Financial Statements, Auditors' Report and comments of the Comptroller and Auditor General of India for the year ended March 31, 2026.

1. FINANCIAL RESULTS

The Audited Financial Statements of your Company as on March 31, 2026, are prepared in accordance with the relevant applicable Indian Accounting Standards ("Ind AS").

The summarized financial highlight is depicted below:

	(₹Crore)	
Particulars	2025-26	2024-25
Total Income	4048.19	4082.81
Operating Expenditure	3189.20	3277.25
Finance Cost	113.63	122.08
Depreciation & Amortization Expenses	85.40	81.42
Profit before tax	659.96	602.06
Tax Expense	91.46	208.53
Profit After Tax	568.50	393.53
Other comprehensive income/ (loss)	0.10	(3.55)
Total comprehensive income	568.60	389.98

2. FINANCIAL PERFORMANCE

Your Company recorded a total income of ₹ 4048.19 crores during 2025-26 as against ₹4082.81 crores in the previous year, recording a decrease of ₹ 34.62 crores. The total income in case of CPP II for the current year is ₹ 2412.55 crores (previous year ₹ 2468.76 crores) representing a decrease of ₹ 56.21 crores over the previous year which includes total income from Rourkela PP II Expansion of ₹ 981.79 crores and Income from Durgapur PP-III Units of ₹ 204.66 Crores.

In case of Bhilai PP-III, the total income for the current year is ₹ 1635.64 crores (previous year ₹ 1614.03 crores) representing an increase of ₹ 21.61 crores over the previous year. The increase was mainly due to higher incentive income and recognition of regulatory assets as per CERC regulation 2024-29 on admission of petition.

The Profit After Tax (PAT) for the year has increased by ₹174.97 crores in comparison to previous year. The main reason for increase in PAT is reduction in Deferred tax liability on account of change in tax rate w.e.f. 01.04.2026.

3. OPERATIONAL PERFORMANCE

- During the financial year 2025-26, NSPCL achieved generation of **7027.60 MU**. Captive Power Units (604 MW) of your Company have generated 3442.362 MU at a Plant Load Factor (PLF) of 65.06% with Availability Factor (AVF) 93.42%.



2. Bhilai PP-III (2x250MW) generated 3578.576 MU at a PLF of 81.70% with declared capacity (DC) of 97.35%.
3. Bhilai Floating Solar generated 6.661 MU in FY 2025-26

Installed Capacity

Project/ Unit installed	Capacity (MW)
Coal Based Power Projects	
Bhilai CPP-II	74
Rourkela CPP-II	120
Rourkela CPP-II Expansion	250
Durgapur CPP-II	120
Durgapur PP-III	40
Bhilai PP-III	500
Bhilai Floating Solar	15
Total (as on the date of this Report)	1119

Fuel Security

During the year Financial Year 2025-26, the supply position of coal is given as under:

NSPCL entered into an MoU with OCPL (Odisha Coal & Power Limited) in 2025 for supply of 0.5 MMTPA G14 grade coal for 3 years with a provision for extension on mutual agreement.

Fuel Supply for Bhilai PP-III (2X250 MW)

Your Company signed a Long Term Coal Supply Agreement for 2.408 MMTPA with South Eastern Coalfields Limited (SECL) in 2013-14 for meeting a major part of its coal requirement. To meet the balance of coal quantity, a yearly MoU for 0.5 MMT was signed with the Singareni Collieries Company Limited (SCCL). During the year, FSA coal realization was approximately 106%. Coal received through MoU route during the year 2025-26 was 2.5 LMT. For Captive units of NSPCL at Durgapur, Rourkela and Bhilai, coal is provided through its existing linkages by SAIL.

Environment Management

The Company remains steadfast in its commitment to meeting stakeholder expectations while adhering to environmentally sustainable practices. This commitment is realized through the judicious utilization of natural resources, robust recycling efforts, and efficient waste management, all underpinned by a culture of continual process enhancement. Biomass firing is being done both at Bhilai PP III & Rourkela Expansion.

A. Control of Air Emissions - SO_x, NO_x & SPM reduction

The Company strives to control the emissions and is committed to maintaining the norms for Suspended Particulate Matter (SPM), Sulphur dioxide (SO₂), Oxides of Nitrogen (NO_x), Mercury emission and Water consumption for thermal power plants. In Bhilai PP III, work is under progress for FGD Package to mitigate SO_x and the Combustion Modification system has already been commissioned to mitigate NO_x. In Rourkela PP II Expansion Unit, work of combustion modification to limit NO_x has been commissioned in 2024-25. Durgapur PP III is already designed to be compliant to new limits for SO_x and NO_x emissions.



B. Control of Water Usage

Your Company has initiated actions to optimize specific raw water consumption through steps like ash water recirculation, closed-cycle cooling water system and water conservation. Durgapur PP III has been designed with Air Cooled Condenser to reduce Water Consumption. This technology is new in India and Durgapur is one of the Units using the same technology.

C. Ash Utilization

During the Financial Year 2025-26, approx. 26 lakh tons (110%) of ash has been utilized for various productive purposes. Major utilization was in the areas of land development, cement manufacturing, ash brick manufacturing (in-house and to external vendors), highway embankment etc. Dry ash evacuation systems are in operation in units to optimize ash utilization. In Durgapur and Bhilai, dry fly ash is being sold and the amount generated is used exclusively for the development of infrastructure and promotional activities for increasing fly ash utilization. In all the stations of NSPCL, pond ash is being transported to NHAI to help improve the infrastructure projects and in line with GOI guidelines. Ash Brick Plants at the Bhilai and Rourkela units are operational for the manufacture of ash bricks, further contributing to the effective and sustainable utilization of ash.

Plant-wise ash utilization for the FY 2025-26 are as follows:

Plant	Utilization %
Bhilai PP II (2 x 30 MW) + (1 x 14 MW)	129%
Bhilai PP III (2 x 250 MW)	105%
Durgapur (2 x 60 MW+1 X20 MW)	139%
Rourkela (2 x 60 MW+ 1X 250 MW)	101%
NSPCL (1104 MW)	110%

The Company has instituted a comprehensive Ash Utilization Policy aimed at streamlining and enhancing the efficiency of ash utilization processes.

D. Renewable Energy

Your Company has commissioned rooftop solar power plants with installed capacities of 400 kW at Bhilai and 200 kW at Rourkela. In addition, a 600 kW ground-mounted solar power plant along with 400 kWhr Battery Energy Storage System (BESS) has been installed and commissioned at the Bhilai Township in March 2026, reaffirming the Company's continued commitment to sustainable and renewable energy initiative.

Further, the 15 MW floating solar power plant at Bhilai has been successfully commissioned in its entirety and is now fully operational. The commissioning of the complete 15 MW capacity, further strengthens the Company's commitment to sustainable operations and the adoption of clean energy solutions.

In addition, NSPCL has awarded a contract for the utilization of waste gases generated from Bhilai Steel Plant in the PP-II boilers, and execution of the project has commenced.

E. Energy Conservation

Perform, Achieve & Trade (PAT) is flagship scheme under the National Mission for Enhanced Energy Efficiency (NMEEE). The mission is implemented by the Bureau of Energy Efficiency under the guidance of the Ministry of Power. During second cycle of PAT Scheme completed in 2019-20, NSPCL has been issued 11610 no. of Energy Saving Certificates (ESCerts) by Ministry of Power. These ESCerts are a tradable commodity. Balance of ESCerts as on 31.03.2026 is 18212.



4. COMMERCIAL PERFORMANCE

Your Company has realized 100% payment of current bills raised for Sale of power during the payment cycle for the Financial Year 2025-26. During Financial Year 2025-26, energy billing of ₹2918 crores have been done consisting of ₹1719 Crore for supply of power from Bhilai Expansion Power Plant (2x250 MW) to its various beneficiaries and ₹1199 Crore for supply of power from Captive Power Plants ("CPP") at Durgapur, Rourkela and Bhilai and Solar Plant at Maroda-I (10 MW). Bills of CPPs are exclusive of coal consumed.

Bhilai Expansion Power Plant (2x250 MW) is an interstate power plant and tariff of this plant is determined by Hon'ble CERC as per the extant Tariff Regulations. All the beneficiaries of Bhilai Expansion Power Plant (2x250 MW) viz. Bhilai Steel Plant/ SAIL, Chhattisgarh State Power Distribution Company Limited (CSPDCL) and Dadra & Nagar Haveli and Daman & Diu Power Distribution Corporation Limited (DNHDDPDCL) are maintaining letters of credit (LCs) as per requirement of PPA signed with them. Truing Up Petition for the period 2019-24 and Tariff petition for the period 2024-29 has been submitted by your Company within due date and is pending at CERC for its finalisation.

Customer Relationship

Customer Relationship Management (CRM) initiatives are regularly being taken by your company and this has resulted in improved relationship with customers. Our CRM efforts not only enhance operational efficiency but also create meaningful relationships that drive sustained growth and long-term value for both our customers and the Company. Regular structured interaction with the customers is in place for constant feedback and improvement. In this regard, your company had organized a Customer Meet on 6th of December, 2025 at Lonavala which was attended by all the directors, customers and stakeholders including WRLDC and WRPC representatives.

Your company has also hosted 95th Commercial Committee Meeting (CCM) of Western Regional Power Committee (WRPC) on 21st of November 2025 at Bhilai which was attended by all the constituents of Western region. The meeting witnessed detailed deliberations on various commercial issues and resulted in fruitful decisions.

Your Company believes in resolution of differences with its customers through mutual discussion and as a result at present there is no dispute with any of its customers.

CERC Regulations/ Tariff Petitions

Since the Bhilai Expansion Plant (2x250 MW) of your company is under regulated Tariff of CERC, compliance of all regulations are being ensured.

Billing of the station is being done as per CERC Tariff Regulations 2024 which has come into force w.e.f 01.04.2024.

The petitions related to revision of Tariff of Bhilai Expansion Plant for the period 01.04.2019 to 31.03.2024 after the truing up exercise and for approval of Tariff of Bhilai Expansion Plant for the period from 01.04.2024 to 31.03.2029 had been filed within the statutory timeline and are to be heard by Hon'ble CERC.

CERC vide its order dated 14.07.2025 has approved the mechanism of compensation for degradation of Station Heat Rate, Auxiliary Energy Consumption and Secondary fuel oil consumption due to part-load operation and multiple start/stop of the units under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024. Your company has received the compensation of ₹ 12.12 Cr in line with this mechanism.



Further, CERC has also notified second amendment to the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 on 20.03.2026 wherein monthly billing of Ash Transportation expenses, security expenses and water charges based on actual basis subject to the truing up by the Hon'ble CERC. Your company in accordance with the regulations has incorporated the new billing components in the billing of Bhilai Expansion Plant.

NSPCL Bhilai Expansion Plant has received compensation to the tune of ₹4.68 Crore in FY 2025-26 in form of Reactive Power Compensation under IEGC. Further, Bhilai Expansion Plant has also performed in an excellent manner w.r.t. primary frequency response and has received incentive under this head to the tune of ₹ 3.16 Cr.

5. PROCUREMENT FROM MICRO AND SMALL ENTERPRISES (MSEs) AND PROCUREMENT THROUGH GEM

The Government of India notified a Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 under section 11 of Micro, Small and Medium Enterprises Development Act, 2006.

During FY 2025-26, company made total procurement of ₹580.64 Cr (excluding GST) through GeM portal.

Further Company procured goods and services worth ₹333.22 Cr from MSE vendors. Thus, NSPCL has sourced approximately 33.76 % of its requirements from MSEs against the minimum threshold of 25 % as stipulated in the Public Procurement Policy for Micro and Small Enterprises (MSMEs) Order out of total procurement of ₹986.94 Cr.

6. HUMAN RESOURCE

Our Workforce is the foundation of our organization, representing our most valuable asset. Human capital is the key to sustain itself in this volatile, uncertain, complex, and ambiguous environment. The Company values its human resources and is committed to providing them with an enabling environment which motivates, facilitates their growth, and rewards them for their contributions.

Your Company truly values its employees who commit themselves towards the pursuit of uninterrupted power generation. "People First" approach of your Company has been instrumental in achieving sustainable growth & meeting stakeholders' expectations. Your company has been consistently working on the four HR building blocks viz. **Competency Building, Commitment Building, Culture Building and System Building.**

Your company believes in investing in human resources for the achievement of organizational goals. To keep their morale high, your Company extends the best of welfare benefits to employees and their dependents by way of comprehensive medical care, education, housing, social security, and other facilities. Yours is a learning organization, wherein technology is extensively used as a medium for knowledge sharing and information dissemination. To develop a culture of learning & continuous development, initiatives like Management modules, employee relations, safety and security, training and development, women empowerment, Professional Circles, Quality Circles, Suggestion Schemes, Business Quizzes, online sessions, etc. are encouraged.

Your company fosters open communication, respect, and swift resolution of any matters or concerns. Our aim is to guarantee employee diversity, prevent discrimination, and uphold equal treatment, fostering a robust organizational culture that recognizes and appreciates the uniqueness of each employee.

Your Company believes in the philosophy of continuous improvement through constant feedback and action plan. Internal Customer Surveys are conducted periodically at all Units and Corporate Centre to measure the effectiveness of service functions in the organization. The feedback received from these



surveys have been vital in giving us the path forward to enable us to constantly improve the efficiency of our service functions.

6.1 Company Cadre Building

Your Company has been focusing on building its own competent cadre since 2006. To achieve a lean organization structure, in line with the manpower sanction of 702 employees, granted by the Board in 2019-20, strategic redeployment of manpower has been done. Leaders have been identified from NSPCL Cadre and placed on identified positions after the repatriation of top and middle level NTPC Executives.

NSPCL cadre strength as on 31.03.2026 was 90.13%. The total strength of the company was 689 as on 31.03.2026 out of which 621 employees are from its own cadre.

Job Rotation: To accelerate the learning curve of employees and help develop fresh perspectives, emphasis is given on job rotation. During the Financial Year 2025-26, job rotation of 36 employees has been done.

6.2 Employee Welfare

Your Company believes in building familial relations with its employees and hence a lot of stress is given on enhancing employee welfare, engagement, and work life balance. In the Financial Year 2025-26, various employee welfare initiatives were undertaken such as organizing talk-cum-interactive sessions on emerging health issues and building awareness on lifestyle enrichment matters, usage of employee emotional assistance program 'Manasvi', extension of medical benefits through hospital tie ups, etc. to enhance the quality of life of its employees.

NSPCL is proud of its systems for providing a good quality of work-life for its employees through various cultural, recreational, and health-rejuvenating programs organized round the year. Employee welfare association is active in all 4 units of NSPCL. The Recreation Club, Sports Council and the Ladies Club are actively organizing welfare activities round the year for employees and families in all units. No stone is left unturned in ensuring optimal employee engagement. Various initiatives like essay writing, poster making, debate competitions were organized on current topics for employees as well as their family members. These competitions were a part of broader events like Vigilance Awareness Week, Hindi Pakhwada, Sadbhawna Diwas etc.

6.3 Training and Development

Your company has always been a learning organization and believes in the power of knowledge and considers training expenditure as rather than simply a cost. Training programs are designed for the Employees on the basis of training needs analysis done at the start of the year based on last year's performance evaluation and to address the competency gaps identified consequently. Your company has also taken up an organization wide initiative in collaboration with SHRM to upskill HR executives. The program has been customized as per the people processes at NSPCL and is targeted to keep the Human capital at NSPCL abreast with all the latest developments around the business domain.

With the intent to enable our employees to prepare for future roles on promotion, your Company has introduced the scheme of planned interventions and collaborated with IIM Indore for conducting the Company's planned intervention. Online/ Offline training has been provided to employees. Your company has introduced the one year Online GPI learn course for 100 O&M executives, focusing on new technologies globally. Simulator training has been provided to employees to give them hands-on experience of diverse work situations.

Several initiatives have been introduced for professional upgradation of Employees and to increase the interaction among employees of all Units and CC.



Your company has also initiated to provide technical training to its Contract Workmen. This will be particularly instrumental in capability development of the outsourced manpower which will in turn be beneficial towards the performance of our units. Skill upgradation training has been provided to Contractors Workmen during the Financial Year 2025-26.

6.4 Employee Relations

Regular interactions/communication meetings were held between the Management and employee representatives of all Bi-partite fora during the year in line with the Communication matrix. Total 45 meetings of various participative fora were organized during the Financial Year 2025-26. Two-way communication is ensured on relevant topics during such interactions, suggestions are invited thereon, and policies are formulated by mutual participation, thus ensuring ownership. Communication meetings through Video Conferencing were also encouraged.

6.5 Other Welfare Measures

Your Company provides its full-time employees with a comprehensive range of benefits, supporting employee well-being, a healthy work-life balance and providing long-term support. We provide benefits from paid childcare leave to comprehensive medical care, education, housing, and social security to post-retirement medical benefits. In your Company, an entire gamut of benefits, from paid Childcare leave, Post-retirement Medical Benefits (PRMBS) to Family Economic Rehabilitation Scheme are extended to employees to meet any exigency that may arise in a person's life. The company also has a scheme for sabbatical leave for executives to discharge various familial / social obligations and to take up entrepreneurial / self-employment / self-development ventures to fulfill their aspirations.

6.6 Women Empowerment

During the year, 05 programs on women empowerment and development, including programs on gender sensitization and POSH were organized for senior leadership as well as the IC Members. Your Company actively supported and nominated its women employees for programs organized by reputed agencies. To maintain work life balance and to manage career aspirations, paid childcare leave is provided to women employees. Women's Day was celebrated where the women employees & associates were felicitated.

7. NEW BUSINESS DEVELOPMENT & EXCELLENCE

This year, our focus on Business Development and Excellence has driven significant progress across key strategic areas. Your company pursued new market opportunities and is in process of foraying into new domains and expanding portfolio to meet evolving customer demands. Your company has already commissioned 15 MW capacity of its first Solar Project at Bhilai which is the first floating solar plant of state of Chhattisgarh.

Further, your company has also submitted proposals of installing solar plants at Bhilai, Durgapur, Rourkela and Bokaro to meet the captive requirement of respective SAIL units and also reducing the carbon footprint of SAIL towards manufacturing greener steel.

Your company has also issued NIT for installation of 20 MW Floating Solar Project at Maroda Reservoir at Bhilai.

Your company is in the process of preparation of DPR for installing 1x800 MW Ultra Super Critical Thermal Power Plant at Bhilai in order to primarily cater to power requirement of Indian Railways. In-principle approval from Ministry of Railway has been obtained and the new plant shall be installed under SPV in partnership with Indian Railway. Other activities related to the project are in full swing to take necessary approvals in this regard.



8. IT AND COMMUNICATION

The Company strengthened its cyber security framework by implementing enterprise-level IT security infrastructure, including Next-Generation Firewalls and an Enterprise Detection and Response (EDR) solution with antivirus protection, across NSPCL systems, thereby enhancing access control and overall system security.

As part of its paperless initiative, the Company digitized the Claims and Reimbursements process, including Travel Advance & Claims, thereby reducing reliance on physical documentation.

A **Unified Intranet Portal** was developed and deployed pan-NSPCL, enhancing internal communication, collaboration, and information accessibility across all units.

A **successful switch-over** from the primary **Data Centre (DC)** to the **Disaster Recovery Centre (DRC)** was carried out, ensuring business continuity and validating system resilience.

9. VIGILANCE

Your Company upholds transparency, objectivity, and high standards in its decision-making processes. To ensure this, it has established a Vigilance Department that reports to the Chief Vigilance Officer of NTPC.

The Company has adopted a Whistle Blower Policy for employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct policy. This mechanism is also required to provide for adequate safeguards against victimization of employees, who avail of the mechanism and for direct access to the Chairman of the Audit Committee.

The said policy is uploaded on the website of the Company at: <https://nspcl.co.in/storage/app/public/uploads/Whistle%20blower%20policy.pdf>

During the year under review, no cases were reported under the whistle blower policy.

9.1 Implementation of Integrity Pact

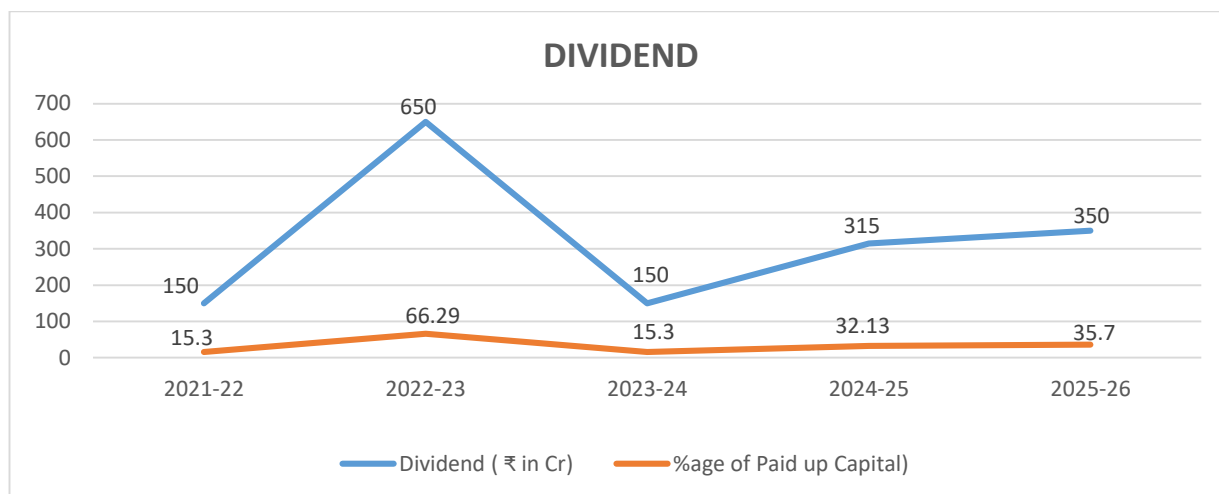
The Integrity Pact has been implemented in your Company since 2014. Presently, tenders having estimated value of ₹10 Crore (excluding taxes and duties) and above are covered under the Integrity Pact.

9.2 Implementation of various policies

Fraud Prevention Policy has been implemented in your Company and suspected fraud cases, referred by the Nodal Officers to Vigilance Department are investigated immediately to avoid/stop fraudulent behaviors as defined in "Fraud Prevention Policy". A uniform policy of banning business dealings with the contractors / vendors has been formulated and implemented.

10. DIVIDEND

Your Company has paid a total dividend of ₹350 crores during the Financial Year 2025-26. The detail of year-wise dividend paid for financial years are as follows:



11.LOANS AND INVESTMENTS

The Company has not given any loan to any person or any other body corporate under section 186 of the Companies Act, 2013. The Particulars of loans, guarantees or investments by the Company, if any, have been disclosed in the financial statements.

12.CREDIT RATINGS

During the year, CRISIL Ratings & CARE Ratings has assigned Credit rating of bank facilities for ₹3500.00 crore & ₹3000.00 Crores respectively to the Company, as per the Rating Rationale given below:

	CRISIL	CARE
Long Term Rating	CRISIL AA+/ Stable (Reaffirmed)	CARE AA+; Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)	CARE A1+ (Reaffirmed)

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In accordance with the Companies Act, 2013, the definition of “Related Party” includes an investing company or the venturer of the company, pursuant to which our promoter companies NTPC and SAIL being the investing company/ joint venture partners have fallen under the purview of “Related Party” of your Company. However, all the transactions undertaken with NTPC and SAIL are in the ordinary course of business and on an arm's length basis.

Your Company obtains the approval of the Audit Committee for the transactions with SAIL and NTPC, in line with Sections 177 and 188 of the Act. The transactions with related parties are disclosed in the Note No. 52 to the Financial Statements of the Company as per Ind AS-24 (Related Party Disclosures).

14. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

15.CSR AND SUSTAINABLE DEVELOPMENT

The details of the CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report. The CSR policy is available on the website of your Company at https://nspcl.co.in/storage/app/public/csr/csr_policy.pdf.



The Company has spent 2% of the average net profits of the Company, during the three years immediately preceding financial year.

A detailed report is placed at **Annexure- I**.

16.MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review is presented in a section forming part of this Annual Report as **Annexure-II**.

17.PARTICULARS OF EMPLOYEES AND REMUNERATION

In terms of provisions of section 197(12) of the Act read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, the details of the top ten employees of the Company in terms of remuneration drawn are placed at **Annexure -V** to this Report. Further, no employees were covered under the limits of remuneration specified in the said rules.

18.PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has laid down a Prevention of Sexual Harassment (POSH) Policy and has constituted Internal Complaints Committee (ICC), at Corporate Centre and all Units, to consider and resolve the complaints related to sexual harassment at Workplace. During the year, programs on women empowerment and development, including programs on gender sensitization and POSH were organized for senior leadership as well as the IC Members.

Sl. No.	Particulars of Disclosures	Remarks
1.	Number of complaints of sexual harassment received in the year	Nil
2.	Number of complaints disposed of during the year	Nil
3.	Number of cases pending for more than ninety days	Nil

19.COMPLIANCE UNDER THE MATERNITY BENEFIT ACT, 1961

All the applicable provisions under the Maternity Benefit Act, 1961 have been duly complied with by the Company.

20.SECURITY & SAFETY PRACTICES

Security: Your Company recognizes and accepts its responsibility for establishing and maintaining a secure working environment for all its installations, employees and associates. This is being taken care of by deploying CISF at all units/ Projects of your Company as per norms of Ministry of Home Affairs. Concrete steps are being taken for upgrading surveillance systems at all projects/ stations by installing state-of-the-art security systems.

Safety: Occupational health and safety at the workplace is one of the prime concerns of your Company Management. Utmost importance is given to provide a safe working environment and to inculcate safety awareness among the employees. Your Company has a 2-tier structure for Occupational Health and Safety Management, namely at Stations/ Projects, at Corporate Centre. Safety issues are discussed in the highest forum of Management like Risk Management Committee (RMC), Operation Reviews Team (ORTs), Project Reviews Team (PRTs) etc.

Your Company is fully committed to ensure and provide a safe and healthy work environment to comply with applicable regulations and statutory requirements and it has already formulated and approved safety policy for implementation. Regular plant inspections, internal and external safety



audits including a Mandatory Audit through National Safety Council in all Stations are being carried out to identify unsafe conditions and practices if any, and corrective measures are taken wherever necessary. Your Company has also taken measures to continuously improve the systems and procedures, provide training and arrange an awareness program for all concerned. Safety awareness programs are also being held periodically.

NSPCL stations remained **fatal-free during FY 2025-26**, reflecting the Company's unwavering commitment to maintaining the highest standards of safety, and employee well-being across all operating units.

Your Company was conferred with the following awards in the HR/CSR/Safety domain during FY 2025-26:

Safety Awards and Recognitions

- NSPCL Rourkela was conferred the prestigious NSCI Safety Award (4th Level *Prashansa Patra*), the Kalinga Safety Excellence Award (Platinum Category) for Thermal Power Plants, and the Apex India Occupational Health & Safety Award in recognition of its exemplary commitment to workplace safety and adherence to the highest standards of occupational health and safety practices.
- NSPCL Durgapur received the Safety Innovation Award from the Institution of Engineers and the Apex India Safety Culture Award in 2025, acknowledging its sustained focus on fostering a proactive safety culture and promoting innovative safety initiatives across operations.
- NSPCL Bhilai was honoured with the NSCI Safety Award – Certificate of Merit for excellent safety performance in FGD project construction and *Prashansa Patra* for O&M, along with the Kalinga Safety Excellence Award (Gold Category) and the Apex India Occupational Health & Safety Award for O&M and FGD project works.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Your Company has been adopting modern technology to conserve energy both in the field of operation as well as in the office.

Information in accordance with the provisions of Section 134(3) of the Act read with Companies (Accounts) Rules, 2014 regarding the conservation of energy, technology absorption and foreign exchange earnings and outgo is given in **Annexure- III** to this Report.

22. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your Company has no subsidiary, joint venture or associate company.

23. CHANGE IN THE BOARD OF DIRECTORS AND KMPs

In compliance with the requirements of the Act and Articles of Association, the Company, as on date, has 6 (Six) Directors on Board.

During the year under review, the following changes have taken place in respect of Board Appointments:

- a. SAIL withdrew the nomination of Dr. Ashok Kumar Panda as Director of NSPCL 26th June, 2025 and nominated Shri. Praveen Nigam, whose appointment is effective from 2nd July, 2025.
- b. SAIL withdrew the nomination of Shri. Prabir Kumar Sarkar as Director of NSPCL on 26th June, 2025 and nominated Shri. Rajiv Pandey, whose appointment is effective from 2nd July, 2025.



- c. NTPC withdrew the nomination of Shri. A.K. Manohar as Director of NSPCL upon his superannuation on 31st August, 2025 and nominated Shri. Sanjay Kumar Sinha, whose appointment is effective from 22nd September, 2025.
- d. Subsequently, SAIL withdrew the nomination of Shri. Rajiv Pandey as Nominee Director of NSPCL on 8th November, 2025 and nominated Shri. TK Krishnakumar, whose appointment is effective from 19th November, 2025.
- e. NTPC withdrew the nomination of Shri. Srivatsan Parthasarathy as Chief Financial Officer of NSPCL upon his superannuation on 31st May, 2025 and nominated Shri. Kamalakanta Nayak, whose appointment is effective from 25th June, 2025.

Further, as on the date of this report, NTPC withdrew the nomination of Shri. Sanjay Kumar Sinha as Director of NSPCL upon his superannuation on 30th June, 2026 and nominated Shri. Vijay Chand, whose appointment is effective from 18th July, 2026.

The Board placed on record its deep appreciation for the contributions made by Dr. Ashok Kumar Panda, Shri. Prabir Kumar Sarkar, Shri. A.K. Manohar, Shri. Rajiv Pandey, and Shri. Sanjay Kumar Sinha during their tenure.

24. PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013, the performance evaluation of the Board of Directors, its Committees, and individual Directors, including Independent Directors, is required to be carried out by the Board, the Nomination and Remuneration Committee (NRC), or the Independent Directors, as applicable.

In the case of NSPCL, all Directors on the Board are Non-Executive Directors nominated by the Promoter companies, NTPC Limited and SAIL. Accordingly, the performance evaluation of these Directors is undertaken by their respective nominating organizations.

Further, the Board approves the Company MoU every year, which lays down the key performance parameters and targets for NSPCL. The overall performance of the Company is evaluated against the objectives and performance criteria specified in the MoU.

25. POLICY ON DIRECTORS' REMUNERATION

The Directors on the Board of NSPCL are nominated by NTPC Limited and SAIL, respectively, and are governed by the remuneration policies applicable to their respective parent organizations. No sitting fee is paid to the Directors for attending meetings of the Board of Directors or its Committees.

26. DIRECTORS' FAMILIARISATION PROGRAMME

During the year, the Company organised a Strategic Meet for the Directors on 5th December, 2025, wherein the Company's business model, operational and financial performance, strategic objectives, key projects, industry developments, risk management framework, and corporate governance practices were deliberated and apprised to the Board.

Further, the Directors also attended NSPCL Customers Meet held on 6th December, 2025 with NSPCL Customers to create meaningful relationships and long-term value for both our customers and the Company.

These initiatives enable the Directors to effectively discharge their responsibilities and contribute meaningfully to the deliberations and decision-making of the Board.



27. MEETINGS OF THE BOARD OF DIRECTORS AND ITS SUB-COMMITTEES AND ATTENDANCE OF DIRECTORS

Detailed information has been provided in the Corporate Governance Report placed at **Annexure-IV**.

28. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

NSPCL has in place a comprehensive Risk Management Policy aimed at identifying, assessing, monitoring, and mitigating various business risks.

During the year, the existing Risk Management Policy was revisited and revised in line with the evolving business environment and regulatory requirements. The revised policy was placed before the Board for its review and approval. The policy framework provides for a structured approach towards managing strategic, operational, financial, compliance, and other emerging risks.

The Board periodically reviews the risk management framework to ensure its effectiveness and adequacy. Adequate internal control systems and mitigation measures have been integrated into the policy to safeguard the interests of stakeholders. The management continues to strengthen the risk governance process through continuous monitoring and timely corrective actions. The Company remains committed to maintaining a robust risk management culture across all levels of the organization.

29. STATUTORY AUDITORS

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. M/s. M.K. Aggarwal & Company, Chartered Accountants were appointed as the Statutory Auditors for the Financial Year 2025-26. The Statutory Auditors have given their unqualified report on the financial statements of the Company and there was no adverse remark or comments in their report.

30. COST AUDITORS

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are being maintained by all stations of your Company. M/s ABK & Associates, Cost Accountants have been appointed as Cost Auditors for the Financial Year 2025-26 for all the stations including the Corporate Office. The Cost Audit Reports for the Financial Year ended 31st March, 2026 shall be filed within the prescribed time period.

31. SECRETARIAL AUDIT

The Board has appointed M/s Akhil Rohatgi & Co., Company Secretaries, to conduct Secretarial Audit for the Financial Year 2025-26. The Secretarial Audit Report for the financial year ended March 31, 2026, is annexed herewith marked as **Annexure VI** to this Report.

32. INTERNAL AUDIT

The Board had appointed M/s J N Mittal & Co., Chartered Accountants and M/s Tej Raj and Pal, Chartered Accountants as Internal Auditors for the Financial Year 2025-26.

33. REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller & Auditor General of India (C&AG), through their letter dated June 24, 2026, have given NIL Comments on the accounts of the Company for the year 2025-26. The same is being placed with the report of Statutory Auditors of your Company, in this Annual Report. Further as per assurance given during supplementary audit, some typographical errors in the text of note no. 55, 57, 59 & 63 forming part of the financial statements have been corrected in the annual report.



34. ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Act, the draft annual return as on March 31, 2026 prepared in accordance with Section 92(3) of the Act is made available on the website of your Company and can be accessed through the link: www.nspcl.co.in

35. SECRETARIAL STANDARDS

During the year under review, your Company has complied with all the applicable provisions of Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

36. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and Secretarial Auditor of your Company have not reported any instances of fraud committed in your Company by Company's officers or employees, to the Audit Committee, as required under Section 143(12) of the Act.

37. GENERAL DISCLOSURES

During the year under review, the disclosures are given below in respect of the following items:

- a) There was no change in the Company's Share Capital during the year under review.
- b) Company has not issued equity shares with differential rights as to voting, dividend or otherwise.
- c) Company has not issued any shares with differential rights, sweat equity shares, ESOS, etc. to employees of the Company or to others under any scheme.
- d) Your Company has not accepted any deposits during the year.
- e) There has been no change in the nature of the business of the Company.
- f) During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- g) Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year i.e. 31st March, 2026 and the date of this report.

38. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of 134(5) of the Act, your Directors hereby confirm:

- (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 judgments 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 2025-26 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 this Act 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 and;
- (e) 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.



39. ACKNOWLEDGEMENT

Your Directors acknowledge and deeply appreciate the cooperation extended by NTPC, SAIL and their employees towards the growth of the Company. The Directors are thankful to the Ministry of Steel and the Ministry of Power for the cooperation, support and guidance provided to the Company from time to time. Your Board also acknowledges the co-operation received from the Comptroller & Auditor General of India, all the Auditors and the Bankers of the Company.

Your Directors thankfully acknowledge the cooperation received from the State Governments as well as the Pollution Control Boards of West Bengal, Odisha and Chhattisgarh respectively and the Central Pollution Control Board and their various officials.

