

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Talwandi Sabo Power Limited

4th Floor, Office 405  
World Mark - 2, Asset No. 8  
IGI Airport Hospitality District, Aerocity  
New Delhi - 110 037, India  
Tel : +91 11 4681 9500

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Talwandi Sabo Power Limited ("the Company"), which comprise the Balance sheet as at March 31 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit including other comprehensive income, its cash flows and the changes in equity 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), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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.

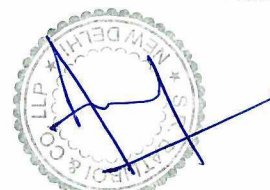
**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 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 the Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 Act read



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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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

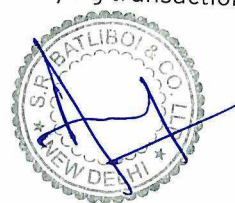
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and





events in a manner that achieves fair presentation.

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.

## **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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph below on reporting under Rule 11(g);
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) 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 Section 164 (2) of the Act;
  - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph h(vi) below on reporting under Rule 11(g);
  - (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note 33 to the financial statements;



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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 46 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 46 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature for direct changes to data in certain database tables was enabled for part of the year from March 03, 2025, as described in note 51 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where audit trail has been enabled. Additionally, the audit trail of relevant prior year has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in the respective year, as stated in note 51 to the financial statements.

For S.R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Amit Kumar Jain  
Partner

Membership Number: 097214

UDIN: 25097214BMNSIS8639

Place of Signature: New Delhi

Date: April 22, 2025

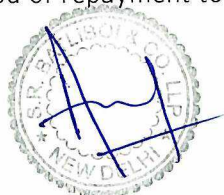




## **ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT ON EVEN DATE"**

**Re: Talwandi Sabo Power Limited ('the Company')**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The Title deeds in respect of freehold land having gross and net book value of Rs. 390 crores are in the name of the Company but are not physically available with the Company. The same has been pledged with Vistra ITCL (India) Limited.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. There was no inventory lying with third parties. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.
- (b) As disclosed in Note 15 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advances in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited



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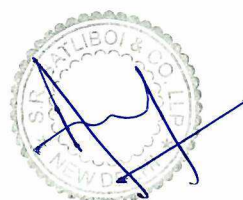
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Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- (iv) There are no loans, investments, guarantees, and securities given in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, related to the generation of power, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

| Name of the statute    | Nature of dues | Amount (Rs. in crore) | Financial year to which it relates           | Forum where dispute is pending       |
|------------------------|----------------|-----------------------|--|--------------------------------------|
| Income tax Act, 1961   | Income tax     | 0.91                  | Assessment year 2012-2013                    | Income tax Appellate Tribunal        |
| Income tax Act, 1961   | Income tax     | 0.68                  | Assessment year 2012-2013                    | Deputy Commissioner of Income Tax    |
| Income tax Act, 1961   | Income tax     | 1.65                  | Assessment year 2014-2015                    | Commissioner of Income Tax (Appeals) |
| Income tax Act, 1961   | Income tax     | 0.04                  | Assessment year 2017-2018                    | Commissioner of Income Tax (Appeals) |
| Income tax Act, 1961   | Income tax     | 0.10                  | Assessment year 2015-2016                    | Deputy Commissioner of Income Tax    |
| Goods and Services Act | Indirect tax   | 3.63                  | Assessment Year 17-18, Assessment Year 18-19 | CGST (Appeals)                       |

During the previous years, the Company has deposited INR 2.14 Crore under protest in connection with a dispute with authorities for the assessment year 2012-13, 2014-15, 2017-18 and 2018-19.





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(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the Ind AS 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, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under Sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by secretarial auditor, cost auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

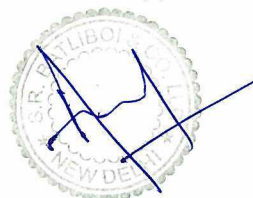
(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.



# **S.R. BATLIBOI & Co. LLP**

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(xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There are no other companies as part of the Group. Hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 45 to the financial statements, 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to Sub-section 5 of Section 135 of the Act. This matter has been disclosed in Note 32 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of Sub-section 6 of Section 135 of Companies Act. This matter has been disclosed in Note 32 to the financial statements.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Amit Kumar Jain**

Partner

Membership Number: 097214

UDIN: 25097214BMNSIS8639

Place of Signature: New Delhi

Date: April 22, 2025





**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF Talwandi Sabo Power Limited****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 with reference to financial statements of Talwandi Sabo Power Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these 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, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

**Meaning of Internal Financial Controls With Reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable



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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 With Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements 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 issued by the ICAI.

