

INDEPENDENT AUDITORS' REPORT

The Members of KSK Mahanadi Power Company Limited Report on the audit of Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **KSK Mahanadi Power Company Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including other Comprehensive income), the statement of Cash Flows and the Statement of Changes in Equity for the period then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Ind 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 March 31, 2025, the Loss and 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 SAs 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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, 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 audit opinion on the financial statements.

Emphasis of Matter:

We draw attention to the following:

1. Note no 31 relating to "Corporate Insolvency Resolution Process, NCLT order and its implementation".
2. Note no 16 relating to "Renewal of Lease Deeds between the KMPCL and CSIDCL"
3. Note on 5 relating to "Impairment of Assets and CWIP"
4. Note on 30 relating to "Restatement of accounts in accordance with Ind AS 8"

Our opinion is not modified on account of the above.

Information other than Ind AS Financial Statements and Auditor's Report Thereon

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, but does not include, Ind AS Financials Statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the companies (Indian Accounting Standards) Rules, 2015, as amended.

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 Ind AS financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Ind AS Financial Statements:

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

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

- i. Identify and assess the risks of material misstatement of the Ind AS 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.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 Ind AS 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.
- v. Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the said financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 results of our audit work; and
- ii. to evaluate the effect of any identified misstatement in the Ind AS 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 sub-section (11) of section 143 of the Act, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - i. 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;
 - ii. 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 except for matters stated in paragraph 2(ix)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - iii. The Balance Sheet, Statement of Profit and Loss including other Comprehensive income, the statement of Cash Flow and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - iv. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards referred to in section 133 of Companies Act 2013, read with relevant Rules issued there under.
 - v. On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Sec. 164(2) of the Companies Act, 2013.
 - vi. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(ii) above on the reporting under section 143(3)(b) of the Act and paragraph 2(ix)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - vii. 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 B**';

- viii. The Company has not paid any remuneration to its directors and thus, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2025;
- ix. 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, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements – Refer to Note 32 to the Ind AS Financial Statements.
 - b) The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer to Note 17 to the Ind AS Financial Statements.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d)
 - i) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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;
 - ii) The management has represented to us, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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
 - iii) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
 - e) The company has not declared or paid any dividend during the year.

- f) During the year, the company has migrated its accounting software from FAS to SAP with effect from March 6, 2025.

Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 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 except that the audit trail was not enabled at the database level to log any direct data changes.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, in respect of accounting software for which the audit trail feature was operating and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For M.V. Vijaya Kumar & Co.,
Chartered Accountants
FRN: 007890S

S Sourabh Srivatsav
Partner
ICAI MRN: 251569
UDIN: 25251569BMMBVT6354

Place: Hyderabad
Date: May 9, 2025

Annexure - A to Auditors' Report

Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" in our report of even date:

- i. In respect of the Company's Property, Plant and Equipment:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of Intangible assets.
 - (b) The Property Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property Plant and Equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, we report that, 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) are held in the name of the Company.
 - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
 - (e) According to the information and explanations given to us, there are no proceedings which have been initiated or are pending against the Company for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- ii.
 - (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
 - (b) The company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from State Bank of India on the basis of security of current assets (first charge) and Fixed Assets (second charge). The statements filed with such banks, are in agreement with the audited books of accounts.
- iii. The Company has not made any investments in, provided any guarantee or security, and 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, and hence reporting under clause (iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently the directives issued by Reserve Bank of India; the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under are not applicable.

- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the Information and explanations given to us and on the basis of examination of books of accounts
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Custom duty, cess, Goods and Services Tax and other material statutory dues during the year with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Customs duty, Service Tax, cess, Goods & Services Tax and other material statutory dues were in arrears as at March 31, 2025 for a period of more than six months from the date they became payable except the following:

Name of Statute	Nature of Dues	Amount (Rs.in crores)	Period to which amount related	Due Date	Date of Subsequent Payment
Office of Chief Electrical Inspector/ Chhattisgarh State	Electricity duty on auxiliary Consumption.	411.90	Oct 2019 to March 2024	Oct 2019 to March 2024	-

- (c) According to the information and explanations given to us, there are no dues of duty of Customs, Goods & Services Tax and Income Taxes which have not been deposited with the appropriate authorities on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- 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 borrowings to financial institutions, banks and government.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the term loans availed during the year were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, an associate or a joint venture.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, an associate and joint ventures.
- x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise monies 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.
- (b) During the year, the Company has allotted 50,000 equity shares on Private Placement and 17,567 equity shares on conversion of debt into equity pursuant to the NCLT order. With respect to the above allotment,
- the Company has complied with the provisions of the Section 62 and 42 of the Companies Act 2013 and
 - the funds raised have been used for the purposes for which the funds were raised.
- xi. (a) During the year, the company has reported fraud amounting to Rs. 0.46 crores on account of digital fraud by third party.
- (b) We have not submitted any report under subsection (12) of section 143 of the Companies Act, 2013 in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this audit report as the filing is not applicable.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year, accordingly, provisions of clause 3(xi)(c) of the order are not applicable
- xii. The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- xiii. In our opinion, the Company has complied with provisions of sections 177 and 188 of Companies Act, 2013 in respect of transactions with the related parties and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports issued to the Company during the year and covering the period up to March 2025.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash 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. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) of the order is not applicable.
- xvii. Based on our examination of the books and records of the Company, the Company has incurred cash losses amounting to Rs.5,742.25 crores in the financial year and Rs.5,377.09 crores in the immediately preceding financial year as per Restated Financial Statements.
- xviii. There is a deemed resignation of the statutory auditors during the year pursuant to the Resolution plan approved by the NCLT vide IA(IBC) (Plan)/02/2025 in CP(IBC) No. 492/7/HDB/2019 dated 13.02.2025. We were informed that there were no issues, objections or concerns by the outgoing auditors.

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. According to the information and explanations given to us and based on our examination of the records, Section 135(5) of the Companies Act, 2013 is not applicable to the Company and hence reporting under Clause 3(xx) is not applicable.

For M.V. Vijaya Kumar & Co.,
Chartered Accountants
FRN: 007890S

S Sourabh Srivatsav
Partner
ICAI MRN: 251569
UDIN: 25251569BMMBVT6354

Place: Hyderabad
Date: May 9, 2025

Annexure - B to the Auditors' Report

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 **KSK Mahanadi Power Company Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the Ind AS 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 with reference to these Ind AS Financial Statements 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 over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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 March 31, 2025, 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.V. Vijaya Kumar & Co.,

Chartered Accountants

FRN: 007890S

S Sourabh Srivatsav

Partner

ICAI MRN: 251569

UDIN: 25251569BMMBVT6354

Place: Hyderabad

Date: May 9, 2025

KSK MAHANADI POWER COMPANY LIMITED
(CIN : U40300TG2009PLC064062)
BALANCE SHEET AS AT 31ST MARCH, 2025

(₹ in crore)

Particulars	Note	As at	As at	As at
		31st March, 2025	31st March, 2024 (Restated)	1st April, 2023 (Restated)
I ASSETS				
(1) Non-current assets:				
(a) Property, plant and equipment	5A	9,738.40	10,847.91	11,485.05
(b) Capital work in progress	5B	3,562.11	4,545.67	4,554.08
(c) Other intangible assets	6	-	-	-
(d) Financial assets				
(i) Investments	7	-	-	-
(ii) Other financial assets	8	193.57	184.77	188.36
(e) Income tax assets (net)		128.36	80.23	37.22
(f) Other non-current assets	9	0.89	47.58	47.41
		13,623.33	15,706.16	16,312.12
(2) Current assets:				
(a) Inventories	10	283.29	234.80	219.08
(b) Financial assets				
(i) Trade receivables	11	127.37	3,938.25	4,674.43
(ii) Unbilled revenue		589.68	-	-
(iii) Cash and cash equivalents	12	93.87	2,901.43	1,723.55
(iv) Bank balances other than (iii) above	13	7.70	5,340.90	2,561.24
(v) Other financial assets	8	13.83	779.71	591.70
(c) Other current assets	9	717.23	770.50	824.23
		1,832.97	13,965.59	10,594.23
TOTAL ASSETS		15,456.30	29,671.75	26,906.35
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	14A	0.07	3,609.50	3,609.50
(b) Other equity	14B	(2,403.48)	(33,979.12)	(27,693.22)
		(2,403.41)	(30,369.62)	(24,083.72)
Liabilities				
(1) Non-current liabilities:				
(a) Financial liabilities				
(i) Borrowings	15	14,999.25	-	-
(ii) Lease liabilities	16	28.31	27.35	27.37
(b) Deferred tax liabilities (Net)		224.89	262.66	-
(c) Provisions	17	12.96	16.85	12.41
		15,265.41	306.86	39.78
(2) Current liabilities:				
(a) Financial liabilities				
(i) Borrowings	15	822.42	20,620.39	20,609.20
(ii) Lease liabilities	16	29.08	63.79	54.56
(ii) Trade payables	18			
Total outstanding dues of micro enterprises and small enterprises; and		2.26	9.55	31.88
Total outstanding dues of creditors other than micro enterprises and small enterprises		388.06	624.33	1,104.77
(iv) Other financial liabilities	19	786.06	37,776.18	28,740.16
(b) Other current liabilities	20	565.78	640.27	409.72
(c) Provisions	17	0.64	-	-
		2,594.30	59,734.51	50,950.29
TOTAL EQUITY AND LIABILITIES		15,456.30	29,671.75	26,906.35

See accompanying notes to the financial statements

As per our attached report of even date

For M. V. Vijaya Kumar & Co.
Chartered Accountants
Firm Registration No. 007890S

For and on behalf of the Board of Directors

S Sourabh Srivatsav
Partner
Membership No.251569

Pritesh Vinay
Director
DIN: 08868022

Sharad Mahendra
Director
DIN: 02100401

Place: Hyderabad
Date: 9th May 2025

KSK MAHANADI POWER COMPANY LIMITED

(CIN : U40300TG2009PLC064062)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in crore, except per share data and as stated otherwise)

Particulars	Note	For the year ended 31st March, 2025	For the year ended 31st March, 2024 (Restated)
I Revenue from operations	21	5,532.00	5,474.51
II Other income	22	512.53	567.38
Total income (I+II)		6,044.53	6,041.89
III Expenses:			
Cost of fuel consumed	23	2,123.77	1,937.96
Employee benefits expense	24	90.01	84.33
Finance costs	25	8,770.99	8,551.55
Depreciation and amortisation expense	26	615.02	644.55
Other expenses	27	802.01	845.14
Total Expenses (III)		12,401.80	12,063.53
IV Loss before exceptional items and tax (I+II-III)		(6,357.27)	(6,021.64)
V Exceptional items:	28	(2,680.04)	-
VI Loss before tax (IV+V)		(3,677.23)	(6,021.64)
VII Tax Expenses:	29		
Current tax		-	-
Deferred tax		(126.59)	262.66
		(126.59)	262.66
VIII Loss after tax (VI - VII)		(3,550.64)	(6,284.30)
IX Other comprehensive loss			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		(2.07)	(2.14)
- Income tax relating to item that will not be reclassified to profit and loss		0.52	0.54
Total other comprehensive loss		(1.55)	(1.60)
X Total comprehensive loss (VIII + IX)		(3,552.19)	(6,285.90)
XI Earnings per share of ₹ 10 each			
Basic		(10.56)	(17.41)
Diluted		(10.56)	(17.41)

See accompanying notes to the financial statements

As per our attached report of even date

For M. V. Vijaya Kumar & Co.