The Board wishes to place on record its appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel.

The Directors look forward to a bright future for the Company with confidence.

For and on behalf of Board of Directors

Sd/-

(Anil Kumar Jadli)

Chairman

DIN : 10630150

Date : 25.08.2026

Place : New Delhi



[Annexure -I]

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR")
ACTIVITIES FOR THE YEAR ENDED 31st MARCH, 2026**

1. Brief outline on CSR Policy of the Company.

NSPCL is committed to inclusive growth and sustainable development with special focus on the communities in the neighborhood of its operations by improving the quality of life of the society, promoting inclusive growth and environmental sustainability.

All the activities and programs undertaken by the Company towards CSR are in pursuance to the CSR and Sustainability Policy, Companies Act, 2013 and guidelines issued by the Govt. of India, from time to time.

The CSR Theme for financial year 2025-26 was kept as "Health and Nutrition" which was broadly aligned with the theme approved by NSPCL Board for the year 2024-25. CSR activities are as per Schedule VII of Companies Act 2013. NSPCL CSR efforts are focused on Local Area/ immediate vicinity of its stations/locations.

2. Composition of CSR Committee (as on 31st March, 2026):

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.	Ms. Rachana Singh Bhal	Chairperson	2	2
2.	Shri. P.K. Sarkar ¹	Member	1	1
3.	Dr. A. K. Panda ²	Member	1	-
4.	Shri A. K. Manohar ³	Member	1	1
5.	Shri. Praveen Nigam ⁴	Member	1	1
6.	Shri. Rajiv Pandey ⁵	Member	1	1
7.	Shri. Sanjay Kumar Sinha ⁶	Member	1	-
8.	Shri. TK Krishnakumar ⁷	Member	-	-

¹Ceased to be a Director w.e.f June 26, 2025.

²Ceased to be a Director w.e.f June 26, 2025.

³Ceased to be a Director w.e.f, August 31, 2025.

⁴Appointed as Director w.e.f July 02, 2025.

⁵Appointed as Director w.e.f July 02, 2025 and subsequently ceased to be a Director w.e.f November 08, 2025.

⁶Appointed as Director w.e.f September 22, 2025.

⁷Appointed as Director w.e.f November 19, 2025.

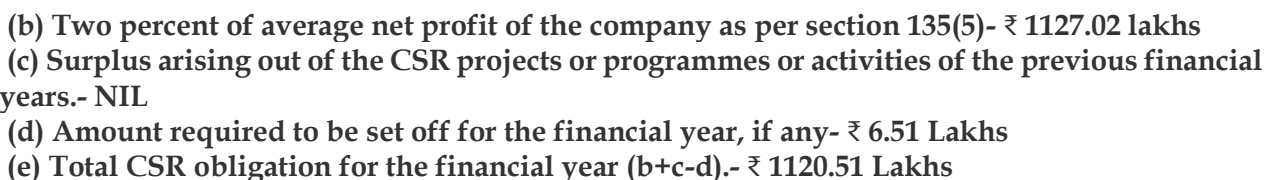
3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://www.nspcl.co.in/page/17>

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.

NOT APPLICABLE

5. (a) Average net profit of the company as per section 135(5).- ₹ 56351.33 lakhs



- | Total Amount Spent for the Financial Year.
(₹ in Lakh) | Amount Unspent (in Rs.) | | | | |
|---|--|------------------|--|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| ₹ 1134.45 Lakhs | - | - | - | - | - |

Sl. No.	Particular	Rs. In Lakh
(i)	Two percent of average net profit of the company as per section 135(5)	1120.51
(ii)	Total amount spent for the Financial Year	1134.45
(iii)	Excess amount spent for the financial year [(ii)-(i)]	13.94
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	*Amount available for set off in succeeding financial years [(iii)-(iv)]	13.94

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under sub-section 135 (6)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount spent in the reporting Financial Year	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	Deficiency, if any
					Amount	Date of Transfer		
1.	2024-25	NA						
2.	2023-24	NA						
3.	2022-23	NA						



8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

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)	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
NA			

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

NOT APPLICABLE

Sd/- Diwakar Kaushik (Chief Executive Officer)	Sd/- Rachana Singh Bhal (Chairperson CSR Committee)
--	---



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

BUSINESS SCENARIO

An Overview of Industry Developments

Power is among the most critical components of infrastructure, crucial for the economic growth and national welfare. The existence and development of adequate power infrastructure is essential for sustained growth of the Indian economy. The fundamental principle of India's power industry has been to provide universal access to affordable power in a sustainable way. The Ministry of Power has made significant efforts over the past few years to turn the country from one with a power shortage to one with a surplus by establishing a single national grid, fortifying the distribution network, and achieving universal household electrification.

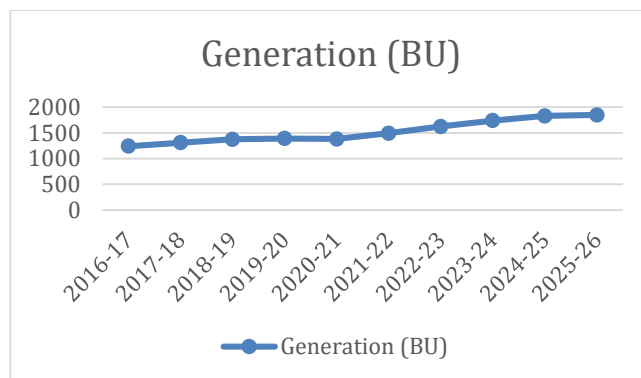
India's power sector, the third-largest globally, is continuously evolving to meet the pace of accelerated manufacturing, rapid urbanization, and expanding agricultural activities. Rising domestic energy demand has driven notable advancements in power generation, transmission, and distribution, with a dynamic shift towards renewable energy sources such as solar and wind.

In Union Budget 2026, the government allocated ₹30,539 crores specifically to solar energy schemes & projects, a significant 32% increase over the previous fiscal year including ₹5,000 crores for the PM-KUSUM project, which aims to support farmers in adopting solar-powered irrigation.

India ranked fourth in wind power capacity, third in solar power capacity, and third in renewable energy installed capacity, as of May 2026. India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement.

Analysis of power sector considering its strength and weakness is detailed below:

- The Overall generation (including generation from grid connected renewable sources) in the country has increased in the last 10 years from 1241.689 BU during 2016-17 to **1847.94 BU in 2025-26.**



- The performance of generation during the year 2025-26 was as follows: -
 - Thermal decreased by 4.10%
 - Hydro increased by 12.49%
 - Nuclear decreased by 2.63%
 - Renewables increased by 21.79%
 - Overall growth rate 1.04%

Overall Energy deficit and Peak shortage were 0.03% and 0.0% respectively.

Total 13790 MW generation capacity addition (Thermal, Hydro, Nuclear) against target of 20965 MW was done in financial year 2025-26.

A total of 12139 circuit-km (ckm) of transmission lines and 113013 MVA transformation capacity was added in Central, State and Private Sector.

(Source: MOP and CEA)

Installed capacity

- Total Installed capacity as on 31st March'2026 was 532739.68 MW

Sector	Total Capacity(MW)	% share
State	129999.99	24.40
Central	124107.89	23.30
Private	278631.80	52.30
Total	532739.68	

(Source: CEA)

Out of the above total installed capacity of around 532.73 GW, a large percentage of around 249 GW (~46%) is through Thermal generation. Hydro (51 GW), Renewable energy sources (224 GW) and Nuclear (8 GW) comprise the balance capacity.

Generation and Capacity Utilization (PLF)

Electricity generation from thermal and nuclear sources decreased during FY 2025-26 compared



with FY 2024-25, whereas hydro generation increased.

Sector	FY 25-26 (BU)	FY 24-25 (BU)
Thermal	1307.13	1363.89
Nuclear	55.19	56.68
Hydro	167.20	148.63

The PLF in the country (Coal and Lignite based) from 2021-22 to 2025-26 is as under:

Year	PLF	Sector-wise PLF (%)		
	%	Central	State	Private
2021-22	58.87	69.71	54.50	53.62
2022-23	64.15	74.67	61.85	56.63
2023-24	68.74	74.98	64.19	62.86
2024-25	69.45	75.32	63.23	59.85
2025-26	65.57	63.40	52.96	62.86

2025-26 PLF data updated from the Ministry of Power "Power at a Glance" report.

Challenges Ahead

While India’s power sector has made significant progress, it continues to face certain challenges. However, with comprehensive reforms and collaborative efforts, these challenges can be effectively addressed, paving the way for continued growth and development.

Amid the expansion of electricity generation capacity, the supporting infrastructure in India (including transmission and distribution networks) requires more upgrades. Upgrading infrastructure is essential to ensure the seamless integration of renewable energy and support growing energy demand.

Concerns relating to pollution and the disposal of a large amount of ash from coal-based power stations, which are the mainstay of India's power generation, are being addressed through strategies to promote environmentally sustainable power development. The recent environment regulations w.r.t. emission parameters and water consumption shall entail an increase in cost of electricity for power generation through thermal-based Projects. Further, existing coal plants will require major renovation and retrofitting to meet the variable demand in future.

India’s ambitious goal of achieving 500 GW of renewable energy capacity by 2030 requires the

successful integration of intermittent solar and wind energy into the power grid. Balancing renewable sources with conventional power generation while maintaining grid stability is the key. Advanced energy storage solutions, efficient grid management, and investments in hybrid energy systems are crucial to overcoming this barrier.

Captive Sector

India's captive power generation market is experiencing rapid growth, driven by industrial expansion and energy security concerns. With industries seeking reliable and cost-effective power solutions, captive power plants (CPPs) offer autonomy, efficiency, and sustainability. Government policies supporting industrial self-sufficiency, coupled with India's ambitious 500 GW non-fossil fuel capacity target by 2030, are further accelerating CPP adoption. The market is witnessing increased deployment of renewable-based CPPs, hybrid power solutions, and digital technologies to enhance operational efficiency.

The captive power generation market in India was valued at INR 1.18 trillion in 2024 and is expected to reach INR 1.74 trillion by 2029, expanding at a compound annual growth rate (CAGR) of 8.55% during the 2025-2029 forecast period.

Presently, the captive power sector is also progressing towards installation of Renewable Energy Capacity. Commercial & Industrial (C&I) renewable capacity is expected to increase from around 40 GW in FY 2026 to nearly 57 GW by FY 2028. India added a record 44.6 GW of solar capacity in FY 2026, with commercial and industrial captive projects contributing significantly to this growth.

Potential for Growth

India has huge ambitions in energy transition and plans to have 500 GW of non-fossil based electricity installed capacity by 2030, so that non-fossil cleaner fuel comprises of 50% of the installed capacity mix by 2030.

The per capita consumption of electricity in India (1500 KWh) is still way less than the world’s average (3070 KWh). With the growing population and improved GDP, electricity consumption in total as well as on per capita basis is set to rise.



Achievement of capacity addition targets (Thermal, Hydro, Nuclear) for last 05 financial years is given below:

<i>Financial Year</i>	<i>Target (MW)</i>	<i>Achieved (MW)</i>
2021-22	11478	4878
2022-23	8830	1580
2023-24	18980	7646
2024-25	19880	4675
2025-26	20965	13790

India is increasingly focusing on nuclear power as a stable, low-carbon energy source. Recent policy amendments, including relaxed liability laws, aim to attract private and foreign investments in nuclear energy. India plans to expand its nuclear capacity to 100 GW over the next two decades, with 14.3 GW of traditional nuclear power targeted by 2032 and the development of small modular reactors (SMRs) by 2033.

India's power sector is on a path of transformation, with increased focus on sustainability, digitalization, and decentralization. Key initiatives include smart grids, battery storage, and green hydrogen projects. With continued policy support and technological advancements, the country aims to become a global leader in clean energy transition.

India has made remarkable progress in the power sector but must address financial and infrastructural constraints while promoting renewable energy to ensure a sustainable and reliable power supply for the nation's growing energy demands.

KEY INITIATIVES/ REFORMS AND REGULATORY CHANGES IN THE POWER SECTOR

Hon'ble CERC has notified two key amendments in CERC Tariff Regulations 2024. In the first amendment, the mechanism of compensation has been provided for part load operation of the plant. In the second amendment, CERC has allowed recovery of Ash Transportation expenses, security expenses and water charges on monthly basis by the Generators.

Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) (Second Amendment) Regulations, 2025 has amended the provision related to Charges for injection of infirm power.

Ministry of Power, Government of India, vide notification dated 13.03.2026 has notified Electricity Amendment Rules 2026, wherein provisions related to Captive Power Plant has been amended to bring more clarity in the clauses related to CPP.

Ministry of Power, Government of India has issued revised Gazette Notification on Renewable Consumption Obligation (RCO) under the Energy Conservation Act, 2001, notified on 27th September 2025. The notification details the RCO requirement of designated consumers over the years till FY 2029-30.

OPPORTUNITIES FOR NSPCL

The Company is in the process of expanding its portfolio in Thermal as well as Renewable Energy. The activities related to installation of 1x800 MW Thermal Project at Bhilai by forming SPV with Indian Railway, primarily to cater to the energy need of Indian Railway are in progress. Detailed studies for preparation of tender documents are in progress and NIT of Main Plant package is expected to be published during the Financial Year 2026-27.

Further, SAIL has shown its interest to add more solar units through NSPCL in their available land and water bodies. The company has already issued the NIT for 20 MW Floating Solar Project at Maroda Reservoir, Bhilai.

NSPCL is therefore expected to further enhance its renewable portfolio. NSPCL is also exploring the possibility of supplying RTC (Round the Clock) renewable power to SAIL.

RISKS AND CONCERNS FOR NSPCL

NSPCL Risk Management Committee vide its meeting dated 26th March, 2025, suggested to formulate the risk management structure of the company and to categorize the Risks into different categories. As per the suggestions of the Risk Management Committee, various deliberations were held and the Revised Risk Management framework was formulated during the year.

NSPCL'S MARKET PRESENCE



With a generating capacity of 1119 MW, NSPCL is mainly a captive power generating company supplying about 80% of its power to SAIL and the balance to various other beneficiary states/ UTs. Both the promoter companies of NSPCL i.e. NTPC and SAIL are Maharatna PSUs and are top leaders in their respective markets. Over a period, NSPCL has established itself as a leader in Captive Power Industry and as a 'Niche' player in power sector. This is evident as NSPCL is operating captive power plants that are 35-40 years old with high reliability and availability.

Considering its expertise, NSPCL has opportunities in future to be a major player in managing captive power plants and setting up similar projects. The company has successfully commissioned the complete 15 MW Floating Solar Plant at SAIL, Bhilai in Financial Year 2025-26 (10MW) and balance in 2026-27 (5MW).

INTERNAL CONTROL

To ensure regulatory and statutory compliance as well as to provide the highest level of corporate governance, your Company has robust internal systems and processes in place for smooth and efficient conduct of business and complies with relevant laws and regulations.

A comprehensive delegation of power exists for smooth decision making which is being periodically reviewed to align it with the changing business environment and for speedier decision making. Elaborate guidelines for preparation of accounts are followed consistently for uniform compliance. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by the experienced firms of Chartered Accountants. Besides, the Company has the Audit Committee to keep a close watch on compliance with Internal Control Systems.

A well-defined internal control framework has been developed identifying key controls. The supervision of operational efficiency of designed key controls is done by Internal Audit. The framework provides a comprehensive system of checks and balances based on self-assessment as well as audit of controls conducted by Internal Audit at the process level. Gap Tracking report for operating efficiency of controls is reviewed by the

management regularly and action is taken to further strengthen the Internal Control System by further standardizing systems & procedures and implementing process changes, wherever required, keeping in view the dynamic environment in which your Company is operating. The Internal Control Framework system presents a written assessment of effectiveness of Company's internal control over financial reporting by the process owners to facilitate certification by CEO and CFO and enhances reliability of assertion.

FINANCIAL PERFORMANCE

Overview

The Company has prepared the Financial Statements on a going concern basis following accrual system of accounting and complies with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other provisions of the Companies Act, 2013 (to the extent notified and applicable) and the provisions of the Electricity Act, 2003 to the extent applicable.

FINANCIAL DISCUSSION AND ANALYSIS

A. OPERATIONAL RESULTS

1. *Operational parameters*

The Company has been operating Plants at Durgapur (2X60 MW), Rourkela (2X60 MW) and Bhilai (2X30+1X14 MW), hereinafter referred to as 'PP-II' since inception. The Company also added Rourkela Expansion Unit (1x250 MW) in the year 2021-22 and Durgapur PP-III- 1st unit of 20 MW in 2022-23 and 2nd unit of 20 MW in 2023-24 and both the plants have been referred to as "PP-II". The Company has added 2X250 MW capacity in Bhilai in the year 2009-10, hereinafter referred to as 'Bhilai PP-III'.

During the year, the Company diversified into solar power generation and commissioned a 10 MW floating solar project, representing the first phase of the total 15 MW capacity construction ongoing at the Maroda Reservoir, Bhilai. The balance 5 MW was commissioned in 2026-27.

The operational performance of Company is tabulated below:



Particulars	Year ended 31 st March	
	2026	2025
Generation (MU)		
PP II	3442.36	3507.66
PP-III	3578.58	3613.85
Bhilai Floating Solar	6.66	-
Total	7027.60	7121.51
Energy sent out (MU)		
PP II	3033.88	3079.46
PP-III	3271.21	3294.32
Bhilai Floating Solar	6.66	-
Total	6311.75	6,373.78
PLF(%)		
PPII	65.06	66.29
PP-III	81.70	82.51
Total (OS)	72.60	73.64

The financial performance of the company for the year 2025-26 and of previous year is as under:

₹ in Crore

Particulars	Year ended 31 st March	
	2026	2025
Revenue from Operations	4036.55	4069.83
Other Income	11.64	12.98
Total income	4048.19	4082.81
Fuel	2,126.91	2270.02
Employee benefits expense	253.15	238.63
Finance costs	113.63	122.08
Depreciation, amortization and impairment expense	85.41	81.42
Other expenses	809.13	768.60
Total expenses	3388.23	3480.75
Profit before tax	659.96	602.06
Total tax expense	91.46	208.53
Profit after tax	568.49	393.53
Other comprehensive income/ (loss)	0.10	(3.55)
Total comprehensive income	568.59	389.98

2. Revenue from Operations

Tariffs for computation of Sale of Energy

In case of PP-II's of Rourkela, Durgapur and Bhilai, billing is done as per the PPA signed with SAIL which is on cost plus basis, except for Interest on Working Capital which is charged on a normative basis. Return on Equity (ROE) and incentive are billed at 15.5% & 2% respectively, which is grossed up at the Income Tax rate applicable to NSPCL. In case of Rourkela PP-II Expansion Unit and Durgapur PP-III Unit, billing is largely done in line with the CERC model.

In case of PP-III, the charges of electricity are based on Tariff rates determined by the Central Electricity Regulatory Commission (CERC). Currently, CERC Tariff Regulations, 2024 is effective for the period 2024-29 and provisional rates are recognized based on principles enunciated in Tariff Regulations 2024. The Tariff rates consist of capacity charges for recovery of the annual fixed cost and energy charge covering the primary and secondary fuel cost. Besides, the capacity and energy charges, the other elements of tariff are:

- Sharing of gains due to variation in norms,
- Sharing of non - tariff income,
- Incentive and other payable (or receivable) for deviation in scheduled generation/frequency as prescribed in regulation to support the grid operation in maintaining power quality.

Break up of Revenue from Operation is as follows:

₹ in crore

Particulars	Year ended 31 st March	
	2026	2025
PP-II (including floating solar)	2402.87	2463.06
PP-III	1633.68	1606.77
Total	4036.55	4069.83

PP-II's including Solar

In case of PP-II's including Rourkela PP-II Expansion Unit and Durgapur PP-III and 15 MW Bhilai Floating Solar, the entire sales were made to SAIL (being 100% captive power plants). The decrease is mainly due to low schedule and decrease in the Coal cost resulting into reduction in variable charges.

Due to the applicability of Ind AS-116 Leases on PP IIs, FLR income of ₹475.58 crore has been recognized in the books of the company in lieu of fixed charges towards return on equity, incentive, depreciation and interest on loan.

PP-III

In case of PP-III, sales stood at ₹1633.68 Crore (Previous year was ₹1606.77 Crore). Sales have increased by ₹26.91 Crore over previous year mainly because of accounting of regulatory asset as per CERC regulation 2024-29 on admission of petition.

At Company level, the revenue from operations for the year 2025-26 stood at ₹4036.55 Crore (previous year ₹4069.83 Crore). Revenue from operations on an overall basis has decreased over the previous year, by ₹33.28 Crore (Revenue from



Captive Units decreased by ₹60.19 Crore & revenue from Bhilai PP-III increased by ₹26.91 Crore).

3. Other income

Other income decreased to ₹11.64 Crore from ₹12.98 Crore during the financial year under comparison. There is a decrease of ₹1.34 Crore. The main reason for decrease is receipt of surcharge income of ₹5.36 Crores which was included in previous year.

4. Expenditure

The total expenditure for the year ended 31st March, 2026 and 31st March, 2025 are given below:

₹ in crore

Particulars	Year ended 31 st March			
	2026			2025
	PP-III	PP-II	Total	Total
Fuel	866.75	1260.16	2126.91	2270.02
Employee benefits expense	62.52	190.63	253.15	238.63
Finance Cost	18.08	95.55	113.63	122.08
Depreciation & amortization expenses	79.25	6.16	85.41	81.42
Other expenses	337.49	471.64	809.13	768.60
Total	1364.09	2024.14	3388.23	3480.75

4.1 Fuel costs

PP-IIs

Fuel costs in case of PP IIs, includes cost of issue of coal supplied by SAIL for the purpose of Power Generation. Other fuel costs include the cost of furnace oil, LDO and HSD. Fuel cost has decreased to ₹1260.16 Crore as against previous year figures of ₹1353.37 crore mainly because of decrease in coal cost in Durgapur Unit, Rourkela Expansion and decrease in generation.

PP-III

In case of PP-III, coal linkage with Coal companies is available to NSPCL. Fuel cost has increased to ₹866.75 Crore as against previous year's figure of ₹916.65 Crore mainly due to decrease in generation.

4.2 Employee benefits expenses

Employee costs have increased to ₹253.15 Crore from ₹238.63 Crores in previous year. There is

increase of ₹ 14.52 Crore in the year 2025-26 mainly because of Annual increment of 3% in Basic pay & normal DA increase of 3.8% in comparison to previous year. As a percentage to Sales, salary expenses is 6.27% for the year as compared to 5.86% during previous year.

4.3 Finance Cost

PP-IIs

During the financial year, 2025-26, Interest and Finance costs of PP-IIs have decreased to ₹95.55 Crore from ₹100.77 Crore. The decrease is mainly due to reduction in weighted average borrowing rate in comparison to previous period.

PP-III

During the financial year 2025-26, Interest and Finance costs of Bhilai PP-III is ₹18.08 Crore as against ₹21.31 Crore in the previous year. The decrease is mainly due to reduction in weighted average borrowing rate in comparison to previous period.

4.4 Depreciation and Amortization Expenses

PP-IIs

During the current year, there has been a marginal increase in depreciation charged to Profit and Loss account. The increase is mainly because of because of capitalization of Bhilai Floating solar plant.

PP-III

In case of PP- III, depreciation in respect of PP-III has marginally increased to ₹79.25 Crore as compared to previous year ₹76.59 Crore mainly due to increase in depreciation on capital spares.

4.5 Other Expenses

Other Expenses comprise of electricity duty, water charges, repairs and maintenance, security expenses, training & recruitment, travelling expenses, provisions etc.

In case of PP-IIs, other expenses increased by ₹20.95 Crore mainly consequent to increase in ash utilization expenses in Rourkela Expansion and increase in repair & maintenance.

In case of PP-III, Other Expenses for the year 2025-26 has increased over the previous year by ₹19.58 Crore mainly because of increase in rate of electricity duty.

5. Profit Before Tax (PBT)



The Profit before Tax for the financial year 2025-26 stood at ₹659.96 Crore (previous year ₹602.06 Crore).

In case of PP-II, the profit before tax for the year ended 31st March, 2026 stood at ₹388.41 Crore (previous year ₹381.29 Crore). The increase in profit before tax by ₹7.12 Crore is because of higher generation and higher availability of Rourkela Expansion unit.

In case of PP-III, profit before tax for the year ended 31st March, 2026 stood at ₹271.55 Crore (previous year ₹220.78 Crore). The increase in profit before tax by ₹50.77 Crore is because of recognition of regulatory assets on account of revised O&M charges as per CERC Regulation 2024-29.

6. Provision for Tax

The Company has provided for current tax computed in accordance with provisions of Income Tax Act, 1961, and also taking into account the Income computation and disclosure standards notified by Income Tax department and Deferred Tax computed in accordance with the provisions of Ind AS 12.

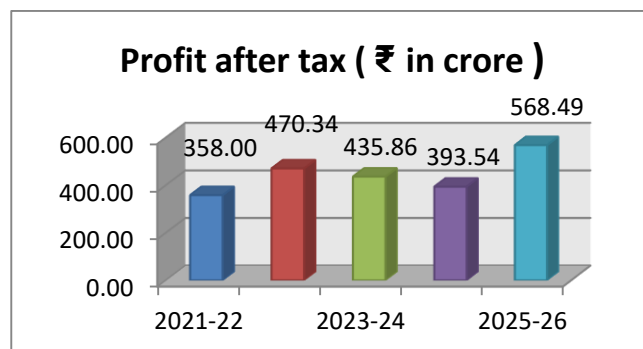
The company was availing deduction under section 80IA from the financial year 2014-15 for PP-III unit commissioned at Bhilai in financial year 2009-10. Hence, the entire profit of PP-III was exempted from Tax, resulting in taxable profit of Company lower than book profit. The said deduction has expired on 31.03.2024. Hence, Company has provided the tax liability as per Normal Tax Rate and utilized MAT Credit of ₹61.41 Crores out of ₹476.46 Crores accrued upto 31.03.2024, for the payment towards the tax liability.

During the current financial year, the Company has accounted for income tax at Normal rate of Tax i.e. 34.944%. There has been a reduction of deferred tax liability by ₹ 127.46 crores due to adoption of new Income Tax Rate i.e. 25.17% w.e.f. 01.04.2026. This has been done in accordance with Ind AS 12 – Income Taxes where the tax rate for creation of deferred tax asset/liability has been re-assessed based on future tax rates as applicable from FY 2026-27 onwards. The MAT credit amounting to ₹61.41 Crore has been utilized towards discharging the tax liability and balance has been paid.

7. Net Profit after Tax

Net profit after current and deferred tax for the Company for the financial year ending 31st March, 2026 stood at ₹ 568.49 Crore as against previous year amount of ₹393.53 Crore.

A year-wise profitability graph is shown below:



The profit after tax has increased by ₹174.96 Crore.

8. Dividend

The Company has paid total dividend of ₹350.00 Crore for the financial year 2025-26 equivalent to 35.70% of paid up equity share capital after deduction of TDS at applicable rates during financial Year 2025-26 as compared to previous year where ₹315.00 Crore was paid as dividend for financial year 2024-25 equivalent to 32.13% of paid up equity share capital.

9. Segment-wise performance:

To comply with Ind AS- 108 on 'Operating Segments' and for the purpose of compiling segment-wise results, the company has identified two business segments based on risk and reward and regulating authority associated with the sale of power. Sale from PP-III is regulated by CERC Regulations whereas sale from other power plant i.e. PP-II is based on Power Purchase Agreement with SAIL.

As per Ind AS-108, in case of PP-III i.e. CERC based, segment result without considering interest expenses, Depreciation and Income/Deferred tax for the period ending 31st March, 2026 stood at ₹386.53 Crore as against ₹336.56 Crore in the previous year.

In case of PP-II, the segment result without considering interest expenses, Depreciation and Income/Deferred tax for the period ending 31st March, 2026 stood at ₹525.81 Crore as against ₹522.99 Crore in the previous year



B. FINANCIAL POSITION

1. Property, plant and equipment

Property, plant and equipment of the Company grouped under non-current assets include Tangible assets, Intangible assets and Capital work in progress and Intangible assets under development. The break-up of the same as per books of accounts is as under: -

₹ in crore		
Particulars	As at 31 st March	
	2026	2025
Tangible Assets		
Gross Block	2302.76	2242.51
Less: Accumulated Depreciation	1316.44	1231.57
Net Block	986.32	1010.94
Intangible Assets		
Gross Block	12.59	12.16
Less: Accumulated Depreciation	12.20	11.96
Net Block	0.39	0.20
Capital Work in Progress and In-tangible assets under development	533.28	487.69
Total	1519.99	1498.83

During the year 2025-26, gross block has increased by ₹ 60.68 Crore mainly because of capitalization of Bhilai Floating solar plant .

Due to the applicability of Ind AS 116 – Leases on PP IIs, the gross block of assets on which Return on equity (ROE) is billed to beneficiary has been transferred to beneficiary i.e. SAIL and a financial asset as Finance Lease Receivable has been created in the books of our company (refer Note: 9 & 18 – other Financial assets and Note 61 –leases of the Financial statements).

Capital work in progress (CWIP) including construction stores as at 31st March, 2026 stood at ₹533.28 Crore. Out of this, an amount of ₹459.47 Crore pertains to Bhilai PP-III Unit, ₹31.02 Crores pertains to Bhilai Floating Solar, ₹25.06 Crores pertains to Durgapur PP-III (2x20MW) unit, ₹5.52 Crores pertains to Rourkela expansion (1x250MW) unit and balance of ₹12.21 Crore is in respect of PP-II units.

2. Loans – Non Current assets

Under this head, the amount of employee loans expected to be repaid after one year are

considered. Secured loan represents loans against which mortgage/hypothecation of assets is available against advances like house, car/scooter etc. As per Ind AS the difference of loan balance and its net present value are shown under the head other non-current & current assets as Deferred Payroll Assets and adjusted from the loan balance. The details are as under: -

₹ in crore	
Particulars	As at 31 March, 2026
Employees Loans-Secured	25.03
Employee Loans-Unsecured	10.03
Less: Transfer to Deferral payroll asset	7.05
Total	28.01

3. Other Financial Assets

Other financial assets include lease recoverable. The lease recoverable amount has been recognized (In lieu of the value of net block of fixed assets of PP-IIs, which have been transferred to the books of SAIL as per Ind AS 116) and to be amortized after 12 months are shown as non-current other financial assets. An amount of ₹3089.52 Crore has been recognised as lease recoverable in current period as compared to that of ₹3043.35 Crore of previous period. Increase in Finance Lease Receivable is due to capitalization of Bhilai Floating solar plant.

4. Other Non-Current Assets

Other Non-Current assets as on 31st March, 2026 stood at ₹136.23 Crore, which comprises mainly Advances to contractor & supplier ₹28.82 Crore, Deposits with Govt. Agencies ₹5.26 Crore, Advance Tax Deposited & Tax Deducted at Source (Less Provision for Current Tax) ₹17.59 Crore and deferred payroll expenses of ₹5.91 crore. Additionally, regulatory asset of ₹77.66 crores has also been recognized w.r.t. Ash Transportation expenditure & additional O&M expenses as per CERC regulations.

5. Deferred Tax Assets

Deferred Tax Liabilities have decreased to ₹363.38 Crore as at 31st March, 2026 from ₹446.41 Crore as at 31st March, 2025. Further Deferred tax assets, MAT credit entitlement and deferred tax recoverable from beneficiary stands at ₹460.11 Crore as against ₹520.69 Crore during previous year. The decrease is mainly consequent to



utilization of MAT Credit towards discharge of Income Tax liability.

6. Inventories

Inventories mainly comprise of Component & Spares, Coal and others stores, which are maintained for operating plants. As at 31st March, 2026, the net inventories stood at ₹ 334.52 Crore as against the previous year of ₹268.04 Crore. The break up including provision is as follows:

₹ in crore

Particulars	As at 31 March	
	2026	2025
Coal	112.12	82.77
Fuel Oil	22	18.33
Stores and Spares	170.87	142.58
Chemicals & consumables	5.62	4.00
Loose Tools	0.38	0.31
Others	23.88	20.40
Sub Total	334.87	268.39
Less: Provision for shortages/ obsolete/ unserviceable items	0.35	0.35
Total	334.52	268.04

Out of the total inventory, ₹169.75 Crore pertains to Bhilai PP-III which includes coal inventory of ₹ 105.61 Crore, fuel oil of ₹6.98 Crore, stores and spares of ₹ 50.04 Crore. The inventory balance for PP-IIs stood at ₹ 165.12 Crore as at 31st March, 2026.

7. Trade Receivable

Trade receivable (including unbilled) balance as at 31st March, 2026 stood at ₹ 385.91 Crore, which pertains to energy bill raised/to be raised in first week of next month, and remained outstanding till 31st March, 2026 as against ₹328.07 Crore as at 31st March, 2025.

Unbilled receivables primarily relate to Company's right to consideration for sale effected but not billed at the reporting date and have substantially the same risk characteristics as the trade receivables for the same type of contracts. Thus, the company has recognized such amounts as Trade Receivables where there are no conditions attached to billing other than passage of time, for e.g. bills raised in the next accounting period relating to revenue already accounted for. Thus unbilled revenue of ₹264.93 Crore has been shown as Trade Receivables (Previous Year ₹226.53 Crore).

8. Cash and cash equivalents

The cash and cash equivalent as on 31st March, 2026 stood at ₹ 79.36 Crore, the amount includes bank balance /fixed deposits pertaining to operations and expansion which are going to be matured within 90 days of deposit, detail of amount is as under:

₹ in crore

Particulars	PP-IIs including RKL Expansion & Durgapur PP- III	Bhilai PP-III	Total
Current A/c	4.46	3.61	8.07
Cash Credit Account	2.33	-	2.33
Fixed Deposits	-	-	-
Total	6.79	3.61	10.40

9. Other Bank Balances

Other Bank balance as on 31st March, 2026 includes fixed deposits pertaining to operations and expansion which are going to be matured beyond 90 days from date of deposit and earmarked investment for fly ash utilization fund, details of which are as follows:

₹ in crore

Particulars	PP-IIs	PP-III	Total
Fixed Deposits	0.01	-	0.01
Fly Ash utilisation fund	0.02	-	0.02
Total	0.03	-	0.03

10. Loans (Current)

The balance represents employee loans recoverable in next 12 months as per details below. For Employee loans which are recoverable in next 12 months, are also discounted and the discounted amount is transferred to deferred payroll asset are shown under other current asset, detail of same is as under:

₹ in crore

Particulars	As at 31 st March, 2026
Employees Loans-Secured	4.25
Employee Loans-Unsecured	8.40
Less: Transfer to Deferral payroll asset	1.41
Total	11.24



Secured employee loans represent the amount of loan given against mortgage of house building/ hypothecation of vehicles of employees.

11. Other Financial Assets-Current

Other current financial Assets of ₹ 133.80 Crore as on 31st March, 2026 includes the following:

₹ in crore

Particulars	As at 31 st March, 2026
Advance- (unsecured)	0.16
Financial Lease Recoverable	133.44
Others	0.20
Total	133.80

Finance lease recoverable represents the amount to be amortized within next 12 months.