For **S.R. Batliboi & Co LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Amit Kumar Jain**  
Partner

Membership Number: 097214

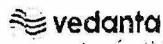
UDIN: 25097214BMNSIS8639

Place of Signature: New Delhi

Date: April 22, 2025







power

Talwandi Sabo Power Limited  
CIN - U40101MH2007PLC433557



Balance Sheet as at March 31, 2025

(₹ in Crore)

|    | Particulars  | Notes | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|----|--|-------|-------------------------|-------------------------|
| I  | ASSETS   |       |                         |                         |
| 1  | Non-current assets   |       |                         |                         |
|    | (a) Property, plant and Equipment  | 3     | 7,120.20                | 7,489.23                |
|    | (b) Capital work-in-progress   | 3     | 1.03                    | 3.05                    |
|    | (c) Intangible assets  | 3     | 2.63                    | 2.76                    |
|    | (d) Financial assets   |       |                         |                         |
|    | (i) Trade receivables  | 4     | 1,691.35                | 1,619.79                |
|    | (ii) Other financial assets  | 5     | 45.85                   | 7.59                    |
|    | (e) Deferred tax assets (Net)  | 43    | 128.20                  | 106.57                  |
|    | (f) Other non-current assets   | 6     | 6.02                    | 1.77                    |
|    | (g) Income tax assets  |       | 2.23                    | 2.45                    |
|    | Total non-current assets   |       | 8,997.51                | 9,233.21                |
| 2  | Current assets   |       |                         |                         |
|    | (a) Inventories  | 7     | 248.77                  | 292.49                  |
|    | (b) Financial Assets   |       |                         |                         |
|    | (i) Trade receivables  | 8     | 959.58                  | 547.10                  |
|    | (ii) Cash and cash equivalents   | 9     | 33.52                   | 168.01                  |
|    | (iii) Other bank balances  | 10    | -                       | 38.27                   |
|    | (iv) Other financial assets  | 11    | 1.11                    | 0.65                    |
|    | (c) Other current assets   | 12    | 39.13                   | 15.41                   |
|    | (d) Income tax assets  |       | 9.59                    | 5.03                    |
|    | Total current assets   |       | 1,291.70                | 1,066.96                |
|    | Total Assets   |       | 10,289.21               | 10,300.17               |
| II | EQUITY AND LIABILITIES   |       |                         |                         |
| A  | Equity   |       |                         |                         |
|    | (a) Equity share capital   | 13    | 3,206.61                | 3,206.61                |
|    | (b) Other equity   | 14    | 447.98                  | 416.15                  |
|    | Total Equity   |       | 3,654.59                | 3,622.76                |
| B  | LIABILITIES  |       |                         |                         |
| 1  | Non-current liabilities  |       |                         |                         |
|    | (a) Financial liabilities  |       |                         |                         |
|    | (i) Borrowings   | 15    | 4,333.66                | 4,871.57                |
|    | (ii) Lease Liability   | 16    | 38.89                   | 2.14                    |
|    | (b) Provisions   | 17    | 0.96                    | 1.06                    |
|    | Total non-current liabilities  |       | 4,373.51                | 4,874.77                |
| 2  | Current liabilities  |       |                         |                         |
|    | (a) Financial liabilities  |       |                         |                         |
|    | (i) Borrowings   | 18    | 1,444.89                | 1,178.75                |
|    | (ii) Lease Liability   | 16    | 8.30                    | 1.36                    |
|    | (iii) Trade finance  | 19    | 450.78                  | 375.13                  |
|    | (iv) Trade payables  | 20    |                         |                         |
|    | (a) Total Outstanding dues of Micro Enterprises and Small Enterprises                      |       | 8.98                    | 1.56                    |
|    | (b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises |       | 116.12                  | 36.35                   |
|    | (v) Derivatives  | 40    | 0.04                    | -                       |
|    | (vi) Other financial liabilities   | 21    | 228.19                  | 203.24                  |
|    | (b) Other current liabilities  | 22    | 3.72                    | 6.14                    |
|    | (c) Provisions   | 23    | 0.09                    | 0.11                    |
|    | Total current liabilities  |       | 2,261.11                | 1,802.64                |
|    | Total Liabilities  |       | 6,634.62                | 6,677.41                |
|    | Total Equity and Liabilities   |       | 10,289.21               | 10,300.17               |