Chartered Accountants

Firm Registration No. 007890S

For and on behalf of the Board of Directors**S Sourabh Srivatsav**

Partner

Membership No.251569

Pritesh Vinay

Director

DIN: 08868022

Sharad Mahendra

Director

DIN: 02100401

Place: Hyderabad

Date: 9th May 2025

KSK MAHANADI POWER COMPANY LIMITED
(CIN : U40300TG2009PLC064062)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2025

A: EQUITY SHARE CAPITAL	No of Shares	(₹ in crore)
Balance as at 1st April, 2023	3,609,502,944	3,609.50
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2024	3,609,502,944	3,609.50
Changes in equity share capital during the year	(3,609,435,377)	(3,609.43)
Balance as at 31st March, 2025	67,567	0.07

B: OTHER EQUITY

Particulars	Reserves & Surplus			Other Comprehensive income	Total
	Retained Earnings	Extinguishment of equity capital	Capital Reserve	Equity component of compound financial instrument	
Balance as at 1st April, 2023 (as previously reported)	(1,956.09)			-	(1,956.09)
Restatement on account of interest expense (Refer Note 30)	(25,737.13)				(25,737.13)
Restated balance as at 1st April 2023	(27,693.22)			-	(27,693.22)
Loss for the year	(6,284.30)			-	(6,284.30)
Other comprehensive loss for the year	(1.60)			-	(1.60)
Total Comprehensive loss for the year	(6,285.90)			-	(6,285.90)
Balance as at 31st March, 2024	(33,979.12)			-	(33,979.12)
Balance as at 1st April, 2024	(33,979.12)			-	(33,979.12)
Loss for the year	(3,550.64)				(3,550.64)
Other comprehensive loss for the year	(1.55)				(1.55)
Total Comprehensive loss for the year	(3,552.19)			-	(3,552.19)
Extinguishment of equity capital (Refer note 31)		3,609.50			3,609.50
Effect due to amalgamation (Refer note 31)			(0.04)		(0.04)
Settlement of liabilities towards financial creditors (Refer note 31)	29,842.49				29,842.49
Fair value of equity share issued against settlement of financial liability	1,410.25				1,410.25
Equity component of compound financial instrument				354.97	354.97
Deferred Tax on equity component of compound financial instrument				(89.34)	(89.34)
Balance as at 31st March, 2025	(6,278.57)	3,609.50	(0.04)	265.63	(2,403.48)

See accompanying notes to the financial statements

As per our attached report of even date

For M. V. Vijaya Kumar & Co.

Chartered Accountants

Firm Registration No. 007890S

For and on behalf of the Board of Directors

S Sourabh Srivatsav
Partner
Membership No.251569

Pritesh Vinay
Director
DIN: 08868022

Sharad Mahendra
Director
DIN: 02100401

Place: Hyderabad
Date: 9th May 2025

KSK MAHANADI POWER COMPANY LIMITED (CIN : U40300TG2009PLC064062) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2025			(₹ in crore)
Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024 (Restated)	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net loss before tax	(3,677.23)	(6,021.64)	
Adjustment for			
Depreciation and amortisation expense	615.02	644.55	
Finance costs	8,770.99	8,551.55	
Interest income	(512.53)	(567.37)	
Unrealised foreign exchange gain	-	25.06	
Loss on disposal of property, plant and equipment	0.14	-	
Provision for doubtful advances and deposits	720.97	-	
Provision for doubtful debt written back	(2,353.93)	-	
De-recognition of Operational creditors liabilities	(612.42)	-	
De-recognition of Capital creditors liabilities	(2,048.53)	-	
Impairment of deposit receivable paid under protest	4.34	-	
Impairment of Property plant and equipment	495.17	-	
Impairment of Capital work in progress	980.98	-	
Others	-	6.78	
Operating profit before working capital changes	2,382.97	2,638.93	
Adjustment for			
(Increase) / Decrease in trade receivables *	(95.79)	800.24	
Increase in inventories	(48.49)	(15.72)	
(Increase) / Decrease in financial and other assets	(105.17)	44.75	
Increase / (decrease) in trade payables	368.86	(19.97)	
Increase in financial and other liabilities	239.39	235.63	
Cash flows from operations	2,741.77	3,683.86	
Direct taxes paid (net)	(48.13)	(43.01)	
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	2,693.64	3,640.85	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(1.10)	(1.13)	
Redemption / (Investment) of bank deposits (held as margin money or security against guarantees or borrowings)	5,323.96	(2,781.99)	
Interest received	746.33	329.50	
NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES	6,069.19	(2,453.62)	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds / (refund) from issue of share capital and application money	0.05	-	
Proceeds from long-term borrowings	12,072.75	-	
Proceeds from Shareholders loan	4,091.55	-	
Repayment of long-term borrowings	(18,865.88)	-	
Repayment of current borrowings (net)	(1,454.51)	-	
Finance costs paid	(7,414.68)	(9.35)	
NET CASH FLOW USED IN FINANCING ACTIVITIES	(11,570.72)	(9.35)	
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(2,807.89)	1,177.88	
CASH AND CASH EQUIVALENTS - AT BEGINNING OF THE YEAR	2,901.43	1,723.55	
CASH AND CASH EQUIVALENTS - PURSUANT TO AMALGAMATION	0.33	-	
CASH AND CASH EQUIVALENTS - AT END OF THE YEAR	93.87	2,901.43	
Cash and cash equivalents comprise of:			
a) Balances with banks (Refer note 12)			
In current accounts	93.82	5.12	
In bank deposits	-	2,896.21	
a) Cash in hand (Refer note 12)	0.05	0.10	
Total	93.87	2,901.43	
See Accompanying Notes To The Financial Statements			
Notes :			
1) Previous year's figures have been regrouped/rearranged wherever necessary to conform to current year classification.			
2) As per the approved Resolution Plan, during the period ended March 06, 2025, trade receivable of ₹ 5,670.92 crores have been assigned and equity shares for 26% stake with a fair value of ₹ 1,410.25 crores have been issued to the financial creditors in order to extinguish their liabilities.			
As per our attached report of even date			
For M. V. Vijaya Kumar & Co.	For and on behalf of the Board of Directors		
Chartered Accountants			
Firm Registration No. 007890S			
S Sourabh Srivatsav	Pritesh Vinay	Sharad Mahendra	
Partner	Director	Director	
Membership No.251569	DIN: 08868022	DIN: 02100401	
Place: Hyderabad			
Date: 9th May 2025			

1 General information

KSK Mahanadi Power Company Limited ("KMPCL" or the "Company"), is a Public Company domiciled in India and incorporated under the provisions of Companies Act applicable in India. The Registered Office of the Company is located at Road No 22, Jubilee Hills, Hyderabad - 500033, Telangana. The Company is engaged in the business of generation and sale of power through its power plant of 6 x 600 MW situated at Janjgir-Champa District, Chhattisgarh. The Company has undergone Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) in terms of order of Hon'ble National Company Law Tribunal (NCLT), Hyderabad on 03 October 2019. Pursuant to the initiation of CIRP, vide aforesaid order, the NCLT had appointed Mr. Mahender Kumar Khandelwal as Interim Resolution Professional ("IRP") and later on Committee of Creditors (CoC) approved the appointment of Mr. Sumit Binani, as Resolution Professional ("RP") which was approved by Hon'ble NCLT, Hyderabad vide its order dated 16 June 2020. The Powers of Board of Directors was suspended by virtue of NCLT order in accordance with Section 17(1)(b) of IBC and the same was being exercised by the RP. Further, the RP received 10 resolution plans from the prospective resolution applicants. Hon'ble NCLT order dated 13 February 2025 has approved the Resolution Plan dated 29 November 2024 submitted by the Resolution Applicant M/s. JSW Energy Limited ("JSWEL"). JSWEL has implemented the approved Resolution Plan on 06 March, 2025.

2.1 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On August 12, 2024 and September 09, 2024, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2024 and Companies (Indian Accounting Standards) Second Amendment Rules, 2024 introducing following changes:

Ind AS 117 – Insurance Contracts:

Ind AS 117: Insurance Contracts was introduced and Ind AS 104: Insurance Contracts was withdrawn. This was accompanied with consequent amendments in other standards.

Ind AS 116 – Leases:

The amendments clarify accounting treatment for a seller-lessee involved in sale and leaseback transactions, and introduced some related illustrative examples.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

2.2 Statement of compliance

The Financial Statements of the Company which comprise the Balance Sheet as at 31st March, 2025, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2025, and a summary of the material accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The financial statements have been approved by the Board of Directors in its meeting held on 9th May, 2025.

2.3 Basis of preparation of financial statements:

The Financial Statements are prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies given below which are consistently followed except where a new accounting standard or amendment to the existing accounting standards requires a change in the policy hitherto applied. Presentation requirements of Division II of Schedule III to the Companies Act, 2013, as amended, as applicable to the Financial Statements have been followed. The Financial Statements are presented in Indian Rupees ("INR") in crore rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013.

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 satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in the normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Deferred tax assets and liabilities are classified as non-current only.

3 Material accounting policies

3.1 Revenue recognition:

Revenue towards satisfaction of performance obligation from contracts with customers is recognised when control of the goods including power generated or services is transferred to the customer, at transaction price (net of variable consideration) i.e. at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services having regard to the terms of the contract including Power Purchase Agreements, relevant tariff regulations and the tariff orders by the regulator, as applicable.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for satisfaction of performance obligation. The variable consideration is estimated having regard to various relevant factors including historical trend and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Compensation towards shortfall in offtake are recognised on collection or earlier when there is reasonable certainty to expect ultimate collection.

3.2 Leases:

(a) The Company as lessee:

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

For a contract that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative price of the lease component and the aggregate price of the non-lease components.

(b) The Company as lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of Ind AS 109, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration under the contract to each component.

3.3 Foreign currency transactions:

The Company's Financial Statements are presented in Indian Rupee. The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise except for:

- 1) exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in 2.4 (XVI) (G); and
- 2) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.4 Borrowing costs:

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

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditure on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

3.5 Employee benefits:

(a) Short term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(b) Long term employee benefits:

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

The liability for contingency leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(c) Retirement benefit costs and termination benefits:

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Defined contribution plans:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Actuarial valuations are being carried out at the end of each annual reporting period for defined benefit plans.

The retirement benefit obligation recognised in the balance sheet represents the deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / superannuation. The gratuity is paid @ 15 days salary for each completed year of service as per the Payment of Gratuity Act, 1972.