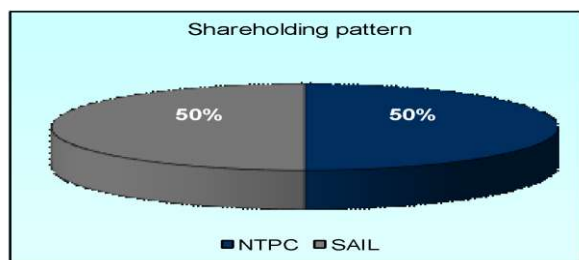
12. Other Current Assets

The other current assets stood at ₹ 214.38 Crore as on 31st March, 2026 mainly includes advances paid to South Eastern Coalfields Limited and Mahanadi Coalfields Limited as coal advance in respect of Bhilai PP-III and Rourkela. It also includes advances paid to Railways towards coal freight. It also includes a prepaid insurance and prepaid rates & taxes of ₹3.32 Crore.

13. Equity Share Capital

As at 31st March, 2026, the authorized capital of the Company stood at ₹5000 Crore (previous year: ₹5000 Crore). Issued, subscribed and paid-up capital of the Company as at 31st March, 2026 was ₹980.50 Crore.

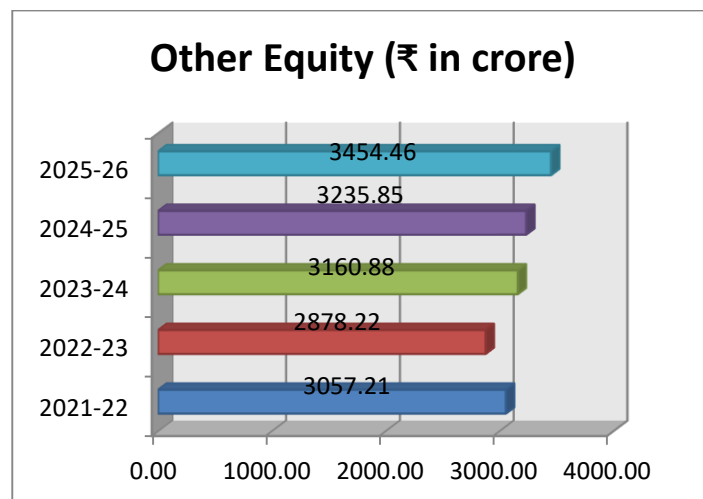
The shareholding pattern of the Company is given below:



14. Other Equity

As at 31st March, 2026, reserves and surplus stood at ₹2473.96 Crore as against ₹2255.35 Crore in the previous year. The increase of ₹218.61 Crore in other equity is on account of addition of profit after adjusting dividend (₹350 crores) and OCI

profit of ₹0.11 crores for the year. Accordingly, the net worth of the Company has also increased in comparison to the previous year as shown below:



15. Long term Borrowings

Borrowings as at 31st March, 2026 pertain to PP-II units including Rourkela Expansion Unit, Durgapur PP-III unit and Bhilai PP-III unit under operation. Apart from this, it is also including borrowings taken for installation of Bhilai Floating solar. As on the Balance Sheet date, the details are as under:

₹ in Crore

Bank	Long term as on March, 31 st	
	2026	2025
State Bank of India	33.66	467.20
Axis Bank	52.40	64.54
HDFC Bank	369.79	396.28
IndusInd Bank	265.82	149.90
UCO Bank	453.98	-
Total	1175.65	1077.92

The loans are being duly repaid on due dates as per the terms of respective loan agreements.

Internal resources of the Company are being deployed to the maximum extent towards the working capital requirement of the Company in order to save interest costs.

The Company consistently engages in efforts for debt swapping/refinancing, taking advantage of cheaper loans to repay older loans with higher interest rates. This strategy enables NSPCL to repay loans without incurring any repayment penalties to the bank. By optimizing its debt management, NSPCL strives to reduce borrowing costs and enhance financial efficiency.

16. Other Financial Liabilities and Leases (Non-Current)

Other financial liabilities as on 31st March, 2026 is ₹ 2.93 Crore whereas this was ₹46.86 Crore in the previous year. The amount mainly comprises Security Deposit and retentions deducted from contractor/supplier bills as per contract provision.

17. Provisions (Non-Current)

Long term provisions of ₹ 71.35 Crore as on 31st March, 2026 (previous year ₹8.40 Crore). The provisions are on account of provision for retirement benefits of employees as per Ind-AS 19 which are likely to be paid after twelve months.

18. Short Term Borrowing

Short term borrowing also comprise the portion of long term borrowing which is due for repayment within one year of reporting date i.e. 31st March, 2026 and working capital which stood at ₹686.76 Crore, details of same is as under:

₹ in crore

Bank	As at 31 st March	
	2026	2025
Term Loan for PP-II Plants		
HDFC Bank	60.64	30.79
Sub-total	60.64	30.79
Term Loan for all plants		
State Bank of India	102.83	125.61
Axis Bank	45.83	45.83
HDFC Bank	47.94	78.72
IndusInd Bank	21.26	5.55
UCO Bank	8.26	-
Sub-total	286.76	255.71
For Working capital		
State Bank of India	-	105.00
HDFC Bank	400.00	285.00
ICICI Bank	-	-
IndusInd Bank	-	-
Sub-total	400.00	395.00
Total	686.76	645.71

19. Trade Payables

The Trade Payable which stood at ₹202.18 Crore on 31st March, 2026, mainly comprises liability of ₹62.19 Crore payable to NTPC limited for Diverted in Coal, electricity duty liability of ₹18.27 Crore of Bhilai PP-II and PP-III. It also includes GR/IR & SR/IR of ₹59.59 Crore for all the projects and other liabilities.

20. Other Financial Liabilities and Leases (Current)

The Other Financial Liabilities stood at ₹ 302.87 Crore as on 31st March, 2026 as compared to ₹261.59 Crore for previous year.

The Other Financial Liabilities mainly includes amount payable for capital expenditure of ₹218.90 crore which include amount towards retention payments to BHEL for Rourkela PP II Expansion, for FGD in Bhilai PP-III and payable to ISGEC for Durgapur PP-III. Deposits from Contractor & others mainly include an amount of ₹37.16 crore payable to contractors for earnest money, O&M retention and security deposit etc. within twelve months. Others ₹46.81 crore mainly includes provision for PRP/Ex-Gratia of ₹30.20 Crore, provision for liveries amounting to ₹3.13 Crore and interest accrued but not due of ₹4.46 Crore on loans

21. Other Current Liabilities

Current liabilities as on 31st March, 2026 of ₹105.81 Crore which mainly include advances from customers of ₹85.35 Crore, provision for gratuity GR/IR capex and freight of ₹13.62 Crore and also statutory liability payable for month of March of ₹6.84 Crore which was paid in April 2026.

22. Short Term Provisions

Short Term Provisions consist of provision for tariff adjustment and employee-related provisions which have been considered in the books of account in accordance with the Ind AS-19 as per the actuarial valuation & may be settled within one year of the balance sheet date.

The short term provisions which mainly consists of employee related provision stood at ₹9.87 Crore for the year ending 31st March, 2026 as against ₹65.76 Crore in previous year.

23. Capital Employed

Considering the Paid up Equity Share Capital, Other Equity and Borrowings (including repayable within one year) as at 31st March, 2026, Capital Employed for the Company stood at ₹ 5316.83 Crore as against ₹4959.31 Crore as at 31st March, 2025. The increase is mainly on account of undistributed profit forming part of other equity.

C. CONTINGENT LIABILITIES



As at 31st March, 2026, contingent liability has been considered at ₹223.27 Crore (Previous Year ₹230.84 Crore) in the accounts. This mainly includes:

- ₹22.19 Crore in respect of service tax demand raised by the Authorities in Durgapur unit on the plea of rendering business auxiliary service to respective steel plants. While the case was decided in favour of NSPCL at CESTAT Kolkata, the Service Taxes Authorities have preferred an appeal in the respective High Courts. The matter is pending in the High Court(s); and
- ₹100.82 Crore in respect of service tax demand raised by the Authorities on Bhilai Unit. NSPCL has filed a petition against the same before Hon'ble High Court of Chhattisgarh. The court has granted interim relief to NSPCL and stayed the proceedings till disposal of petition.
- ₹0.07 Crore in respect GST demand raised by authorities in Delhi, which is under dispute for which the company had filed an appeal with the appellate authority.
- An amount of ₹14.25 Crore pertains to Income Tax dispute with various Authorities of Income Tax.
- Grade slippage dispute with SECL of ₹63.62 Crore.
- ₹22.32 Crore for other contingent liabilities including capital works.

D. CASH FLOW

Cash flows from various activities for the year ending 31.03.2026 and 31.03.2025 are tabulated below:

Particulars	₹crore	
	Year ended 31 st March 2026	2025
Cash and cash equivalent (opening balance)	10.39	62.26
Net cash from operating activities	502.41	620.42
Net cash used in investing activities	(108.72)	(175.85)
Net cash from financing activities	(324.72)	(496.44)
Cash and cash equivalents (closing balance)	79.36	10.39

E. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH

Return on net worth of the Company has increased to 16.99% as against 12.30% (Previous year). The increase in net worth is due to increase in Profit after tax by 44.46% which is due to reduction in Deferred tax liability on account of change of tax rate w.e.f. 01.04.2026.

CAUTIONARY STATEMENT

Statements in the Management Discussions and Analysis and in the Directors' Report describing the Company's objectives, projections and estimates contain words or phrases such as 'will', 'aim', 'believe', 'expect', 'intend', 'plan', 'estimate', 'objective', 'contemplate', 'project' and similar expressions or variation of such expressions that are 'forward-looking' and progressive within the meaning of applicable laws and regulations.

Actual results may vary materially from those expressed or implied by the forward-looking statements due to risks or uncertainties associated therewith depending upon the economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on these forward-looking statements.

For and on behalf of Board of Directors

Sd/-

Anil Kumar Jadli
Chairman

DIN : 10630150
Date : 25.08.2026
Place : New Delhi



[Annexure -III]

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules 2014 are provided hereunder:

A. CONSERVATION OF ENERGY

Various Energy Conservation measures are being adopted /implemented in all the NSPCL plants, which are in line with the measures being taken by NTPC in their various projects.

Energy Audit

Comprehensive Energy Audit of Boiler area insulation, APC audit, lighting audits etc. were carried out at NSPCL stations. Perform, Achieve & Trade (PAT) is flagship scheme under the National Mission for Enhanced Energy Efficiency (NMEEE). The mission is implemented by the Bureau of Energy Efficiency under the guidance of the Ministry of Power. During second cycle of PAT Scheme completed in 2019-20, NSPCL has been issued 11610 no of Energy Saving Certificates (ESCerts) by Ministry of Power. These ESCerts are a tradable commodity. Balance of ESCerts as on 31.03.2026 is 18212.

Heat Energy

To improve/sustain the Heat Rate, various operational parameters such as Condenser vacuum, Boiler excess air, Mill fineness etc. are being closely monitored and suitable measures are being taken from time to time.

D.M. Water

Attending Steam, D.M. Water and other water leakages, On-Line sealing of leakages etc. have been ensured for all the stations resulting in optimization of DM water consumption.

Lubricants

Practices such as plugging of leakages, oil centrifuging, optimizing lubricant oil consumption in turbines & other equipment are being followed in your Company.

Lighting

Energy-efficient LED lamps have been provided in the Main Plant areas, Control Rooms, and Administrative Building at all the stations of NSPCL and the same is being implemented in other locations of the plant.

NSPCL has ventured into an alternate source of energy for power generation. Solar PV panels of 130 kW is operational at Bhilai Township and 100 kW Solar PV system is operational at Durgapur CPP-II plant. In March 2026, a 600kW ground-mounted solar PV system has been commissioned in the Bhilai Township.

B. TECHNOLOGY ABSORPTION

- (i) Efforts are being made for absorption of the latest technology in the areas of control system of the plant through R&M. In Rourkela both Units DDCMIS commissioning has been completed. In Durgapur, EHTC commissioning has been completed.
- (ii) The benefits of these schemes have improved the reliability of the system.



C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Particulars	Amount (₹in Crore)
Foreign Exchange Earnings	NIL
Foreign Exchange Outgo	6.77

For and on behalf of Board of Directors
NTPC-SAIL Power Company Limited

Sd/-

Anil Kumar Jadli
Chairman

DIN : 10630150
Date : 25.08.2026
Place : New Delhi



[Annexure -IV]

CORPORATE GOVERNANCE REPORT

Corporate governance forms the foundation of responsible and sustainable business practices, aimed at creating long-term value while upholding high standards of integrity and transparency. It ensures reliable and timely disclosure of information relating to financial performance, ownership, and significant developments.

The Company remains committed to strong corporate governance, emphasizing fairness, transparency, and compliance with all regulatory requirements. In fulfilling its responsibilities to stakeholders, the Company continues to deploy its resources and capabilities to protect shareholders' interests while promoting the overall well-being of all stakeholders.

1. BOARD OF DIRECTORS

To ensure the highest standards of Corporate Governance, it is imperative to constitute an active and well-informed Board of Directors of the Company ("Board"). Our Company is a Joint Venture of NTPC Limited ("NTPC") and Steel Authority of India Limited ("SAIL"). Each of the promoters holds, 50% of the total paid-up share capital. As per the Articles of Association, the power to appoint Directors rests with NTPC and SAIL.

In terms of the Articles of Association of the Company, the strength of our Board shall not be less than six Directors or more than twelve Directors.

1.1 Composition of the Board

The Board comprises six directors out of which three directors are nominated by NTPC and three by SAIL. On March 31, 2026, the Board comprised of 6 Directors as under:

Name of Directors	DIN	Designation	Category	No. of Equity Shares held in the Company
Shri. Anil Kumar Jadli	10630150	Chairman	Promoter Nominated	-
Ms. Rachana Singh Bhal	10390495	Nominee Director	Promoter Nominated	-
Shri. M.B. Balakrishnan	09143124	Nominee Director	Promoter Nominated	-
Shri. Praveen Nigam	08540737	Nominee Director	Promoter Nominated	-
Shri. Sanjay Kumar Sinha	11300141	Nominee Director	Promoter Nominated	-
Shri. T.K. Krishnakumar	11386225	Nominee Director	Promoter Nominated	-

1.2 Responsibilities

The Board of Directors is responsible for providing strategic direction and effective oversight of the Company's affairs. Its key responsibilities include setting the Company's vision and long-term objectives, overseeing management performance, and ensuring the integrity of financial reporting and disclosures. The Board also ensures compliance with applicable laws and regulations, upholds strong corporate governance standards, and manages key risks. In addition, it safeguards the



interests of shareholders while considering the expectations of other stakeholders, ensuring that the Company operates in a responsible, ethical, and sustainable manner. Additionally, Board Members must be diligent in ensuring that their other professional commitments do not conflict with their duties as Directors of the Company.

It is noted that no Director holds Directorship in more than 10 public limited companies, as specified in Section 165 of the Act, and there are no inter-related Directors among them.

1.3 Core competencies of Directors

The existing Board of Directors of the Company have appropriate skills/expertise/competencies in diversified domains for the effective functioning of the Company.

The desirable qualification and experience of the appointee Directors are as per the requirements in the functional areas i.e. Finance, Operations, Projects, Commercial, Human Resources etc.

1.4 Board/Committee Meetings and procedure

a) Institutionalized decision-making process:

With a view to institutionalizing all corporate affairs and setting up systems and procedures for advance planning of matters requiring discussion/decisions by the Board, the Company has a well-defined procedure for conducting meetings of the Board of Directors and committees thereof efficiently.

b) Scheduling and Selection of Agenda Items for the Board/ Committee Meetings:

- i) The Meetings are convened by giving appropriate notice. To address any urgent needs, sometimes Board meetings are also called at shorter notice, in compliance with the statutory provisions. For exigent matters, resolutions are also passed through circulation, pursuant to the provisions of the statute. Detailed Agenda notes, management reports and other explanatory statements are normally circulated at least a week before the Board Meeting in a defined format among the Board members for facilitating meaningful, informed and focused decisions in the meetings. In exceptional cases, where it is not possible to circulate documents in advance, the same is tabled during the meeting with the approval of the Chairman and with the consent of a majority of the Directors present in the meeting. As a part of the green initiative, the agenda for the meetings are sent through electronic mode.

The Management makes presentations on matters including but not limited to the Company's performance, operations, plans, quarterly and annual financial results, compliance reports etc.

- ii) The Agenda papers are prepared by the concerned departments and submitted to the Chief Executive Officer for obtaining approval of the Chairman. Duly approved agenda papers are circulated amongst the Board members by the Company Secretary.
- iii) In exceptional circumstances, additional and supplemental item(s) on the agenda are taken up for discussion with the permission of the chair and after a consensus is formed. Sensitive subject matters are discussed at the meeting even without written material being circulated.
- iv) The meetings are usually held at the Company's Registered Office in New Delhi or through Video Conferencing Mode.
- v) The members of the Board have complete access to all information of the Company.



c) Recording of minutes of proceeding at the Board Meeting.

The Company Secretary attended all the Meetings of the Board and its Committees and is responsible for recording the minutes of all the Meetings. The minutes of each Board meeting are submitted for confirmation at its next meeting after these are signed by the Chairperson.

d) Compliance

Every officer while preparing agenda notes ensures adherence to all the applicable provisions of the law, rules, guidelines etc. The Company Secretary ensures compliance with all applicable provisions of the Companies Act, 2013.

e) Meetings

During the Financial Year 2025-26, Eight (08) Board Meetings were held as under:

- i.) April 28, 2025
- ii.) June 25, 2025
- iii.) July 23, 2025
- iv.) August 25, 2025
- v.) September 24, 2025
- vi.) October 28, 2025
- vii.) December 26, 2025
- viii.) January 27, 2026

Requisite quorum was present in all the Meetings. The intervening period between two Board Meetings was well within the maximum time gap as stipulated under the Act.

Details of the number of Board meetings attended by Directors, attendance at last AGM, held by the Company during the year 2025-26 are tabulated below:

Sl. No.	Directors	Meeting held during respective tenures of Directors	No. of Board Meetings Attended	% of attendance of Board Meeting	Attendance at the last AGM
1.	Shri. A. K. Jadli	08	08	100	Yes
2.	Dr. A.K.Panda ¹	02	01	50	No
3.	Shri. Prabir Kumar Sarkar ²	02	02	100	No
4.	Shri. A. K. Manohar ³	04	04	100	Yes
5.	Shri M.B. Balakrishnan	08	06	75	No
6.	Ms. Rachana Singh Bhal	08	05	62	Yes
7.	Shri. Praveen Nigam ⁴	06	05	83	Yes
8.	Shri. Rajiv Pandey ⁵	04	04	100	Yes
9.	Shri. Sanjay Kumar Sinha ⁶	04	03	75	-
10	Shri. TK Krishnakumar ⁷	02	01	50	-

¹Ceased to be Director w.e.f June 26, 2025.

²Ceased to be Director w.e.f June 26, 2025.

³Ceased to be Director w.e.f, August 31, 2025.

⁴Appointed as Director w.e.f, July 02, 2025.

⁵Appointed as Director w.e.f July 02, 2025 and subsequently ceased to be a Director w.e.f November 08, 2025.

⁶Appointed as Director w.e.f, September 22, 2025.

⁷Appointed as Director w.e.f, November 19, 2025.



Details of other Directorships & Membership/ Chairmanship of Committees of Directors are as follows (as on 31.03.2026):

Sl. No.	Name of Directors	No. of Other Directorships	Names of the listed entities where the person is a director and the category of directorship
1.	Shri. Anil Kumar Jadli	5	NTPC Limited, Director(HR)
2.	Dr. A.K. Panda	2	-
3.	Shri. P.K. Sarkar	-	-
4.	Ms. Rachana Singh Bhal	1	-
5.	Shri. M.B. Balakrishnan	1	-
6.	Shri. A. K. Manohar	-	-
7.	Shri. Praveen Nigam	2	-
8.	Shri. Rajiv Pandey	-	-
9.	Shri. Sanjay Kumar Sinha	-	-
10.	Shri. TK Krishnakumar	-	-

1.6 Information placed before the Board of Directors, inter alia, includes:

- Annual operating plans and budgets and any updates.
- Capital Budgets and any updates.
- Quarterly & Annual Accounts, Directors' Report etc.
- Fatal or serious accidents, dangerous occurrences etc.
- Operational highlights.
- Major investments
- Details of amount borrowed by the Company.
- Award of large contracts.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Minutes of meetings of Audit Committee, Board meetings and other Committees of the Board.
- Appointment of Key Managerial Personnel and information on recruitment and promotion of senior officers
- Any significant development in Human Resources/Industrial Relations front like the signing of wage agreement etc.
- Company MoU and performance evaluation
- Short term investment of surplus funds.
- Other materially important information.
- Any other information as may be required to be presented to the Board for information or approval.

1.7 Remuneration of Directors

The Articles of Association of the Company stipulate that the remuneration/sitting fee paid to the Directors in accordance with the provisions of the Companies Act, 2013.

During the year under review, the Company has all Nominee Directors on Board and the Company does not pay any remuneration/sitting fee under the Government guidelines.

2. COMMITTEES OF THE BOARD OF DIRECTORS

In compliance with the statutory requirements and to focus effectively on the issues and to ensure expedient resolution of the diverse matters, the Board has constituted various committees with



specific terms of reference and scope. The Committees are the Board's empowered agents and operates per their charter/terms of reference.

During the year, the Board had the following Statutory and Non- Statutory Committees:-

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Corporate Social Responsibility Committee
- iv) Enterprise Risk Management Committee
- v) Contracts Sub-Committee
- vi) Project Sub-Committee

2.1 Audit Committee

The responsibilities of the Audit Committee comprise of the following:

- a. Review the reports of Comptroller & Auditor General (CAG) on Government Audit, statutory auditors and internal auditors and response thereto
- b. Review the adequacy of overall internal control systems and suggest improvements in the same
- c. Review compliance with various Statutes and assist in forming better corporate practices
- d. Review of quarterly, half-yearly and annual financial statements.
- e. Review and determine the scope of work of internal auditors
- f. Noting appointment and removal of external auditors. Recommending the fixation of audit fee for external auditors and also approval for payment for any other services
- g. Review of the existing sanctioned loans, scrutinizing any changes in the terms and conditions of the existing loans and to recommend tie-up loans for any future requirement of funds as well as review the terms and conditions for the same.
- h. Review of company MoU and self-assessment report and recommend to the Board for approval.

Composition, Meeting and Attendance

During the financial year under review, 07 (Seven) Audit Committee meetings were held on April 28, 2025, July 21, 2025, August 04, 2025, September 22, 2025, October 24, 2025, December 26, 2025, and January 23, 2026 respectively.

The composition and attendance of the Members at the meetings held during the year are as follows:

Name of Directors	No of meetings held	No. of meetings attended	Attendance at last AGM
Dr. A.K. Panda ¹	01	01	No
Shri M.B. Balakrishnan	07	06	No
Shri. A. K. Manohar ²	03	03	Yes
Ms. Rachana Singh Bhal	07	06	Yes
Shri. Praveen Nigam	06	06	Yes
Shri. Sanjay Kumar Sinha ³	03	01	-

¹Ceased to be Director w.e.f, June 26, 2025.

²Ceased to be Director w.e.f, August 31, 2025.

³Appointed as Director w.e.f, September 22, 2025.

The committee comprised the following members as on March 31, 2026:

- Shri. M.B. Balakrishnan - Chairman
- Ms. Rachana Singh Bhal - Member
- Shri. Praveen Nigam - Member
- Shri. Sanjay Kumar Sinha - Member

Requisite quorum was present in all the meetings. The Company Secretary acts as the Secretary to the Committee.



2.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in compliance with the provisions of Section 178 of the Act. The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of applicable laws:

- i. Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- ii. To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees To lay out remuneration principles for Directors, Key Managerial Personnel and Senior Management Personnel linked to their effort, performance and achievement relating to the Company's goals trends and practices that prevail in peer companies across the industry.
- iii. To ensure the Board Diversity by constituting the structure of Board of Directors.
- iv. To take decision regarding the human resource activities and policies of the Company
- v. Decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the prescribed limits

Composition, Meeting and Attendance

During the financial year under review, 2 (two) Nomination & Remuneration Committee meetings were held on June 25, 2025 and August 25, 2025.

The composition and attendance of the Members at the meetings held during the year are as follows:

Name of Directors	No of meetings held	No. of meetings attended	Attendance at last AGM
Ms. Rachana Singh Bhal	02	02	Yes
Shri. A. K. Manohar ¹	02	02	Yes
Shri M.B. Balakrishnan	02	02	No
Shri P.K Sarkar ²	01	01	-
Shri. Rajiv Pandey ³	01	01	Yes

¹Ceased to be Director w.e.f August 31, 2025.

²Ceased to be Director w.e.f June 26, 2025.

³Appointed as Director w.e.f July 02, 2025 and subsequently ceased to be a Director w.e.f November 08, 2025

The committee comprised the following members as on March 31, 2026

- Ms. Rachana Singh Bhal - Chairperson
- Shri. M.B. Balakrishnan - Member
- Shri. Sanjay Kumar Sinha - Member
- Shri. TK Krishnakumar - Member

Requisite quorum was present in all the meetings. The Company Secretary acts as the Secretary to the Committee.

2.3 Corporate Social Responsibility (CSR) Committee

The CSR Committee was formulated in accordance with Section 135 of the Act. The Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of applicable laws:

- i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as per the Act.



- ii. Recommend the amount of expenditure to be incurred on the activities referred to in the Act and;
- iii. Monitor the Corporate Social Responsibility Policy and compliance of various activities of the Company from time to time.
- iv. Approve the detailed CSR schemes for various projects.

Composition, Meeting and Attendance

During the financial year under review, 2 (two) CSR Committee meeting were held on June 25, 2025 and October 24, 2025.

The composition and attendance of the Members at the meetings held during the year are as follows:

Name of Directors	No. of meetings held	No. of meetings attended	Attendance at last AGM
Ms. Rachana Singh Bhal	02	02	Yes
Dr. A.K. Panda ¹	01	-	-
Shri. P.K. Sarkar ²	01	01	-
Shri. A. K. Manohar ³	01	01	Yes
Shri. Praveen Nigam ⁴	01	01	Yes
Shri. Sanjay Kumar Sinha ⁵	01	-	-

¹Ceased to be Director w.e.f June 26, 2025.

²Ceased to be Director w.e.f June 26, 2025.

³Ceased to be Director w.e.f August 31, 2025.

⁴Appointed as Director w.e.f July 02, 2025.

⁵Appointed as Director w.e.f September 22, 2025.

The committee comprised the following members as on March 31, 2026:

- Ms. Rachana Singh Bhal - Chairperson
- Shri. Praveen Nigam - Member
- Shri. Sanjay Kumar Sinha - Member
- Shri. TK Krishnakumar - Member

Requisite quorum was present in all the meetings. The Company Secretary acts as the Secretary to the Committee.

2.4 Enterprise Risk Management Committee (ERMC)

The Enterprise Risk Management Committee has been formed in accordance with the provisions of the Act. The ERMC carries out the following functions:

- i. Review of risk portfolio and risk mitigation plans;
- ii. Finalization of Risk assessment/ classification and risk prioritization of identified risks;
- iii. Monitor and review risk management/mechanism as framed by Board;
- iv. Review proposed changes to the e-risk register;
- v. Monitor implementation of risk management plan/mechanism;
- vi. Take-up any other matter as directed by the Board from time to time.

Composition, Meeting and Attendance

During the financial year under review, no ERMC meeting was held.

The committee comprised the following members as on March 31, 2026



- Shri. Praveen Nigam - Chairman
- Shri. M.B. Balakrishnan - Member
- Ms. Rachana Singh Bhal - Member
- Shri. Sanjay Kumar Sinha - Member
- Shri. Diwakar Kaushik - CEO
- Shri. Kamalakanta Nayak - CFO
- Shri. Palash Gangopadhyay - CRO

Requisite quorum was present in all the meetings. The Company Secretary acts as the Secretary to the Committee.

2.5 Contract Sub-Committee

Contract Sub-Committee is an internal Committee of the Board which is entrusted to carry out the following functions:

- Review of proposal for Award of contracts for Works, Purchase, Service and recommend to the Board.
- Review of proposals Consultancy assignments/ contracts including foreign consultancy assignments including Technical and Administrative approval of cost estimate, invitation of bid, negotiations and award and recommend to the Board.
- Review of Post award aggregate net variations and recommend to the Board.
- Approval of revised QR for retendering against packages for which QR has been approved by CEO, if revision of previous tendered QR is required for eliciting better response etc.
- Other delegations as approved by the Board of Directors from time to time.

Composition, Meeting and Attendance

During the financial year under review, 2 (Two) Contract Sub-Committee Meetings were held during the Financial Year 2025-26 on August 25, 2025, and January 23, 2026.

The composition and attendance of the Members at the meetings held during the year are as follows:

Name of the Directors	No. of Meetings held	No. of Meetings attended	Attendance at last AGM
Shri. A. K. Manohar ¹	01	01	Yes
Ms. Rachana Singh Bhal	02	02	Yes
Shri. Praveen Nigam ²	02	02	Yes
Shri. Rajiv Pandey ³	01	01	Yes
Shri. Sanjay Kumar Sinha ⁴	01	01	-
Shri. TK Krishnakumar ⁵	01	01	-

¹Ceased to be Director w.e.f August 31, 2025.

²Appointed as Director w.e.f July 02, 2025.

³Appointed as Director w.e.f July 02, 2025 and subsequently ceased to be a Director w.e.f November 08, 2025

⁴Appointed as Director w.e.f September 22, 2025.

⁵Appointed as Director w.e.f November 19, 2025.

The committee comprised the following members as on March 31, 2026

- Shri. Sanjay Kumar Sinha - Chairman
- Shri. Praveen Nigam - Member
- Ms. Rachana Singh Bhal - Member
- Shri. TK Krishnakumar - Member



Requisite quorum was present in all the meetings. The Company Secretary acts as the Secretary to the Committee.

2.6 Project Sub-Committee

Project Sub-Committee is an internal Committee of the Board which is entrusted to carry out the following functions:

- Preparation of Feasibility Reports(FR)/Detailed Project Reports(DPR), including Studies & Investigation for New/Expansion Projects
- Review of Ongoing Projects / New Projects / R&M Schemes / Capital Expenditure
- Review of Proposal for Approval of Revised Cost Estimates and recommend to the Board
- Review of Investment Approval for R&M Scheme and recommend to the Board
- Review of Cost Estimate for issue of NIT before Investment Approval by Board
- Review of Advance Expenditure for each Project for which FR/DPR is approved by Project Sub-committee.

Composition, Meeting and Attendance

During the financial year under review, 2 (Two) Project Sub-Committee Meetings were held during the Financial Year 2025-26 on October 15, 2025 and January 23, 2026.

The composition and attendance of the Members at the meetings held during the year are as follows:

Name of the Directors	No. of Meetings held	No. of Meetings attended	Attendance at last AGM
Shri. Sanjay Kumar Sinha ¹	02	02	-
Ms. Rachana Singh Bhal	02	01	Yes
Shri. M.B. Balakrishnan	02	02	No
Shri. Rajiv Pandey ²	01	01	Yes
Shri. TK Krishnakumar ³	01	01	-

¹Appointed as Director w.e.f September 22, 2025.

²Appointed as Director w.e.f July 02, 2025 and subsequently ceased to be a Director w.e.f November 08,2025

³Appointed as Director w.e.f November 19, 2025.

The committee comprised the following members as on March 31, 2026:

- Shri. TK Krishnakumar - Chairman
- Ms. Rachana Singh Bhal - Member
- Shri. M.B Balakrishnan - Member
- Shri. Sanjay Kumar Sinha - Member

3. ANNUAL GENERAL MEETING

The date, time and location of the last three Annual General Meetings and EGM are as under:

Date	September 22, 2023 (24 th AGM)	September 19, 2024 (25 th AGM)	August 11, 2025 (26 th AGM)
Time	1300 hrs	1300 hrs	1500 hrs
Venue	4 th Floor, NBCC Towers, 15, Bhikaji Cama Place, New Delhi -110066	4 th Floor, NBCC Towers, 15, Bhikaji Cama Place, New Delhi -110066	4 th Floor, NBCC Towers, 15, Bhikaji Cama Place, New Delhi -110066
Special Resolution passed, if any	-	-	-



Details of the Special Resolutions passed during the last Financial Year through Postal Ballot

During the previous year, pursuant to Section 110 of the Act read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) thereof made thereunder) the Company did not pass any resolutions through the Postal Ballot process. Therefore, Procedure for postal ballot shall not be applicable.

Further, there are no Proposed Resolutions to be passed through Postal Ballot.

4. GENERAL SHAREHOLDERS INFORMATION

1.	Annual General Meeting Date Time Venue	11 th September, 2026 1200 Hrs 4 th Floor, NBCC Towers, 15, Bhikaji Cama Place, New Delhi -110066
2.	Financial Year	1 st April, 2025 to 31 st March, 2026
3.	ISIN Code	INE115D07012

Dematerialisation of Shares and Liquidity

The Company has established connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through its Registrar & Share Transfer Agent- MCS Share Transfer Agent Limited. This has facilitated the shareholders to hold and trade their shares in 'electronic form'. As on 31st March, 2026, 980500100 Equity Shares of the Company, forming 100% of the shareholding stand dematerialized.

Dividend

Details of the amount of dividend given by the Company for the last five years are as under:

Year	Paid-up Capital	Total Dividend
2021-22	₹ 980.5 Crore	₹ 150 Crore
2022-23	₹ 980.5 Crore	₹ 650 Crore
2023-24	₹ 980.5 Crore	₹ 150 Crore
2024-25	₹ 980.5 Crore	₹ 315 Crore
2025-26	₹ 980.5 Crore	₹ 350 Crore

5. DISCLOSURES

a) Related Party Transactions

All transactions entered into by the Company with related parties, during the financial year 2025-26, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report. Also, the related party transactions undertaken by your Company were in compliance with the provisions set out in the Act. The policy on related party transactions has been placed on the Company's website www.nspcl.co.in

b) Whistle Blower Policy/Vigil Mechanism

Your Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers and shareholders in an ethical and lawful manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee. In accordance with the provisions of the Act, your Company has adopted a Vigil Mechanism/ Whistle Blower Policy with an objective to provide



its employees a vigil mechanism whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication. During the financial year ended 31st March, 2026, no personnel have been denied access to the Chairman of the Audit Committee of the Company. The Whistle Blower Policy and related procedures are available on the corporate governance section of the Website www.nspcl.co.in.

c) Document Preservation and Archival Policy

The NSPCL Board has approved a "Policy on Maintenance and Preservation of Document", the policy establishes guidelines for management, for preservation, archival and destruction of documents by the Company.

d) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the applicable Accounting Standards i.e. IndAS, issued by the Institute of Chartered Accountants of India to the extent applicable and other applicable act(s) and regulation(s).

e) Disclosures of Risk Management

NSPCL Risk Management committee vide its meeting dated 26th March 2025, suggested to formulate the risk management structure of the company and to categorize the Risks into different categories. As per the suggestions of the Risk management committee various deliberation were held and the Revised Risk Management framework was formulated during the year.

f) All the recommendations of Board Committees have been accepted by the Board of Directors during the year.

g) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sl. No.	Particulars of Disclosures	Remarks
1.	Number of complaints of sexual harassment received in the year	Nil
2.	Number of complaints disposed of during the year	Nil
3.	Number of cases pending for more than ninety days	Nil

h) Reconciliation of Share Capital Audit

The Company files e-Form PAS-6 in accordance with Rule 9A of the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2019, on a half-year basis, which is a Report on Reconciliation of Share Capital Audit, for the equity shares of the Company held with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and in physical form during the period under review.

i) Means of Communication

The Company communicates with its Shareholders and Stakeholders through Annual Report, General Meetings and disclosures through the Website.

j) Directors and Officer's Insurance

NSPCL obtains Directors and Officers Insurance Policy (D&O Policy) every year. Present D&O Policy is for ₹25 Crore.



k) Redemption of Bonds

During the year under review, no such event took place.

l) Internal Audit

The Board in its 243rd Board Meeting held on Wednesday, July 23, 2025 had appointed M/s J N Mittal & Co., Chartered Accountants and M/s Tej Raj and Pal., Chartered Accountants as Internal Auditors for the Financial Year 2025-26.