See accompanying notes forming part of financial statements

In terms of our report attached  
For S. R. Batliboi & Co. LLP  
ICAI Firm Registration No. : 301003E/E300005  
Chartered Accountants

per Amit Kumar Jain  
Partner  
Membership No.: 097214

Place : New Delhi  
Date : April 22, 2025

For and on behalf of Board of Directors

Agarwal  
Chairman  
DIN: 00038950  
Place : Fuzrah

Nitesh Malani  
Chief Financial Officer  
Place : Mansa  
Date : April 22, 2025

Rajinder Singh Ahuja  
Chief Executive Officer  
Place : New Delhi

Shivangi  
Shivangi Dhanuka  
Company Secretary  
ICSI Mem No. A70586  
Place : Mansa

Pankaj Kumar Sharma  
Whole Time Director  
DIN: 10277510  
Place: Mansa



Statement of Profit and Loss for the period ended March 31, 2025

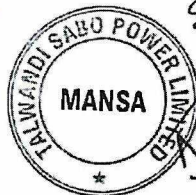
|   |       | [₹ in Crores]                |                              |
|---|-------|------------------------------|------------------------------|
| Particulars   | Notes | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
| I Revenue from operations   | 24    | 5,223.40                     | 5,256.05                     |
| II Other Operating Income   | 25    | 17.11                        | 36.81                        |
| III Other Income  | 26    | 3.70                         | 16.14                        |
| IV Total Income (I+II+III)  |       | 5,244.21                     | 5,309.00                     |
| V Expenses:   |       |                              |                              |
| Power and fuel charges  |       | 3,835.83                     | 3,875.28                     |
| Employee benefits expense   | 27    | 24.05                        | 25.51                        |
| Finance costs   | 28    | 619.08                       | 667.70                       |
| Depreciation and amortisation expense                                   | 29    | 441.39                       | 456.46                       |
| Other expenses  | 30    | 313.06                       | 322.52                       |
| Total expenses  |       | 5,234.01                     | 5,347.47                     |
| VI Profit before tax (IV-V)   |       | 10.20                        | (38.47)                      |
| VII Exceptional Items   | 50    | -                            | 794.26                       |
| VIII Profit before tax (VI+VII)   |       | 10.20                        | 755.79                       |
| IX Tax expense/(benefit):   | 43    |                              |                              |
| On other than exceptional items   |       |                              |                              |
| Deferred tax  |       | 2.90                         | (46.26)                      |
| Deferred tax adjustment for previous years                              |       | (24.54)                      | -                            |
| On Exceptional items  |       |                              |                              |
| Deferred tax  |       | -                            | 199.90                       |
| Net Tax (credit)/charge:  |       | (21.64)                      | 153.64                       |
| X Net Profit for the year (VIII-IX)                                     |       | 31.84                        | 602.15                       |
| XI Other Comprehensive Income (net of taxes)                            |       |                              |                              |
| (i) Items that will not be reclassified to profit or loss:              |       |                              |                              |
| Re-measurement gain/(loss) on defined benefit obligation (net of taxes) |       | (0.01)                       | 0.27                         |
| XII Total Comprehensive Income for the year (X+XI)                      |       | 31.83                        | 602.42                       |
| XIII Earnings per equity share (in ₹):                                  | 35    |                              |                              |
| - Basic and Diluted   |       | 0.10                         | 1.88                         |

See accompanying notes forming part of financial statements

In terms of our report attached  
For S. R. Batliboi & Co. LLP  
ICAI Firm Registration No.: 301003E/E300005  
Chartered Accountants

per Anand Kumar Jain  
Partner  
Membership No.: 097214

Place: New Delhi  
Date: April 22, 2025



For and on behalf of Board of Directors

Agnivesh Agarwal  
Chairman  
DIN: 00038950  
Place: Fuzairah

Nitesh Malani  
Chief Financial Officer  
Place: Mansa  
Date: April 22, 2025

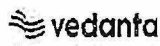
Rajinder Singh Ahuja  
Chief Executive Officer  
Place: New Delhi