(d) Share-based payment arrangements:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.6 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

A deferred tax asset arising from unused tax losses is recognised only to the extent that the Company has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised by the Company.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax and deferred tax for the year :

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.7 Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

Cost of major inspection / overhauling is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection / overhauling (as distinct from physical parts) is de-recognised.

Properties in the course of construction are carried at cost, less any recognised impairment loss, as capital work-in-progress. Upon completion, such properties are transferred to the appropriate categories of property, plant and equipment and the depreciation commences.

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognised.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.8 Other Intangible assets :-

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain / loss on de-recognition are recognised in Statement of Profit and Loss.

3.9 Depreciation & amortisation:

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful lives and residual value prescribed in Schedule II to the Act except in case of the following class of assets wherein useful lives are determined based on technical assessment made by a technical expert engaged by the management taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, anticipated technological changes, in order to reflect the actual usage.

Nature of asset	Useful Life (Years)
Buildings	5-60
Plant and equipment	1-30
Furniture & fixtures	1-10
Vehicles	8-10
Office equipment & computers	3-6

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Freehold land is not depreciated. Leasehold land acquired by the Company, with an option in the lease deed, entitling the Company to purchase on outright basis after a certain period at no additional cost is not amortized.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

Computer software is amortised over an estimated useful life of 3 years.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3.10 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

3.11 Inventories:

Inventories are stated at the lower of cost or net realisable value. Costs of inventories are determined on weighted average basis.

Cost of inventories includes cost of purchase price, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.

3.12 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

3.13 Provisions, Contingencies and commitments:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable incremental costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

A disclosure for contingent liabilities is made where there is :

- (a) a possible obligation that arises 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 entity; or
- (b) a present obligation that arises from past events but is not recognized because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises 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 entity.

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- (a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- (b) uncalled liability on shares and other investments partly paid;
- (c) funding related commitment to associate and joint venture companies; and
- (d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Commitments include the amount of purchase orders (net of advances) issued to parties for completion of assets.

3.14 Non-current assets held for sale:

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell, except for financial assets which are measured as per Ind AS 109 "Financial Instruments". Non-current assets are not depreciated or amortised.

3.15 Financial guarantee contracts:

The Company provides certain guarantees in respect of the indebtedness of other undertakings, claims under the contract or other arrangements in the ordinary course of business. The Company evaluates each guarantee arrangement and elects to account it as an insurance contract or a financial guarantee contract.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of the amount of the obligation under the contract and the amount initially recognised less cumulative amortisation over the period of guarantee.

For the guarantee arrangements designated as insurance contracts, at the end of each reporting period, the Company performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognized in Statement of Profit and Loss.

3.16 Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

(A) Investment in subsidiaries, associate and joint venture:

The Company has accounted for its investments in subsidiaries, associate and joint venture at cost.

(B) Financial assets:

(a) Recognition and initial measurement:

All financial assets are recognized initially at fair value. In case of financial assets not recorded at fair value through profit or loss (FVTPL), financial assets are recognized at transaction costs that are attributable to the acquisition of financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets:

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest rate (EIR) method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the other income line item. Dividend on financial assets at FVTPL is recognised when:

The Company's right to receive the dividends is established;

It is probable that the economic benefits associated with the dividends will flow to the entity;

The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Perpetual debt instruments / loans, which provide it's holder with the contractual right to receive payments on account of interest at fixed dates extending into the indefinite future, either with no right to receive a return of principal or a right to a return of principal under terms that make it very unlikely or very far in the future, are considered as investment in equity instrument of the holder. The Company has elected to measure investment in equity instruments of it's subsidiaries at cost.

(c) Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(d) Impairment:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

(e) Income from financial assets:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Delayed payment charges are recognised on collection or earlier when there is reasonable certainty to expect ultimate collection.

(f) Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(C) Financial liabilities and equity instruments:

(a) Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(c) Financial liabilities:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

It has been incurred principally for the purpose of repurchasing it in the near term; or

On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

It is a derivative that is not designated and effective as a hedging instrument. A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

(d) Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

(D) Derivative financial instruments:

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

The contracts to buy or sell a non-financial item that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements are not considered as derivative instruments.

(E) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(F) Fair Value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(G) Hedge accounting:

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency, as either cash flow hedge or fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

(i) Fair value hedges:

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognized in statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognized in statement of profit and loss in the line item relating to the hedged item.

(ii) Cash value hedges:

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to statement of profit and loss in the periods when the hedged item affects profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in statement of profit and loss.

3.17 Statement of cash flows:

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
- ii) non-cash items such as depreciation, provisions, and unrealised foreign currency gains and losses etc.; and
- iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and liquid investments, which are subject to insignificant risk of changes in value.

3.18 Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

3.19 Change in accounting estimates

The effect of change in an accounting estimate shall be recognised prospectively by including it in profit or loss accounts except where estimates relates to assets and liabilities or an equity it shall be recognised by adjusting the carrying amount of the related asset, liability or equity.

4 Critical accounting judgements and key sources of estimation uncertainty:

In the course of applying the policies outlined in all notes under section 3 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

Key sources of estimation uncertainties

Useful lives and residual value of property, plant and equipment

The useful lives of property, plant and equipment are reviewed at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets, and also their likely economic lives based on various internal and external factors including relative efficiency, the operating conditions of the asset, anticipated technological changes, historical trend of plant load factor, historical planned and scheduled maintenance. It is possible that the estimates made based on existing experience are different from the actual outcomes and could cause a material adjustment to the carrying amount of property, plant and equipment.

Impairment of property plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Provisions and Contingencies:

In the normal course of business, contingent liabilities arise from litigations and claims. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such contingent liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote,' 'possible' or 'probable' based on expert advice, past judgements, terms of the contract, regulatory provisions etc.

Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the Financial Statements cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could change if estimates of future taxable income changes in the future.

Defined benefit plans:

The present value of defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Expected credit loss:

The measurement of expected credit loss on financial assets is based on the evaluation of collectability and the management's judgement considering external and internal sources of information. A considerable amount of judgement is required in assessing the ultimate realization of the loans having regard to, the past collection history of each party and ongoing dealings with these parties, and assessment of their ability to pay the debt on designated dates.

Critical accounting judgements in applying accounting policies

Evaluation of contracts to determine whether it contains lease arrangements:

In respect of power plant unit at Nariyara, Chhatishgarh, while assessing the applicability of the principles relating to arrangements in the nature of lease prescribed under Ind AS 116, Leases, the management has exercised judgements in evaluating the customer's right with regard to use the underlying asset and pricing terms of the arrangement to reach a conclusion that the arrangement for supply of power through aforesaid power plant unit is in the nature of a lease.

KSK Mahanadi Power Company Limited

(CIN : U40300TG2009PLC064062)

Notes to financial statements

(All amounts are in ₹ Crore, unless otherwise stated)

NOTE: 5 - Property, plant and equipment

Description of assets	Land-freehold	Building	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Right of Use asset	Total
At Cost								
I. Gross carrying value								
Balance as at 1st April, 2024	172.58	2,017.20	13,891.99	3.72	7.19	1.73	156.29	16,250.70
Additions	-	-	0.12	0.14	0.15	0.41	-	0.82
Disposals / discards	-	(5.63)	(0.18)	(1.79)	(1.33)	(0.20)	-	(9.13)
Balance as at 31st March, 2025	172.58	2,011.57	13,891.93	2.07	6.01	1.94	156.29	16,242.39
II. Accumulated depreciation								
Balance as at 1st April, 2024	-	666.09	4,716.18	3.58	6.89	1.40	8.65	5,402.79
Depreciation expense for the year	-	74.95	537.31	0.25	0.15	0.10	2.26	615.02
Eliminated on disposal / discards	-	(5.63)	(0.09)	(1.77)	(1.30)	(0.20)	-	(8.99)
Impairment losses recognised in profit or loss	-	313.96	181.21	-	-	-	-	495.17
Balance as at 31st March, 2025	-	1,049.37	5,434.61	2.06	5.74	1.30	10.91	6,503.99
Net carrying value (I-II)								
Balance as at 31st March, 2025	172.58	962.20	8,457.32	0.01	0.27	0.64	145.38	9,738.40

At Cost								
I. Gross carrying value								
Balance as at 1st April, 2023	172.58	2,016.57	13,885.49	3.74	7.17	1.73	156.29	16,243.57
Additions	-	-	1.07	0.01	0.18	-	-	1.26
Disposals / discards	-	(0.09)	-	(0.03)	(0.16)	-	-	(0.28)
Others		0.72	5.43					6.15
Balance as at 31st March, 2024	172.58	2,017.20	13,891.99	3.72	7.19	1.73	156.29	16,250.70
II. Accumulated depreciation								
Balance as at 1st April, 2023	-	584.71	4,155.48	3.27	6.85	1.29	6.92	4,758.52
Depreciation expense for the year	-	81.47	560.70	0.34	0.20	0.11	1.73	644.55
Eliminated on disposal / discards	-	(0.09)	-	(0.03)	(0.16)	-	-	(0.28)
Balance as at 31st March, 2024	-	666.09	4,716.18	3.58	6.89	1.40	8.65	5,402.79
Net carrying value (I-II)								
Balance as at 31st March, 2024	172.58	1,351.11	9,175.81	0.14	0.30	0.33	147.64	10,847.91

Refer note 15 for details in respect of hypothecation/mortgage of property, plant and equipment against borrowings.

NOTE: 5B - Capital work in progress

As at 01 April 2023	4,554.08
Disposals	(8.41)
As at 31 March 2024	4,545.67
Impairments	(980.98)
Transferred to statement of profit and loss	(2.58)
As at 31 March 2025	3,562.11

As at 31st March, 2025	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	-	-	-	3,562.11	3,562.11
Projects temporarily suspended	-	-	-	-	-
	-	-	-	3,562.11	3,562.11

As at 31st March, 2024	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	0.04	4,545.63	4,545.67
	-	-	0.04	4,545.63	4,545.67

CWIP has been impaired by ₹ 980.98 during the year ended 31st March 2025

Refer note 15 for details in respect of hypothecation/mortgage of property, plant and equipment against borrowings.