6. NSPCL LOCATIONS:

a) Registered and Corporate Office:

15, NBCC Towers, 4th Floor,
Bhikaji Cama Place, New Delhi- 110066

b) Plants:

CPP-II, Rourkela Steel Plant, Rourkela, Odisha - 769011
CPP-II, Durgapur Steel Plant, Durgapur, West Bengal - 713205
NSPCL- Bhilai Unit, Near Purena Village, Bhilai (East), Distt- Durg, Chhattisgarh - 490021

c) Registrar & Share Transfer Agents:

MCS Share Transfer Agent
F-65, 1st Floor, Phase-I, Okhla Industrial Area, New Delhi- 110020

Company Secretary

Ms. Shagun Bajpai
Email: shagun.bajpai@nspcl.co.in

For and on behalf of the Board of Directors

Sd/-

Anil Kumar Jadli
Chairman

DIN : 10630150
Date : 25.08.2026
Place : New Delhi



Annexure V

Information under Rule 5(2) of Chapter XII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, of top ten employees in terms of remuneration drawn during the Financial Year 2025-26 are as follows:

Sr. No.	Emp No	Employee Name	Designation	Total Remuneration (IN INR)	Nature of Employment	Qualification & Experience	Experience of Years as on 31.03.2026 or DOR	Date of commencement of employment	Age (in years) as on 31.03.2026 or DOR	Last employment held by such employee before joining the company	% of Equity share capital held	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	5477	Kesarapu Satyanarayana	Chief General Manager	1,50,50,106.00	On secondment from NTPC	MBA	36.59	06-09-1989 IN NTPC	60	01-04-1988 to 01-09-1989 at Koneru Laksmaya College of Engg.	0	No
2	61831	Alok Singh	General Manager	1,38,85,625.00	On secondment from NTPC	B.Sc. (Mech. Engg.)	35.62	25-08-1990 IN NTPC	60	02-01-1990 to 24-08-1990 at Renusagar Power Co.	0	No
3	5187	Rajeev Ranjan	General Manager	1,15,89,136.00	On secondment from NTPC	MBA Finance & B.Sc. (Mech. Engg.)	37.61	29-08-1988 IN NTPC	60	NIL	0	No
4	4463	Diwakar Kaushik	Executive Director / CEO	1,02,53,138.00	On secondment from NTPC	MBA (HRM) & B.Sc. (Mech. Engg.)	38.62	27-08-1987 IN NTPC	59	NIL	0	No
5	5843	Sudeep Kumar Das	Additional General Manager	97,90,644.00	On secondment from NTPC	PG Diploma Business Mgmt. & Diploma Finance	35.45	26-10-1990 IN NTPC	59	NIL	0	No
6	6197	Rakesh Kumar Chakraborty	Additional General Manager	96,38,928.00	On secondment from NTPC	M.Tech. Power System & B.E. (Electrical Engg)	33.27	30-12-1992 IN NTPC	57	NIL	0	No
7	5610	Neel Kumar Sharma	Chief General Manager	94,63,483.00	On secondment from NTPC	MBA Financial Management & Inter (ICWA) Finance & B.E. (Science)	36.59	06-09-1989 IN NTPC	59	NIL	0	No
8	5924	Premlata .	Chief General Manager	94,56,728.00	On secondment from NTPC	MBA Personnel Management & B.Sc. (Science)	35.34	05-12-1990 IN NTPC	56	NIL	0	No
9	5556	Vidwan Sampath Venkatesan	Chief General Manager	93,81,230.00	On secondment from NTPC	M.Tech. Power Generation & PG Diploma Financial	36.59	05-09-1989 IN NTPC	59	NIL	0	No
10	400059	Pushkar Chandrashekhara Huddar	General Manager	92,87,312.50	NSPCL	B.E. (Electrical Engg)	35.47	19-10-1990 IN SAIL	57	19-10-1990 to 30-09-2003 at SAIL	0	No

**AKHIL ROHATGI & COMPANY**

Company Secretaries

21, Shamnath Marg, Civil Lines, Delhi – 110054.

Phone : 9810690633, 8527087435

Email : rohatgi_co_secy@yahoo.co.in

csdelhi84@gmail.com

GST No: 07ABTFA2714K1Z7

Form No. MR-3**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31st March 2026

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
NTPC-SAIL Power Company Limited
Regd Off: 4th Floor, NBCC Tower, 15 Bhikaji Cama Place
New Delhi -110066

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NTPC-SAIL Power Company Limited (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, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized 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 NTPC-SAIL Power Company Limited 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 there under;
- (ii) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under *not applicable*.
- (iii) The Securities Contracts (Regulations) Act, 1956 and the rules made thereunder *are not applicable as the shares of Company are not listed with any of the Stock Exchanges*
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder

**DEEPAK
KUMAR**

Digitally signed by DEEPAK KUMAR
DN: cn=DEEPAK KUMAR, o=AKHIL ROHATGI & COMPANY, ou=SECRETARIAL AUDIT, email=rohatgi_co_secy@yahoo.co.in, c=IN
Date: 2026.07.01 17:47:36 +05'30'



AKHIL ROHATGI & COMPANY

Company Secretaries

21, Shamnath Marg, Civil Lines, Delhi – 110054.

Phone : 9810690633, 8527087435

Email : rohatgi_co_secy@yahoo.co.in

csdelhi84@gmail.com

GST No: 07ABTFA2714K1Z7

We further report that based on the information received and records maintained, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. have occurred in the Company.

For Akhil Rohatgi & Co.

Company Secretaries

FRN P1995DE072900

Peer Review no. 7777/2026

**DEEPAK
KUMAR**

Deepak Kumar

Partner

M. No.: F10189

COP No:11372

UDIN: F010189H000724705

Date: 01/07/2026

Place: New Delhi

**AKHIL ROHATGI & COMPANY**

Company Secretaries

21, Shamnath Marg, Civil Lines, Delhi – 110054.

Phone : 9810690633, 8527087435

Email : rohatgi_co_secy@yahoo.co.in

csdelhi84@gmail.com

GST No: 07ABTFA2714K1Z7

To,
The Members,
NTPC-SAIL Power Company Limited
Regd Off: 4th Floor, NBCC Tower, 15 Bhikaji Cama Place
New Delhi -110066

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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 the secretarial records. We believe that the processes and practices, we follow 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable law, 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 Akhil Rohatgi & Co.
Company Secretaries
FRN P1995DE072900
Peer Review no. 7777/2026

DEEPAK
KUMAR

Deepak Kumar is a Chartered Secretary (Company Secretaries) member of the Institute of Company Secretaries of India (ICSI) since 2010. He is currently working as a Partner in the firm of Akhil Rohatgi & Company, Chartered Secretaries, 21, Shamnath Marg, Civil Lines, Delhi - 110054. He is also a member of the Delhi Branch of the Institute of Company Secretaries of India (ICSI).

Deepak Kumar
Partner

M. No.: F10189

COP No:11372

UDIN: F010189H000724705

Date: 01/07/2026

Place: New Delhi

भारतीय लेखापरीक्षा एवं लेखा विभाग

कार्यालय महानिदेशक लेखापरीक्षा (विद्युत)

नई दिल्ली-110002



INDIAN AUDIT & ACCOUNTS DEPARTMENT

Office of the Director General of Audit (Power)

New Delhi-110002

SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

Dated: 24/06/2026

सेवा में,

अध्यक्ष,

एनटीपीसी सेल पावर कंपनी लिमिटेड,

नई दिल्ली

विषय:- 31 मार्च 2026 को समाप्त वर्ष के लिए एनटीपीसी सेल पावर कंपनी लिमिटेड, नई दिल्ली के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, एनटीपीसी सेल पावर कंपनी लिमिटेड, नई दिल्ली के 31 मार्च 2026 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रही हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीया,

संलग्नक:- यथोपरि।

तनुजा मिश्रा

(तनुजा मिश्रा)

महानिदेशक (विद्युत)

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF NTPC SAIL POWER COMPANY LIMITED FOR THE YEAR
ENDED 31 MARCH 2026**

The preparation of financial statements of NTPC SAIL Power Company 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 auditor 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 Revised Audit Report dated 17 June 2026 which supersedes their earlier Audit Report dated 29 April 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NTPC SAIL Power Company 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 auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditor's report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Place: New Delhi

Date: 24/06/2026

Tanuja Mittal
(Tanuja Mittal)
Director General of Audit (Power)
New Delhi



M.K. AGGARWAL & CO.
CHARTERED ACCOUNTANTS
(EST. 1973)

■ 30, Nishant Kunj, Pitam Pura,
New Delhi-110034

■ Tele : 011-47517171
M.: 9899997699
Email : atul@mkac.in
Website : www.mkac.in

INDEPENDENT AUDITORS' REPORT (REVISED)

To,

The Members of NTPC-SAIL POWER COMPANY LIMITED

Report on the Audit of the Financial Statements

Pursuant to directions issued by the Comptroller & Auditor General of India in relation to Independent Auditors' Report, this Revised Independent Auditor's Report is being issued. This report supersedes our earlier Independent Auditor's Report dated 29th April, 2026. **(Refer Annexure B)**

Opinion

We have audited the accompanying financial statements of **NTPC-SAIL POWER COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2026, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the 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**, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements 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 *Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules made 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

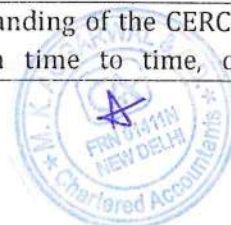
1. Long outstanding amount of Rs.2,078.62 Lakhs pertaining to Durgapur (PP III) plant held as CWIP since 2017 could not be capitalized due to project delays which management considers as free of impairment. Further, amount of Rs.789.68 Lakhs spent on completing the plant till date shall be settled at risk and cost from original vendor after full completion of plant work. (Refer Note No. 3 & 20)
2. Long outstanding amount of Rs. 45,136.89 Lakhs pertaining to installation of Flue Gas Desulfurization (FGD) plant at Bhilai held as CWIP since 2021 could not be capitalized due to project delays which management considers as free of impairment. (Refer Note No 3)
3. Credit notes amounting to Rs. 258.13 Lakhs (net) recoverable from The Singareni Collieries Company Limited (SCCL) against coal supplies as on 31.03.2026 at Bhilai Plant is pending for acceptance by SCCL and hence consequent adjustments in the books of accounts have not been made.
4. Company has recalculated its Deferred Tax Liability as on 31st March 2026 using revised (New) tax rate of 25.17% being the rate applicable with effect from 1st April 2026. Consequently, the impact of such change is Rs. 12,745.90 Lakhs which has been considered in this year and accordingly Profit after Tax has increased by this extent. (Refer Note No 10)
5. Change in classification of Capital Spares upto 10 lakhs due to change in CERC guidelines. Accordingly, an amount of ₹2,247.74 lakhs relating to 129 items have been capitalized, and an amount of ₹1,119.13 lakhs relating to 381 items have been recorded as inventory. (Refer Note No. 12(f))

Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

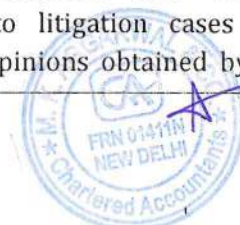
S. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1	Recognition and measurement of revenue from Sale of Energy	We have obtained an understanding of the CERC Tariff Regulations as notified from time to time, orders,



	Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances in view of adoption of Ind AS 115 "Revenue from Contract with Customers" The application of the revenue accounting standards involves certain key judgments relating to identification of time of revenue recognition, measurement of the transaction price i.e. the consideration promised in the contracts which includes fixed charges variable charges; relevant and adequate disclosures regarding the contracts with customers and significant judgments or changes in judgment, if any, made in applying the Standard to such contracts. (Refer Note no. 39 and 60)	circulars, guidelines, Power Purchase Agreement with SAIL and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from sale of energy comprising of capacity and energy charges and adopted the following audit procedures: • Evaluated and tested the effectiveness of the Company's design of internal controls relating to recognition and measurement of revenue from sale of energy. • Verified the accounting of revenue from sale of energy based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Authorities for electricity to the extent applicable, in case of Bhilai PP-III and based on PPA with SAIL in case of PP-II (Durgapur, Rourkela & Bhilai), Rourkela PP-II Expansion & Durgapur PP III Expansion. 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. Based on the above procedure performed the recognition and measurements of revenue from sale of energy are considered to be adequate and reasonable.
2	Continuing Dispute between SECL and NSPCL for deduction of Rs. 58.17 Crores from coal bill of SECL for Grade Slippage for the period July 2015 to August 2016. South Eastern Coal fields limited (SECL) is a major supplier of coal to NSPCL. In accordance with minutes of meeting dated 06.02.2015 issued by Ministry of Coal: NSPCL, the Power Producers had engaged an Independent Third-Party Sampling Agency (ITP) for analysis of coal at loading ends, pursuant to which differences between the grade of coal billed and grade determined by the ITP were detected. However, SECL was not accepting the variation report of ITP citing various	• Owing to the continuing dispute, this matter was taken to Alternate Dispute Redressal Mechanism (ADRM) by NTPC. • NTPC approached to SECL through letter dated 04.09.2018 to explore settlement of outstanding dues for pre-CIMFR dispute with NTPC Joint Venture station in line with ADRM order, issued vide OM dated 23th July, 2018. • NSPCL has asked SECL vide letter dated 21.05.2018, 21.02.2019 and 24.12.2019 to commensurate NSPCL with NTPC regarding settlement of the dispute as per the order of ADRM. We have reviewed the correspondences between the parties. • SECL vide Letter dated 23.01.19 has stated that no such provision was given in the Order of ADRM



	reasons. Consequently, NSPCL started making deduction on account of grade slippage from the invoices raised by SECL to which SECL did not agree. NSPCL has already passed on the credit to beneficiaries with a rider that based on the settlement of issue with SECL, NSPCL may have to recover above amount from beneficiaries at a later date. (Refer Note no. 20 and 62)	regarding the Joint Ventures of NTPC. They will be seeking further clarification in this regard. • NSPCL vide its letter dated 26.08.2020 made a petition before Ministry of Power for resolution of the said dispute under AMRCD mechanism. • Ministry of Power vide its meeting notice dated 18.03.2021 informed NSPCL that it has examined the petition and has decided to initiate the proceedings under AMRCD mechanism. • The said dispute is pending before AMRCD. • The company has shown this amount as contingent liability as on 31.03.2025. • It may be stated that in case such amount is indeed payable by NSPCL to SECL, NSPCL may recover such amount from their beneficiaries, as same was mentioned in the concerned beneficiaries' bill during that period. Thus, the impact of same, would-be revenue neutral to company. • We have read various correspondences and related documents pertaining to this litigation case and performed substantive procedures on calculations supporting the disclosure of contingent liability. Based on the above procedures performed, the estimation and disclosure of contingent liability is considered to be adequate and reasonable.
3	Contingent Liabilities There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability. We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgement in interpreting the cases and it may be subject to management bias.	We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures: • understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; • discussed with the management regarding any material developments thereto and latest status of legal matters; • read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the



	(Refer Note No. 38 & 62)	management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; • examined management's judgements and assessments in respect of whether provisions are required; • considered the management assessments of those matters that are not disclosed as contingent liability since the probability of material outflow is considered to be remote; • reviewed the adequacy and completeness of disclosures; Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.
4.	Reconciliation of balances with SECL, SCCL and MCL The company purchases feed stock(coal) from the above suppliers and it is a key ingredient in running and smooth functioning of the power plants. The key issues which emerge are related to quality (grades of coal), quantities billed and receipts etc and related financial adjustments if any.	• We took note of the correspondences between the company and fuel suppliers • We study ledger accounts including debit/credit notes • We study the FSA (Fuel Supply Agreement) and check its compliances

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Chairman's statement, Management Discussion and Analysis and other company related information (hereinafter referred to as 'other reports'), but does not include the financial statements and our auditor's report thereon.

The Other reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



When we read the 'Other reports', if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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's 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 a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's 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 financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the result of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

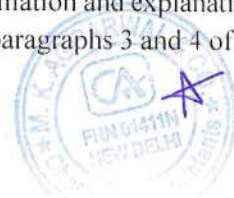
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.



2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure-B on the directions and sub-directions issued by Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report 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;
 - (b) 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;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flow dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
 - (e) As per the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company being a joint venture of two Government Companies.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-C.
 - (g) As per Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Company being a joint venture of two Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company; and
 - (h) With respect to the other matters to be included in the Auditor's 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 Company has disclosed the impact of pending litigation on its financial position in its financial statement. (Refer Note No. 38 to the financial statements).
 - (ii) In our opinion and to the best of our information and explanations given to us, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) In our opinion and to the best of our information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
 - (iv) (1) The management has represented that, to the best of its knowledge and belief, as disclosed in the note no. 63(xi) to the financial statements, 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;

(2) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note no. 63(xi) to the financial statements, 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

(3) Based on the audit procedures performed 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 (1) and (2) above, contain any material mis-statement.

- (v) In our opinion and to the best of our information and explanations given to us, the dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.
- (vi) Based on our examination which includes test checks, the company has used an accounting software for maintaining books of accounts 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 our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per statutory requirements for record retention under 11(g) as per Companies (Accounts and Rules), 2014.

For M.K. AGGARWAL & COMPANY

Chartered Accountants

Firm's Registration No. 001411N

By the hand of

Date: 17.06.2026

Place: New Delhi



Atul Aggarwal

CA Atul Aggarwal

Partner

M. No. 099374

UDIN: 26049374 E N E M R P 6303

Annexure – 'A' to the Independent Auditors' Report

Annexure referred to in our report of even date to the members of NTPC-SAIL Power Company Limited on the financial statements for the year ended **31st March 2026**

(i) In respect of Companies Property, plant & equipment and Intangible assets:

(a) (A) The company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The company has generally maintained proper records showing full particulars of intangible assets;

(b) The company is having a regular program of physical verification of all Property, Plant & Equipment over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant & equipment. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, except detail given below: -

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company*
42.031 acres of lease land for 2 x 20 MW Durgapur Expansion Project	--	Steel Authority of India Ltd.	Promoter	Since financial year 2016-17 till date	Lease Approval is yet to be obtained from SAIL, as it is pending in Ministry of Steel
400 acres of Maroda-1 Reservoir out of which approx. 80 acres of area for Bhilai Floating Solar of 15MW	--	Steel Authority of India Ltd.	Promoter	Financial year 2025-26	Lease Approval is yet to be obtained from SAIL, as it is pending in Ministry of Steel



- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The inventory has been physically verified at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. According to the information and explanations given to us by the company, value of discrepancies noticed on such physical verification does not account for 10% or more in the aggregate for each class of inventory.
- (b) In our opinion and according to the information and explanations given to us, during the year, the company has been sanctioned working capital limits of Rs.315 crore by SBI on the basis of security of current assets and quarterly statements filed by the company with such bank are generally in agreement with the books of accounts of the Company.
- (iii) The company has not made investments in Mutual Funds during the year which was sold and there is no balance outstanding in respect of this, as at the balance sheet date. In our opinion, investments made are not prejudicial to the Company's interest. Other than this, company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, provisions of clause 3 (iii)(a) to 3(iii)(f) of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investment or given any guarantee or security covered under Section 185 and 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of the directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder. Accordingly, provisions of clause 3 (v) of the Order are not applicable to the company.
- (vi) We have broadly reviewed the accounts and records maintained by the company pursuant to the rules made by the Central Government for maintenance of cost record under Sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determining whether they are accurate and complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The company has generally been regular in depositing undisputed statutory dues including Goods and Service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty



of customs, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities and there are no undisputed dues outstanding as on 31st March, 2026 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company and explanation given to us, there are disputed dues of Income Tax, Service Tax, Entry tax, Employee's state insurance and goods and service tax aggregating to **₹ 13795.24 Lakhs** which have not been deposited on account of matters pending before appropriate authorities.

The details of the disputed dues as at 31st March, 2026 are mentioned hereunder:

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period (Financial Year)	Forum before which Dispute is pending
Income Tax Act, 1961	Income Tax including Interest	1425.06	2008-09	Delhi High Court
Finance Act, 1994	Service Tax including Interest and penalty	2091.52	2004-05	High Court of Kolkata
Finance Act, 1994	Service Tax including Interest and penalty	11.79	2016-17	Assistant Commissioner/ Circle-III/DGP Audit
Odisha Entry Tax, 1999	Entry Tax Penalty	42.73	2014-18	Sales Tax Tribunal Odisha
Employee State Insurance Act, 1948	ESI	19.26	2008-09	Kolkata High Court
Finance Act, 1994	Service tax	10082.29	2016-17	Chhattisgarh High Court
CGST Act	GST	13.34 102.29	2017-18, 2022-23	CGST & Excise Durgapur Audit Commissionerate
CGST Act	GST	6.97	2017-18	Commissioner Appeal-GST Delhi
	Total	13795.24		

- (viii) In our opinion and according to the information and explanations given to us, the Company has not surrendered or disclosed as income, any transaction not recorded in the books of account, during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

- (ix) (a) In our opinion and according to the information and explanations given to us, 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 audit



procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or another lender.

- (c) In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the records of the company and explanation given to us, the company does not have any subsidiary, associate or joint venture. Accordingly, provisions of clause 3 (ix)(e) of the Order are not applicable to the company.
- (f) According to the records of the company and explanation given to us, the company does not have any subsidiary, joint venture or associate company. Accordingly, provisions of clause 3 (ix)(f) of the Order are not applicable to the company.
- (x) (a) According to the books and records of the company and as per the information and explanation given to us by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, provisions of clause 3 (x)(a) of the Order are not applicable to the company.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, provisions of clause 3 (x)(b) of the Order are not applicable to the company.
- (xi) (a) According to the information and explanation given to us and based on our examination of the books and records of the company, we have not come across any case of fraud that has been committed by or on the Company during the year.
- (b) No report under sub-section (12) of section 143 of the Companies 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.
- (c) As informed to us, no whistle-blower complaints were received during the year by the company.
- (xii) The provisions of clause 3 (xii)(a) to 3 (xii)(c) of the Order, for Nidhi company, are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.



- (b) The reports of the Internal Auditors for the period under audit have been duly considered by us.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any noncash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3(xv) of the Order are not applicable.
- (xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause (xvi)(a) of the Order are not applicable.
- (b) According to the information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(b) of the Order are not applicable.
- (c) 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) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3(xvi)(d) of the Order are not applicable.
- (xvii) Based on our examination of the books and records of the Company, the company has not incurred any cash losses in the financial year and in the immediately preceding financial year. Accordingly, provisions of clause 3(xvii) of the order are not applicable to the company.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3 (xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, 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 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.
- (xx) In our opinion and according to the information and explanations given to us, the company has incurred expenditure under Corporate Social Responsibility as required by the provisions of Section 135 of the Act and there are no unspent amounts which are to be transferred pursuant to section 135(5) and 135(6) of the Act. Accordingly, provisions of Clause 3(xx)(a) & 3(xx)(b) are not applicable to the company.



(xxi) The company is a standalone company and therefore the provisions of clause 3 (xxi) of the Order are not applicable to the Company.

For M.K. AGGARWAL & COMPANY

Chartered Accountants

Firm's Registration No. 001411N

By the hand of

Date: 17.06.2026

Place: New Delhi



Atul Aggarwal

CA Atul Aggarwal

Partner

M. No. 099374

UDIN: 26099374EVEMRP6303

Annexure – 'B' to the Independent Auditors' Report

Annexure referred to in our report of even date to the members of NTPC-SAIL Power Company Limited on the financial statements for the year ended 31st March 2026

DIRECTIONS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

S. No.	Directions	Reply	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 misstatement.	The company has not done any investment for Post retirement benefits of its employee directly. It has formed trust which are making investment. The said investments are valued by an independent Actuarial valuer. These trusts are subject to statutory audit by another independent auditor and thus has not been audited by us. The impact of same could not be ascertained.	Not ascertainable
2.	Whether the Company has a system in a place to process all the accounting instruction through IT system? If yes, whether review of this system and controls that are significant to the company's financial reporting process as well as cyber security has been done by Information Security Auditing Organization's empaneled by Cert-In at a minimum frequency of once in a year and material discrepancies found" if any have been suitably reported? The implication of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implication may also be reported.	The company is having SAP to record all the accounting transactions. Its IT and Cyber Security system has been audited by an independent agency which is certified by CERT IN. No transactions have been done outside the SAP/IT system.	Nil
3.	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.	As per information and explanations made by the management, no funds (grants/subsidy etc.) were received or are receivable for specific schemes from the Central/State government or its agencies during the year.	Nil



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?	Based on the information and explanations provided to us and on the basis of minutes of meetings made available for our verification, the Company has discussed certain key risk areas at management level. However, in absence of a formally documented Risk Control Matrix or comprehensive risk management framework, we are unable to comment on the completeness/adequacy of risk identification and effectiveness of the risk mitigation measures implemented by the Company.	Not ascertainable
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.	Company is not a listed company; thus SEBI (LODR) is not applicable. Further, it follows the MCA guidelines, DIPAM and DPE Guidelines for various records/returns as per Companies Act, Dividend guidelines as per DIPAM and governing framework as per DPE Guidelines.	Nil



Sub-directions to Statutory Auditors of Power Sector entities for the year 2025-26

S. No.	Sub-directions	Reply
1.	i. Verify whether the existing regulatory assets of the Company are supported by the tariff orders of the Electricity regulatory commission.	Yes, the existing regulatory assets of the company are provisioned based on applicable Central Electricity Regulatory Commission (CERC) tariff regulations, pending the issuance of final tariff orders from the CERC.
2.	ii. Verify whether revenue in respect of such assets has been recognized by the Company on the basis of tariff orders issued by the Electricity regulatory commission.	Yes, the revenue in respect of such assets has been recognized by the Company based on applicable Central Electricity Regulatory Commission (CERC) tariff regulations, pending the issuance of final tariff orders from the CERC.
3.	iii. State the impact of recognition/existence of regulatory assets in the absence of tariff orders if any.	The recognition of regulatory assets have been shown under note 11 and corresponding income under note 39.
4.	iv. State the impact of delayed/non recovery of regulatory assets on the financial statements of the Company.	The regulatory assets have been recognized in line with the applicable CERC regulations however billing shall be done one the tariff order is issued.
5.	v. Examine and report upon the accuracy/adequacy of accounting treatment/related disclosures in this regard.	Based on our examination, the accounting treatment adopted by the Company and the related disclosures made in respect of the aforesaid regulatory assets and corresponding revenue recognition are in accordance with the applicable CERC Tariff Regulations and are considered adequate and appropriate in the circumstances.

For M.K. AGGARWAL & COMPANY
Chartered Accountants

Firm's Registration No. 001411N

By the hand of



Atul Aggarwal

CA Atul Aggarwal
Partner

M. No. 099374

UDIN: 26099374 E V E M R P 6303

Date: 17.06.2026

Place: New Delhi

Annexure – ‘C’ to the Independent Auditors’ Report

Annexure referred to in our report of even date to the members of **NTPC-SAIL Power Company Limited** on the financial statements for the year ended **31st March 2026**

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 NTPC-SAIL Power Company Limited (“the Company”) as of 31st March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is 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 (‘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 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, 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 applicable to an audit of Internal Financial Controls and, 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 judgment, 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 with Reference to 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have 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 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 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.

For M.K. AGGARWAL & COMPANY

Chartered Accountants

Firm's Registration No. 001411N

By the hand of



CA Atul Aggarwal
Partner

M. No. 099374

UDIN: 26099374 EVE MRP 6303

Date: 17.06.2026

Place: New Delhi



M.K. AGGARWAL & CO.
CHARTERED ACCOUNTANTS
(EST. 1973)

■ 30, Nishant Kunj, Pitam Pura,
New Delhi-110034

■ Tele : 011-47517171
M.: 9899997699
Email : atul@mkac.in
Website : www.mkac.in

Compliance Certificate

We have conducted the audit of annual accounts of NTPC-SAIL POWER COMPANY LIMITED for the year ended 31st March 2026 in accordance with the direction / sub-direction issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions issued to us.

Date: 17.06.2026
Place: New Delhi

Chartered Accountants
Firm's Registration No. 001411N
By the hand of



Atul Aggarwal

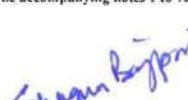
CA Atul Aggarwal
Partner
M. No. 099374

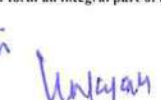
UDIN: 26099374 EVEMRP 6303

BALANCE SHEET AS AT

		₹ in Lakhs	
PARTICULARS	NOTE NO.	31.03.2026	31.03.2025
ASSETS			
Non-current assets			
Property, plant and equipment	2	98632.03	101093.81
Capital work in progress	3	53328.27	48769.35
Intangible assets	4	38.56	20.47
Intangible assets under development	5	-	-
Financial assets			
Investments	6	-	-
Trade Receivables	7	-	-
Loans	8	2801.28	2438.41
Other financial assets	9	308966.72	304349.20
Deferred tax Assets (Net)	10	9673.10	7427.43
Other non-current assets	11	13623.85	7442.18
Total non-current assets		487083.81	471540.85
Current Assets			
Inventories	12	33452.60	26804.82
Financial assets			
Investments	13	-	-
Trade receivables	14	38590.64	38207.70
Cash and cash equivalents	15	7935.89	1039.06
Bank balances other than cash and cash equivalents	16	3.64	2.58
Loans	17	1123.54	895.99
Other financial assets	18	13380.17	13068.41
Current Tax Assets (Net)	19	-	-
Other current assets	20	21437.93	14405.20
Total current assets		115924.41	94423.76
TOTAL ASSETS		602988.22	565964.61
EQUITY & LIABILITIES			
EQUITY			
Equity Share capital	21	98050.01	98050.01
Other equity	22	247395.69	225535.32
Total equity		345445.70	323585.33
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	23	117561.66	107781.83
Lease Liabilities	24	1571.02	1803.72
Trade payables	25	-	-
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		-	-
Other financial liabilities	26	292.98	4686.19
Provisions	27	7134.74	840.46
Deferred tax liabilities (Net)	28	-	-
Other non-current liabilities	29	-	-
Total non-current liabilities		126560.40	115112.20
Current liabilities			
Financial liabilities			
Borrowings	30	68675.93	64564.25
Lease Liabilities	31	232.68	81.32
Trade payables	32	-	-
(A) total outstanding dues of micro enterprises and small enterprises; and		3075.15	2496.65
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		17143.01	22627.37
Other financial liabilities	33	30286.91	26158.81
Other current liabilities	34	10581.29	4762.56
Provisions	35	987.15	6576.12
Current tax liabilities (net)	36	-	-
Total current liabilities		130982.12	127267.08
TOTAL EQUITY AND LIABILITIES		602988.22	565964.61
Payables- micro and small enterprises	37	4518.02	3605.89
Contingent Liability	38	22326.52	23083.73
Material accounting policies	I		

The accompanying notes 1 to 72 form an integral part of these financial statements.


 (Shagun Bajpai)
 Company Secretary


 (Kamalakanta Nayak)
 Chief Financial Officer


 (Diwakar Kaushik)
 Chief Executive Officer


 (M.B. Balakrishnan)
 Director


 (Anil Kumar Jadhav)
 Chairman

As per our report of even date
For M.K. Aggarwal & Co.
Chartered Accountants
FRN No.01411N
ATUL
AGGARWAL
(Atul Aggarwal)
Partner
Membership No.099374

Place : New Delhi
Date : 29.04.2026





NTPC-SAIL POWER COMPANY LTD.

STATEMENT OF PROFIT AND LOSS

PARTICULARS	NOTE NO.	₹ in Lakhs	
		For the period ended 31.03.2026	For the year ended 31.03.2025
Income			
Revenue from operations	39	403654.86	406982.58
Other income	40	1164.83	1298.50
Total Income		404819.69	408281.08
Expenses			
Fuel cost	41	212690.76	227001.63
Employee benefits expense	42	25315.71	23862.85
Finance costs	43	11363.47	12208.05
Depreciation, amortization and impairment expense	44	8540.76	8142.26
Other expenses	45	80913.22	76860.07
Total expenses		338823.92	348074.86
cc expenses charge to revenue			
Profit before tax		65995.77	60206.22
Tax expense			
Current tax			
Current year		11532.32	10542.90
Earlier years		-	-
Deferred tax (asset)/liability		(8526.97)	4519.73
MAT credit (available)/utilized		6141.04	5790.81
Total tax expense		9146.39	20853.44
Profit for the year		56849.38	39352.78
Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax)			
Net actuarial (gains) / losses on defined benefit plans		(10.98)	355.84
Other comprehensive (income) / Expenses for the year, net of tax		(10.98)	355.84
Total comprehensive income for the year		56860.36	38996.94
Expenditure during construction period (net)	46	1851.34	1846.97
Earnings per equity share (Par value ₹ 10/- each)			
Basic & Diluted (₹)		5.80	4.01
Material accounting policies	1		

The accompanying notes 1 to 72 form an integral part of these financial statements.


(Shagun Bajpai)
Company Secretary


(Kamalakanta Nayak)
Chief Finance Officer


(Diwakar Kaushik)
Chief Executive Officer


(M.B. Balakrishnan)
Director


(Anil Kumar Jadli)
Chairman

As per our report of even date
For For M.K. Aggarwal & Co.
Chartered Accountants
FRN No.01411N

ATUL
AGGARWAL
(Atul Aggarwal)
Partner
Membership No.099374

Place : New Delhi
Date : 29.04.2026





NTPC-SAIL POWER COMPANY LTD.