Shivangi Dhanuka  
Company Secretary  
ICSI Mem No. A70586  
Place: Mansa

Pankaj Kumar Sharma  
Whole Time Director  
DIN: 10277510  
Place: Mansa







power

Talwandi Sabo Power Limited  
CIN - U40101MH2007PLC433557



Cash Flow Statement for the year ended March 31, 2025

(₹ in Crore)

|   | Particulars  | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---|--|------------------------------|------------------------------|
| A | <b>Cash flows from operating activities</b>                        |                              |                              |
|   | Net Profit before tax  | 10.20                        | 755.79                       |
|   | Adjusted for :   |                              |                              |
|   | Unrealised exchange (gain) / loss                                  | -                            | 4.38                         |
|   | Depreciation and amortisation expense                              | 441.99                       | 456.46                       |
|   | Interest Expenses  | 619.08                       | 667.70                       |
|   | Exceptional (Gain)/ Loss   | -                            | (794.26)                     |
|   | Income on lease modification                                       | -                            | (0.81)                       |
|   | Interest and Dividend Income                                       | (3.66)                       | (3.02)                       |
|   | Realised gain from investments measured at FVTPL                   | (0.04)                       | (0.25)                       |
|   | Loss on sale of property, plant and equipment written off          | 4.78                         | 0.00                         |
|   | Sundry Balances written back                                       | -                            | (0.84)                       |
|   | Operating profit before working capital changes                    | 1,072.35                     | 1,085.15                     |
|   | Adjustments for change in assets and liabilities                   |                              |                              |
|   | (Increase) / Decrease in inventories                               | 43.72                        | (67.80)                      |
|   | (Increase) / Decrease in trade receivables                         | (484.04)                     | 121.56                       |
|   | (Increase) / Decrease in other financial and other assets          | (28.43)                      | 21.93                        |
|   | Increase / (Decrease) in payables and provisions                   | 168.31                       | (56.76)                      |
|   | Cash generated from operations                                     | 771.91                       | 1,104.08                     |
|   | Income taxes paid  | (4.34)                       | 16.79                        |
|   | Net cash from operating activities (i)                             | 767.57                       | 1,120.87                     |
| B | <b>Cash flows from investing activities</b>                        |                              |                              |
|   | Purchases of property, plant and equipment (including intangibles) | (29.97)                      | (22.87)                      |
|   | Sale of property, plant and equipment (including intangibles)      | 0.28                         | 0.05                         |
|   | Proceeds from maturity / redemption of short term bank deposits    | 38.27                        | 0.02                         |
|   | Investment in bank deposits  | (38.26)                      | (0.01)                       |
|   | Purchase of short term Investment (Mutual Funds)                   | (110.00)                     | (515.97)                     |
|   | Proceeds from sale of short term Investments (Mutual Funds)        | 110.04                       | 516.23                       |
|   | Interest received  | 3.66                         | 2.67                         |
|   | Net cash used in investing activities (ii)                         | (25.98)                      | (19.88)                      |
| C | <b>Cash flows from financing activities</b>                        |                              |                              |
|   | Proceeds from short term loan                                      | 548.53                       | 324.00                       |
|   | Repayment of short term loan                                       | (77.00)                      | (100.00)                     |
|   | Proceeds from long term borrowings                                 | -                            | 1,498.91                     |
|   | Repayment of long term borrowings                                  | (748.45)                     | (2,059.25)                   |
|   | Repayment of lease liability                                       | (4.24)                       | (0.10)                       |
|   | Interest paid  | (594.92)                     | (636.44)                     |
|   | Net cash used in financing activities (iii)                        | (876.08)                     | (972.88)                     |
|   | Net (decrease) / increase in cash and cash equivalents (i+ii+iii)  | (134.49)                     | 128.11                       |
|   | Cash and cash equivalents at beginning of the year                 | 168.01                       | 39.90                        |
|   | Cash and cash equivalents at close of the year (Refer note 9)      | 33.52                        | 168.01                       |

**Notes:**

- The figures in bracket indicates outflows.
- The above cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 - Statement of Cash Flows.
- Refer Note 15 for Change in liabilities arising from financing activities and for non-cash financing and investing activities