KSK Mahanadi Power Company Limited
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Notes to financial statements
(All amounts are in ₹ Crore, unless otherwise stated)

NOTE: 6 - Other intangible assets

Description of assets	Computer Software	Total
At Cost		
I. Gross carrying value		
Balance as at 1st April, 2024	0.02	0.02
Additions	-	-
Disposals / discards	(0.01)	(0.01)
Balance as at 31st March, 2025	0.01	0.01
II. Accumulated depreciation		
Balance as at 1st April, 2024	0.02	0.02
Depreciation expense for the year	-	-
Eliminated on disposal / discards	(0.01)	(0.01)
Balance as at 31st March, 2025	0.01	0.01
Net carrying value (I-II)		
Balance as at 31st March, 2025	-	-
At Cost		
I. Gross carrying value		
Balance as at 1st April, 2023	0.02	0.02
Additions	-	-
Disposals / discards	-	-
Balance as at 31st March, 2024	0.02	0.02
II. Accumulated depreciation		
Balance as at 1st April, 2023	0.02	0.02
Depreciation expense for the year	-	-
Eliminated on disposal / discards	-	-
Balance as at 31st March, 2024	0.02	0.02
Net carrying value (I-II)		
Balance as at 31st March, 2024	-	-

KSK Mahanadi Power Company Limited
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Notes to financial statements
(All amounts are in ₹ Crore, unless otherwise stated)

NOTE: 7 - Investments	As at 31st March, 2025		As at 31st March, 2024	
	Current	Non Current	Current	Non Current
Investments in equity instruments: (unquoted, fully paid up)				
Investment in subsidiary at cost 122,251 ordinary shares (31st March 2024: 122,251) of \$ 1 each in Sai Power Pte Ltd		0.55		0.55
Investment in associates at cost 65,018,090 (31st March 2024: 65,018,090) equity shares of ₹ 10 each in Raigarh Champa Rail Infrastructure Private Limited		65.02		65.02
54,977,990 (31st March 2024: 54,977,990) equity shares of ₹ 10 each in KSK Water Infrastructures Private Limited		54.98		54.98
Less: Aggregate amount of allowance for impairment in value of investments		(120.55)		(120.55)
	-	-	-	-
Note				
Unquoted Investments				
Aggregate amount of unquoted investments	-	120.55	-	120.55
Aggregate amount of impairment in the value of investments	-	120.55	-	120.55
NOTE: 8 - Other financial assets	As at 31st March, 2025		As at 31st March, 2024	
	Current	Non Current	Current	Non Current
Carried at amortised cost				
(a) Security deposits				
(i) Government / Semi-Government authorities	-	174.13	-	174.08
(ii) Related parties	-	-	-	-
(iii) Others	11.93	-	544.50	-
b) Interest receivable				
(i) Interest accrued on deposits	1.90	-	235.21	0.49
c) Other bank balances				
(i) Margin money for security against the guarantees	-	12.53	-	-
(ii) In deposit accounts (maturity more than 12 months)		6.91	-	10.20
	13.83	193.57	779.71	184.77
NOTE: 9 - Other assets	As at 31st March, 2025		As at 31st March, 2024	
	Current	Non Current	Current	Non Current
Capital advances	-	0.89	-	13.23
Advance for goods and services	584.89	-	625.46	-
Prepaid expenses	8.69	-	7.78	34.35
Balance with government authorities	123.65	-	134.15	-
Other receivables	-	-	3.11	-
	717.23	0.89	770.50	47.58
NOTE: 10 - Inventories	As at 31st March, 2025		As at 31st March, 2024	
	Current	Non Current	Current	Non Current
Raw materials - Stock of fuel	197.21		171.19	-
Stores and spares	86.08	-	63.61	-
[For basis of valuation: Refer note 3.11]				
	283.29	-	234.80	-

KSK Mahanadi Power Company Limited (CIN : U40300TG2009PLC064062) Notes to financial statements (All amounts are in ₹ Crore, unless otherwise stated)				
10 (a). Cost of raw materials consumed				
Raw material	As at 31st March, 2025	As at 31st March, 2024		
Raw materials at the beginning of the year	171.19	153.27		
Add: Purchases	2,149.79	1,955.88		
Less: Raw materials at the end of the year	197.21	171.19		
Total cost of material consumed	2,123.77	1,937.96		
10 (b). Changes in progress of work-in-progress, stock in trade and finished goods : ₹ Nil (March 31, 2024 ₹ Nil)				
NOTE: 11 - Trade receivables	As at 31st March, 2025		As at 31st March, 2024	
	Current	Non Current	Current	Non Current
Considered good - Secured;	127.37	-	192.68	-
Considered good - Unsecured	-	-	3,745.57	-
Considered doubtful - Unsecured	-	-	2,353.93	-
Less : Provision for doubtful debts	-	-	(2,353.93)	-
	127.37	-	3,938.25	-
Gross trade receivables ("Trade Receivables" as defined under the Resolution Plan dated 29 November 2024 and Receivables Agreement dated 6 March 2025) recognized in the books of ₹ 5,670.92 as on 31 January 2025 determined as per the approved resolution plan to be paid to financial creditors of the Company on a pass-through basis with an equivalent liability amount shown as payable to financial creditors. As per the terms of the approved resolution plan, the net amount payable towards gross trade receivables (if and when received by the Company) shall be passed through to the financial creditors, after (i) deduction of any costs or expenses incurred in connection with the recovery of the trade receivables and (ii) net off any taxes payable by the Company. As on 31 March 2025 balance Trade Receivables is ₹ 4,912.86.				
The receivables on account of Change in Law of ₹ 2,913.74 as at 31 December 2024 assigned to financial creditors as per the approved resolution plan has not been recognized in the books as per the revenue recognition policy followed by the Company ("Litigation Receivables"). Similarly, the receivables on account of Change in Law up to the month of January 2025 shall also be assigned to financial creditors on realisation of the same. Upon receipt of such Litigation Receivables, the same shall be transferred to the financial creditors escrow account after (i) deduction of any costs or expenses incurred in connection with the recovery of the litigation receivables and (ii) net off any taxes payable by the Company, in accordance with the terms of the approved resolution plan.				
The average credit period allowed to customers is in the range of 1-60 days.				
The Company is having majority of receivables from State Distribution Companies which are Government undertakings and hence they are secured from credit losses in the future.				
Ageing of Trade receivables:				
As at 31st March, 2025	Undisputed trade receivables		Disputed trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Not due	127.37	-	-	-
Outstanding for following periods from due date of payment				
Less than 6 months	-	-	-	-
6 months - 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
	127.37	-	-	-
As at 31st March, 2024	Undisputed trade receivables		Disputed trade Receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Not due	-	-	-	-
Outstanding for following periods from due date of payment				
Less than 6 months	754.14	-	337.89	-
6 months - 1 year	14.52	-	162.35	-
1-2 years	585.05	-	343.85	-
2-3 years	335.97	-	171.17	-
More than 3 years	359.01	-	874.30	2,353.93
	2,048.70	-	1,889.55	2,353.93

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Notes to financial statements
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The movement in the provision of doubtful debts in respect of trade receivables during the year was as follows:

Particulars	31st March 2025	31st March 2024
Opening Balance	2353.93	2353.93
Provision for doubtful debts recognised	-	-
Amount written off / written back	(2353.93)	-
Closing Balance	-	2353.93

NOTE: 12 - Cash and cash equivalents	As at 31st March, 2025		As at 31st March, 2024	
	Current	Non Current	Current	Non Current
(a) Balances with banks				
(i) In current accounts	93.82	-	5.12	-
(ii) In deposit accounts (maturity less than 3 months at inception)	-	-	2,896.21	-
b) Cash on hand	0.05	-	0.10	-
	93.87	-	2,901.43	-

NOTE: 13 - Other bank balances	As at 31st March, 2025		As at 31st March, 2024	
	Current	Non Current	Current	Non Current
(a) Balances with banks				
(i) In deposit accounts (maturity more than 3 months at inception)	0.18	-	5,329.53	-
(b) Earmarked with banks				
(i) Margin money for security against guarantees	7.52	-	11.37	-
	7.70	-	5,340.90	-

KSK Mahanadi Power Company Limited (CIN : U40300TG2009PLC064062) Notes to financial statements <i>(All amounts are in ₹ Crore, unless otherwise stated)</i>				
NOTE: 14A Equity share capital Authorised: Equity Shares of ₹ 10 each Preference Shares of ₹ 10 each Issued, subscribed and paid-up: Equity Shares of ₹ 10 each	As at 31st March, 2025		As at 31st March, 2024	
	8,500,010,000	8,500.01	8,500,000,000	8,500.00
	1,500,000,000	1,500.00	1,500,000,000	1,500.00
	67,567	0.07	3,609,502,944	3,609.50
	67,567	0.07	3,609,502,944	3,609.50
a) Details of shareholders holding more than 5% shares in the company are set out below:				
Details of shareholding	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	% of total shares	No. of Shares	% of total shares
1 SBICAP Trustee Company Limited	-	-	2,794,502,701.00	77.42%
2 KSK Energy Ventures Limited	-	-	358,615,128.00	9.94%
3 KSK Energy Company Private Limited	-	-	250,000,000.00	6.93%
4 JSW Energy Limited	50,000	74.00%	-	-
5 IDBI Trusteeship Services Limited	17,567	26.00%	-	-
b) The reconciliation of the number of shares outstanding and the amount of share capital is set out below:				
Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares		No. of Shares	
Balance as at the beginning of the year	3,609,502,944		3,609,502,944	
Extinguished during the year *	(3,609,502,944)		-	
Issued during the year	50,000		-	
Issued during the period in kind towards extinguishment of financial liability	17,567		-	
Balance as at the end of the year	67,567		3,609,502,944	
* The existing equity share capital was extinguished and equity shares have been issued to JSW Energy Limited as consideration for the amalgamation				
c) Rights, preferences and restrictions attached to equity shares:				
(i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividend in Indian rupees.				
(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. The distribution will be in proportion to the number of the equity shares held by the shareholders.				
NOTE: 14B - Other equity				
Particulars	As at 31st March, 2025		As at 31st March, 2024	
Retained Earnings	(6,278.57)		(33,979.12)	
Extinguishment of equity capital (Refer note 31)	3,609.50		-	
Capital reserve (Refer note 31)	(0.04)		-	
Equity component of compound financial instrument	265.63		-	
Total	(2,403.48)		(33,979.12)	
(i) Retained earnings : Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end and balances of remeasurement of net defined benefit plans.				
(ii) Extinguishment of equity capital : Reserve created on account of extinguishment of share capital of the outgoing shareholders.				
(iii) Capital reserve : Reserve created on amalgamation.				
(iv) Equity component of compound financial instrument : The equity component of compound financial instrument reserve is towards the interest forgone by the parent company.				