STATEMENT OF CASH FLOWS

₹ in Lakhs

Particulars	For the period ended 31.03.2026	For the year ended 31.03.2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	65,995.78	60,206.22
Adjustment for:		
Depreciation & Amortisation	8,853.95	8,423.97
Other Comprehensive Income	10.98	(355.84)
Provision - Others/ Stores	-	4.34
Provision Written Back	8.79	1.78
Fly Ash Utilisation Fund (Net)	-	(1.43)
Interest Income on term deposits/investments	(65.16)	12,208.05
Finance Costs	11,363.47	(1.61)
Profit on de-recognition of property, plant & equipment/intangible assets	(1.63)	185.48
Loss on de-recognition of property, plant & equipment/intangible assets	99.74	-
Income on Investments	-	20,464.75
Operating profit before working capital changes	86,267.91	80,670.97
Adjustment for:		
Trade Receivables	3,456.65	(13,197.34)
Inventories	(6,647.77)	4,226.29
Trade payables / Provisions, other financial liabilities and other liabilities	1,268.17	2,049.07
Loans, other financial assets and other assets	(22,503.41)	(2,121.88)
Cash generated from operations	61,841.56	71,627.10
Direct Taxes Refund/ (Paid) (Net)	(11,600.56)	(9,585.33)
Net cash from operating activities - A	50,240.99	62,041.76
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income on term deposits/investments	64.91	0.59
Disposal of property, plant & equipment/intangible assets	1.63	1.61
Loss on de-recognition of property, plant & equipment/intangible assets	-	-
Bank Balance Other Than Cash & Cash Equivalents	(1.07)	49.57
Salvage/(Purchase) of Investment	-	-
Purchase of Property, Plant & Equipment/intangible assets	(6,378.76)	(9,313.43)
(Inc)/Dec in CWIP	(4,558.92)	(8,322.95)
Net cash used in Investing activities - B	(10,872.21)	(17,584.62)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of Equity capital	-	53,977.99
Proceeds from borrowing	117,337.16	(59,913.69)
Repayment of borrowings	(103,445.64)	(12,208.05)
Interest paid	(11,363.47)	(31,500.00)
Dividend paid	(35,000.00)	-
Tax on dividend	-	(49,643.75)
Net cash used in financing activities - C	(32,471.95)	(49,643.75)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	6,896.84	(5,186.61)
Cash and cash equivalents at beginning of the year	1,039.06	6,225.67
Cash and cash equivalents at end of the year	7,935.89	1,039.06
Net cash increase / (decrease)	6,896.84	(5,186.61)

Note:

- i) Cash and cash equivalents consist of cheques in hand, balance with banks and deposits with original maturity of upto three months.
ii) Refer Note No. 15 for Cash and cash equivalents.
iii) Refer Note no. 57 (b) for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.
iv) Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Long-term borrowings *	Short-term borrowings	Interest on borrowings
Opening balance as at 1 April 2025	133,346.07	39,000.00	395.14
Loan draws/interest accrued during the year (in cash)	74,337.16	306,036.90	12,524.98
Loan repayments/interest payment during the year (in cash)	61,453.25	305,036.90	12,474.34
Changes due to variation in exchange rate (non-cash)	-	-	-
Changes due to amortisation of transaction costs on borrowings (non-cash)	7.61	-	-
Closing balance as at 31 March 2026	146,237.59	40,000.00	445.78

* Includes current maturities of non-current borrowings, refer Note 30

Shagun Bajpai
(Shagun Bajpai)
Company Secretary

Kamalakanta Nayak
(Kamalakanta Nayak)
Chief Finance Officer

Diwakar Kaushik
(Diwakar Kaushik)
Chief Executive Officer

M.B. Balakrishnan
(M.B. Balakrishnan)
Director

Anil Kumar Jadli
(Anil Kumar Jadli)
Chairman

As per our report of even date
For M.K. Aggarwal & Co.
Chartered Accountants
FRN No.01411N

ATUL
AGGARWAL
Digitally signed by ATUL
AGGARWAL
Date: 2026.04.29 17:40:03 +05'30'
(ATul Aggarwal)
Partner
Membership No.099374

Place : New Delhi
Date : 29.04.2026



STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2026

(A) Equity Share Capital

(1) For the period ended 31 Mar, 2026

	₹ in Lakhs		
	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current period	Changes in equity share capital during the year
Balance as at 1 April 2025	-	-	Balance as at 31st Mar 2026
	98,050.01		98,050.01

(2) For the period ended 31 Mar, 2025

	₹ in Lakhs		
	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current period	Changes in equity share capital during the year
Balance as at 1 April 2024	-	-	Balance as at 31st Mar 2025
	98,050.01		98,050.01

(B) Other Equity

(1) For the period ended 31 Mar, 2026

Particulars	Reserves & Surplus						Items of other comprehensive income		Total
	i) Capital reserve	ii) Securities premium	iii) Bonds/ Debentures redemption reserve	iv) Fly ash utilisation reserve fund	v) Corporate social responsibility (CSR) reserve	vi) General reserve	vii) Retained Earnings	viii) Remeasurement of defined benefit plans	ix) Equity Instruments through Other Comprehensive Income
Balance as at 1 April 2025	-	-	-	-	-	2,630.98	224,406.39	(1,502.08)	-
Profit for the year	-	-	-	-	-	-	56,849.38	-	56,849.38
Other comprehensive Income	-	-	-	-	-	-	-	10.98	10.98
Total Comprehensive Income	-	-	-	-	-	-	281,255.77	(1,491.10)	282,395.65
Transfer to fly ash utilisation reserve	-	-	-	-	-	-	-	-	-
Transfer from CSR reserve	-	-	-	-	-	-	-	-	-
Transfer to CSR reserve	-	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-	-	-	-
Interim Dividend (F.Y. 2025-26)	-	-	-	-	-	-	(35,000.00)	-	(35,000.00)
Final Dividend	-	-	-	-	-	-	-	-	-
Balance as at 31st Mar 2026	-	-	-	-	-	2,630.98	246,255.77	(1,491.10)	247,395.65



STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2026

(2) For the period ended 31 Mar, 2025

Particulars	Reserves & Surplus						Items of other comprehensive income			Total
	i) Capital reserve	ii) Securities premium	iii) Bonds/Debt redemption reserve	iv) Fly ash utilisation reserve fund	v) Corporate social responsibility (CSR) reserve	vi) General reserve	vii) Retained Earnings	viii) Remeasurement of defined benefit plans	ix) Equity Instruments through Other Comprehensive Income	
Balance as at 1 April 2024	-	-	-	-	-	2,630.98	216,553.61	(1,146.22)	-	218,038.37
Profit for the year	-	-	-	-	-	-	39,352.78	-	-	39,352.78
Other comprehensive Income	-	-	-	-	-	-	-	(355.84)	-	(355.84)
Total Comprehensive Income	-	-	-	-	-	-	-	(1,502.08)	-	(1,502.08)
Transfer to fly ash utilisation reserve	-	-	-	-	-	2,630.98	255,906.39	-	-	257,035.29
Transfer from bonds/debt redemption reserve	-	-	-	-	-	-	-	-	-	-
Transfer from CSR reserve	-	-	-	-	-	-	-	-	-	-
Transfer to bonds/debt redemption reserve	-	-	-	-	-	-	-	-	-	-
Transfer to CSR reserve	-	-	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-
Interim Dividend (FY 2024-25)	-	-	-	-	-	-	(31,500.00)	-	-	(31,500.00)
Final Dividend	-	-	-	-	-	-	-	-	-	-
Balance as at 31st Mar 2025	-	-	-	-	-	2,630.98	224,406.39	(1,502.08)	-	225,535.31

b) Pursuant to gazette notification dated 3rd November 2009, issued by the Ministry of Environment and Forest (MOEF), Government of India (GOI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilization level is achieved.

c) During the year, proceeds of ₹ 343.53 lakhs (FY 24-25: ₹ 361.69 lakhs) generated from sale of ash/ash products as shown under Note 39: ₹ 343.53 lakhs (Note 39: FY 24-25: ₹ 361.69 lakhs) and Interest Income from Fly Ash fund Note 40: ₹ Nil (Note 40: FY 24-25: ₹ Nil), has been transferred to fly ash utilisation reserve fund. Total amount of Note 45: ₹ 343.53 lakhs and Note 2: ₹ Nil lakhs is utilized during year (Note 45: FY 2024-25: ₹ 361.69 lakhs and Note 2: Nil lakhs) from the fly ash utilisation reserve fund on expenses incurred for activities as specified in the aforesaid notification of MOEF.

d) In terms of Section 135 of the Companies Act, 2013 read with guidelines on corporate social responsibility issued by Department of Public Enterprises (DPE), GOI, 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. During the year the Company has spent an amount of ₹ 1134.45 lakhs (Refer Note 64 for details) (FY 2024-25: ₹ 975.18 lakhs). Out of this amount ₹ 13.94 lakhs which is available for set off in succeeding years has been booked as asset.

e) General reserves are the retained earnings of company which are kept aside out of company's profits to meet future (known or unknown) obligations.

f) Retained earnings are the cumulative profit of Company after accounting for dividends.

g) Other Comprehensive Income (OCI) is excluded from net income, because the transactions are unusual and are not generated through a company's normal business operations. In addition to investment and pension plan gains and losses, OCI includes hedging transactions a company performs to limit losses.

Shagun Bajpai
(Shagun Bajpai)
Company Secretary

Kamalakanta Nayak
(Kamalakanta Nayak)
Chief Finance Officer

Diwakar Kaushik
(Diwakar Kaushik)
Chief Executive Officer

Dr. M.B. Balakrishnan
(Dr. M.B. Balakrishnan)
Director

Anil Kumar Jadli
(Anil Kumar Jadli)
Chairman

As per our report of even date
For M.K. Aggarwal & Co.
Chartered Accountants
ERN No 01411N

Place : New Delhi
Date : 29.04.2026

ATUL
AGGARWAL
(Atul Aggarwal)
Partner

Membership No 099374



NTPC-SAIL POWER COMPANY LTD

Note 1. Company Information and Material Accounting Policy Information

A. Reporting Entity

NTPC-SAIL Power Company Ltd (the "Company") is a Company domiciled in India and limited by shares (CIN: U74899DL1999PLC098274). The Company is a joint venture Company of NTPC & SAIL as 50% each of paid up share capital is held by NTPC & SAIL. The address of the Company's registered office is 4th Floor, NBCC Tower, 15 Bhikaiji Cama Place, New Delhi -110066. The Company is primarily involved in the generation and sale of power to SAIL and State Power Utilities.

B. Basis of preparation

1. Statement of Compliance

These financial statements are prepared on going concern basis following accrual system of accounting and comply with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other relevant provisions of the Companies Act, 2013 (to the extent notified and applicable) and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were approved for issue by Board of Directors on. 29.04.2026.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for:

- Certain financial assets and liabilities that are measured at fair value (refer serial no.22 of accounting policy regarding financial instruments).
- Plan assets in the case of employees defined benefit plans that are measured at fair value.

The methods used to measure fair values are discussed in notes to the financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. 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.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in (₹) has been rounded to the nearest lakhs (upto two decimals), except as stated otherwise.

4. Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 classified as 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.

Capital Advances are classified as non-current. Deferred tax assets / liabilities are classified as non-current.

C. Material Accounting Policy information

A summary of the material accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company has elected to utilize the option under Ind AS 101-‘First time adoption of Indian Accounting Standards’ by not applying the provisions of Ind AS 16-‘Property, plant and equipment’ & Ind AS 38-‘Intangible assets’ retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS i.e 1 April 2015. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1st April 2015, i.e., the Company’s date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1. Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost comprises expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment that are significant in value and have different useful lives as compared to the main asset, they are recognized separately.

Deposits, payments/liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Expenditure on major inspection and overhauls of production plant for Bhilai PP-III, is capitalized, when it meets the asset recognition criteria. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the Statement of Profit and loss on consumption.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment,



may be necessary for the Company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

1.2. Subsequent Cost

Subsequent expenditure is recognized 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.

The cost of replacing major part of an item of property, plant and equipment is recognized 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 derecognized regardless of whether the replaced part has been depreciated separately. The costs of the day-to-day servicing of property, plant and equipment are recognized in Statement of profit or loss as and when incurred.

1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4. De-recognition

Property, plant and equipment is derecognized 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 recognized in the statement of profit or loss.

1.5. Depreciation/Amortisation

Depreciation:

Depreciation/amortization is recognized in Statement of profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation on the assets of the generation of electricity business in respect of CERC Regulated plants covered under part B of Schedule II of the Companies Act, 2013 is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations. The Bhilai Expansion Power Project (PP-III) located at Bhilai is the only CERC Regulated plant.

Depreciation in case of Rourkela PP II Expansion and Durgapur PP III is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations which is in line with PPA with SAIL.

Depreciation on other assets (Including PP-II – Bhilai, Durgapur & Rourkela) is charged on straight line method following the useful life specified in Schedule II of the Companies Act, 2013, and the depreciation is provided at a rate such that 95% of the gross block is depreciated over the residual life of those assets. The useful life of PP-II assets, being captive in nature, is restricted to the term of the relevant agreement/commitment and may be extended, subject to technical assessment, in line with any extension of such agreement/commitment

Depreciation on the following assets is provided on their estimated useful lives, which are different from the useful lives as prescribed under Schedule II to the Companies Act, 2013, ascertained on the basis of technical evaluation:

a) Kutcha Roads	2 years
b) Enabling works	



-	residential buildings	15 years
-	internal electrification of residential buildings	10 years
-	non-residential buildings including their internal electrification, water supply, sewerage & drainage works, railway sidings, aerodromes, helipads and airstrips.	5 years
	c) Personal Computers & Laptops including peripherals	3 years
	d) Photocopiers, fax machines, water coolers and refrigerators	5 years
	e) Temporary erections including wooden structures	1 year
	f) Telephone exchange	15 years
	g) Wireless systems, VSAT equipment's, display devices viz. projectors, screens, CCTV, audio video conferencing systems and other similar communication equipment	6 years
	h) Energy saving electrical appliances and fittings	2-7 years
	i) Porta-cabins not in the nature of temporary structures made of mild steel, pressed steel sections and roofed with MS steel sheets, internally insulated with concealed electrifications for air conditioners and lighting fixtures	5 years
	j) Hospital Equipment	5-10 years
	k) Furniture and Fixture, office equipment and communication equipment grouped	5-15 years

Assets costing up to ₹ 5,000/- are fully depreciated in the year of acquisition.

Major overhaul and inspection costs which have been capitalized is depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.

Depreciation on additions to/deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposal.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/amortization.

Where it is probable that future economic benefits deriving from the expenditure incurred will flow to the Company and the cost of the item can be measured reliably, subsequent expenditure on a property, plant and equipment along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstances, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

Amortization of lease hold lands and buildings:-

- In case of Bhilai Expansion Power Project (PP-III), leasehold land and buildings relating to generation of electricity business are fully amortized over lease period or life of the related plant, whichever is



lower, following the rates and methodology notified by CERC Tariff Regulations unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

- In case of other leasehold land and buildings, relating to generation of electricity business are fully amortized over lease period or life of the related plant whichever is lower unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.
- Leasehold land acquired on perpetual lease is not amortized.

In case of the CPP-II (including Durgapur PP III)/ Bhilai PP-III capital spares whose residual life has been determined on the basis of technical assessment, the depreciation is provided at a rate such that 90% in case of Bhilai PP-III, Durgapur PP III & Rourkela PP II Expansion and 95% in case of PP-II (Bhilai, Durgapur & Rourkela) of the capital spares is depreciated over the residual life of those capital spares.

Depreciation in case of PP-II units (including Durgapur PP III) is provided only for purpose of billing, however consequent to recognition of finance lease recoverable for PP-II's (including Durgapur PPIII) assets, depreciation has no impact on Accounts-except specified assets not covered under PPA .

During construction stage of project, depreciation on assets capitalized are first charged to statement of profit & loss, then it is capitalized as Expenditure During Construction (EDC).

2. Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work-in-progress.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs attributable to the acquisition or construction of qualifying asset.

Expenses directly attributable 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.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

3. Intangible assets and intangible assets under development

3.1 Initial recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits associated that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost comprises purchase price including any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalization under intangible assets are carried as intangible assets under development till they are ready for their intended use.



3.2 Subsequent costs:

Subsequent expenditure is recognized 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.

3.3 De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains or losses on de-recognition of an item of intangible assets are determined by comparing the proceeds from disposal, if any with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

3.4 Amortization

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less. Other intangible assets are amortized on straight line method over the period of legal right to use or life of related plant, whichever is less.

4. Regulatory deferral account balances

Expense/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per Central Electricity Regulatory Commission (the CERC) Tariff Regulations are recognized as 'Regulatory deferral account balances'.

Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

Regulatory deferral account balances are evaluated at each balance sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits/expenses associated with such balances will flow to the entity. If these criteria are not met, the regulatory deferral account balances are derecognized.

5. Fly ash utilisation reserve fund

Proceeds from sale of ash/ash products along-with income on investment of such proceeds are transferred to 'Fly ash utilization reserve fund'. The fund is utilized towards expenditure on development of infrastructure/facilities, promotion & facilitation activities for use of fly ash.

6. Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109- 'Financial Instruments' (b) interest expense on lease liability recognized in accordance with Ind AS 116 – 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction, or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take a substantial period of time to get ready for their intended use or sale.

When the company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowings that are outstanding during the period and used for the acquisition, construction or erection of the qualifying asset.



Income earned on temporary investment out of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

All other borrowing costs are recognized as an expense in the year in which they are incurred.

7. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable 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.

The diminution in the value of obsolete, unserviceable, surplus and non-moving items of stores & spares is ascertained on review and provided for.

8. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

9. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant & equipment recognized upto 31 March 2016 are adjusted to the carrying cost of property, plant & equipment.

Non-monetary items denominated in foreign currency which are measured in terms of historical cost are recorded using the exchange rate at the date of the transaction. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

10. Revenue

Company's revenues arise from sale of energy and other income. Revenue from other income comprises interest from banks, employees, contractors etc., dividend from mutual fund investments, surcharge received from beneficiaries for delayed payments, sale of scrap, other miscellaneous income, etc.

10.1 Revenue from sale of energy

The majority of the Company's operations in India are regulated under the Electricity Act, 2003 and PPA with SAIL.

Revenue earned from the generation and sale of electricity is regulated as below:



- In respect of supply by Captive Power Plants (CPP-IIs including Durgapur PP III) - Based on Power Purchase Agreement with SAIL
- In respect of Bhilai Expansion Power Project (PP-III) - Based on tariff rates prescribed by the Central Electricity Regulatory Commission (CERC)

Tariff is based on the capital cost incurred for a specific power plant and primarily comprises of two components: capacity charge i.e. a fixed charge, that includes Return on Equity, Incentive, depreciation, Interest on loan, Interest on working capital and operating and maintenance expenses and energy charge i.e. a variable charge primarily based on fuel costs.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognizes revenue when (or as) it transfers control over the products or services to a customer.

In respect of Bhilai Expansion Power Project (PP-III), 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 recognized 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. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. unbilled revenue.

The incentives/disincentives are accounted for based on the norms notified/approved by the CERC as per principles enunciated in Ind AS 115 – ‘Revenue from contracts with customers’. In cases of power stations where the same have not been notified/approved, incentives/disincentives are accounted for on provisional basis.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

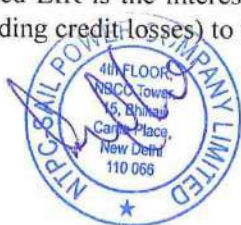
In respect of supply by Captive Power Plants (CPP-IIs including Durgapur PP III) revenue from sale of energy is based on Power Purchase Agreement with SAIL. Customer are billed on a periodic and regular basis. As at each reporting date, energy revenue includes an accrual for sales delivered to customers but not yet billed i.e. unbilled revenue.

Revenue from sale of energy saving certificates is accounted for as and when sold.

10.2 Other Income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR), based on materiality. For debt instruments measured either at amortized cost or at fair value through other comprehensive income (OCI), interest income is recorded using the EIR. For credit impaired financial assets the EIR is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

For purchased or originated credit-impaired (POCI) financial assets interest income is recognized by calculating the credit-adjusted EIR and applying that rate to the amortized cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortized cost of the POCI assets.



Scrap is accounted for as and when sold.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

The interest/surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance basis.

11. Other Expenses

Expenses on ex-gratia payments under voluntary retirement scheme, training & recruitment and voluntary community development are charged to Statement of Profit and Loss in the year incurred.

Preliminary expenses on account of new projects incurred prior to approval of feasibility report/ techno economic clearance are charged to Statement of Profit and Loss.

Net pre-commissioning income/expenditure is adjusted directly in the cost of related assets and systems.

Transit and handling losses of coal as per Company's norms are included in cost of coal.

12. Employee benefits

12.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trust and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in Statement of profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

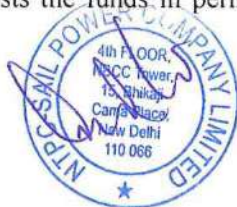
A defined contribution pension scheme of the company has been implemented with effect from 1st January 2007, for its employees. The scheme is administered through a separate trust in respect of NSPCL employees. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post-retirement medical facility (PRMF) or any other retirement benefits. The Company's contribution towards pension is made to National Pension Scheme Trust (NPS) for the employees opted for the scheme. The contributions to the fund for the year are recognized as an expense and charged to the Statement of Profit and Loss.

In terms of arrangements with NTPC, the company is to make a fixed percentage contribution of aggregate of basic pay and dearness allowance for the period of service rendered in the company by the NTPC employees posted on secondment from NTPC to NSPCL. Accordingly, these employee benefits are treated as defined contribution schemes.

12.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity, post-retirement medical facility scheme, baggage allowance for settlement at home town after retirement, farewell gift on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognised as



expense and are charged to the Statement of profit or loss. The obligation of the Company is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India (GoI). Shortfall in the fund assets, if any, is made good by the company and charged to the statement of profit and loss.

The gratuity is funded by the Company and managed by separate trust. The Company has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the empaneled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company.

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 return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The actuarial calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. 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 recognized in the Other Comprehensive Income (OCI) in the period in which they arise.

Past service costs are recognized in statement of profit and loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognizes related restructuring costs. If a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

12.3 Other long-term employee benefits

Benefits under the Company's leave encashment, long-service award and economic rehabilitation scheme constitute other long term employee benefits.

The Company's net obligation in respect of these long-term employee benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed 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 recognized in statement of profit and loss account in the period in which they arise.

As per the Company's economic rehabilitation scheme which is optional, the nominee of the deceased employee is paid a fixed amount based on the salary drawn by the employee till the date of superannuation of the employee by depositing the final provident fund and gratuity amount which will be interest free.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



12.4 Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay 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.

13. Leases

13.1. As lessee

The Company assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/ option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any reassessment of lease liabilities.

Right-of-use assets are depreciated/amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. In calculating the present value, lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

13.2. As lessor

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the customer the right to control the use of the underlying asset. Arrangements that do not take the legal form of a lease but convey rights to customers/suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.



Accounting for finance leases

Where the Company determines a long term Power Purchase Agreement (PPA) to be or to contain a lease and where the off taker has the principal risk and rewards of ownership of the power plant through its contractual arrangements with the Company, the arrangement is considered a finance lease. Capacity payments are apportioned between capital repayments relating to the provision of the plant, finance income and service income. The finance income element of the capacity payment is recognized as revenue, using a rate of return specific to the plant to give a constant periodic rate of return on the net investment in each period. The service income element of the capacity payment is the difference between the total capacity payment and the amount recognized as finance income and capital repayments and recognized as revenue as it is earned.

The amounts due from lessees under finance leases are recorded in the balance sheet as financial assets, classified as 'Finance lease receivables', at the amount equal to the net investment in the lease.

Accounting for operating leases

Where the Company determines a long term PPA to be or to contain a lease and where the Company retains the principal risks and rewards of ownership of the power plant, the arrangement is considered an operating lease.

For operating leases, the power plant is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating leases is recognized on a straight line basis over the term of the arrangement.

14. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

15. Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.



When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement, if any.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence 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. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

16. Operating segments

In accordance with Ind AS 108 – ‘Operating Segments’, the operating segments used to present segment information are identified on the basis of internal reports used by the Company’s management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company’s “Chief Operating Decision Maker” or “CODM” within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance expenses and income tax expenses and corporate income.

Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill and intangible assets under development.

Segment assets comprise property, plant and equipment, intangible assets, capital work in progress, advances for capital expenditure, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting for the year, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Unallocated assets comprise investments, income tax assets, corporate assets and other assets that cannot reasonably be allocated to segments.

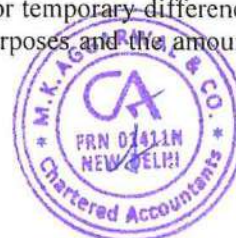
Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade payables, payable for capital expenditure and other payables, provision for employee benefits and other provisions. Unallocated liabilities comprise equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

17. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income (OCI) or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year computed as per the provisions of Income Tax Act, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for



taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity, respectively.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT credit is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realized.

When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognized. The effect of the uncertainty is recognized using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

18. Dividends

Dividends and interim dividends payable to a company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

19. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

20. Earnings per Share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Basic and diluted earnings per equity share are also computed using the earnings amounts excluding the movements in regulatory deferral account balances.



21. Statement of Cash flow

Statement of Cash flow is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

22. Financial instruments

A financial instrument is, any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a financial liability only when it becomes party to the contractual provisions of the instrument.

22.1 Financial assets

Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement -

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade and other receivables.

De-recognition –

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

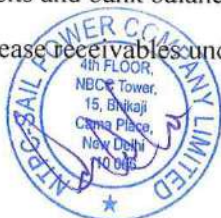
The difference between the carrying amount and the amount of consideration received / receivable is recognized in the Statement of Profit and Loss.

Impairment of financial assets –

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.

- (b) Lease receivables under Ind AS 116.



(c) Trade receivables, unbilled revenue and contract assets under Ind AS 115.

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 recognizing impairment loss allowance based on 12-month ECL.

22.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit or loss and financial liabilities at amortized cost, as appropriate. All financial liabilities are recognized 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, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement -

The measurement of financial liabilities depends on their classifications, as described below:

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included in finance costs in the statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

D. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, 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 judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as under:



1. Formulation of Accounting Policies

The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

2. Useful life of property, plant and equipment and intangible assets

The estimated useful life of property, plant and equipment and intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

In case of Bhilai Expansion Power Project (PP-III), useful life of the assets of the generation of electricity business is determined by the CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

In case of Rourkela PP II Expansion and Durgapur PP III, useful life of the assets is in accordance with Power Purchase Agreement with SAIL.

In case of PPII - Rourkela, Durgapur & Bhilai Power Project, useful life of the assets is determined according to Schedule II of the Companies Act, 2013, and the depreciation is provided at a rate such that 95% of the gross block is depreciated over the residual life of those assets, except computer and computer software which has nil residual value.

In case of the CPP-II (Rourkela, Durgapur & Bhilai Power Project) assets, whose residual life has been determined on the basis of technical assessment, the depreciation is provided at a rate such that 95% of the gross block is depreciated over the residual life of those assets.

Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the month in which the asset is available for use /disposal.

Depreciation in case of PP II units (including Durgapur PPIII) are provided only for purpose of billing, however consequent to recognition of finance lease recoverable for PP IIs (including Durgapur PPIII) assets, depreciation has no impact on Accounts except specified assets not covered under PPA

3. Recoverable amount of property, plant and equipment and intangible assets

The recoverable amount of property, plant and equipment and intangible assets is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

4. Defined benefit plans and long-term employment benefits

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. Revenues

The Company records revenue from sale of energy

- i) In respect of supply of power from Captive Power Plants (CPP-IIs) including Durgapur PP III, based on Power Purchase Agreement with SAIL.
- ii) In case of Bhilai Expansion Power Project (PP-III), based on Tariff rates approved by the Central Electricity Regulatory Commission (CERC) as modified by the orders of Appellate Tribunal for Electricity to the extent applicable, as per principles enunciated under Ind AS 115. However, in cases



where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

6. Leases not in legal form of lease

Significant judgment is required to apply lease accounting rules as per Ind AS 116 in determining whether an arrangement contains a lease. In assessing arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying asset, substance of the transactions including legally enforceable agreements and other significant terms and conditions of the arrangements and materiality to conclude whether the arrangement meets the criteria as per Ind AS 116.

7. Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37 - 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events require best judgement by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

8. Assets held for sale

Significant judgment is required to apply the accounting to non-current assets held for sale under Ind AS 105 - 'Non-current Assets Held for Sale and Discontinued Operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

9. Regulatory deferral account balances

Recognition of regulatory deferral account balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

10. Income taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.



Note 2 : Non-current assets- Property Plant and Equipment	Gross Block			Depreciation, Amortisation and Impairment			Netblock	
	AS AT 01.04.2026	Addition During the Year	Adjustment During the Year	AS AT 31.03.2026	AS AT 01.04.2026	During the Year	AS AT 31.03.2026	AS AT 31.03.2025
Leasehold Land	8086.63	-	-	8086.63	3065.68	313.26	5699.47	6002.75
Buildings & Closures	3039.51	89.56	-	2989.77	1009.92	114.31	1774.54	1819.29
Main Plant Buildings	5613.61	-	-	5613.56	3571.89	274.91	2773.06	3047.67
Other Buildings	65072.46	897.81	-	65170.27	13173.58	2544.98	90062.01	51898.85
Temporary Erection	-	-	-	-	-	-	-	-
Water Supply, Drainage & Sewerage System	3786.24	-	-	3786.24	1269.92	129.41	1399.33	2516.30
Mugh Track and Signalling System	3667.64	-	-	3667.64	2254.78	114.42	1488.46	1807.88
Railway Siding	5732.45	1,689.25	-	7421.70	1058.05	324.44	1488.46	1807.88
Plant & Machinery	477127.82	19,892.91	204.16	498916.57	162581.15	21629.14	6067.21	4953.40
Construction Equipments	1084.13	65.52	65.52	988.81	601.43	160.21	183709.36	313107.20
Furniture & Fixture	2112.89	360.51	13.42	2498.87	1321.19	6.22	357.21	422.60
Other Office Equipments	1140.42	450.70	11.46	1597.64	119.36	119.36	1687.40	791.69
ITP, WP Machines & Sotcom Equipments	2432.25	250.06	81.85	2663.86	564.90	10.86	858.35	856.52
Vehicles including Scooters	36.09	134.94	-	171.03	1516.38	359.84	1788.20	813.87
Electrical Installations	1265.13	79.08	1.76	1344.21	866.55	12.25	901.42	308.52
Laboratory & Workshop Equipments	1549.92	90.16	0.10	1639.86	798.94	34.67	809.12	790.98
Communication Equipments	20.16	30.15	1.24	50.35	12.92	7.16	6.00	7.24
Medical Equipments	959.09	-	3.70	962.79	243.14	1.80	203.62	200.91
Capital Assets	(0.05)	-	-	(0.05)	(0.05)	-	94.84	-
Capital Spares	64.84	-	-	64.84	-	-	-	-
Major repair and overhaul	6729.88	-	-	6729.88	7197.37	978.11	8175.48	1542.61
Asset for A/R Utilization	45.89	-	-	45.89	-	-	45.89	45.89
Less: Adjusted from R/A Utilization reserve fund	(45.89)	-	-	(45.89)	-	-	(45.89)	(45.89)
	592107.82	23801.13	400.03	615908.98	19881.40	2779.51	268310.66	382216.39
Less: Transfer of PPE (Including Durgapur PPE) assets to SAIL	367867.07	17891.62	315.40	385974.09	76724.49	18675.92	95187.07	290046.24
Total :	224598.75	8109.51	84.63	232775.63	122186.91	8603.89	131643.61	101093.41

Notes

a) Leasehold land includes 1758.09 sqm valuing ₹ 2189.65 lakhs (Previous year 1758.09 sqm valuing ₹ 2189.65 lakhs) pertaining to 4th Floor, NBCC Tower, 15 Bhikaji Cama place, New Delhi acquired on perpetual lease and no depreciation has been charged thereof.

b) As required by Accounting Standard (IndAS) 36 'Impairment of Assets', the company believes that there are no impairment indicators.

d) Refer Note 21 & 30 for information of pledge created by company on property, plant and equipment.

e) Refer Note 62 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

f) Land does not include 42.031 acres for 2 x 20 MW Durgapur Expansion Project & 400 acres of reservoir area for 15 MW Bhilai Floating Solar Power Plant. Lease approval of which is pending to be obtained from SAIL.

g) Refer Note 61 regarding property, plant and equipment under finance lease.

h) In respect of Bhilai PP-III Plant, Company has entered into lease agreement with SAIL, for land, for a period of thirty years and which can be further renewed for two like periods. Under the lease agreement as per terms and conditions for allotment (leasing/sub-leasing) of land in Government/ outside agencies in steel plants for various purpose, clause 8(c) states that " in case where lessee is not interested in renewal of lease, he will remove the asset situated on the demised land within the lease period, otherwise the same will vest in lessor without any compensation and lessor shall be entitled to deal with the same or remove the same at lessors discretion and at the cost of lessee. There is no asset retirement obligation as per clause 8(c) since the obligation is not absolute and gives various options to management at the end of 30 years even if states vesting of plant without any compensation.





NTPC-SAIL POWER COMPANY LTD.

Note 3 : Non-current assets - Capital Work in Progress	AS AT		Additions during the year	Deductions/ Adjustments during the year	Capitalised during the year	₹ in Lakhs	
	01.04.2025	31.03.2026				AS AT	31.03.2026
Lease Land	-	-	-	-	-	-	-
Road, Bridges, Culverts & Helpaids	12.06	17.95	-	-	30.01	-	-
Building	-	-	-	-	-	-	-
Main Plant	29.55	-	-	-	-	-	29.55
Others	65.50	45.30	-	-	36.52	-	74.28
Temporary Erections	-	-	-	-	-	-	-
Water supply Drainage & Sewerage	-	-	-	-	-	-	-
MGR Track & Signalling system	-	-	-	-	-	-	-
Railway Sidings	11.42	30.08	-	-	41.50	-	-
Plant & Machinery*	696.10	1000.14	-	-	1696.25	-	-
Furniture & Fixtures	4654.46	23980.02	-	321.50	19548.04	-	50764.93
Other Office Equipments	-	153.23	-	9.44	143.79	-	-
EDP, WP, SATCOM Equipment	-	486.63	-	0.88	450.38	-	35.37
Vehicles Including Speedboats	-	107.91	-	-	107.91	-	-
Construction Equipment	-	129.59	-	-	129.59	-	-
Lab & Workshop Equipment	133.72	30.25	-	-	-	-	163.97
Hospital Equipments	-	50.38	-	-	49.23	-	1.15
Communication Equipment	-	-	-	-	-	-	-
Electrical Installation	-	6.75	-	-	6.75	-	-
Assets for ash utilisation	0.02	168.01	-	-	167.67	-	0.37
Adj from Fly Ash Res Utilisation Fund	-	-	-	-	-	-	-
Survey Soil & Investigation	47604.84	26206.24	-	331.82	22409.64	-	51069.63
Pre-commissioning expenses (net)	-	-	-	-	-	-	-
Incidental Expenditure During Construction (Net) **	4843.06	1851.34	-	-	78.70	-	6615.69
Less: Allocated to CWIP	(4591.38)	(1599.74)	-	-	-	-	(6191.13)
Prov. Unservice CWIP	47856.52	26457.84	-	331.82	22488.34	-	51494.20
Construction stores (net of Provisions)	-	-	-	25.18	4910.84	-	-
Capital Spares	912.83	5861.26	-	-	-	-	1834.07
Discounting of long term Liability	-	-	-	-	-	-	-
Asset not owned by the company	-	-	-	-	-	-	-
Major repair and overhaul	-	-	-	-	-	-	-
Total :	48769.35	32319.10	-	361.00	27395.18	-	53328.27

*Includes long standing amount of ₹ 2078.62 Lakhs & ₹ 45136.89 lakhs pertaining to Durgapur PPIII & FGD of Bhilai PP III respectively.

** Addition during year include brought from expenditure during construction period (net) - Note 46





NTPC-SAIL POWER COMPANY LTD.