KSK Mahanadi Power Company Limited (CIN : U40300TG2009PLC064062) Notes to financial statements (All amounts are in ₹ Crore, unless otherwise stated)				
NOTE: 15 - Borrowings Secured: Term loan from banks Term loan from financial institutions Unsecured: Shareholders Loan ^c Less: Unamortised borrowing cost Total Unsecured: Loan payable on demand From banks From others	As at 31st March, 2025		As at 31st March, 2024	
	Current	Non Current	Current	Non Current
	543.27	11,529.48	2,293.45	-
	-	-	16,572.43	-
	-	3,736.58		
	543.27	15,266.06	18,865.88	-
	(20.85)	(266.81)	-	-
	522.42	14,999.25	18,865.88	-
	300.00	-	121.40	-
	-	-	1,633.11	-
	300.00	-	1,754.51	-
	822.42	14,999.25	20,620.39	-
a) Rupee term loan ₹ 12,072.75 and working capital loan ₹ 300 from State bank of India (31 March 2024: Nil) are secured by first charge on over all immovable properties, movable properties, intangible assets, current assets and other assets of the company both present and future. Further secured by pledge of 100% equity shares of the Company, Corporate guarantee by the promoter company. The loan is repayable in 64 quarterly instalment w.e.f. end of June 2025.				
b) A first pari-passu charge (by way of mortgage) over the immovable properties of KSK Mahanadi Power Company Ltd, both present and future; A first pari-passu charge over plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles and all other movable assets of the Borrower, both present and future; A first pari-passu charge on operating cash flows, book debts, receivables, commissions, revenues, intangibles, goodwill, uncalled capital, Permitted Investments, and all other current assets both present and future of the Borrower; A first pari-passu charge on the TRA Account including Debt Service Reserve Account (DSRA), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present & future; pledge of equity shares of borrower; and A first pari passu charge through deed of hypothecation and Power of Attorney, on the following: (i) All the rights, titles, interests, benefits, claims and demands whatsoever of the Borrower in the Power Purchase Agreement, all as amended, varied or supplemented from time to time; (ii) All the rights, titles, interests, licenses, benefits, claims, and demands whatsoever of the Borrower in guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents (to the extent permitted in the relevant Project Document); (iii) All insurance contracts and insurance proceeds relating to the Borrowers assets				
c) The Shareholder loan of ₹ 4,091.55 has been infused as Quasi-equity out of which ₹ 4,011.33 has been utilised for settlement of liabilities as per resolution plan and ₹13.00 has been utilised for settlement of Committee of Creditors cost. The financial creditors have a put option and the Resolution Applicant ("JSW Energy Limited") has call option for 26% stake held by the financial creditors, exercisable from end of first year from acquisition date of the company till end of 5 years. Equity component of compound financial instrument of ₹ 354.97 has been bifurcated from the above quasi-equity balance and reserve has been created in statement of changes in equity as per principles of Ind AS 109 - "Financial instruments". No interest or coupon shall accrue or be paid on the shareholder loan until the exit by the financial creditors. Post financial creditors exit, the coupon / interest rate shall be mutually agreed between the company and its parent.				
NOTE: 16 - Lease liabilities Lease charges payable	As at 31st March, 2025		As at 31st March, 2024	
	Current	Non Current	Current	Non Current
	29.08	28.31	63.79	27.35
	29.08	28.31	63.79	27.35
CSIDCL Lease Deeds executed between the KMPCL and CSIDCL for allotment of approx. 508.594 hectare of land on leasehold basis to KMPCL has been cancelled on account of non-payment of lease rent vide order of CSIDCL dated October 6, 2018 which was subsequently confirmed vide order dated April 1, 2019 of CSIDCL. Pursuant to implementation of resolution plan, the Company has initiated discussions with CSIDCL to revive the CSIDCL Lease Deeds and pay the dues of CSIDCL in the manner provided in the Resolution Plan. The amount recognised in the statement of profit and loss in respect of right-of-use assets and lease obligation are as under:				
Particulars		As at 31st March, 2025	As at 31st March, 2024	
Depreciation		2.26	1.73	
Interest on lease liabilities		9.85	9.21	
Future minimum rentals payable under non-cancellable operating leases are as follows:				
Particulars		As at 31st March, 2025	As at 31st March, 2024	
A) Not later than 1 year		29.08	47.65	
B) Later than 1 year and not later than 5 years		11.03	11.03	
C) Later than 5 years		349.21	321.66	
		389.31	380.33	
NOTE: 17 - Provisions Provision for gratuity Provisions for compensated absences	As at 31st March, 2025		As at 31st March, 2024	
	Current	Non Current	Current	Non Current
	0.57	9.60	-	16.85
	0.07	3.36	-	-
	0.64	12.96	-	16.85
The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an Insurance company in the form of a qualifying insurance policy.				

KSK Mahanadi Power Company Limited (CIN : U40300TG2009PLC064062) Notes to financial statements <i>(All amounts are in ₹ Crore, unless otherwise stated)</i> These plans typically expose the Company to the following actuarial risks:		
Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.	
Interest risk	A fall in the discount rate, which is linked, to the G-Sec rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.	
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.	
Asset Liability matching risk	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.	
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.	
Concentration risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.	
The following table sets out the status of the gratuity plan as required under IND AS 19		
A. Net Benefit liability		
	31 March 2025	31 March 2024
Defined benefit obligation	28.88	25.00
Fair value of plan assets	(18.71)	(8.15)
Benefit liability	10.17	16.85
B. Changes in the present value of the defined benefit obligation are as follows		
	31 March 2025	31 March 2024
Defined benefit obligation as at the beginning of the year	25.00	21.65
Included in income statement		
Current service cost	1.92	1.98
Interest cost	1.80	1.62
Total (A)	28.72	25.25
Included in other comprehensive income		
Re-measurement loss / (gain)		
Re-measurement (or Actuarial) (gain) / loss arising from:		
Change in financial assumptions	1.67	0.93
Experience variance (i.e. Actual experience vs assumptions)	0.28	0.49
Total (B)	1.95	1.42
Others		
Benefits paid	(1.79)	(1.67)
Total (C)	(1.79)	(1.67)
Defined benefit obligation as at the end of the year (A to C)	28.88	25.00
Changes in the fair value of plan assets are as follows		
	31 March 2025	31 March 2024
Fair Value of plan assets (A)		
Fair value of plan assets beginning of the year	8.15	9.24
Included in income statement		
Interest income	0.59	0.68
Total (B)	0.59	0.68
Included in other comprehensive income		
Re-measurement loss / (gain)		
Return on plan asset (excluding amounts included in net interest expense)	(0.12)	(0.17)
Total (C)	(0.12)	(0.17)
Others		
Contributions	11.88	0.07
Benefits paid	(1.79)	(1.67)
Total (D)	10.09	(1.60)
Fair value of plan assets end of the year (A to D)	18.71	8.15
Net defined benefit liability (asset)		
	31 March 2025	31 March 2024
Balance (A)	16.85	12.41
Included in income statement		
Current service cost	1.92	1.98
Interest cost/(income)	1.21	0.94
Expenses Recognised in the Income Statement (B)	3.13	2.92
Included in other comprehensive income		
Re-measurement loss / (gain)		
Actuarial (gains) on obligation		
Change in financial assumptions	1.67	0.93
Experience variance (i.e. actual experience vs assumptions)	0.28	0.49
Return on plan asset (excluding amounts included in net interest expense)	0.12	0.17
Total (C)	2.07	1.59
Others		
Contributions by employer	(11.88)	(0.07)
Total (D)	(11.88)	(0.07)
Defined benefit obligation as at the end of the year (A to D)	10.17	16.85

KSK Mahanadi Power Company Limited (CIN : U40300TG2009PLC064062) Notes to financial statements (All amounts are in ₹ Crore, unless otherwise stated)				
Asset information				
	31 March 2025	31 March 2024		
Insurer managed funds	100%	100%		
The principal assumptions used in determining the obligation towards the Group's plan as shown below				
	31 March 2025	31 March 2024		
Discount rate	6.75%	7.20%		
Rate of increase in compensation levels	10.00%	10.00%		
Sensitivity analysis				
	31 March 2025		31 March 2024	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1% movement)	(4.24)	3.54	(3.76)	3.13
Salary growth rate (- / + 1% movement)	2.66	(2.92)	2.44	(2.63)
Discount rate: The discount rate is based on the prevailing market yields of Indian government bonds as at the balance sheet date for the estimated term of the obligations.				
Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.				
The Company expects to contribute ₹ 12.23 (previous year ₹ 18.80) to its gratuity plan for the next year. The weighted average duration of the plan is 14 years (previous 14 years).				
NOTE: 18 - Trade payables	As at 31st March, 2025		As at 31st March, 2024	
	Current	Non Current	Current	Non Current
Dues to micro enterprises and small enterprises*	2.26	-	9.55	-
Dues to creditors other than micro enterprises and small enterprises	388.06	-	624.33	-
	390.32	-	633.88	-
* Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act)				
The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2025 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid Act is not expected to be material. The company has not received any claim for interest from any supplier under the MSMED Act.				
Trade payable are non-interest bearing and mainly includes amount payable to coal suppliers and operation and maintenance vendors in whose case credit period allowed is less than 12 months. Since the average credit period is less than 12 months, the trade payable amount has been classified as current.				
Particulars	31st March, 2025		31st March, 2024	
Principal amount outstanding	2.26		9.55	
Principal amount due and remaining unpaid	-		-	
Interest due on (2) above and the unpaid interest	-		-	
Interest paid on all delayed payments under the MSMED Act.	-		-	
Payment made beyond the appointed day during the year	-		-	
Interest due and payable for the period of delay other than (4) above	-		-	
Interest accrued and remaining unpaid	-		-	
Amount of further interest remaining due and payable in succeeding years	-		-	
Ageing of trade payables:				
31st March, 2025	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	2.26	341.38	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Not due	-	46.70	-	-
Unbilled	-	-	-	-
	2.26	388.08	-	-
31st March, 2024	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year	9.55	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Not due	-	624.33	-	-
Unbilled	-	-	-	-
	9.55	624.33	-	-
NOTE: 19 - Other financial liabilities				
	As at 31st March, 2025		As at 31st March, 2024	
	Current	Non Current	Current	Non Current
Interest accrued but not due on borrowings	82.65	-	35,375.34	-
Payable for capital supplies / services	0.27	-	1,891.09	-
Salary and bonus payable	0.02	-	19.85	-
Payable to financial creditors (Refer note 11)	220.31	-	-	-
Other financial liabilities (Refer note 32(c))	482.81	-	489.90	-
	786.06	-	37,776.18	-
NOTE: 20 - Other liabilities				
	As at 31st March, 2025		As at 31st March, 2024	
	Current	Non Current	Current	Non Current
Statutory dues	565.78	-	639.61	-
Others	-	-	0.66	-
	565.78	-	640.27	-

KSK Mahanadi Power Company Limited (CIN : U40300TG2009PLC064062) Notes to financial statements <i>(All amounts are in ₹ Crore, unless otherwise stated)</i>		
NOTE: 21 - Revenue from operations	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Sale of Power	5,532.00	5,474.51
	5,532.00	5,474.51
Unbilled Revenue	As at 31st March, 2025	As at 31st March, 2024
Opening Balance	-	-
Less: Billed during the year	-	-
Add: Unbilled during the year	589.68	-
Closing Balance	589.68	-
NOTE: 22 - Other income	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest income		
Financial assets	512.29	567.37
Others		
Miscellaneous Income	0.24	0.01
	512.53	567.38
NOTE: 23 - Cost of fuel consumed	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Consumption of coal	2,113.28	1,921.18
Consumption of LDO	10.49	16.78
	2,123.77	1,937.96
NOTE: 24 - Employee benefits expense	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Salaries and wages	75.13	69.56
Contribution to provident and other funds	10.46	9.07
Staff welfare expenses	4.42	5.70
	90.01	84.33
NOTE: 25 - Finance costs	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest expense	8,754.66	8,541.79
Other borrowing cost	16.33	9.76
	8,770.99	8,551.55
NOTE: 26 - Depreciation and amortisation expense	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Depreciation and amortisation expense	615.02	644.55
	615.02	644.55
NOTE: 27 - Other expenses	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Stores & spares	77.24	79.66
Power & water	62.23	70.23
Repairs and maintenance	225.34	223.13
Rent	1.96	1.78
Rates & taxes	132.82	233.09
Insurance charges	18.86	21.06
Legal & other professional charges	18.58	8.25
Remuneration to auditors		
For audit	0.18	0.18
For tax audit	0.02	0.02
Travelling expenses	3.87	4.70
Advertisement expenses	0.05	-
Corporate social responsibility expenses	1.77	0.86
Donations & charities	0.82	-
Loss on disposal / discards of property, plant and equipment	0.14	-
Safety & security expense	4.88	3.63
Foreign exchange fluctuations	-	25.06
Freight outward	206.51	162.05
Sale obligation charges	39.44	-
Other general expenses	7.30	11.43
	802.01	845.14