Note 4 : Non-current assets-Intangible Assets	Gross Block			Depreciation, amortisation and impairment			Netblock	
	AS AT	Addition	Adjustment	AS AT	addition	adjustment	AS AT	Netblock
	01.04.2025	During the Year	During the Year	01.04.2025	During the Year	During the Year	31.03.2026	AS AT
Software	1289.54	83.02	-4.14	1261.44	42.17	-4.10	1299.51	69.51
Less Transfer of PPI (including Durgapur PPI) assets to SAIL	73.50	-40.94	-4.14	65.05	17.58	-4.10	79.34	30.96
TOTAL	1216.05	42.08	-	1196.39	24.59	-	1220.17	38.55
								28.11
								7.64
								20.47





NTPC-SAIL POWER COMPANY LTD.

₹ in Lakhs				
Note 5 : Non-current assets- Intangible Assets Under Development	AS AT	Additions during the year	Deductions/ Adjustments during the year	Capitalised during the year
	01.04.2025			
Software	-	45.16	-	45.16
Total :	-	45.16	-	45.16





NTPC-SAIL POWER COMPANY LTD.

Note No. 6 to the Financial Statements

Non-current financial assets- Investments

₹ in Lakhs		
AS AT	31.03.2026	31.03.2025
Investment in GOI Securities	-	-
Total	-	-





NTPC-SAIL POWER COMPANY LTD.

Note No. 7 to the Financial Statements
Non-current financial assets- Trade Receivables

AS AT	31.03.2026	31.03.2025
Trade Receivables		
(a) Trade Receivables considered good- Secured	-	-
(b) Trade Receivables considered good- Unsecured	-	-
(c) Trade Receivables which have significant increase in Credit Risk, and	-	-
d) Trade Receivables-credit impaired.	40	2427.66
Sub-Total	2427.66	2427.66
Less : Provision for credit impaired trade receivables	50	2427.66
Total	-	-

(a). Trade Receivables ageing schedule

Particulars	Unbilled Revenue	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 Year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
			D	E	F	G	H	I=B TO H
A	B	C						
(i) Undisputed Trade receivables- considered good								-
(ii) Undisputed Trade Receivables- which have significant increase in								-
(iii) Undisputed Trade Receivables-credit impaired								-
(iv) Disputed Trade Receivables- considered good								-
(v) Disputed Trade Receivables-which have significant increase in								-
(vi) Disputed Trade Receivables-credit impaired					0		2427.66	2427.66
Total	0.00	0.00	0.00	0.00	0.00	0.00	2427.66	2427.66

As at 31.03.2025

Particulars	Unbilled Revenue	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 Year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
			D	E	F	G	H	I=B TO H
A	B	C						
(i) Undisputed Trade receivables- considered good								-
(ii) Undisputed Trade Receivables- which have significant increase in								-
(iii) Undisputed Trade Receivables-credit impaired								-
(iv) Disputed Trade Receivables- considered good								-
(v) Disputed Trade Receivables-which have significant increase in								-
(vi) Disputed Trade Receivables-credit impaired					0		2427.66	2427.66
Total	0.00	0.00	0.00	0.00	0.00	0.00	2427.66	2427.66





NTPC-SAIL POWER COMPANY LTD.

Note No. 8 to the Financial Statements

Non-current financial assets- Loans

		₹ in Lakhs
AS AT	31.03.2026	31.03.2025
Loans		
Employees (including accrued interest)		
(a) Loans Receivables considered good-Secured	1890.41	1938.11
(b) Loans Receivable considered good-Unsecured	910.87	500.30
(c) Loans Receivable which have significant increase in Credit Risk; and	-	-
(d) Loans Receivables- credit impaired.	-	-
Total	2801.28	2438.41

Details of collateral held as security against Secured Loans:

Employee loans are secured against house property and Vehicles in line with the policies of the Company.





NTPC-SAIL POWER COMPANY LTD.

Note No. 9 to the Financial Statements

Non-current assets - Other financial assets

AS AT	₹ in Lakhs	
	31.03.2026	31.03.2025
Bank Deposit of Maturity More Than 12 Months	2.39	2.30
Finance lease recoverable *	308952.48	304335.07
Right to Use-Assets	-	-
Accumulated Dep on Right to use Asset	-	-
Security deposit	11.85	11.83
Total	308966.72	304349.20

* Keeping in view the provisions of Ind AS-116 on 'Leases' w.r.t. determining whether an arrangement contains a lease, the company had ascertained that the PPA entered into for PP-II units viz., Rourkela (including PP-II Expansion), Durgapur (PP-II & PP-III) & Bhilai & Bhilai Floating solar with the beneficiary falls under the definition of finance lease. Accordingly, the written down value of the specified assets has been derecognized from PPE and accounted as Finance Lease Receivable (FLR). Recovery of capacity charges towards depreciation, interest on loan, return on equity & Incentive (pre-tax) components from the beneficiary are adjusted against FLR. The interest component of the FLR in respect of the above four elements are recognised as 'Interest income on Assets under finance lease' under Note-39-'Revenue from operations'.





NTPC-SAIL POWER COMPANY LTD.

Note No. 10 to the Financial Statements Non-current Assets - Deferred tax Assets (net)

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Deferred Tax Liabilities		
Difference in book depreciation and tax depreciation	36125.44	44369.41
Employee loan adjustment	213.09	272.37
Sub total (A)	36338.53	44641.78
Less: Deferred Tax Assets		
Provisions & other disallowances for tax	3524.64	3300.91
MAT Credit entitlement	41505.12	47646.16
Deferred tax recoverable from beneficiary *	981.87	1122.14
Sub total (B)	46011.62	52069.21
Total (B-A)	9,673.10	7,427.43

a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

* b) Power Purchase Agreement with SAIL provide for recovery of deferred tax liability up to 31 March 2009. Accordingly, deferred tax liability is recoverable on materialization from the SAIL.

c) Deferred tax liability accrued upto 31.03.2026 has been calculated @ 25.17% i.e. new tax rate w.e.f. 01.04.2026. DTL has decreased by ₹ 12745.90 lakhs due to change in tax rate.

Movement in deferred tax balances 31 March 2026

	₹ in Lakhs		
Particulars	Net balance 1 April 2025	Recognised in statement of profit and loss	Net balance 31 March 2026
Difference in book depreciation and tax depreciation	(44,361.28)	8,235.84	(36,125.44)
Employee Loan Adjustment	(280.49)	67.40	(213.09)
Employee Benefits	2,256.85	172.47	2,429.32
Long term liabilities	45.35	429.33	474.68
MAT Credit Entitlement	47,646.16	(6,141.04)	41,505.12
Other items	998.70	(378.06)	620.64
Tax assets/(liabilities)	6,305.29	2,385.94	8,691.23
Recoverable from Beneficiary prior to 31.03.2009	1,122.14	(140.27)	981.87
Tax assets/(liabilities)	7,427.43	2,245.67	9,673.10





NTPC-SAIL POWER COMPANY LTD.

Note No. 11 to the Financial Statements

Other non-current assets

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Capital Advances	2882.43	2029.49
Advances other than Capital Advances		
Security deposits (unsecured)	526.22	277.02
Advances to contractors and suppliers	-	-
Others		
Unsecured	99.10	133.40
Advance Tax & Tax Deducted at Source	52152.02	40558.36
Less: Provision for Tax	50393.25	38862.57
	5266.52	4135.70
Deferred payroll expense *	591.13	549.86
Regulatory assets **	7766.20	2756.62
Total	13623.85	7442.18

* Loans given to employees are measured at amortised cost. The deferred payroll expenditure, as difference between amortised value of the loan and the actual loan amount represents the benefits accruing to employees. The same is amortised on a straight line basis over the remaining period of the loan.

**Regulatory assets pertains to shortfall in revenue from sale of ash over & above its transportation & other O&M expenses recoverable in terms MOEF notification read with CERC regulations. This amount shall be adjusted upon receipt of tariff/true up orders from CERC.





NTPC-SAIL POWER COMPANY LTD.

Note No. 12 to the Financial Statements Current assets - Inventories

₹ in Lakhs

AS AT	31.03.2026	31.03.2025
Coal	11212.21	8276.77
Fuel oil	2199.77	1832.81
Stores & spares	17087.48	14258.31
Chemicals & consumables	562.25	400.03
Loose tools	37.78	31.19
Others	2387.60	2040.22
	33487.09	26839.33
Less: Provision for shortages / Adjustment	2.55	2.56
Provision for obsolete/unserviceable items	31.94	31.95
Total	33452.60	26804.82

- a) Inventory items have been valued as per accounting policy No 7 given at Note No. 1.
- b) Inventories - Others includes steel, cement, ash bricks etc.
- c) Refer Note 30 for information on inventories pledged as security by the Company.
- d) Paragraph 32 of Ind AS 2 ' Inventories provides that materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The Company is operating in the regulatory environment and as per CERC Tariff Regulations and PPA with SAIL, cost of fuel and other inventory items are recovered as per CERC tariff regulations and PPA with SAIL. Accordingly, the realisable value of inventories is not lower than cost.
- e) Provision for obsolescence on certain items of non-moving inventory has not been required based upon technical & fitness evaluation by the management, in alignment with the policy of parent company.
- f) Based on the CERC regulations 2024-29 Company has changed its accounting policy that capital spares of ₹ 10 lakhs & above shall be considered for capitalization(Refer note 2). Accordingly, inventory consisting of 129 items amounting to ₹ 2247.74 lakhs have been capitalized & capital items consisting of 381 items amounting to ₹ 1119.13 lakhs have been transferred to inventory.





NTPC-SAIL POWER COMPANY LTD.

Note No. 13 to the Financial Statements Current financial assets - Investments

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025

Investment

Premium on acquisition of GOI Securities

- -

Total

- -





NTPC-SAIL POWER COMPANY LTD.

Note No. 14 to the Financial Statements Current financial assets - Trade receivables

AS AT	₹ in Lakhs		
	31.03.2026	31.12.2024	31.03.2025
Trade Receivables			
(a) Trade Receivables considered good- Secured	-	-	-
(b) Trade Receivables considered good- Unsecured	38590.64	-	38207.70
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-	-
(d) Trade Receivables-credit impaired.	-	-	-
	38590.64	-	38207.70
Less : Provision for credit impaired trade receivables	-	-	-
Total	38590.64	-	38207.70

a) Amount receivable from related party are disclosed in Note 52.

b) Trade receivables include unbilled revenue for the month of March/2026 amounting to ₹ 11498.98 lakhs for Bhilai PP-III and ₹ 14994.38 lakhs for PP-Is (including Durgapur PP-III) (31 March 2025: Bhilai PP-III ₹ 12690.43 lakhs and PP-Is (including Durgapur PP-III) ₹ 9963.34 lakhs) billed, net of credits, to the beneficiaries after 31 March/2026.

(c). Trade Receivables ageing schedule

As at 31.03.2026			₹ in Lakhs					
Particulars	Unbilled Revenue	Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 Year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	Total
A	B	C	D	E	F	G	H	I=B TO H
(i) Undisputed Trade receivables- considered good	26,493.36		12,097.28					38590.64
(ii) Undisputed Trade Receivables- which have significant								-
(iii) Undisputed Trade Receivables-credit impaired								-
(iv) Disputed Trade Receivables- considered good								-
(v) Disputed Trade Receivables-which have significant								-
(vi) Disputed Trade Receivables-credit impaired								-
Total	26493.36		12097.28	0.00	0.00	0.00	0.00	38590.64

As at 31.03.2025			₹ in Lakhs					
Particulars	Unbilled Revenue	Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 Year	1-2 yrs.	2-3 yrs.	More than 3 yrs.	Total
A	B	C	D	E	F	G	H	I=B TO H
(i) Undisputed Trade receivables- considered good	22,653.77		15,553.93					38207.70
(ii) Undisputed Trade Receivables- which have significant								-
(iii) Undisputed Trade Receivables-credit impaired								-
(iv) Disputed Trade Receivables- considered good								-
(v) Disputed Trade Receivables-which have significant								-
(vi) Disputed Trade Receivables-credit impaired								-
Total	22653.77		15553.93	0.00	0.00	0.00	0.00	38207.70





NTPC-SAIL POWER COMPANY LTD.

Note No. 15 to the Financial Statements

Current financial assets - Cash and cash equivalents

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Balance with banks:		
In current account	2563.53	806.52
In cash credit account *	5372.36	232.54
Deposits with original maturity of less than three months	-	-
Others	-	-
Total	7935.89	1039.06

*Quarterly returns or statements of current assets has been filed with banks and are in agreement with the books of accounts.





NTPC-SAIL POWER COMPANY LTD.

Note No. 16 to the Financial Statements

Current financial assets - Bank balances other than cash and cash equivalents

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Deposits with original maturity of more than three months and maturing within one year	1.70	1.71
Bank account- Ash fund	1.94	0.87
Total	3.64	2.58





NTPC-SAIL POWER COMPANY LTD.

Note No. 17 to the Financial Statements

Current financial assets - Loans

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
LOANS		
Employees (including accrued interest)		
(a) Loans Receivables considered good-Secured	378.69	360.91
(b) Loans Receivable considered good-Unsecured	744.85	535.08
(c) Loans Receivable which have significant increase in Credit Risk; and	-	-
(d) Loans Receivables- credit impaired.	-	-
ADVANCES		
Employees		
Unsecured	-	-
Total	1123.54	895.99

a) Details of collateral held as security against Secured Loans:

Employee loans are secured against house property and Vehicles in line with the policies of the Company.





NTPC-SAIL POWER COMPANY LTD.

Note No. 18 to the Financial Statements

Current assets - Other financial assets

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Advances		
Related parties		
Unsecured	-	-
Employees		
Unsecured	0.11	0.11
Others		
Unsecured	15.70	701.91
Interest accrued on		
Term deposits	0.30	0.14
Claims recoverable		
Unsecured, considered good	-	-
Contract assets*	-	-
Finance lease receivable	13343.70	12347.01
Security Deposit	20.36	19.24
Total	13380.17	13068.41

* Contract assets represent Company's right to consideration in exchange for goods and services that the Company has transferred/provided to customers when that right is conditioned on matters, other than passage of time and are net of credits to be passed to customers.





NTPC-SAIL POWER COMPANY LTD.

Note No. 19 to the Financial Statements Current Assets - current tax assets (net)

₹ in Lakhs		
AS AT	31.03.2026	31.03.2025
Current tax Assets	-	-
Total	-	-





NTPC-SAIL POWER COMPANY LTD.

Note No. 20 to the Financial Statements

Current assets - Other current assets

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Security deposits (unsecured)	877.74	217.31
Advances		
Contractors & Suppliers, including materials issued on loan		
Unsecured, considered good **	19981.19	13770.70
Unsecured, considered doubtful	-	1.78
Less: Provision for doubtful advances	-	(1.78)
Employees		
Unsecured, considered good	14.49	27.22
Others		
Unsecured	331.58	247.25
Tax Deducted at Source	77.59	0.76
Deferred payroll expense *	143.12	112.90
Input Tax Receivables	12.22	29.06
Total	21,437.93	14,405.20

* Loans given to employees are measured at amortised cost. The deferred payroll expenditure as difference between amortised value of the loan and the actual loan amount represents the benefits accruing to employees. The same is amortised on a straight line basis over the remaining period of the loan.

** a) Includes ₹ 5817.17 lakhs being the coal grade slippage, claim accounted / deducted by NSPCL/ Bhilai, for coal supplied by M/s SECL during financial year 2015-16 & 2016-17 (this was done in line with third party sampler for sampling of coal at loading end stated in Minutes of Meeting dated 06.02.2015 issued by Ministry of Coal), the amount deducted was passed on to beneficiaries as a part of Energy Bill. SECL had subsequently deducted same amount (i.e. ₹ 5817.17 lakhs) from advances paid to them for supply of coal. Claim of refund of such advances by NSPCL from M/s SECL is under adjudication in AMRCD. Decision of AMRCD will be revenue neutral on NSPCL.

b) Includes amount of ₹ 789.68 lakhs spent on completing the Durgapur PP-III plant till date which shall be settled at risk & cost basis from original vendor at the time of commercial settlement.





NTPC-SAIL POWER COMPANY LTD.

Note No. 21 to the Financial Statements Equity share capital

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Authorised		
5,00,00,00,000 shares of par value ₹ 10/- each (previous year 5,00,00,00,000 shares of par value ₹10/- each)	500000.00	500000.00
	500000.00	500000.00
Issued, subscribed and fully paid up		
98,05,00,100 shares of par value ₹ 10/- each (previous year 98,05,00,100 shares of par value ₹10/- each)	98050.01	98050.01
	98050.01	98050.01
Total	98050.01	98050.01

a) Movements in equity share capital:

There is no movement in equity share capital during the year, as the Company has neither issued nor bought back any shares.

b) Terms and rights attached to equity 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) Dividend paid :

Particulars	Paid during the year ended	
	31-Mar-26	31-Mar-25
(i) Dividend paid and recognised during the Year		
Final Dividend for the year ended 31 March 2026 is Nil (31 March 2025: ₹Nil) per equity share	-	-
Interim dividend for the year ended 31 March 2026 of ₹ 3.57 (31 March 2025: ₹ 3.21) per equity share	35,000.00	31,500.00

(ii) Dividends not recognised at the end of the reporting period	31-Mar-26	31-Mar-25
	-	-
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ Nil (31 March 2025: Nil) per equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.		

d) Details of shareholders holding more than 5% shares in the Company:

NTPC Ltd. & SAIL holds 49,02,50,050 (Previous Year 49,02,50,050) number of equity shares (50%) each.

Shares held by promoters at the end of the Year				% Change during the Year
Sr. No.	Promoter name	No. of Shares	% of total shares	
1	NTPC Ltd	490,250,050	50%	NIL
2	SAIL	490,250,050	50%	NIL
Total		980,500,100	100%	





NTPC-SAIL POWER COMPANY LTD.

Note No. 22 to the Financial Statements Other equity

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Fly ash utilisation reserve fund		
As per last financial statements	-	-
Addition during the year (Note 39 & 40)	343.53	361.69
Adjustment during the year (Note 45 & 2)	343.53	361.69
	-	-
Corporate social responsibility (CSR) reserve		
As per last financial statements	-	-
Addition during the year	-	-
Adjustment/Transfer to Retained Earning	-	-
	-	-
General reserve		
As per last financial statements	2630.98	2630.98
Addition during the year	-	-
Adjustment during the year	-	-
	2630.98	2630.98
Bond Redemption Reserve		
As per last financial statements	-	-
Addition during the year	-	-
Adjustment during the year	-	-
	-	-
Retained earnings		
As per last financial statements	222904.35	215407.40
Add: Total Comprehensive Income for the year	56860.36	38996.94
Transfer to Bond Redemption Reserve	-	-
Transfer from Bond Redemption Reserve	-	-
Transfer to CSR Reserve	-	-
Transfer from CSR Reserve	-	-
Interim Dividend	(35000.00)	(31500.00)
Final Dividend Paid	-	-
Tax on dividend paid	-	-
	244764.71	222904.34
Total	247395.69	225535.32

a) Pursuant to gazette notification dated 3rd November 2009, issued by the Ministry of Environment and Forest (MOEF), Government of India (GOI), the amount collected from sale of fly ash and fly ash based products should be kept in a separate account head and shall be utilized only for the development of infrastructure or facility, promotion & facilitation activities for use of fly ash until 100 percent fly ash utilization level is achieved.

b) During the year, proceeds of ₹ 343.53 lakhs (FY 24-25: ₹ 361.69 lakhs) generated from sale of ash/ash products as shown under Note 39: ₹ 343.53 lakhs (Note 39- FY 24-25: ₹ 361.69 lakhs) and Interest Income from Fly Ash fund Note 40: ₹ Nil (Note 40-FY 24-25: ₹ Nil), has been transferred to fly ash utilisation reserve fund. Total amount of Note 45: ₹ 343.53 lakhs and Note 2: ₹ Nil lakhs is utilized during year (Note 45: FY 2024-25: ₹ 361.69 lakhs and Note 2: Nil lakhs) from the fly ash utilisation reserve fund on expenses incurred for activities as specified in the aforesaid notification of MOEF.

c) In terms of Section 135 of the Companies Act, 2013 read with guidelines on corporate social responsibility issued by Department of Public Enterprises (DPE), GOI, 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. During the year the Company has spent an amount of ₹ 1134.45 lakhs (Refer Note 64 for details) (FY 2024-25: ₹ 975.18 lakhs). Out of this amount ₹ 13.94 lakhs which is available for set off in succeeding years has been booked as asset.





NTPC-SAIL POWER COMPANY LTD.

Note No. 23 to the Financial Statements Non-current financial liabilities -Borrowings

		₹ in Lakhs	
AS AT	31.03.2026	31.03.2025	
Term loans			
Secured			
From banks	61551.92	99315.48	
From financial institution	-	-	
Unsecured			
From banks	56009.74	8466.35	
Total	117561.66	107781.83	

a) There has been no default in repayment of any of the loans or interest thereon as at the end of the year/period.

b) The Secured rupee term loans carry interest rate in the range of 6.17% p.a to 8.25% p.a. The unsecured rupee term loans carry interest rate in the range of 5.74% p.a. -6.90% p.a. These are repayable in instalments as per the terms of respective agreements generally over a period of 5 to 15 years from initial disbursement after a moratorium period as mentioned in the respective loan agreements.

c) Term Loans are secured by equitable mortgage of present & future movable & immovable properties (except current assets) as given below:

i) Power plant II assets of Rourkela, Durgapur and Bhilai are mortgaged / hypothecated with State Bank of India.

ii) Assets of Rourkela PP II Expansion and Durgapur PP III are mortgaged/hypothecated with State Bank of India.

iii) Power plant III assets of Bhilai are mortgaged / hypothecated with Axis Bank , HDFC Bank and Indusind Bank .





NTPC-SAIL POWER COMPANY LTD.

Note No. 24 to the Financial Statements

Non-current financial liabilities -Lease liabilities

		₹ in Lakhs
AS AT	31.03.2026	31.03.2025
Lease payable - Land	1571.02	1803.72
Total	1571.02	1803.72





NTPC-SAIL POWER COMPANY LTD.

Note No. 25 to the Financial Statements

Non-current financial liabilities -Trade Payables

₹ in Lakhs		
AS AT	31.03.2026	31.03.2025
For goods and services		
(A) total outstanding dues of micro and small enterprises; and	-	-
(B) total outstanding dues of creditors other than micro and small enterprises.	-	-
Total	-	-





NTPC-SAIL POWER COMPANY LTD.

Note No. 26 to the Financial Statements

Non-current liabilities - Other financial liabilities

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Other Liabilities		
Payable for capital expenditure	83.80	3901.10
	-	-
Deposits from Contractors & others	209.18	785.09
Total	292.98	4686.19





NTPC-SAIL POWER COMPANY LTD.

Note No. 27 to the Financial Statements

Non-current liabilities - Provisions

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Provision for		
Employee benefits	7134.74	840.46
Total	7134.74	840.46

Disclosure as per Ind AS 19 on "Employee benefits" is made in Note 50.





NTPC-SAIL POWER COMPANY LTD.

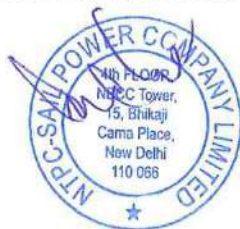
Note No. 28 to the Financial Statements

Non-current liabilities - Deferred tax liabilities (net)

₹ in Lakhs

AS AT	31.03.2026	31.03.2025
Deferred Tax Liabilities		
Difference in book depreciation and tax depreciation	-	-
Employee loan adjustment	-	-
Less: Deferred Tax Assets		
Provisions & other disallowances for tax	-	-
MAT Credit entitlement	-	-
Deferred tax adjustment on IndAS Transition	-	-
Deferred tax recoverable from beneficiary	-	-
Total	-	-

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.





NTPC-SAIL POWER COMPANY LTD.

Note No. 29 to the Financial Statements

Non-current liabilities - Other non-current liabilities

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025

Advances from customers and others

- -

Total

- -





NTPC-SAIL POWER COMPANY LTD.

Note No. 30 to the Financial Statements Current financial liabilities -Borrowings

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Current Borrowings		
Loans repayable on demand:		
From Banks		
Secured	-	-
Unsecured	-	-
Other Loans	-	-
Cash credit/ Short Term Working Capital loan from Banks	40000.00	39000.00
Current maturities of long term borrowings:		
From Banks		
Secured	21786.38	22485.58
Unsecured	6889.55	3078.67
From financial institution		
Secured	-	-
Unsecured	-	-
Total	68675.93	64564.25

a) There has been no default in repayment of any of the loans or interest thereon as at the end of the year/period.

b) The Secured rupee term loans carry interest rate in the range of 6.17% p.a to 8.25% p.a. The unsecured rupee term loans carry interest rate in the range of 5.74% p.a. -6.90% p.a. These are repayable in instalments as per the terms of respective agreements generally over a period of 5 to 15 years from initial disbursement after a moratorium period as mentioned in the respective loan agreements.

c) Loans are secured by equitable mortgage of present & future movable & immovable properties (except current assets) as given below:

i) Power plant II assets of Rourkela, Durgapur and Bhilai are mortgaged / hypothecated with State Bank of India.

ii) Assets of Rourkela PP II Expansion and Durgapur PP III are mortgaged/hypothecated with State Bank of India.

iii) Power plant III assets of Bhilai are mortgaged / hypothecated with Axis Bank ,HDFC Bank and IndusInd Bank

d) Working capital facility with SBI is secured by first hypothecation charge over stocks/store/spares and book debts of CPP-IIs unit at Bhilai, Durgapur & Rourkela & CPP-III unit at Bhilai.





NTPC-SAIL POWER COMPANY LTD.

Note No. 31 to the Financial Statements Current financial liabilities -Lease liabilities

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Lease payable - Land	232.68	81.32

Total

232.68

81.32





NTPC-SAIL POWER COMPANY LTD.

Note No. 32 to the Financial Statements Current financial liabilities - Trade payables

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
For goods and services		-
(I) total outstanding dues of micro enterprises and small enterprises; and	3075.15	2496.65
(II) total outstanding dues of creditors other than micro enterprises and small enterprises.	17143.01	22627.37
Total	20218.16	25124.02

Disclosure with respect to micro and small enterprises as required by the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been given in Note 37.

Trade Payables ageing schedule as on 31.03.2026

Particulars	₹ in Lakhs						
	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
A	B	C	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	H=B TO G
(i) MSME	744.56	1,574.10	756.48	-	-	-	3,075.15
(ii) Others	1,005.66	2,259.04	12,850.75	49.95	(66.02)	1,043.62	17,143.01
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
Total	1,750.23	3,833.15	13,607.23	49.95	(66.02)	1,043.62	20,218.16

Trade Payables ageing schedule as on 31.03.2025

Particulars	₹ in Lakhs						
	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
A	B	C	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	H=B TO G
(i) MSME	924.95	332.79	-	-	-	-	2496.65
(ii) Others	1177.26	17487.23	566.85	268.75	972.91	-	22627.37
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
Total	2102.20	17820.02	566.85	268.75	972.91	-	25124.02





NTPC-SAIL POWER COMPANY LTD.

Note No. 33 to the Financial Statements

Current liabilities - Other financial liabilities

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Payable to Customers	-	-
Payable for capital expenditure	21889.77	19390.15
Other payables	-	-
Deposits from contractors and others	3716.60	2502.53
Payable to Employees	1303.52	3600.69
Others *	3377.02	665.44
Total	30286.91	26158.81

There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

* Includes interest amount ₹445.78 lakhs (Previous Year ₹ 395.14 lakhs) accrued but not due on domestic borrowings.





NTPC-SAIL POWER COMPANY LTD.

Note No. 34 to the Financial Statements Current liabilities - Other current liabilities

	₹ in Lakhs	
AS AT	31.03.2026	31.03.2025
Advances from customers and others	8535.47	2873.94
Statutory dues	683.74	828.51
Payable to Employees*	280.64	332.75
Payable for capital expenditure*	1080.54	727.14
Others*	0.90	0.22
Total	10581.29	4762.56

*Figures regrouped/rearranged





NTPC-SAIL POWER COMPANY LTD.

Note No. 35 to the Financial Statements

Current liabilities - Provisions

		₹ in Lakhs
AS AT	31.03.2026	31.03.2025
Provision for		
Employee benefits	987.15	6576.12
Tariff adjustment	-	-
Total	987.15	6576.12

a) Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 50.

b) Disclosure required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is made in Note 55.





NTPC-SAIL POWER COMPANY LTD.

Note No. 36 to the Financial Statements

Current liabilities - current tax liabilities (net)

		₹ in Lakhs
AS AT	31.03.2026	31.03.2025
Current tax liabilities	-	-
Total	-	-





NTPC-SAIL POWER COMPANY LTD.

Note No. 37 to the Financial Statements

Payables- micro and small enterprises

₹ in Lakhs

AS AT	31.03.2026	31.03.2025
(a) Amount Remaining Unpaid to micro, small and medium enterprise at the end of accounting period		
Principal amount	4518.02	3605.89
Interest due thereon	-	-
b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day .	-	-
c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Total	4518.02	3605.89





NTPC-SAIL POWER COMPANY LTD.

Note No. 38 to the Financial Statements Contingent Liability

AS AT	₹ in Lakhs	
	31.03.2026	31.03.2025
Claims against the company not acknowledged as debt in respect of		
Capital Works	1800.58	2807.93
Disputed Income Tax	1425.06	1362.42
Disputed Service Tax/GST demand	12308.20	12051.72
NGT Liability for Short Fall in Ash Utilization	-	-
Grade Slippage Dispute With SECL	-	-
Grade Upgradation dispute with SECL	-	-
Dispute With DNH for Fixed Charges	-	-
Others	6792.68	6861.66
Total	22326.52	23083.73

The contingent liabilities referred to in above, include an amount of estimated possible reimbursement of (i) Capital Works of ₹ 1800.58 Lakhs (31 March 2025: ₹ 2807.93 Lakhs), in respect of (ii) Disputed Tax of ₹ 2218.93 Lakhs (31 March 2025: ₹ 2406.71 Lakhs) (iii) the possible reimbursement by way of recovery through tariff as per CERC Regulations is ₹ 6362.17 Lakhs (31 March 2025: ₹ 6362.17 Lakhs) and (iv) possible reimbursement of others of ₹ 61.99 Lakhs (31 March 2025: ₹ 151.18 Lakhs)

Further Details in Respect of Contingent Liabilities are given in Note No.62





NTPC-SAIL POWER COMPANY LTD.

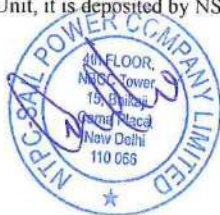
Note No. 39 to the Financial Statements

Revenue from operations

	₹ in Lakhs	
FOR THE YEAR ENDED	31.03.2026	31.03.2025
Energy sales*	218940.33	217582.28
Electricity Duty **	34231.13	24807.92
Income Tax / Deferred Tax Billed	-	-
Fuel Cost for CPP units	104515.88	118552.17
	357687.34	360942.37
Less: Rebates to customers	1649.43	1218.27
	356037.91	359724.10
Sale of fly ash/ash products	343.53	361.69
Less: Transferred to fly ash utilisation reserve fund (Note 22)	343.53	361.69
	-	-
Energy internally consumed	58.77	36.99
Other operating revenues		
Interest income on Assets under finance lease	47558.17	47221.49
Provisions for stores written back	0.01	-
Total	403654.86	406982.58

*Keeping in view the provisions of Ind AS-116 on 'Leases' w.r.t. determining whether an arrangement contains a lease, the company has ascertained that the PPA entered into for PP-II units viz., Rourkela (including Rourkela PP II Expansion), Durgapur (PP II & PP III) & Bhilai & Bhilai floating Solar with the beneficiary falls under the definition of finance lease. Accordingly, the written down value of the specified assets as per Purchase Power agreement (PPA) has been derecognized from PPE and accounted as Finance Lease Receivable (FLR). Recovery of capacity charges towards depreciation, interest on loan, return on equity & Incentive(pre-tax) components from the beneficiary are adjusted against FLR. The interest component of the FLR in respect of the above four elements is recognised as 'Interest income on Assets under finance lease'.

**The electricity duty in case of Rourkela (PP - II & PP II expansion) unit is being deposited by SAIL. The amount of electricity duty mentioned above includes ₹ 10641.7016 lakhs (Previous year ₹ 10712.45 lakhs) in respect of Rourkela unit. In case of Durgapur (PP II & PP III) and Bhilai (PP II & PP III) Unit, it is deposited by NSPCL.





NTPC-SAIL POWER COMPANY LTD.

Note No. 40 to the Financial Statements Other income

	₹ in Lakhs	
FOR THE YEAR ENDED	31.03.2026	31.03.2025
Interest income from		
Loan to employees	294.91	263.15
Deposits with banks	65.16	1.43
Fly ash utilisation fund	-	-
Less: Transferred to fly ash utilisation reserve fund (Note 22)	-	-
Surcharge from Customer	-	536.95
Other non-operating income		
Sale of scrap	563.74	359.69
Miscellaneous income *	239.39	135.67
Profit on disposal of fixed assets	1.63	1.61
Total	1164.83	1298.50

* Miscellaneous income includes income from township recoveries, emd/ sd forfeited , hire charges vehicle & service bond recovery.





NTPC-SAIL POWER COMPANY LTD.

Note No.41 to the Financial Statements

Fuel cost

	₹ in Lakhs	
FOR THE YEAR ENDED	31.03.2026	31.03.2025
Coal *	207821.50	222777.08
Furnace oil	77.18	376.29
LDO	1678.39	3428.17
HSD	(1.67)	34.72
Biomass pellets	3115.36	385.37
Total	212690.76	227001.63

During the year, NSPCL has received part of its coal requirement from SECL through the existing Coal Supply Agreement (CSA), SCCL through MOU route, from MCL under FSA and from OCPL under MOU. During the current financial year company's Rourkela Power plant, has received part of its coal requirement directly through its FSA with MCL Sambalpur and its MOU with OCPL, while part supplies were made free of cost by SAIL RSP. The Accounting of Total Supplies, i.e., ₹8074.64 Lakhs (Previous Year ₹ 8639.15 Lakhs), received from MCL Sambalpur, ₹ 38800.82 Lakhs (Previous year: ₹ 16133.70 Lakhs) received, from SAIL RSP and received from M/s OCPL, Bhubaneshwar ₹ 6245.19 Lakhs have been made at landed cost to Rourkela

*Coal cost in case of captive plants where coal is being supplied free of cost by SAIL has been taken on provisional basis due to unavailability of final coal price. However, the impact in accounts is revenue neutral.

Direct costs i.e. employee cost, depreciation and repair and maintenance related to the coal handling system has been considered for valuation of coal as "Other fuel Cost".





NTPC-SAIL POWER COMPANY LTD.

Note No. 42 to the Financial Statements

Employee benefits expense

	₹ in Lakhs	
FOR THE YEAR ENDED	31.03.2026	31.03.2025
Salaries and wages *	19559.95	18781.28
Contribution to provident and other funds	3512.79	3054.93
Unwinding of deferred payroll expense	133.38	116.77
Staff welfare expenses	3806.93	3148.53
	27013.05	25101.51
Less: Allocated to fuel cost	1307.55	929.68
Transferred to expenditure during construction period (Note 46)	389.79	308.98
Total	25315.71	23862.85

a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 50.

*b) Includes ₹ 7.55 lakhs (Previous year: ₹ 13.58 lakhs) towards lease payments (net of recoveries) in respect of premises for residential use of employees.