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NOTE: 28 - Exceptional items	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Provision for doubtful advances and deposits	720.97	-
Provision for doubtful debts written back	(2,353.93)	-
De-recognition of Operational creditors liabilities *	(612.42)	-
De-recognition of Capital creditors liabilities *	(2,048.53)	-
Impairment of deposit receivable paid under protest	4.34	-
Recognition of CIRP related costs	133.38	-
Impairment of Property plant and equipment	495.17	-
Impairment of Capital work in progress	980.98	-
	(2,680.04)	-
* The balances remaining towards the operational and capital creditors after the settlement of the liabilities as per the approved resolution plan are written back		
NOTE: 29 - Tax expenses	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Current Tax	-	-
Deferred Tax	(126.59)	262.66
	(126.59)	262.66

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30 Restatement of accounts in accordance with Ind AS 8

The Company had borrowings from banks and financial institutions on which interest had not been accounted for since April 1, 2018, since the accounts of the Company were classified as non-performing by the lenders and the corporate insolvency resolution process (CIRP) was initiated against the Company, and a moratorium was imposed by the Hon'ble NCLT under The Insolvency and Bankruptcy Code 2016 ('IBC'). As on March 31, 2024, such interest amounted to ₹ 34,269.70 crores (of which ₹ 25,737.13 crores is in retained earnings as on April 1, 2023 and balance ₹ 8,532.57 crores is in profit and loss account for the year ended March 31, 2024).

During the year ended 31 March 2025, this has been accounted for by restating the opening balances of liabilities and equity for April 01, 2023, in accordance with Ind AS 8.

The summary is as follows:

Particulars	March 31, 2024 (As previously reported)	Increase/ (Decrease)	31 March 2024 (restated)
(a) Statement of Profit and Loss			
Revenue from operations	5,474.51	-	5,474.51
Other income	567.38	-	567.38
Total income (I+II)	6,041.89	-	6,041.89
Expenses			
Cost of fuel consumed	1,937.96	-	1,937.96
Employee benefits expenses	84.33	-	84.33
Finance costs	18.98	8,532.57	8,551.55
Other expenses	845.14	-	845.14
Depreciation and amortisation expenses	644.55	-	644.55
Total expenses	3,530.96	8,532.57	12,063.53
Profit / (loss) before tax (III - IV)	2,510.93	(8,532.57)	(6,021.64)
Tax expense / (income)			
Deferred tax	262.66	-	262.66
Total tax expenses / (income)	262.66	-	262.66
Profit / (loss) after tax (V - VI)	2,248.27	(8,532.57)	(6,284.30)
Other comprehensive income			
(i) Items that will not be reclassified to profit & loss	(1.60)	-	(1.60)
	(1.60)	-	(1.60)
Total comprehensive income for the year (VII+VIII)	2,246.67	(8,532.57)	(6,285.90)
(b) Earnings per share			
Profit/ (Loss) after Tax attributable to Equity shareholders	2,248.27	8,532.57	(6,284.30)
Weighted average number of equity shares outstanding during the year	3,609,502,944	-	3,609,502,944
Basic and Diluted Earnings per share (₹)	6.23		(17.41)
Nominal value per share (₹)	10.00	-	10.00
(c) Balance Sheet			
	As at 31 March 2024		
Particulars	31 March 2024 (as previously reported)	Increase/ (Decrease)	31 March 2024 (restated)
Equity and liabilities			
Other equity	290.58	(34,269.70)	(33,979.12)
Total	290.58	(34,269.70)	(33,979.12)
Other financial liabilities			
Interest accrued	1,105.64	34,269.70	35,375.34
Total	1,105.64	34,269.70	35,375.34
	As at 31 March 2023		
Particulars	31 March 2023 (as previously reported)	Increase/ (Decrease)	01 April 2023 (restated)
Equity and liabilities			
Other equity	(1,956.09)	(25,737.13)	(27,693.22)
Total	(1,956.09)	(25,737.13)	(27,693.22)
Other financial liabilities			
Interest accrued	1,105.51	25,737.13	26,842.64
Total	1,105.51	25,737.13	26,842.64

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31 Corporate Insolvency Resolution Process

During the CIRP, various resolution plan applications were received. The Resolution Plan submitted by JSW Energy Limited was approved by the Committee of Creditors with requisite majority and subsequently approved by NCLT vide its order dated February 13, 2025. Accordingly, JSW Energy Limited took necessary actions to implement the steps outlined in the Resolution Plan. A special purpose vehicle (SPV), i.e., JSW Thermal Energy One Limited, was incorporated for the implementation of the Resolution Plan. The SPV borrowed ₹ 4,024.33 from JSW Energy Limited and ₹ 12,072.75 from banks. These proceeds were then infused by the SPV in the Company in the form of a shareholder loan amounting to ₹ 16,097.08 (including Committee of Creditors Cost of ₹ 13) to fund the acquisition.

The above funds along with the cash and cash equivalents available with the Company (after repayment of operational creditors and Committee of Creditor cost as agreed in the resolution plan) were used to settle the entire principle amount, and the balance funds were used towards payment of the current year interest expenses of financial creditors. Further, as per the NCLT Order, the rights of trade and litigation receivables were also relinquished in favour of the financial creditors towards settlement of their interest claims, with the Company acting as a pass-through mechanism for distribution among the financial creditors.

The SPV was amalgamated with the Company as per the Resolution Plan and post amalgamation, the existing equity share capital was extinguished and equity shares have been issued to JSW Energy Limited as consideration for the amalgamation.

Further, the Company has issued equity shares to the Equity Receiving Creditors, which collectively represent 26% of the total shareholding of the Company, for settlement against their interest claims.

The total dues of financial creditors and settlement thereof have been summarised below:

Particulars	Amount
Total outstanding principal before discharging financial creditors	20,620.39
Accrued interest expense as on March 31, 2024	1,105.64
Total outstanding principal and interest expense accrued as on March 31, 2024 (A)	21,726.03
Add: Restated interest expense upto March 31, 2024 (B) (Refer note 30)	34,269.70
Add: Interest expense for the period from April 1, 2024 to March 06, 2025 (C)	8,662.79
Total liability towards financial creditors (D=A+B+C)	64,658.52

The liabilities towards financial creditors was discharged upto March 6, 2025 in the following manner:

Particulars	Amount
Upfront Cash Recovery from Resolution Applicant to Financial Creditors	15,985.08
Cash (including ₹ 6,224 paid as per Interim order of Hon'able NCLT)	11,749.78
Settlement through Trade receivables	5,670.92
Issuance of Equity shares to Equity Receiving Financial creditors	1,410.25
Total amount discharged to financial creditors (E)	34,816.03
Discharged towards entire principle amount as per NCLT order	20,620.39
Discharged towards interest expense payment	14,195.64
Balance amount credited to retained earnings under Other Equity (F=D-E)	29,842.49

Interest expense amounting to ₹ 34,269.70 upto March 31, 2024 was not accrued by the Company, on account of moratorium imposed under IBC. This interest is accrued in the reinstated financials upto March 31, 2024 (Refer note 30), however no deduction for the same has been claimed by the Company in its income tax return for assessment years upto AY 2024-25.

32 Capital commitment and contingent liabilities**Capital commitment**

- a) Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances ₹ 0.61 (31 March 2024: ₹ 5,950.33).

Contingent liabilities, other legal and regulatory matters

- a) Corporate guarantees outstanding ₹ Nil (31 March 2024: ₹ 632.07)
- b) Claims against the company not acknowledge as debt : ₹ 1,378.93 (31 March 2024: ₹ 1,616.06).

Particulars	As at	As at
	31 March 2025	31 March 2024
Penalty imposed by WRD towards raw water charges	402.34	479.58
Water transportation charges billed by KWIPL and accounted as per order from Hon'ble Supre	381.58	315.58
Rail infrastructure utilization charges billed by RCRIPL and accounted as per order from Hon'bl	285.45	221.66
Interest on Generation Tax demand (Interest charges on electricity duty payable)	308.07	566.31
Others	1.50	1.50
Penal Charges for delay in declaration of COD for Second Unit *	-	7.16
Entry tax demand letter dated 23.12.2022 *	-	20.10
Claim by ILFS *	-	4.18

* extinguished in CIRP process as per NCLT order.

- c) Company had levied capacity charges and transmission charges to Andhra Pradesh and Telangana Discoms for the period from 16 June 2013 to 13 August 2013 amounting to ₹ 79.75 (31 March 2024 ₹ 79.75) on account of delayed fulfilment of obligation under the PPA. Both the Discoms had rejected those claims and made the counter claim of ₹ 23.60 (31 March 2024 ₹ 23.60) for failure to furnish advance final written notice of commencement of supply of power as per article 4.1.2 of PPA and encashed the bank guarantee of ₹ 23.60 submitted by the company. The company had preferred an appeal before Andhra Pradesh Electricity Regulatory Commission and Telangana State Electricity Regulatory Commission for refund of amount collected by Discoms by encashment of bank guarantee. However, due to jurisdiction issue, the matter has been transferred to Hon'ble CERC and the matter is pending before the Central commission. The company's contention is since Discoms have failed to fulfil the obligation as per PPA, there is default on their part and counter claim by them is merely to negate the effect of company claim of capacity charges.

During the financial year 2017-2018, AP Discoms had continuously defaulted in payment, including but not limited to Transmission charges, leading to corresponding delay/non-payment which resulted in non-payment of POC charges by KMPCL to PGCIL. Consequently, PGCIL had enforced power regulations from April 2018 to September 2018 and from January 2019 to March 2019. As the primary responsibility to pay transmission charges is that of the Procurer and our plant was available, KMPCL had claimed capacity charges for an amount of ₹ 402 including for non-issuance of PSM. KMPCL has also paid the transmission charges from its own sources amounting to ₹ 156.69 for the period of power regulation, which is also pending for reimbursement from Discom. The Company has filed a petition with the regulator (CERC) in petition no 53/MP/2021 and 149/MP/2021. Matter is pending Hon'ble CERC.

AP Discoms have issued a termination notice on 19.12.2020 citing clause 11 of PPA (The PPA with AP Discom was to expire on 31 March 2021) and has claimed a penalty of ₹ 482.81 (Refer note 19). The Company has challenged the same as it believes that its illegal and arbitrary. The petition has been filed with Hon'ble CERC, where the Jurisdiction issue as raised by AP Discom has been settled in favour of the Company. As per the directions of HCERC, Company and AP Discoms have submitted the joint reconciliation, which is pending for adjudication with the Commission.

d) During the financial year 2018-2019, Company has received favorable orders from CERC for claiming the change in Taxes and duties from UP Discoms, TANGEDCO, AP Discoms and Telangana Discoms respectively. TANGEDCO, AP Discoms and Telangana Discoms preferred an appeal at APTEL in FY 20, the company received an interim order from APTEL directing TANGEDCO to pay at least 50% of the claim. However, TANGECO is clearing bill for Change in law to the extent admitted by them. Further TANGEDCO start making payment of full to the extent of claim admitted by them. With regard to claims submitted with UP Discoms is under reconciliation.

With respect to Change in law claim for Coal for TANGEDCO, the Company had received an unfavourable order from CERC against which company has filed an appeal before APTEL against TANGEDCO. APTEL remanded back to CERC to decide again on the CIL-Coal in TANGEDCO petition (179/MP/2016). Hon'ble CERC Vide its order dated 22nd March 2025, held that both Change in National coal distribution policy (NCDP) and Cancellation of Coal block are in principle is a Change in law.

KMPCL had participated in the bid with Coal block as the source and that since there is no transfer pricing available, Hon'ble CERC not inclined to pass any benefit of Change in law. Company has an option to prefer an appeal before APTEL.

(e) CERC Escalation claim

CERC vide its notification dated 01 June 2018 notified revised escalation rates for the period from April 2013 till the date of notification, effective retrospectively. As per the notification, CERC has been using Wholesale Price Index (WPI) for Non-coking coal published by Department of Industrial Policy & Promotion (DIPP) for computing the escalation rate for domestic coal. On 12.05.2017, the Office of the Economic Advisor, DIPP, Ministry of Commerce & Industry published the new series of WPI (Base 2011-2012) from April 2012. The escalation rate for domestic coal for the purpose of payment based on the new series of WPI for Non-coking coal (G7-G14) was more reflective of the prices of grades of Non-coking coal used by the power sector as compared to the old series of WPI for Non-coking coal (which represents the price of all grades of Non-coking coal i.e. G1-G17). Therefore, consequent to the availability of the new series of WPI for Non-coking coal (G7-G14), the Commission had decided to adopt the new series from April 2012 for notification of the escalation rates for domestic coal.

Further, TANGEDCO & other power generators have filed a writ petition before the Delhi High court in respect of the above, which is pending for adjudication. The company is awaiting for the judgement. The Company would file with the regulator for the above claim once the petition before Delhi High court is disposed off.

f) Scheduled delivery date of supply of power to TANGEDCO is 01.10.2013. However, due to non-availability of LTA, the Company started supplying power to TANGEDCO (500MW) since 01.10.2015. The company took a stand that first year tariff quoted in the PPA would be applicable for the first year of supply and accordingly submitted the invoices. Further, as the supply commenced after 2 years of SDD, the company is of the view that the Expiry date of the PPA would also be extended by same period. TANGEDCO disputed this position. Hon'ble CERC settled the dispute in favor of the Company with respect to the applicable tariff. Whereas, it partly allowed the extension of the Expiry Date. APTEL, upheld the order of CERC and did not allow the appeal of the Company. Subsequently, TANGEDCO settled the differential amount. The Company has preferred a Civil Appeal for extension of the Expiry Date and late payment surcharge.

TANGEDCO moved an appeal in APTEL and APTEL has upheld the CERC order and received the withheld amount. KMPCL filed civil appeal in Supreme Court against APTEL order; i) for the extension of PPA term of 2 years from 30.09.2028, which is delay from original schedule delivery date and ii) for approval of Late Payment surcharge on tariff deductions made by TANGEDCO, which is paid subsequent to APTEL order.

g) Pursuant to NCLT order, upheld by NCLAT and interim order of Supreme Court, during the year Company has accounted ₹ 35.96 (31 March 2024 ₹ 42.25) towards water infrastructure charges billed by KSK Water Infrastructures Private Limited based on actual supply and the balance amount of ₹ 142.68 (31 March 2024 ₹ 76.69) as per contract considered under contingent liability.

Pursuant to NCLT order and interim order of NCLAT, during the year Company has accounted ₹ 63.79 (31 March 2024 ₹ 62.54) being 50% of invoice value towards rail infrastructure charges billed by Raigarh Champa Rail Infrastructure Private Limited and the balance amount of ₹ 126.33 (31 March 2024 ₹ 62.54) as per contract considered under contingent liability.

h) In addition, the company is also subject to various other legal proceedings and claims which have arisen in the ordinary course of business including claims before various tax authorities. The management does not reasonably expect that these legal proceedings, when ultimately concluded and determined, will have a material impact on the company's result of operation or financial condition.

- 33 The Company has accounted for interest on borrowings from Banks and Financial Institutions and based on the last three years figures the average profit is negative (loss), accordingly company is not required to spend any amount on CSR during the year.

The Company has incurred an amount of ₹ 1.77 (31 March 2024: ₹ 0.86) voluntarily towards Corporate social responsibility (CSR) and is included in other expenses.

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Particulars	31 March 2025		31 March 2024	
	In cash	Yet to be paid	In cash	Yet to be paid
(a) Gross amount required to be spend	-	-	-	-
(b) Amount spend on				
(i) Construction/acquisition of asset	-	-	-	-
(ii) On purpose other than (i) above	1.77	-	0.83	0.03
Total	1.77	-	0.83	0.03

34 Segment reporting

The Company is in the business of generation of power and related activities having similar economic characteristics primarily operated within Janjgir - Champa district of Chhattisgarh State. Considering the nature of Company's business and operations as well as based on reviews of operating results by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirements of Ind AS - 108 – "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015.

35 Related party transactions**A. List of related parties and nature of relations****SN Name of related party****Holding**

- 1 JSW Energy Limited (JSWEL) - w.e.f. 6 March 2025

Subsidiary

- 1 Sai Power Pte Limited

Associates

- 1 KSK Water Infrastructures Private Limited (KSKWIPL)
- 2 Raigarh Champa Rail Infrastructure Private Limited (RCRIPL)

B. Key management personnel

S.No	Name	Nature of relationship
1	Mr. Feby Koshy	Non-Independent Director (w.e.f. 6th March, 2025)
2	Mr. Chhavi Nath Singh	Non-Independent Director (w.e.f. 6th March, 2025)
3	Mr. Sharad Mahendra	Non-Independent Director (w.e.f. 4th April, 2025)
4	Mr. Pritesh Vinay	Non-Independent Director (w.e.f. 4th April, 2025)
5	Ms. Monica Brij Kumar Chopra	Non-Independent Director (w.e.f. 4th April, 2025)
6	Mr. Girish Jagannath Deshpande	Independent Director (w.e.f. 6th March, 2025)
7	Mr. Narendra Nath Misra	Independent Director (w.e.f. 6th March, 2025)
8	Mr. Rajeev Sharma	Independent Director (w.e.f. 4th April, 2025)
9	Mr. Abhay Yagnik	Non-Independent Director (from 6th March, 2025 till 31st March, 2025)
10	Mr. S. Kishore	Non-Independent Director (ceased to be w.e.f. 6th March, 2025)
11	Mr. M.S.Phani Sekhar	Company Secretary (ceased to be w.e.f. 15.04.2025)

C. Particulars of related party transactions for the period ended

SN	Nature of transaction	31 March 2025		
		Holding	Associates	KMP
1	Borrowings (JSWEL)	3,736.58		
2	Equity component of compound financial instrument (JSWEL)	354.97		
3	Equity Share Capital (JSWEL)	0.05		
4	Raw water transportation charges (KSKWIPL)	-	35.96	-
5	Rail infrastructure charges (RCRIPL)	-	63.79	-
6	Managerial remuneration (M S Phani Sekhar)	-	-	0.51

SN	Nature of transaction	31 March 2024		
		Holding	Associates	KMP
1	Raw water transportation charges	-	42.25	-
2	Rail infrastructure charges	-	62.54	-
3	Managerial remuneration (Ashu Handa)	-	-	0.53
4	Managerial remuneration (M S Phani Sekhar)	-	-	0.50

Balances

SN	Nature of transaction	31 March 2025		
		Holding	Associates	KMP
1	Borrowings (JSWEL)	3,736.58	-	-
2	Equity component of compound financial instrument (JSWEL)	354.97	-	-
3	Equity Share Capital (JSWEL)	0.05	-	-
4	Trade Payables (KSKWIPL)	-	3.54	-
5	Trade Payables (RCRIPL)	-	5.03	-

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SN	Nature of transaction	31 March 2024		
		Holding	Associates	KMP
1	Trade Payables (KSKWIPL)	-	4.46	-
2	Trade Payables (RCRIPL)	-	9.49	-
3	Trade Payables (M S Phani Sekhar)	-	-	0.06

Corporate guarantees of ₹ Nil (31 March 2024: ₹ 632.07) has been provided on behalf of associates.

36 Earnings per share [EPS]

The computation of EPS as per Ind AS 33 is set out below

Particulars	31 March 2025	31 March 2024 (Restated)
Net profit / (loss) attributable to equity share holders	(3,550.64)	(6,284.30)
Weighted average number of equity shares for basic EPS [Nos.]	3,362,281,343	3,609,502,944
Basic & diluted EPS (₹)	(10.56)	(17.41)
Face value of shares (₹)	10.00	10.00

37 Deferred tax balances:

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at 1st April, 2024	Recognised in profit or loss / other equity	As at 31st March, 2025
Deferred tax assets			
Unused tax losses and carried forward	74.50	(74.50)	-
Others	793.90	685.58	1,479.48
Total (A)	868.40	611.08	1,479.48
Deferred tax liabilities			
Property, plant and equipment	1,131.07	500.91	1,631.98
Borrowings	-	72.40	72.40
Total (B)	1,131.07	573.31	1,704.38
Total	(262.66)	37.77	(224.89)

Particulars	As at 1st April, 2023	Recognised in profit or loss / other equity	As at 31st March, 2024
Deferred tax assets			
Unused tax losses and carried forward	639.54	(565.04)	74.50
Others	366.52	427.38	793.90
Total (A)	1,006.06	(137.66)	868.40
Deferred tax liabilities			
Property, plant and equipment	1,006.06	125.01	1,131.07
Total (B)	1,006.06	125.01	1,131.07
Total	-	(262.66)	(262.66)

Income tax:

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the Year ended 31st March, 2025	For the Year ended 31st March, 2024
Profit before tax	(3,677.23)	(6,021.64)
Enacted tax rate	25.168%	25.168%
Tax on profit at effective rates	(925.48)	(1,515.53)
Expenditure not deductible for tax purpose	463.09	2,150.01
Movement in unrecognised deferred taxes	-	(423.47)
Deferred tax on land indexation	-	(3.18)
Tax pertaining to earlier period	299.78	62.23
Deferred tax not recognised	36.02	-
Others	-	(7.40)
Income tax expenses recognised in profit & loss account	(126.59)	262.66

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38 Financial risk management objectives and policies

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk

In the ordinary course of business, the Company is exposed to market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations with floating interest rates. The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Consequent to the credit facilities from Banks and Financial Institutions became NPA the Company discontinued the assessment of impact of interest rate risk.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The company's exposure to the risk of changes in foreign exchange rates relates primarily to foreign currency borrowings and imports of raw-material, spares and capital goods.