NTPC-SAIL POWER COMPANY LTD.

Note No. 43 to the Financial Statements

Finance costs

	₹ in Lakhs	
FOR THE YEAR ENDED	31.03.2026	31.03.2025
Interest on		
Rupee term loans	9946.59	10415.41
Cash credit	2586.00	2897.45
Others	-	-
Unwinding of discount on account of vendor liabilities	55.26	57.78
	12587.85	13370.64
Other borrowing costs	22.33	21.43
Guarantee fee	-	-
Commitment charges	-	2.30
Finance cost for leased land	171.61	178.52
Sub total	12781.79	13572.89
Less : Transferred to expenditure during construction period (Note 46)	1418.32	1364.84
Total	11363.47	12208.05

Other borrowing costs - Others include Finance Charges on Bank/LC Charges.





NTPC-SAIL POWER COMPANY LTD.

Note No. 44 to the Financial Statements

Depreciation, amortization and impairment expense

	₹ in Lakhs	
FOR THE YEAR ENDED	31.03.2026	31.03.2025
On property plant and equipment	8827.22	8411.11
On intangible assets	28.73	12.85
	8855.95	8423.96
Less: Allocated to fuel cost	315.19	281.70
Transferred to expenditure during construction period (Note 46)	-	-
Total	8540.76	8142.26

Depreciation of PP-II Units, Bhilai Floating solar, Rourkela PP-II Expansion and Durgapur PP III include depreciation of assets discarded during the year.





NTPC-SAIL POWER COMPANY LTD.

Note No. 45 to the Financial Statements

Other expenses

		₹ in Lakhs	
FOR THE YEAR ENDED		31.03.2026	31.03.2025
Power charges	147.21		127.30
Less: Recovered from contractors & employees	24.51		24.98
		122.70	102.32
Water charges		5485.79	5483.32
Stores consumed		912.40	837.41
Rent	45.53		45.53
Less: Recoveries	-		-
		45.53	45.53
Repairs & maintenance			
Buildings		528.50	447.62
Plant & machinery		18543.75	16040.70
Others		4557.17	3981.17
Insurance		669.17	691.29
Brokerage and commission		16.96	11.64
Rates and taxes		694.40	635.80
Water cess & environment protection cess		25.00	22.86
Training & recruitment expenses	303.49		213.64
Less: Receipts	0.63		8.32
		302.86	205.32
Communication expenses		307.18	171.03
Travelling expenses		1151.59	921.44
Tender expenses	1.87		2.57
Less: Receipt from sale of tenders	1.67		0.67
		0.20	1.90
Payment to auditors		27.91	21.71
Advertisement and publicity		55.67	39.68
Electricity Duty & Parallel operation charges		36163.72	35231.59
Security expenses		5126.35	5156.05
Entertainment expenses		324.26	167.03
Expenses for guest house	235.71		165.63
Less: Recoveries	0.36		0.52
		235.35	165.11
Education expenses		0.50	0.61
Ash utilisation & marketing expenses		6238.85	5521.02
Professional charges and consultancy fee		753.76	718.07
Legal expenses		52.47	76.12
EDP hire and other charges		434.10	491.20
Printing and stationery		21.26	28.96
Hiring of vehicles		478.28	444.07
Horticulture expenses		286.65	211.92
Hire charges of construction equipments		-	-
Loss on disposal of fixed assets (Net)/Write-off of fixed assets		99.74	185.48
Survey and investigation expenses written off		131.70	153.10
Miscellaneous expenses		112.22	75.27
		83905.99	78286.34
Less: Allocated to fuel cost		3701.28	1798.46





NTPC-SAIL POWER COMPANY LTD.

Note No. 45 to the Financial Statements Other expenses

	₹ in Lakhs	
FOR THE YEAR ENDED	31.03.2026	31.03.2025
Discounting of Long Term Liability	37.19	74.26
Transferred to fly ash utilisation reserve fund (Note 22)	343.53	361.69
Transferred to expenditure during construction period (Note 46)	43.23	173.16
	79780.76	75878.77
Corporate Social Responsibility (CSR) expense	1123.66	975.18
Provisions for		
Obsolescence in stores	-	4.34
Tariff adjustments	-	-
Interest on refund to customers	-	-
Bad and Doubtful debts/ Beneficiary claims/Others	0.57	-
Shortage in stores	-	-
Arbitration case	-	-
Others	-	-
Total	8.23	1.78
	80913.22	76860.07

Details in respect of payment to auditors as Auditors

Audit Fee	17.69	15.75
Tax Audit Fee	4.10	3.96
In Other Capacity		
Other services (certification fee)	1.44	2.00
Reimbursement of expenses & Others	4.68	-
Total	27.91	21.71

* Input Tax Credit in respect of auditor fee claimed by company, the amount is not charged to expenditure.





NTPC-SAIL POWER COMPANY LTD.

Note No. 46 to the Financial Statements Expenditure during construction period (net)

	₹ in Lakhs	
FOR THE YEAR ENDED	31.03.2026	31.03.2025
A. Employee benefits expense		
Salaries and wages	389.79	308.98
Contribution to provident and other funds	-	-
Unwinding of deferred payroll expenses	-	-
Staff welfare expenses	-	-
Total (A) (Note 42)	389.79	308.98
B. Finance costs		
Interest on Rupee term loans	1418.32	1364.83
Others	-	-
Total (B) (Note 43)	1418.32	1364.83
C. Depreciation and amortisation (Note 44)	-	-
D. Generation, administration & other expenses		
Power charges	-	-
Water charges	-	-
Repair & maintenance	-	-
Insurance	-	-
Brokerage and commission	-	-
Rates and taxes	-	2.36
Communication expenses	-	-
Travelling expenses	-	-
Tender expenses	-	-
Advertisement & publicity	-	-
Entertainment expenses	-	-
Professional charges & consultancy fee	34.09	164.14
Printing and stationery	-	-
Miscellaneous expenses	9.14	6.66
Total (D) (Note 45)	43.23	173.16
E. Less: Other income		
Interest on term deposit	-	-
Interest on employee loan	-	-
Miscellaneous income	-	-
Total (E) (Note 40)	-	-
Grand total (A+B+C+D-E) *	1851.34	1846.97

* Carried to capital work-in progress - (Note 3 & 5)





NTPC-SAIL POWER COMPANY LTD.

47. Disclosure as per Ind AS 1 " Presentation of Financial Statements'

A) Changes in material accounting policy information (Note 1) :

a) Following is added to the the accounting policy no. C 1.5 Depreciation/Amortisation

The useful life of PP-II assets, being captive in nature, is restricted to the term of the relevant agreement/commitment and may be extended, subject to technical assessment, in line with any extension of such agreement/commitment





NTPC-SAIL POWER COMPANY LTD.

48. Disclosure as per Ind AS 2 " Inventories'

(a) Amount of inventories consumed and recognized as expense during the year is as under:

₹ in Lakhs		
Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Fuel Cost*	108,174.88	108,449.46
Others	24,541.83	21,306.89

*Excludes free issue of coal by SAIL

& Includes imported materials consumed during the year ended 31 March 2026 amounting to ₹ 133.33 lakhs (31 March 2025: ₹ 12,307.31 lakhs).

(b) Carrying value of inventories as at :

₹ in Lakhs		
Particulars	31.03.2026	31.03.2025
Coal	11,212.21	8,276.77
Fuel oil	2,199.77	1,832.81
Stores & spares	17,087.48	14,258.31
Chemical & consumables	562.25	400.03
Loose tools	37.78	31.19
Others	2,387.60	2,040.22
Less: provisions	34.49	34.51
Total	33,452.60	26,804.82

Carrying amount of inventories pledged as security for borrowings as at 31st March 2026 is ₹ 33,452.60 Lakhs (31 March 2025: 26,804.82 Lakhs)

Cost formula used to measure the inventory at year end is weighted average.





NTPC-SAIL POWER COMPANY LTD.

49. Disclosure as per Indian Accounting Standard - 12 on 'Income taxes'

FOR THE PERIOD ENDED

₹ in Lakhs

31.03.2026 31.03.2025

(A) Income Tax Expense

i) Income tax recognised in statement of profit and loss

Current tax expense

Current year

Adjustment for prior periods (Written Back)/ Created

11,532.32 10,542.90

11,532.32 10,542.90

Deferred tax expense

Origination and reversal of temporary differences

MAT Credit Entitlement

(8,526.97) 4,519.73

6,141.04 5,790.81

(2,385.93) 10,310.54

Total Income tax recognised in statement of profit and loss

9,146.39 20,853.44

ii) Income tax recognised in other comprehensive income

₹ in Lakhs

For the period ended

	31.03.2026			31.03.2025		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	10.98	-	10.98	(355.83)	-	(355.83)
- Net gains/(losses) on fair value of equity instruments measured through other comprehensive income	-	-	-	-	-	-
	10.98	-	10.98	(355.83)	-	(355.83)

(iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

₹ in Lakhs

For the period ended

31.03.2026 31.03.2025

Profit before tax

65,995.78 60,206.22

Tax using the Company's domestic tax rate of 17.472% (31. March 2025- 17.472%)

11,532.32 10,542.90

Tax effect of:

Non-deductible tax expenses

Others

Prior Period

Deferred Tax (Asset)/Liability

MAT Credit Entitlement

4,218.93 4,519.73

6,141.04 5,790.81

21,892.29 20,853.44

33.17 34.64

12,745.90 -

9,146.39 20,853.44

13.86 34.64

Less: Impact due to change in Income Tax Rate from 30% to 22%

At the effective income tax rate of 13.86 % (31 March 2025: 34.64%)

₹ in Lakhs

(B) MAT Credit available* to the Company in future:

AS AT	31.03.2026	Expiry date	31.03.2025	Expiry date
Financial years				
For the year 2025-26				
For the year 2024-25			(5,790.81)	31.03.2039
For the year 2023-24	1,385.69	31.03.2039	1,385.69	31.03.2039
For the year 2022-23	5,200.33	31.03.2038	5,200.33	31.03.2038
For the year 2021-22	5,847.12	31.03.2037	6,067.25	31.03.2037
For the year 2020-21	3,699.93	31.03.2036	3,699.93	31.03.2036
For the year 2019-20	3,775.61	31.03.2035	3,775.61	31.03.2035
For the year 2018-19	3,644.81	31.03.2034	3,644.81	31.03.2034
For the year 2017-18	3,927.85	31.03.2033	3,927.85	31.03.2033
For the year 2016-17	2,837.74	31.03.2032	2,837.74	31.03.2032
For the year 2015-16	4,669.74	31.03.2031	4,669.74	31.03.2031
For the year 2014-15	1,146.03	31.03.2030	1,146.03	31.03.2030
For the year 2012-13	5,370.28	31.03.2028	7,272.69	31.03.2028
For the year 2011-12		31.03.2027	6,252.53	31.03.2027
For the year 2010-11		31.03.2026	3,776.91	31.03.2026

The company has opted for Section 80 IA tax benefit from financial year 2014-15 to 2023-24 in respect of Bhilai PP-III unit commissioned in financial year 2009-10. As a result of the said tax benefit, the entire taxable profit generated from PP-III was exempted from payment of Income Tax and Company was liable to compute & pay its taxes under MAT provisions for the period upto 31.03.2024. From F.Y. 2024-25, Company is recognising tax liability as per Normal Tax rate and utilizing the MAT Credit available as per the Income Tax Act to discharge the tax liability

(C) There are no unused tax losses to be carried forward as on 31 March 2026 and 31 March 2025



49 A. Disclosure as per Indian Accounting Standard - 12 on 'Income taxes' Appendix "C"					
Possible Impact on Taxable Profit/ Tax Bases / Unused Tax Credits as on 31st March 2026					
FINANCIAL YEAR	Subjudice Authority	Amount in dispute (₹ Lakhs)	Possible Impact (₹ Lakhs)	Matter	Remarks, if any
2008-09*	High Court	1,538.00 Interest	522.00 903.06	Disallowance of deduction of Interest Earned on Temporary deposit of Construction Fund from Project Cost	Decided by Income Tax Appellate Tribunal in Company Favour
Possible impact					

* Disclosed in Contingent Liability





NTPC-SAIL POWER COMPANY LTD.

50. Disclosures as per Ind AS 19 on "Employee Benefits"

(i) In respect of NSPCL own employees, the various defined employee benefit schemes are as under :

(i) Defined Contribution Plans:

Pension

The defined contribution pension scheme of the Company for its own employees which is effective from 1st January 2007, is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post retirement medical facility (PRMF) or any other retirement benefits. The Company's contribution towards pension is made to National Pension System Trust (NPS) for the employees opted for the scheme. An amount of ₹ 1026.92 lakhs (31 March 2025 : ₹ 735.71 lakhs) for the year is recognized as expense towards contributions to the defined contribution pension scheme of the Company/NPS for the year and charged to the statement of profit and loss.

(ii) Defined Benefit Plan:

A. Provident Fund

The Company pays fixed contribution to provident fund at pre-determined rate, for its own employees to a separate trust namely NSPCL Employees Provident Fund Trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution of ₹ 1,106.52 lakhs made to the trust for the year 2025-26 (31 March 2025: ₹ 1020.78 lakhs) is charged to the statement of Profit and Loss. The Company has an obligation to ensure minimum rate of return as notified by the EPFO to the members as per the terms of deed of NSPCL employees' provident fund trust. 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.

The above mentioned schemes is funded by NSPCL and its employees.

FOR THE PERIOD ENDED

Provident Fund

Present value of obligation as at year end
Fair value of plan assets as at year end
Surplus/(Deficit)

	31.03.2026	31.03.2025
	33,717.73	30,562.69
	33,725.35	30,568.32
	7.62	5.63

B. Gratuity

a) The Company has a defined benefit gratuity plan. Every employee including non executive absorbed from SAIL, who have rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X (last drawn basic salary plus dearness allowance)) for each completed year of service subject to a maximum of ₹ 25 lakhs on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act'1972, as amended.

The scheme is funded by the Company and is managed by a separate trust namely NSPCL Employees Gratuity Fund Trust. The liability for the same is recognized on the basis of actuarial valuation and charged to statement of profit and loss.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and the amounts recognised in the Company's financial statements as at balance sheet date:

FOR THE PERIOD ENDED

Net defined benefit (asset)/liability :

Gratuity
Non-current
Current

	31.03.2026	31.03.2025
	5,052.08	4,641.02
	4,651.12	4,359.85
	400.96	281.17

b) Movement in net defined benefit (asset)/liability

FOR THE PERIOD ENDED

Opening balance

Included in statement of profit and loss:

Current service cost

Past service cost

Interest cost (income)

Total amount recognised in statement of profit and loss

Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset)/ liability	
31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
4,641.03	4,253.18	4,354.40	3,981.10	286.63	272.08
268.49	255.61	-	-	268.49	255.61
317.06	-	-	-	317.06	-
316.05	301.98	296.53	282.66	19.52	19.32
901.60	557.59	296.53	282.66	605.07	274.93
Included in OCI:					
Remeasurement loss (gain):					
Actuarial loss (gain) arising from:					
Demographic assumptions					
-166.35	130.58	-	-	(166.35)	130.58
-152.25	(120.56)	-	-	(152.25)	(120.56)
-	-	5.83	(1.68)	(5.83)	1.68
(318.60)	10.02	5.83	(1.68)	(324.43)	11.70
Financial assumptions					
Experience adjustment					
-	-	286.63	272.08	(286.63)	(272.08)
-171.95	(179.76)	-171.95	(179.76)	-	-
(171.95)	(179.76)	114.68	92.32	(286.63)	(272.08)
Total					
5,052.08	4,641.03	4,771.44	4,354.40	280.64	286.63

Closing balance:





NTPC-SAIL POWER COMPANY LTD.

C. Post-Retirement Medical Facility (PRMF)

(a) The Company has Post-Retirement Medical Facility (PRMF), under which the retired employees and their spouses are provided medical facilities in the Company's empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The liability for the same is recognised annually on the basis of actuarial valuation and charged to statement of profit and loss.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the Post-Retirement Medical Facility (PRMF) and the amounts recognised in the Company's financial statements as at balance sheet date:

FOR THE PERIOD ENDED

	₹ in Lakhs	
	31.03.2026	31.03.2025
Net defined benefit (asset)/liability:		
Post-Retirement Medical Facility (PRMF)		
Non-current	4,089.42	3,652.52
Current	3,946.53	3,450.07
	142.9	202.45

(b) Movement in net defined benefit (asset)/liability

FOR THE PERIOD ENDED

	₹ in Lakhs					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset)/liability	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Opening balance	3,652.54	3,142.89	3,209.65	2,822.11	442.88	320.77
Contribution for Employees retired before 01.01.07					-	-
Included in statement of profit and loss:						
Current service cost	182.65	128.86	-	-	182.65	128.86
Past service cost						
Interest cost (income)	248.74	223.15	221.89	222.57	26.85	0.58
Total amount recognised in statement of profit and loss	431.39	352.01	221.89	222.57	209.50	129.44
Included in OCI:						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-197.7	188.27	-	-	(197.70)	188.27
Financial assumptions	329.72	151.51	-	-	329.72	151.51
Experience adjustment						
Return on plan assets excluding interest income						
Total amount recognised in other comprehensive income	132.02	339.78	-	-	132.02	339.78
Other						
Contributions paid by the employee	-	-	-	-	-	-
Contributions paid by the employer	-	-	468.52	347.11	(468.52)	(347.11)
Benefits paid	(126.52)	(182.14)	(126.52)	(182.14)	-	-
Total	(126.52)	(182.14)	342.00	164.97	(468.52)	(347.11)
Closing balance	4,089.43	3,652.54	3,773.54	3,209.65	315.88	442.88

D. Other retirement benefit plans

a) Other retirement benefit plans include baggage allowance for settlement at home town for employees and dependents and farewell gift to the superannuating employees.

The scheme above is unfunded and liability for the same is recognised on the basis of actuarial valuation.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of other retirement benefit plans and the amounts recognised in the Company's financial statements as at balance sheet date:

FOR THE PERIOD ENDED

	₹ in Lakhs	
	31.03.2026	31.03.2025
Net defined benefit (asset)/liability:		
Terminal Benefits	633.47	446.07
Non-current	601.36	433.11
Current	32.12	12.96

(b) Movement in net defined benefit (asset)/liability

FOR THE PERIOD ENDED

	₹ in Lakhs					
	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset)/liability	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Opening balance	446.07	381.61	-	-	446.07	381.61
Included in profit or loss:						
Current service cost	38.66	30.99	-	-	38.66	30.99
Past service cost						
Interest cost (income)	30.38	27.10	-	-	30.38	27.10
Total amount recognised in profit or loss	69.04	58.09	-	-	69.04	58.09
Included in OCI:						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	140.63	26.56	-	-	140.63	26.56
Financial assumptions			-	-	-	-
Experience adjustment						
Return on plan assets excluding interest income						
Total amount recognised in other comprehensive income	140.63	26.56	-	-	140.63	26.56
Other						
Contributions paid by the employer	-22.27	(20.19)	-	-	(22.27)	(20.19)
Benefits paid	(22.27)	(20.19)	-	-	(22.27)	(20.19)
Total	(22.27)	(20.19)	-	-	(22.27)	(20.19)
Closing balance	633.47	446.07	-	-	633.47	446.07

OTHER DISCLOSURES

a. Plan assets

Plan assets comprise the following

FOR THE PERIOD ENDED

State government securities
Central government securities
Corporate bonds/debentures
Funds managed by insurer
Bank balance

	31.03.2026			31.03.2025		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
State government securities	3,477.87	-	3,477.87	3,063.18	-	3,063.18
Central government securities	109.64	-	109.64	109.64	-	109.64
Corporate bonds/debentures	189.41	-	189.41	189.41	-	189.41
Funds managed by insurer	4,660.84	-	4,660.84	4,012.97	-	4,012.97
Bank balance	153.71	-	153.71	55.01	-	55.01
	8,591.47	-	8,591.47	7,430.21	-	7,430.21





NTPC-SAIL POWER COMPANY LTD.

b. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

FOR THE PERIOD ENDED	31.03.2026	31.03.2025
Discount rate	7.15%	6.81%
Expected return on plan assets		
Gratuity	7.15%	6.81%
PRMF	7.15%	6.81%
Annual increase in costs	6.50%	6.50%
Salary escalation rate	6.50%	6.50%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

c. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

FOR THE PERIOD ENDED	31.03.2026		31.03.2025	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-568.82	615.46	-544.54	586.25
Annual increase in costs (0.5% movement)-For PRMF, Baggage & Farewell	369.69	-344.91	349.21	-312.01
Salary escalation rate (0.5% movement)-For Gratuity	86.39	-92.32	79.70	-85.61

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.

d. Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

(i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets under perform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The company intends to maintain the above investment mix in the continuing years.

(ii) Changes in discount rate

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' asset holdings.

(iii) Inflation risks

In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk

(iv) Life expectancy

The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

e. Expected contributions to the defined benefit plan in future years (Maturity analysis)

	₹ in Lakhs				
	less than 1 Year	Between 1-2 Year	Between 2-5 Years	Over 5 Years	Total
31 March 2026					
Gratuity	400.96	518.82	714.99	3,417.32	5,052.09
Post-retirement medical facility (PRMF)	142.9	151.78	679.4	3,115.35	4,089.43
Other retirement benefit plans	21.86	23.16	81.99	506.46	633.47
Total	565.72	693.76	1,476.38	7,039.13	9,774.99
31 March 2025					
Gratuity	281.17	312.74	746.61	3,300.51	4,641.03
Post-retirement medical facility (PRMF)	202.45	204.80	754.56	2,490.71	3,652.52
Other retirement benefit plans	12.96	17.26	43.39	372.46	446.07
Total	496.58	534.80	1,544.56	6,163.68	8,739.62

Expected contributions to post-employment benefit plans for the year ending 31 March 2026 are ₹ 596.51 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 14.44 years (31 March 2025: 14.17 years).

f. Total amount booked under OCI for (ii) A(b), B(b) & D(b) charged to profit & loss account is gain of ₹ 55.08 lakhs (net of taxes) gross gain of ₹ 55.08 lakhs (31 March 2025: loss of ₹ 355.84 lakhs (net of taxes) gross ₹ 355.84 lakhs.

E. Leave

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave is on-cashable while in service and on separation upto a maximum of 300 days. Half-pay leaves (HPL) are on-cashable only on separation up to the maximum of 300 days as per company's policy. However, total number of leaves (i.e. EL & HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The scheme is unfunded and liability is recognised on the basis of actuarial valuation. During the year, provision amounting to ₹ 871.26 lakhs (31 March 2025: ₹ 1245.06 lakhs) for the year has been made on the basis of actuarial valuation at the year end and debited to the statement of Profit and Loss.

F. Other Employee Benefits

Provision for long service award amounting to ₹ 166.24 lakhs (31 March 2025: ₹ 143.84 lakhs) and economic rehabilitation scheme amounting to ₹ 31.26 lakhs (31 March 2025: ₹ 37.24 lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the statement of Profit and Loss.

(II) In respect of employees of NTPC Ltd on Secondment basis to NSPCL:

In accordance with Significant Accounting Policy No. 12, an amount of ₹ 543.19 lakhs (previous Year ₹ 561.70 lakhs) towards provident fund, Pension, Gratuity, Post retirement medical facilities & other terminal benefits and ₹ 180.53 lakhs (Previous Year ₹ 173.00 lakhs) towards leave, are paid/ payable to the promoter Company, NTPC Ltd and included under, "Employee benefits expense".

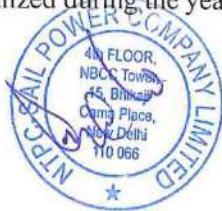




NTPC-SAIL POWER COMPANY LTD.

51. Disclosure as per Ind AS 23 'Borrowing Costs'

Borrowing costs capitalized during the year is ₹ 1418.32 Lakhs (31 March 2025: ₹ 1364.84 Lakhs).





NTPC- SAIL Power Company Limited

52. Disclosure as per Indian Accounting Standard(Ind AS) - 24 'Related Party Disclosures'

A) Related parties:

i) Jointly Controlled by Government Entities

NTPC and SAIL with 50% shareholding of each company

ii) Joint Venture & Subsidiary of Promoters Company

Subsidiaries of NTPC:

1. NTPC Vidyut Vyapar Nigam Limited (NVVN)

Joint ventures of NTPC:

1. Utility Powertech Limited, 2. NTPC-GE Power Services Private Limited (Previously NTPC-Alstom Power Services Private Limited), 3. Energy efficiency Services Ltd

B) Key Managerial Personnel (KMP):

	In Position in NSPCL	
	From	To
Shri. Diwakar Kauslik, Chief Executive Officer	07.02.2023	Till date
Shri. Srivatsan Parthasarathy, Chief Financial Officer	12.12.2024	31.05.2025
Shri. Kamalakanta Nayak, Chief Financial Officer	25.06.2025	Till date
Shri Ashok Kumar Panda*, Director	20.09.2019	26.06.2025
Shri P. K. Sarkar*, Director	29.01.2021	26.06.2025
Mr. M.B. Balakrishnan*, Director	13.08.2022	Till date
Ms. Rachana Singh Bhui*, Director	18.11.2023	Till date
Shri. A.K. Manohar*	18.07.2024	31.08.2025
Shri A.K. Jadli*, Chairman	06.09.2024	Till date
Shri Praveen Nigam*, Director	02.07.2025	Till date
Shri Rajeev Pandey*, Director	02.07.2025	08.11.2025
Shri S.K. Sinha*, Director	22.09.2025	Till date
Shri T.K. Krishnakumar*, Director	19.11.2025	Till date
Ms. Shagun Bajpai, Company Secretary	21.02.2023	Till date

* Non executive directors having authority and responsibility for planning, directing and controlling the activities of the entity are included in KMP.

C) Post Employment Benefit Plans:

1.NSPCL Employees Provident Fund, 2.NSPCL Employees Gratuity Fund, 3.NSPCL Post Retirement Employees Medical Benefit Fund, 4. NSPCL Defined Contribution Pension Trust

D) Entities under the control of the same government:

The Company is a Joint Venture of Central Public Sector Undertaking (CPSU) in which majority of shares are held by Central Government. The Company has transactions with other Government related entities, which significantly includes but not limited to purchase of fuel (coal, gas)/oil products, purchase of equipment, spares, receipt of erection, maintenance and other services, rendering consultancy and other services. Transactions with these parties are carried out at market terms and on terms comparable to those with other entities that are not Government-related generally through a transparent price discovery process against open tenders. In few cases of procurement of spares/services from Original Equipment Manufacturer (OEM) for proprietary items/or on single tender basis are resorted to due to urgency, compatibility and similar reasons which are also carried out through a process of negotiation with prices benchmarked against available price data of such items.





NTPC- SAIL Power Company Limited

E) Transactions with the related parties are as follows:

₹ in Lakhs

Promoter Companies & Subsidiaries and Joint Venture of Promoter Companies as per A (i) & (ii)	Subsidiaries		Joint Venture Companies						Promoter Companies			
	NVVN		UPL		EESL		NTPC-GE Power Services Private Limited		NTPC		SAIL	
Particulars	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Transactions during the year												
works/services for services received by the Company	-	3.80	-	23.27	-	-	-	14.70	522.74	451.75	-	-
works/services for services provided by the Company	-	-	-	-	-	-	-	-	-	-	-	-
Purchases or Sales of Goods	-	-	-	-	-	-	-	-	26,452.25	29,972.24	584.46	425.38
Sales of Energy/ Others as per Ind AS 116	255.56	252.24	-	-	-	-	-	-	-	-	252,197.75	327,125.83
Others	-	-	-	-	-	-	-	-	-	-	15,850.24	41,572.72
Dividend paid	-	-	-	-	-	-	-	-	17,500.00	15,750.00	17,500.00	15,750.00

F) Compensation to Key Managerial Personnel as per (B) above

₹ in Lakhs

Details	2025-26	2024-25
Short term employee benefits	291.87	281.16
Post employment benefits	3.79	2.84
Other long term benefits	20.48	15.14
Termination benefits	-	-
Share based payments	-	-
Total Compensation to Key management personnel	316.15	299.14
Outstanding loan Balance	Nil	Nil

G) Transactions with Post Employment Benefit Plans as per (C) above

₹ in Lakhs

Details	2025-26	2024-25
Contributions made during the year		
NSPCL Employees Provident Fund Trust	2,501.75	3,472.05
NSPCL Employees Gratuity Fund Trust	286.68	333.21
NSPCL Defined Contribution Pension Trust	93.73	906.95
NSPCL Employees Post Retirement Medical Benefit Fund	275.01	282.12
Other Transaction with Trust (Payment)	-	-
NSPCL Employees Provident Fund Trust	-	200.16
NSPCL Employees Gratuity Fund Trust	-	-
NSPCL Defined Contribution Pension Trust	-	-
NSPCL Employees Post Retirement Medical Benefit Fund	-	175.35
Other Transaction with Trust (Receipt)		
NSPCL Employees Provident Fund Trust	-	-
NSPCL Employees Gratuity Fund Trust	-	-
NSPCL Defined Contribution Pension Trust	-	-
NSPCL Employees Post Retirement Medical Benefit Fund	0.00	175.35

H) Outstanding balances with related parties are as follows:

₹ in Lakhs

Amount Recoverable	March 31st, 2026	March 31st, 2025
NTPC	-	-
SAIL	33,025.35	18,024.55
NVVN (CUSTOMERS)	22.40	-
NSPCL Employees Provident Fund Trust	24.39	-
NSPCL Defined Contribution Pension Trust	-	107.21
NTPC-Consultancy Wing	-	2.32
Total : Amount Recoverable	33,072.14	18,134.08
Amount Payable	March 31st, 2026	March 31st, 2025
NTPC	6,295.11	12,437.30
SAIL	8,709.01	486.32
NSPCL Employees Gratuity Fund	280.64	333.21
NSPCL Defined Contribution Pension Trust	-	-
NSPCL Post Retirement Employees Medical Benefit Fund	235.00	175.35
UTILITY POWERTECH LIMITED	3.00	15.29
NTPC - CONSULTANCY WING	8.69	-
Total : Amount Payable	15,531.45	13,447.47

I) Terms and conditions of transactions with the related parties

- (1) Transactions with the related parties are made on normal commercial terms and conditions and at market rates
- (2) Consultancy services provided by the Promoters are generally on nomination basis at the terms, conditions and principles applicable for consultancy services provided to other parties.
- (3) Outstanding balances at the year-end are unsecured and interest free and settlement occurs through banking transactions





NTPC-SAIL POWER COMPANY LTD.

53. Disclosure as per Ind AS 33 on 'Earnings per Share'

FOR THE PERIOD ENDED	31.03.2026	31.03.2025
Basic and diluted earnings per share (₹)		
From operations	5.80	4.01
	<u>5.80</u>	<u>4.01</u>
Nominal value per share (₹)	10.00	10.00
		₹ in Lakhs
FOR THE PERIOD ENDED	31.03.2026	31.03.2025
Profit attributable to equity shareholders		
From operations	56,849.37	39,352.78
Total	<u>56,849.37</u>	<u>39,352.78</u>
FOR THE PERIOD ENDED	31.03.2026	31.03.2025
Weighted average number of equity shares		
Opening balance of issued equity shares	980,500,100.00	980,500,100.00
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares for Basic and Diluted EPS	<u>980,500,100.00</u>	<u>980,500,100.00</u>





NTPC-SAIL Power Company Limited

54. Disclosure as per Ind AS 36 on Impairment of Assets

Analysis of Bhilai PP-III as Cash Generating Unit (CGU) - The actual date of commercial operation of the generating station Unit-I was 22.4.2009 and for Unit-II was 21.10.2009. As per CERC regulation Useful life of Coal based generating station is taken as 25 years. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: fixed charge & variable charge.

Fixed Charges includes Return on Equity which at present is 15.50%, subject to grossing up at applicable tax rate. Incentive as per CERC regulations for the period F.Y. 2024-29 is payable, if Normal annual PLF exceeds 85%. Cost of project is recovered through depreciation which is allowed upto 90% of the admitted capital cost, the Company is also recovering through fixed charges, cost of working capital and operating and maintenance expenses, Interest on Loan and cost of fuel is primarily recovered as variable charges.

As per the tariff allowed by CERC in respect of Bhilai PP-III, the project cost is being recovered through Return on Equity and Interest on Loan. Further depreciation is allowed upto 90% of the Capital Cost. Hence the recoverable amount of Bhilai PP-III as per above tariff is greater than the carrying amount of Bhilai PP-III in the books of Accounts.

Analysis of PP-IIs (including Durgapur PP III) as CGU - As per Ind AS 116, the PP-II - (Rourkela, Bhilai, Durgapur), Rourkela PP-II Expansion, Durgapur PP III & Bhilai Floating Solar specified fixed assets as per PPA are transferred in books of SAIL and Finance Lease Recoverable (FLR) is recognized in books of NSPCL. The FLR is amortized based on the life of Power Purchase Agreement on the basis of recovery of fixed charges comprising of ROE, Incentive, Interest on Loan and Depreciation.

Thus based on above analysis of Bhilai PP-III & PP-IIs (including Durgapur PP III) as CGU and also considering external and internal indicators of impairments, there are no such indicators as per Ind AS 36 which suggests impairment of assets as on 31.03.2026. Hence the assets are carried out at their existing value.





NTPC-SAIL Power Company Limited

55. Disclosure as per Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'

Movements in provisions:

₹ in Lakhs

Particulars	Provision for tariff adjustment		Others		Total	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Carrying amount at the beginning of the year	-		2,427.66	2,964.38	2,427.66	2,964.38
Additions during the year			-	-	-	-
Amounts used during the year					-	-
Reversal / adjustments during the year	-			(536.72)	-	(536.72)
Carrying amount at the end of the year	-	-	2,427.66	2,427.66	2,427.66	2,427.66

i) Others

Other provision includes , provision for UI Charges receivable from Chattisgarh State Electricity Board , provision for Receivable arising from Sale of Energy to SAIL.

ii) Sensitivity of estimates on provisions

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 recognizing these provisions.

iii) In respect of provision for cases under litigation, outflow of economic benefits is dependent upon the final outcome of such cases.

iv) Contingent liabilities and contingent assets

Disclosure with respect to Contingent Liabilities and Contingent Assets, if any are made in Note 63.





NTPC-SAIL Power Company Limited

56. Disclosure as per Ind AS 108 on 'Operating segments'

A. General Information

The Company has two reportable segments, as described below, based on the risk and reward and regulatory authority associated with the sale of power.

The following summary describes the operations in each of the Company's reportable segments:

- i) **Generation of energy from Bhilai PP-III:** Generation and sale of energy to SAIL & State Power Utilities in respect of Bhilai PP-III power project
- ii) **Generation of energy from PP-II's (including Durgapur PP III & Bhilai Floating Solar):** Generation and sale of energy to SAIL in respect of PP-II, Rourkela PP II Expansion, Durgapur PP III & Bhilai Floating solar power project.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax.

B. Information about reportable segments and reconciliations to amounts reflected in the financial statements

₹ in Lakhs

Particulars	Generation of energy from Bhilai PP-III		Generation of energy from PP-II's (including Durgapur PP III & Bhilai floating solar)		Total	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Segment revenue						
Sale of energy/ Interest on Finance Lease Recoverable	163,368.61	160,677.75	240,286.26	246,304.82	403,654.87	406,982.58
Other income	195.72	727.57	863.78	535.94	1,059.50	1,263.51
	163,564.33	161,405.32	241,150.04	246,840.77	404,714.37	408,246.09
Unallocated corporate interest and other income					105.33	34.99
Total					404,819.70	408,281.08
Segment result	38,653.37	33,655.52	52,580.78	52,299.65	91,234.15	85,955.17
Unallocated corporate Results					(5,334.16)	(5,398.65)
Interest expenses	1,807.09	2,131.88	9,535.34	10,056.25	11,342.43	12,188.13
Unallocated corporate Interest expenses					21.04	19.92
Depreciation and amortization	7,925.44	7,658.63	454.02	348.70	8,379.46	8,007.33
Unallocated corporate Depreciation & amortization					161.30	134.93
Income Tax	-	-	-	-	17,673.36	16,333.72
Deferred Tax	-	-	-	-	(8,526.97)	4,519.73
Profit after tax	-	-	-	-	56,849.37	39,352.76

₹ in Lakhs

Particulars	Generation of energy from Bhilai PP-III		Generation of energy from PP-II's (including Durgapur PP III)		Total	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Segment assets	198,779.63	193,212.91	382,102.99	359,773.96	580,882.62	552,986.87
Unallocated corporate and other assets	-	-	-	-	12,432.50	5,550.31
Total assets	198,779.63	193,212.91	382,102.99	359,773.96	593,315.12	558,537.18
Segment liabilities	25,476.14	32,080.10	35,748.48	28,594.67	61,224.62	60,674.77
Unallocated corporate and other liabilities					186,644.81	174,277.08
Total liabilities	25,476.14	32,080.10	35,748.48	28,594.67	247,869.43	234,951.85
Non-cash expenses other than depreciation		-			-	-

Note :

The operations of the Company are mainly carried out within the country and therefore there is no reportable geographical segment

C. Information about major customers

i) Revenue from one customer i.e., from SAIL, in case of Bhilai PP-III segment, represents approximately ₹ 107526.41 lakhs during F.Y. 2025-26 (FY 2024-25: ₹ 103063.41 lakhs) which is 65.82 % (F.Y. 2024-25 : 64.14%) of revenue from Sale of Energy of the unit.

ii) Revenue in case of PP-II Units viz, Rourkela (including PP II Expansion), Durgapur (including PP III) & Bhilai (including Bhilai floating Solar) comes from Single Customer Viz, SAIL.





NTPC-SAIL Power Company Limited

57. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, 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, cash, short-term deposits & investments that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk	Exposure arising from	Measurement	Management
(a) Credit Risk	Cash and cash equivalents, trade receivables, unbilled revenues and financial assets measured at amortised cost.	Ageing analysis & Credit ratings	Diversification of bank deposits, credit limits and letters of credit
(b) Liquidity risk	Borrowings and other liabilities	Monitoring Receipt & Payment	Keeping Two Month Working Capital
(c) Market risk – interest rate risk	Non - current borrowings at variable rates	Sensitivity analysis	Different kinds of loan arrangements with varied terms (e.g. fixed rate loans, floating rate loans, rupee term loans, etc.)

Risk management framework

The Company's activities makes it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices.

In order to institutionalize the risk management in the Company, an elaborate Enterprise wide Risk Management (ERM) framework has been developed. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As a part of the implementation of ERM framework, an Enterprise Risk Management Committee (ERMC) with various Directors on NSPCL Board as its members, has been constituted with an objective to develop and monitor the Company's risk management policies and strengthen the risk management framework. Enterprise risk management committee after deliberations has identified enterprise wide risk and various action plans for short term as well as long term have been formulated to mitigate these risks.

The Committee is also responsible for reviewing and updating the risk profile, monitoring the effectiveness of the risk management framework and reviewing periodically the implementation of the risk management policy and framework. The Committee reports regularly to the Board of Directors on its activities.





NTPC-SAIL Power Company Ltd.

57 (a) Financial Risk Management

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 & unbilled revenue, loans & advances, unbilled receivable, loans, cash & cash equivalents, deposits with banks and short term investments.

Trade receivables & unbilled revenue

The Company primarily sells electricity to SAIL and to other state electrical utilities owned by State Governments. Based on the business environment in which the Company operates, management considers that trade receivables are in default (credit impaired), if the payment are more than 180 days past due.

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.

Unbilled revenue primarily relates to the Company's right to consideration for sale effected but not billed at the reporting date and have substantially the same risk characteristics as the trade receivables for the same type of contracts.

At March 31st, 2026 the Company's most significant customer i.e SAIL, accounted for ₹ 33023.34 lakhs out of the total carrying amount of trade and other receivables of ₹ 38590.64 Lakhs (March 31st, 2025 : ₹ 27460.71 lakhs out of the total carrying amount of trade and other receivables of ₹ 38207.70 Lakhs)

Loans & advances

The company has given loans & advances to employees. Loans to the employee are secured against the mortgage of the house properties and

Cash and cash equivalents

The Company held cash and cash-equivalents of ₹ 7935.89 lakhs as on 31 March 2026. (31 March 2025: ₹ 1039.06 lakhs). The cash and cash equivalents are held with high rated Banks /Institutions.

Deposits and balances with banks and short term investments, other than cash and cash equivalents

The company held deposits with banks and financial institutions & short term investments of ₹ 3.64 lakhs as on 31 March 2026 (31 March 2025: ₹ 2.58 lakhs). In order to manage the risk, company makes deposit only with highly rated banks/institutions.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ in Lakhs

Particulars	31.03.2026	31.03.2025
Financial assets for which loss allowance is measured using 12 months		
Non-current Investments	-	-
Non-current loans	2,801.27	2,438.41
Other non-current financial assets	308,966.71	304,349.21
Cash and cash equivalents	7,935.89	1,039.06
Short term investments	-	-
Deposits with banks and financial institutions	3.64	2.58
Current loans	1,123.54	895.99
Other current financial assets*	13,380.17	13,068.41
Total	334,211.22	321,793.66

* Excluding contract assets





NTPC-SAIL Power Company Ltd.

₹ in Lakhs

Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)	31.03.2026	31.03.2025
Trade receivables including unbilled revenue	38,590.64	38,207.70
Contract assets	-	-
Total	38,590.64	38,207.70

(ii) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The company has customers (Central and State government utilities) with strong capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as per note no 14 (c)

(iv) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year is as follows:

₹ in Lakhs

	Investments	Trade receivables	Loans	Advances	Claims recoverable	Total
Balance as at 1 April 2025	-	-	-	-	-	-
Impairment (Gain)/loss recognised	-	-	-	-	-	-
Amounts written back/written off	-	-	-	-	-	-
Balance as at 31 March, 2026	-	-	-	-	-	-

Based on historic default rates, the Company believes that, apart from the above, no impairment allowance is necessary in respect of any other financial assets .





NTPC-SAIL Power Company Limited

57 (b) Financial Risk Management

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 by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. 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 month including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As part of the CERC regulations & PPA with SAIL, tariff inter alia includes recovery of capital cost. The tariff regulations also provide for recovery of fuel cost, operations and maintenance expenses and interest on normative working capital requirements. Since billing to the customers are generally on a monthly basis, the Company maintains sufficient liquidity to service financial obligations and to meet its operational requirements.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	₹ in Lakhs	
	31.03.2026	31.03.2025
Fixed-rate borrowings		
Term loans	-	-
Cash Credit Facility	-	-
Floating-rate borrowings		
Term loans	49,219.00	43,557.18
Cash Credit Facility	71,500.00	62,500.00
Total	120,719.00	106,057.18

(ii) Maturities of financial liabilities

The following are the contractual maturities of derivative and non-derivative financial liabilities, based on contractual cash flows:

31 March 2026		₹ in Lakhs					
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		
Non-derivative financial liabilities							
Term loans from banks/ Bonds	5,447.27	16,342.65	14,871.14	21,428.84	25,248.40		83,338.30
Term loans from others	-	-	-	-	-		-
Finance lease obligations	22.23	66.67	97.14	348.93	1,268.73		1,803.70
Unsecured loans from banks and financial institutions	1,517.00	5,376.41	9,369.64	14,445.69	32,190.55		62,899.29
Working capital loan	40,000.00						40,000.00
Trade and other payables	41,479.57	2,699.31	620.70	4,499.04	12,080.72		61,379.35
Total	88,466.07	24,485.04	24,958.62	40,722.50	70,788.40		249,420.63

31 March 2025		₹ in Lakhs					
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		
Non-derivative financial liabilities							
Term loans from banks/ Bonds	5,482.73	17,004.21	23,044.66	51,240.99	25,028.47		121,801.06
Term loans from others	-	-	-	-	-		-
Finance lease obligations	8,031.94	24,456.27	34,666.50	121,323.93	15,010,186.65		15,198,665.29
Unsecured loans from banks and financial institutions	770.00	2,310.00	3,080.00	5,385.02	-		11,545.02
Working capital loan	39,000.00						39,000.00
Trade and other payables	39,471.75	3,109.98	1,348.18	3,968.82	11,978.59		59,877.33
Total	92,756.43	46,880.46	62,139.34	181,918.76	15,047,193.71		15,430,888.70





NTPC-SAIL Power Company Limited

57 (c). Financial Risk Management

Interest rate risk

The Company is exposed to interest rate risk arising mainly from non-current borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash outflows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by entering into different kinds of loan arrangements with varied terms (e.g. fixed rate loans, floating rate loans, etc.)

At the reporting date the interest rate profile of the Company's interest-bearing Borrowings is as follows:

Particulars	₹ in Lakhs	
	31.03.2026	31.03.2025
Fixed Rate Borrowings		
Fixed Rate Rupee term loans	-	-
Total	-	-
Variable-rate Borrowings		
Rupee term loans	146,246.74	1,33,362.84
Total	146,246.74	1,33,362.84

i) 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.

ii) Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points (BP) 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, remain constant. The analysis is performed on the same basis for the previous year.

	₹ in Lakhs	
	Profit or loss	
	100 bp increase	100 bp decrease
31 March 2026		
Rupee term loans	(1,862.47)	1,862.47
Total	(1,862.47)	1,862.47
31 March 2025		
Rupee term loans	(1,723.63)	1,723.63
Total	(1,723.63)	1,723.63

Of the above mentioned increase in the interest expense, an amount of ₹ 1418.32 Lakhs (31 March 2025: ₹ 1364.84 Lakhs) is expected to be capitalised and recovered from beneficiaries through tariff.



58. Fair Value Measurements
(a) Financial instruments by category

₹ in Lakhs

Particulars	31.03.2026			31.03.2025		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Trade Receivables	-	-	38,590.64	-	-	38,207.70
Loans	-	-	3,924.82	-	-	3,334.40
Cash and cash equivalents	-	-	7,935.89	-	-	1,039.06
Other bank balances	-	-	3.64	-	-	2.57
Finance lease receivables	-	-	322,296.17	-	-	316,682.08
Other financial assets	-	-	50.71	-	-	735.55
Total	-	-	372,801.87	-	-	360,001.36
Financial liabilities						
Borrowings	-	-	186,237.59	-	-	172,346.07
Trade payables	-	-	20,218.16	-	-	25,124.02
Payable for capital expenditure	-	-	21,973.57	-	-	23,291.25
Other financial liabilities	-	-	8,606.32	-	-	7,553.75
Leases	-	-	1,803.69	-	-	1,885.04
Total	-	-	238,839.33	-	-	230,200.13

(b) Fair value 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 Ind AS. An explanation of each level follows underneath the table.

₹ in Lakhs

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March 2026	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans *	-	3,777.15	-	3,777.15
Claims recoverable	-	-	-	-
Finance lease receivables	-	-	322,296.17	322,296.17
Total	-	3,777.15	322,296.17	326,073.32
Financial liabilities:				
Borrowings	-	-	186,237.59	186,237.59
Trade payables and other financial liabilities	-	205.24	28,579.53	28,784.77
Payable for capital expenditure	-	0.19	21,973.36	21,973.55
Leases	-	-	1,803.69	1,803.69
Total	-	205.43	238,594.17	238,799.60

* Book Value of Loan is ₹ 3440.04 Lakhs

₹ in Lakhs

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March 2025	Level 1	Level 2	Level 3	Total
Financial assets:				
Loans*	-	3,197.07	-	3,197.07
Claims recoverable	-	-	-	-
Finance lease receivables	-	-	316,682.08	316,682.08
Total	-	3,197.07	316,682.08	319,879.15
Financial liabilities:				
Borrowings	-	-	172,346.07	172,346.07
Trade payables and other financial liabilities	-	753.71	31,826.77	32,580.48
Payable for capital expenditure	-	3,353.09	19,373.51	22,726.60
Leases	-	-	1,885.04	1,885.04
Total	-	4,106.80	225,431.39	229,538.19

* Book Value of Loan is ₹ 2833.55 Lakhs





NTPC-SAIL Power Company Limited

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.

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 observable current market transactions and dealer quotes of similar instruments.

Valuation technique used to determine fair value

- Fair value of finance lease receivables is determined by periodically evaluating credit worthiness of customer and providing allowance for estimated losses based on this evaluation.

- Fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(c) Fair value of financial assets and liabilities measured at amortised cost

₹ in Lakhs

Particulars	31.03.2026		31.03.2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	3,440.04	3,777.15	2,833.55	3,197.07
Claims recoverable	-	-	-	-
Finance lease receivables	322,296.17	322,296.17	316,682.08	316,682.08
Total	325,736.21	326,073.32	319,515.63	319,879.15
Financial liabilities				
Borrowings	186,237.59	186,237.59	172,346.07	172,346.07
Trade payables and other financial liabilities	28,824.48	28,784.77	32,677.77	32,580.48
Payable for capital expenditure	21,973.57	21,973.55	23,291.25	22,726.60
Leases	1,803.69	1,803.69	1,885.04	1,885.04
Total	238,839.33	238,799.60	230,200.13	229,538.19

i) The carrying amounts of current trade receivables, current trade payables, payable for capital expenditure and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

ii) The carrying values for finance lease receivables approximates the fair value as these are periodically evaluated based on credit worthiness of customer and allowance for estimated losses is recorded based on this evaluation. Also, carrying amount of claims recoverable approximates its fair value as these are recoverable immediately.

iii) The fair values for employee loans were calculated based on cash flows discounted using weighted average of borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

iv) The fair values of borrowings, non-current trade payables and capital creditors are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.





NTPC-SAIL Power Company Limited

59. Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic markets so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as returns from operating activities divided by total shareholder's equity. The Board of Directors also monitors the level of dividends to equity shareholders.

Under the terms of major borrowing facilities, the Company is required to comply with the following financial covenants:

- Total liability to networth ranges not to exceed 3:1.
- Ratio of EBITDA to interest expense shall not at any time be less than 1.75 : 1.
- Debt service coverage ratio not less than 1.10:1
- FACR will remain 1x

There have been no breaches in the financial covenants of any interest bearing borrowings.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of non -current borrowings (including current maturities and interest accrued there on) and current borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ in Lakhs		
Particulars	31.03.2026	31.03.2025
Borrowings (including interest accrued)	186,683.37	172,741.21
Less : Cash and cash equivalent	7,935.89	1,039.06
Net debt	178,747.48	171,702.15
Total equity	345,445.70	323,585.33
Gearing ratio	51.74%	53.06%





NTPC- SAIL Power Company Limited

60. Disclosures as per Ind AS 115 on Revenue from Contracts with Customers

Disclosure in annual financial statements for the year ending 31 March 2026:

Revenue

I. Nature of goods and services

The revenue of the Company comprises of income from energy sales:

Revenue from sale of energy

The revenue of the Company comes from energy sales. The Company sells electricity to SAIL, DNHDDPDCL and CSEB. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries.

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for energy sales:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Energy	The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company's performance as it performs. The tariff for computing revenue from energy sales is determined in terms of CERC Regulations as notified from time to time/ PPA with SAIL. The amount of revenue recognised for energy sales for Bhilai PP-III unit, is adjusted for expected rebates for early payments and/or late payment surcharges, which are estimated based on the historical data available with the Company. The amounts are billed on a monthly basis and are payable within contractually agreed period. The Company does not adjust the same for the effects of a significant financing component as it expects, at contract inception, that the period between when the Company sells energy to a customer and when the customer pays for the energy purchased will be one year or less.

II. Disaggregation of revenue

In the following table, revenue is disaggregated by primary operating market and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments:

Particulars	Generation of energy		Others		Total	
	For the year ended		For the year ended		For the year ended	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Based on Nature and Economic Factors						
Bhilai PP-III	163,368.61	160,677.75	-	-	163,368.61	160,677.75
PP-IIs (including Durgapur PP III & Bhilai Floating Solar)	240,286.26	246,304.82	-	-	240,286.26	246,304.82
	403,654.87	406,982.58	-	-	403,654.87	406,982.58
Timing of revenue recognition						
Products and services transferred over time	403,654.87	406,982.58	-	-	403,654.87	406,982.58
Products and services transferred at a point in time	-	-	-	-	-	-
	403,654.87	406,982.58	-	-	403,654.87	406,982.58

III. Reconciliation of revenue recognised with contract price:

Particulars	₹ in Lakhs	
	As at 31 March 2026	As at 31 March 2025
Contract Price		
Adjustments for:	403,304.30	408,200.83
Rebates	1,649.43	1,218.27
Revenue recognised	403,654.87	406,982.58

IV. Contract balances

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are transferred to trade receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. The contract liabilities primarily relate to the advance consideration received from the customers which are referred as 'advances from customers/payable to beneficiaries'. The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Particulars	₹ in Lakhs	
	As at 31 March 2026	As at 31 March 2025
Trade receivables including unbilled revenue		
Contract assets	38,590.64	38,207.70
Contract liabilities	-	-
- Payable to customers	-	-
- Advances from customers and others	-	-
	8535.47	2,873.94

The amount of revenue recognised in 2025-26 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to orders issued by CERC/Appellate tribunal, income tax refundable to beneficiaries and deferred tax materialised recoverable from beneficiaries, is Nil (31 March 2025: NIL).

V. Transaction price allocated to the remaining performance obligations

Performance obligations related to sale of energy:

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 Bhilai PP-III and in case of PP-IIs (including Durgapur PP III & Bhilai Floating Solar), it is accounted based on PPA with SAIL. 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 recognized 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 has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such capitalised costs.





NTPC-SAIL POWER COMPANY LTD.

61 Disclosure as per Ind AS 116 "Leases"

i. Leases as lessee

a) The Company's leasing arrangements in respect of Land at Rourkela, Durgapur & Bhilai Plants with SAIL with lease period of 30 to 33 Years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. These leases are capitalised at the present value of total minimum lease payments to be paid over lease term or further renewal period, if fair value is more than cost already capitalized. Future lease rentals are recognised as "Finance lease obligation" at their present values. On transition to Ind AS 116, the average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 is 7.90 %. The leasehold land is amortised considering the significant accounting policies of the Company.

b) Set out below are the carrying amounts of right-of-use assets and the movements during the period:

	₹ in Lakhs	
	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening Balance	3,623.74	3,924.66
- Additions	-	-
- Depreciation Expenses	300.91	300.92
Closing Balance	3,322.83	3,623.74

c) Set out below are the carrying amounts of lease liabilities and the movements during the period:

	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening Balance	1,885.04	1,959.49
- Additions in lease liabilities	-	-
- Interest cost during the year	171.62	178.52
- Payment of lease liabilities	252.95	252.97
Closing Balance	1,803.70	1,885.04
Current	240.19	81.35
Non Current	1,563.51	1,803.68

d) Maturity Analysis of the lease liabilities:

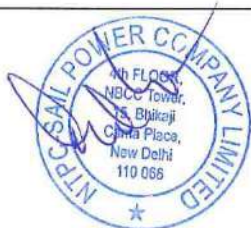
Contractual undiscounted cash flows	As at 31 March 2026	As at 31 March 2025
3 months or less	22.23	20.33
3-12 Months	66.67	61.03
1-2 Years	97.14	88.90
2-5 Years	348.93	319.30
More than 5 Years	1,268.73	1,395.50
Lease liabilities included in the statement of financial position as at 31st March	1,803.70	1,885.04

e) The following are the amounts recognised in profit or loss:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation expense for right-of-use assets	300.91	300.92
Interest expense on lease liabilities	171.62	178.52
Expense relating to short-term leases	-	-
Total Amount recognised in profit & Loss	472.53	479.43

f) The following are the amounts recognised in cash flow statement:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Cash Outflow from leases	252.95	252.95





NTPC-SAIL POWER COMPANY LTD.

g) The Company's other leasing arrangements are in respect of operating leases of premises, for residential use of employees, for a period of one to two years. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Note 42 - Employee benefits expense includes ₹ 7.55 lakhs (31 March 2025: ₹ 13.58 lakhs) towards lease payments (net of recoveries) in respect of premises for residential use of employees.

'Right-of-use assets' in respect of Bhilai PP-III, Rourkela & Durgapur Projects have been shown under Lease Hold Land in Note 2 : Property Plant and Equipment. Similarly Non Current portion of Lease hold liability has been shown in Note No.24. Non-current liabilities - Lease liabilities and Current portion of Lease hold liability has been shown in Note No.31. Current liabilities - Lease liabilities.

h) The Asset Retirement Obligation for Bhilai PP-III is not accounted because of Low Value of Underlying Assets.

ii. Leases as lessor - Finance lease

The Company has classified the arrangement with its customer for PP II - (Rourkela, Durgapur, Bhilai) Rourkela PP II expansion, Durgapur PP III & Bhilai Floating solar, Power Project in the nature of lease, based on the principles enunciated in Para B9-B31 of Ind AS 116, 'Leases' and accounted for as finance lease in accordance with those principles.

Major Terms of PPAs are as below:

Tenure of PPA - The Validity of PPA in case of PP II (Bhilai, Durgapur, Rourkela) plants as on 31st March 2026 is upto December 2037. In case of Rourkela PP II Expansion, Durgapur PP III & Bhilai Floating Solar the validity of PPA is upto May 2041, December 2041 & January 2051 respectively.

Renewal Clause of PPA - The PPA will be renewed or replaced by another Agreement on such terms and conditions and for such further period as the parties may mutually agree.

	31.03.2026		31.03.2025	
	MLPs	Present value of MLP	MLPs	Present value of MLP
Less than one year	58,701.00	45,684.00	57,985.00	45,638.00
Between one and five years	219,474.00	161,680.60	217,907.00	164,179.00
More than five years	447,655.00	202,838.60	478,622.00	228,016.00
Total minimum lease payments	725,830.00	410,203.20	754,514.00	437,833.00
Less amounts representing finance income	322,229.80		316,681.00	
Present value of minimum lease payments	403,600.20		437,833.00	





NTPC-SAIL POWER COMPANY LTD.

62. Contingent liabilities and commitments (to the extent not provided for)

1. Contingent liabilities

a. Claims against the company not acknowledged as debts

Capital works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the Company for ₹ 1800.58 lakhs as on 31 March 2026 (31 March 2025: ₹ 2807.93 lakhs) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts. The Company is pursuing various options under the dispute resolution mechanism available in the contracts for settlement of these claims. It is not practicable to make a realistic estimate of the outflow of resources if any, for settlement of such claims pending resolution.

The Company estimate possible reimbursement of ₹ 1800.58 lakhs as on 31 March 2026 (31 March 2025: ₹ 2807.93 lakhs).

b. Disputed tax matters

Disputed Income tax/Service Tax/GST and other tax matters pending before various Appellate Authorities amount to ₹ 13733.25 Lakhs as on 31 March 2026 (31 March 2025: ₹ 13,414.14 lakhs). Many of these matters were disposed off in favour of the Company but are disputed before higher authorities by the concerned departments.

In respect of disputed cases, the Company estimate possible reimbursement of ₹ 2218.93 lakhs as on 31 March 2026 (31 March 2025: ₹ 2406.71 lakhs).

c. Disputed Liability for Grade Slippage with SECL

Company has provided for disputed liability for Grade Slippage with SECL for ₹ 5817.17 Lakhs (31 March 2025: ₹ 5817.17 Lakhs) and also provided for disputed liability for Grade Upgradation with SECL for ₹ 545 Lakhs (31 March 2025: ₹ 545 Lakhs)

In respect of disputed cases, the Company estimate possible reimbursement of ₹ 6362.17 lakhs as on 31 March 2026 , in line with Regulation 16 of CERC Tariff Regulation 2019, the full amount will be billed to the beneficiaries by way of Energy Charge Rate(31 March 2025: ₹ 6362.17 lakhs).

d. Others

Other contingent liabilities amount to ₹ 430.52 lakhs as on 31 March 2026 (31 March 2025: ₹ 499.50 lakhs).

The Company estimate possible reimbursement of ₹ 61.99 lakhs as on 31 March 2026 (31 March 2025: ₹ 151.81 lakhs).

2. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31 March 2026 is ₹ 32368.38 lakhs (31 March 2025: ₹ 35237.17 lakhs).





NTPC-SAIL POWER COMPANY LTD.

63. Additional Regulatory information

- i) The company does not hold any Investment Property in its books of accounts, so fair valuation of investment property is not applicable.
- ii) During the year the company has not revalued any of its Property, plant and equipment.
- iii) During the year, the company has not revalued any of its Intangible assets.

The company has not granted any loans or advances to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.

- v) a) : Capital Work in Progress (CWIP) - Ageing Schedule as at 31 March 2026

(a) Ageing Schedule of Capital-work-in progress :

Capital Work in Progress (CWIP) - Ageing Schedule as at 31st March 2026					
CWIP	Amount in CWIP for a period of				₹ in Lakhs
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	Total
Project in Progress	5,580.43	662.02	51.35	47,034.46	53,328.26
Project temporarily suspended					

Capital Work in Progress (CWIP) - Ageing Schedule as at 31st March 2025					
CWIP	Amount in CWIP for a period of				₹ in Lakhs
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	Total
Project in Progress	5,491.89	540.06	652.40	42,084.99	48,769.34
Project temporarily suspended					

(b) Capital-work-in progress (CWIP) - Completion schedule for packages overdue or cost overruns as compared to its original plan as on 31st March 2026:

Particulars	To be completed in				₹ in Lakhs
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	Total
BHEL EPC Rourkela PP-II Expansion	5.00	-	-	-	5.00
DEVELOPMENT OF 200 KW ROOFTOP SOLAR PROJECT	44.50	-	-	-	44.50
FGD - Bhilai	45,136.89	-	-	-	45,136.89
Construction stores (net of Provisions)	389.72	-	-	-	389.72
Durgapur PP-III project	1,478.50	985.67	-	-	2,464.17
Supplies to be installed	34.54	-	-	-	34.54
Others	55.14	-	-	-	55.14





NTPC-SAIL POWER COMPANY LTD.

(b) Capital-work-in progress (CWIP) - Completion schedule for packages overdue or cost overruns as compared to its original plan as on 31st March 2025:

Particulars	To be completed in				₹ in Lakhs
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	Total
Ash Slurry Disposal Sys					-
LIGHTING ARRESTERS FOR SWITCHYARD					-
PROCUREMENT OF NETWORK SWITCHES, FIBER, CABLES					-
BHEL EPC Rourkela PP-II Expansion					-
CONSULTANCY OF FGD (PRE & POST AWARD)	31.56				31.56
COMBUSTION MODIFICATION PACKAGE					-
RAPH Durgapur PP-II					-
FGD - Durgapur				31.57	31.57
FGD - Bhilai	39,545.27				39,545.27
CCTV SYSTEM	129.80				129.80
Construction stores (net of Provisions)	23.14				23.14
Durgapur Expansion	2,647.26				2,647.26
Others	12.26				12.26
Project suspended					-

vi) a) Intangible asset under development

Ageing Schedule as at 31st March 2026					₹ in Lakhs
Intangible asset under development	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Project in Progress	NIL				
Project temporarily suspended					
Ageing Schedule as at 31st March 2025					
Intangible asset under development	Amount in CWIP for a period of				Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Project in Progress	NIL				
Project temporarily suspended					
(b) Intangible assets under development - Completion schedule for projects overdue or cost overruns as compared to its original plan as on 31 March 2026: Nil (31 March 2025 : Nil)					

vii) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988.

viii) The quarterly returns / statement of current assets filed by the company with banks / financial institutions are in agreement with the books of accounts.

ix) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.





NTPC-SAIL POWER COMPANY LTD.

x) Disclosure of Ratios

Sr. no.	Particulars	Numerator	Denominator	FY 2025-26	FY 2024-25	% Variance	Reason for Variance more than 25%
1	Current Ratio	Current Assets	Current liabilities	0.89	0.74	20.27	
2	Debt-Equity Ratio	Total Debt	Shareholder's equity (Total Equity)	0.54	0.53	1.89	
3	Debt Service Coverage Ratio	Net profit after taxes + Depreciation & amortisation + Interest + exceptional items	Interest & lease payments and Principal Repayment of non current borrowings	1.05	1.7	-38.24	Principal repayments have increased
4	Return on Equity Ratio	Profit for the year	Average Shareholder's Equity	16.99	12.30	38.13	Increase in PAT by 44.46%. Due to DTL has been reduced on account of change of tax rate w.e.f. 01.04.2026.
5	Inventory turnover ratio	Revenue from operations	Average Inventory	13.4	14.07	-4.76	
6	Trade Receivables turnover ratio	Revenue from operations	Average Trade Receivables	10.51	11.63	-9.63	
7	Trade payables turnover ratio	Total purchases (Fuel cost + Other expenses + Closing inventory - opening inventory)	Closing Trade Payables	10.17	7.21	41.05	Due to decrease in trade payable
8	Net capital turnover ratio	Revenue from operations	Working Capital + current maturities of non-current borrowings	29.64	-55.91	153.01	Due to increase in net current assets
9	Net profit ratio	Profit for the period	Revenue from operations	14.08	9.67	45.60	Increase in PAT by 44.46%. Due to DTL has been reduced on account of change of tax rate w.e.f. 01.04.2026.
10	Return on Capital employed	Earning before interest and taxes	Capital Employed*	14.55	14.60	-0.34	

*Capital employed = Net worth + Total debt + Deferred tax liabilities

**Return on Investment is not applicable since there are no investment as an investor

- The Company has not advanced or loaned or invested any fund to any entity (Intermediaries) with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party with the understanding that the Company shall whether, directly or indirectly lend or invest in other entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- xii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- xiii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.





NTPC-SAIL POWER COMPANY LTD.

64. Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI the Company is required to spend, in every financial year, at least two percent 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:

Particulars	₹ in Lakhs	
	31.03.2026	31.03.2025
A. Amount required to be spent during the year as per Companies Act, 2013		
(i) Gross amount (2% of average net profit as per Section 135 of Companies Act 2013)		
(ii) Set off available from previous year	1,127.02	973.01
(iii) Shortfall amount of previous year	6.51	3.72
(iv) Total CSR obligation for the year [(i)+(iii)-(ii)]	1,120.51	969.29
B. Amount approved by the Board to be spent during the year	1,120.51	969.29
C. Amount spent during the year		
a) Construction/acquisition of any asset	-	-
b) On purposes other than (a) above	1,134.45	975.80
Total	1,134.45	975.80
D. Setoff available for succeeding years	13.94	6.51
E. Amount unspent during the year		

Note: The set off available in the succeeding years is recognised as an asset to adjust such excess against future obligations

b) Details of related party in relation to CSR expenditure

Particulars	31.03.2026	31.03.2025
	-	-

c) Details of CSR amount spent during the year 2025-26 is as under:

Nature of the activities	₹ in Lakhs	
	Amount	
Eradicating Hunger and Poverty, Health Care and Sanitation	418.22	
Education and Skill Development	331.91	
Empowerment of Women and other Economically Backward Sections	50.85	
Environmental Sustainability	177.25	
Art & Culture	9.1	
Rural Development	136.02	
Sports	11.1	
Total	1,134.45	





NTPC-SAIL Power Company Limited

- 65 Previous years figures have been re-grouped/rearranged wherever considered necessary.
- 66 Amount in the financial statements are presented in ₹ Lakhs (upto two decimals) except for earning per share and as other-wise stated.
- 67 Expenditure on account of the shared facilities, services and consumption of stores/ spares/ consumables etc. with respect to taken over plants of SAIL (CPP-II), Rourkela PP II Expansion & Durgapur PP III have been booked as per the advice of SAIL, in accordance with Shared Services and Support Agreement entered into by the Company with SAIL.
- 68 During the year 2025-26, 24.60 Lakhs Tons of Ash has been generated (During the year 2024-25, 23.91 Lakhs Tons) and 27.11 Lakhs Tons (Previous year 30.99 Lakhs Tons) ash has been utilized for various productive purposes which is 110.20 % (Previous year 129.61%) of the total ash generated.
- 69 (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 energy sales, the Company raise monthly Invoice on the beneficiaries with details of balance outstanding which can be said to be automatically confirmed on receipt of subsequent payment from such beneficiaries. In addition, reconciliation with beneficiaries and other customers is generally done on periodic basis. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion (Of balances as on 31st Dec.2025) as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.
- (b). In the opinion of the management, the value of assets, other than property, plant and equipment, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- 70 The allocation of Corporate Office expenditure that is common and not directly identifiable to Durgapur CPP-II, Rourkela CPP-II, Bhilai CPP-II, Rourkela PP II Expansion, Durgapur PP-III and Bhilai PP-III has been revised in the proportion of 15.82:15.82:15.82:15.82:5.07:31.65 in the respective units. However, expenditure directly identifiable to a particular unit is allocated directly and charged to profit and loss statement.
- 71 During the year, NSPCL received part of its coal requirement from SECL through the existing Coal Supply Agreement (CSA), SCCL through MOU route, from MCL under FSA And from OCPL under MOU. During the current financial year company's Rourkela Power plant, has received part of its coal requirement directly through its FSA with MCL Sambalpur and its MOU with OCPL, while part supplies were made free of cost by SAIL RSP. The Accounting of Total Supplies, i.e., ₹8074.64 Lakhs (Previous Year ₹ 8639.15 Lakhs), received from MCL Sambalpur, ₹ 38800.82 Lakhs (Previous year: ₹ 7148.53 Lakhs) received, from SAIL RSP and received from M/s OCPL, Bhubaneswar ₹ 6245.19 Lakhs have been made at landed cost to Rourkela
- 72 Under Ministry of Power(MOP) Initiative for Enhance Energy Efficiency (Perform Achieve & Trade) Nil Energy Saving Certificates (EScerts) have been approved by MOP for NSPCL Bhilai PP-III Power Plant. As on 31.03.2026, balance 18212 Certificates (31.03.2025 : 18212 Certificates) are left is being treated as a part of Inventory, valued at lower of Cost or Net Realisable Value. Since their cost is immaterial they are presently carried at NIL amount in Inventory.
- 73 The company has used an accounting software for maintaining books of accounts which has a feature of recording audit trail and the same has operated throughout the year for all relevant transactions recorded in the software.


(Shagu Bajpai)
Company Secretary


(Kamalakanta Nayak)
Chief Finance Officer


(Diwakar Kaushik)
Chief Executive Officer


(Dr.M.B. Balakrishnan)
Director


(Anil Kumar Jais)
Chairman

As per our report of even date
For M.K. Aggarwal & Co.
Chartered Accountants
FRN No.01411N
ATUL
AGGARWAL
(Atul Aggarwal)
Partner
Membership No.099374

Place : New Delhi
Date : 29.04.2026