The Company manages its foreign currency risk by hedging transactions that are expected to realise in near future by using foreign currency forward contracts. Short-term foreign exchange exposures are hedged progressively based on their maturity. Long-term exposures are normally unhedged.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows :

	31 March 2025		31 March 2024	
	USD	RMB	USD	RMB
Financial asset				
Bank balance	-	0.01	0.00	0.02
Financial liabilities				
Foreign currency loan	-		791.79	
Capital creditors	-		1,401.77	
Interest on loans	-		9.27	

The Company's exposure to foreign currency arises where a company holds monetary assets and liabilities denominated in a currency different to the functional currency of the entity. Set out below is the impact of a 5% change in the US dollar on profit and equity arising as a result of the revaluation of the company's foreign currency financial instruments:

31 March 2025	Closing exchange rate	Effect of 5% strengthening of US \$ on net earnings	Effect of 5% strengthening of US \$ on total equity
RMB/INR	11.77	0.01	(0.01)
31 March 2024	Closing exchange rate	Effect of 5% strengthening of US \$ on net earnings	Effect of 5% strengthening of US \$ on total equity
United States Dollar	83.35	(110.16)	(110.16)

(c) Commodity price risk

The Company is affected by the price volatility of certain commodities which is moderated by optimising the procurement under fuel supply agreement. Its operating activities require the on-going purchase or continuous supply of coal. Therefore the Company monitors its purchases closely to optimise the price.

Credit risk analysis

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including short-term deposits with banks and financial institutions, and other financial assets.

The carrying value of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk of each class of financial assets at the reporting date was as follows:

	Carrying value	
	31 March 2025	31 March 2024
Trade receivables (including unbilled revenue)	717.05	3,938.25
Deposits with banks	27.14	5,351.10
Other financial asset	187.96	954.28
	932.15	10,243.63

The Company has exposure to credit risk from a limited customer group on account of supply of power. However, the company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are State Electricity Board which are Government undertakings and hence they are secured from credit losses in the future. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The Company's maximum exposure for financial guarantees are noted in note 32.

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The Company's management believes that all the above financial assets are not impaired for each of the reporting dates under review and are of good credit quality.

Liquidity risk analysis

The Company's main source of liquidity is its operating businesses. The treasury department uses regular forecasts of operational cash flow, investment and trading collateral requirements to ensure that sufficient liquid cash balances are available to service on-going business requirements. The company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business.

The following is an analysis of the Company contractual undiscounted cash flows payable under financial liabilities at 31 March 2025:

	Current	Non-current		Total
	< 12 months	1-5 years	> 5 years	
Loan and borrowings	822.42	5,221.72	9,777.53	15,821.67
Trade and other payables	390.32	-	-	390.32
Other financial liabilities	786.06	-	-	786.06
Lease liabilities	29.08	11.03	349.21	389.31
Total	2,027.88	5,232.75	10,126.73	17,387.36

The following is an analysis of the Company contractual undiscounted cash flows payable under financial liabilities at 31 March 2024:

	Current	Non-current		Total
	< 12 months	1-5 years	> 5 years	
Loan and borrowings	20,620.39	-	-	20,620.39
Trade and other payables	633.88	-	-	633.88
Other financial liabilities	37,776.18	-	-	37,776.18
Lease liabilities	47.65	11.03	321.66	380.33
Total	59,078.10	11.03	321.66	59,410.78

Capital management

Capital includes equity attributable to the equity holders of the Company and debt. The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value objectives include, among others:

- Ensure Company's ability to meet both its long-term and short-term capital needs as a going concern;
- Constantly evolve multiple funding alternatives – equity and /or preference capital, senior and /or subordinated debt, corporate loan facilities to arrive at an optimal capital mix;

No changes were made in the objectives, policies or processes during the year ended 31 March 2025 and 31 March 2024.

The Company maintains a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure the company has sufficient available funds for business requirements.

The Company net debt to equity ratio at the reporting date is as follows

	31 March 2025	31 March 2024
Total borrowing	15,821.67	20,620.39
less : Cash and bank balances	93.87	2,901.43
less : Other bank balances	7.70	5,340.90
Net debt	15,720.10	12,378.06
Equity	(2,403.41)	(30,369.62)
Total equity	(2,403.41)	(30,369.62)
Net debt to equity ratio	(6.54)	(0.41)

39 Financial instruments**Financial instruments by category:**

Particulars	As at 31 March 2025	As at 31 March 2024
	Amortised cost	Amortised cost
Financial assets		
Security deposit	186.06	718.58
Interest receivable	1.90	235.70
Other bank balances	19.44	10.20
Trade receivables	127.37	3,938.25
Unbilled revenue	589.68	-
Cash and cash equivalents	101.57	8,242.33
	1,026.02	13,145.06
Financial liabilities		
Borrowings	15,821.67	20,620.39
Lease liabilities	57.39	91.14
Trade payables	390.32	633.88
Interest accrued but not due on borrowings	82.65	35,375.34
Payable for capital supplies / services	0.27	1,891.09
Salaries and bonus payable	0.02	19.85
Payable to financial creditors	220.31	-
Others	482.81	489.90
	17,055.44	59,121.59

KSK Mahanadi Power Company Limited**(CIN : U40300TG2009PLC064062)****Notes to financial statements***(All amounts are in ₹ Crores, unless otherwise stated)***Carrying amounts versus fair values**

The carrying amounts of financial assets and liabilities measured at amortised cost which are not disclosed below are considered to be the same as their fair values, due to their short term nature.

	Carrying amount 31 March 2025	Fair value 31 March 2025	Carrying amount 31 March 2024	Fair value 31 March 2024
Financial assets				
Security deposit	174.13	174.13	174.08	174.08
	174.13	174.13	174.08	174.08
Financial liabilities				
Borrowings	14,999.25	14,999.25	-	-
Lease liabilities	28.31	28.31	27.35	27.35
	15,027.56	15,027.56	27.35	27.35

40 Financial ratios for the reporting period

S.No.	Particulars	Numerator	Denominator	31 March 2025	31 March 2024	% of increase	Reason for variance exceeding 25%
(a)	Current ratio	Current assets	Current liabilities (excluding current maturity of long term)	0.88	0.34	159%	Settlement of loan in current year has resulted in increased Current ratio.
(b)	Debt-equity ratio	Debt consists of borrowings and lease liabilities	Shareholders equity	(6.61)	(0.68)	869%	Decrease in debt to equity is on account of unaccounted interest that resulted in decrease in Equity (Reserve & Surplus)
(c)	Debt service coverage ratio	Profit before exceptional items & tax + interest expenses + depreciation & amortisation - current tax expense	Interest expense + scheduled principal repayment of longterm debt and lease liabilities during the period	NA	NA	NA	Company was under CIRP till 6 March 2025 and accordingly repayment of loan was not done.
(d)	Return on equity ratio	Net Profits after taxes (including continuing and discontinuing operations)	Average Shareholder's Equity	0.22	0.23	-6%	NA
(e)	Inventory turnover ratio	Cost of goods sold	Average inventory	8.50	8.89	-4%	NA
(f)	Trade receivables turnover ratio	Revenue from operations	Average receivables	2.72	1.27	114%	Trade receivables as on 31 January 2025 ("Cut Off date") has been assigned to the financial creditors as per the resolution plan and accordingly the turnover ratio has increased due to decreased average receivables
(g)	Trade payables turnover ratio	Cost of fuel consumed + Other expenses	Average trade payables	4.30	2.45	76%	Operational creditors written back as per the resolution plan resulting in increase in turnover ratio
(h)	Net capital turnover ratio	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	(0.24)	(0.13)	87%	Decrease is on account of increase in Revenue from operations vis a vis average working capital employed

KSK Mahanadi Power Company Limited**(CIN : U40300TG2009PLC064062)****Notes to financial statements***(All amounts are in ₹ Crores, unless otherwise stated)*

S.No	Particulars	Numerator	Denominator	31 March 2025	31 March 2024	% of increase	Reason for variance exceeding 25%
(i)	Net profit ratio	Profit for the year	Revenue from operations	(0.64)	(1.15)	-44%	Increase is on account of write back of creditors as per resolution and writeback of provisions
(j)	Return on capital employed	Profit before tax and exceptional item + interest expense	Average Capital employed (Shareholder's equity + Total Debt + Deferred tax liability)	1.16	(0.39)	-397%	Increase of profit in current year Vs average capital employed resulted in Return on capital employed
(k)	Return on investment	Interest income + Dividend income + Gain on fair value of current investment at Fair Value through Profit & Loss + Gain on Sale of Investment in Subsidiary	Average (Investment + Fixed deposit + Loans Given)	0.12	0.08	57%	Increase is on account of increase in interest rates / income from deposits with the bank as compared to previous year

- 41 The Company had applied for Mega Power Project (MPP) Status separately for Unit 3 & 4 (1200 MW), Unit 2 & 5 (1200 MW) & 1&6 (1200 MW). Key benefit under MPP Status is exemption from Customs Duty on the import of equipment for the project. Bank Guarantees equivalent to the Customs Duty benefit are required to be provided by the Company. The same would be returned upon fulfillment of stipulated conditions under MPP i.e. tie up of long term PPA with state DISCOMS.

Final Mega Power Certificate has already been received for unit 3 & 4, remaining units are still covered under provisional mega power status.

The Mega Power Policy which was expired in March 2017 was further extended by another 5 years (i.e till March 2022) by MoP vide memo dated 12 April 2017. Further, as per the Office Memorandum issued by Government of India, dated 07 April 2022 “ the time period for ten provisional Mega Projects which are commissioned/partly commissioned for furnishing the final Mega certificates to the Tax authorities be extended to 156 months instead of 120 months from the date of import”.

Unit no 2 & 5 have been covered under the provisional Mega projects, however unit 1 & 6 has not been covered.

- 42 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 43 The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- 44 The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 45 The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- 46 The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- 47 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
1. 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)
 2. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- 48 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
1. 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)
 2. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- 49 The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

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- 50** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 51** Monthly and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- 52** The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- 53** Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year.

As per our report of even date

For M. V. Vijaya Kumar & Co.

Chartered Accountants

Firm Registration No. 007890S

For and on behalf of the Board of Directors

S Sourabh Srivatsav

Partner

Membership No.251569

Pritesh Vinay

Director

DIN: 08868022

Sharad Mahendra

Director

DIN: 02100401

Place: Hyderabad

Date: 9th May 2025