See accompanying notes forming part of financial statements

In terms of our report attached  
For S. R. Batliboi & Co. LLP  
ICAI Firm Registration No. : 301003E/E300005  
Chartered Accountants

per Amit Kumar Jain  
Partner  
Membership No : 097214

Place : New Delhi  
Date : April 22, 2025

For and on behalf of Board of Directors

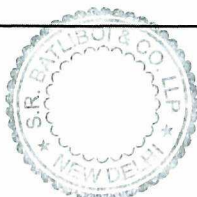
Agnivesh Agarwal  
Chairman  
DIN: 00638950  
Place : Fujairah

Nitesh Malani  
Chief Financial Officer  
Place : Mansa  
Date : April 22, 2025

Rajinder Singh Ahuja  
Chief Executive Officer  
Place : New Delhi

Shivangi  
Shivangi Dhanuka  
Company Secretary  
ICSI Mem No. A70586  
Place : Mansa

Pankaj Kumar Sharma  
Whole Time Director  
DIN: 10277510  
Place : Mansa





power



Talwandi Sabo Power Limited  
CIN - U40101MH2007PLC433557

Statement of Changes in Equity for the year ended March 31, 2025

a. Equity share capital

| Equity shares of ₹ 10 each issued, subscribed and fully paid | No. of Shares | Amount<br>(₹ in Crore) |
|--|---------------|------------------------|
| As at March 31, 2025 and March 31, 2024                      | 3,206,609,692 | 3,206.61               |

Note: There has been no change in the equity share capital either during the year or previous year.

b. Other equity

(₹ in Crore)

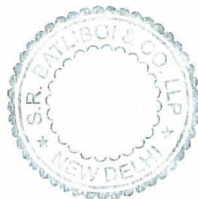
| Particulars                   | Reserves and Surplus |
|-------------------------------|----------------------|
| Balance as on 31st March 2023 | (186.27)             |
| Profit for the year           | 602.15               |
| Other Comprehensive Income    | 0.27                 |
| Balance as on 31st March 2024 | 416.15               |
| Profit for the year           | 31.84                |
| Other Comprehensive Income    | (0.01)               |
| Balance as on 31st March 2025 | 447.98               |

See accompanying notes forming part of financial statements

In terms of our report attached  
For S. R. Batliboi & Co. LLP  
ICAI Firm Registration No : 301003E/E300005  
Chartered Accountants

per Amit Kumar Jain  
Partner  
Membership No.: 097214

Place : New Delhi  
Date : April 22, 2025



For and on behalf of Board of Directors

Agnivesh Agarwal  
Chairman  
DIN: 0038950  
Place: Fuzairat

Nitesh Malani  
Chief Financial Officer  
Place : Mansa  
Date : April 22, 2025

Rajinder Singh Ahuja  
Chief Executive Officer  
Place : New Delhi

Shivangi Dhanuka  
Company Secretary  
ICSI Mem No. A70586  
Place : Mansa

Pankaj Kumar Sharma  
Whole Time Director  
DIN: 10277510  
Place: Mansa



**1 Company's Overview :**

Talwandi Sabo Power Limited (herein after referred as "TSPL" or "the Company") was incorporated as a Special Purpose Vehicle by Punjab State Power Corporation Limited (herein after referred as "PSPCL") [formerly known as Punjab State Electricity Board (PSEB)] to construct a 3\*660 MW coal based thermal power plant (The Plant) on Build, Own and Operate (BOO) basis. TSPL became a wholly owned subsidiary of Vedanta Limited (herein after referred as "VL") [formerly known as Sesa Sterlite Limited (SSL)] pursuant to the selection of VL as the successful bidder after going through a tariff based International Competitive Bidding (ICB) process. The Share Purchase Agreement (SPA), Power Purchase Agreement (herein after referred as "PPA") for sale of power from the Plant to PSEB for a period of 25 years and other necessary documents were signed between VL, TSPL and PSPCL on September 01, 2008. The address of the registered office is 1st floor, C wing, Unit 103, Corporate Avenue Atul Projects, Chakala, Andheri (East), Mumbai, Maharashtra, 400093 and principal place of business is in village Banawala, Mansa - Talwandi Sabo Road, Mansa, Punjab - 151302

The Financial Statements were approved for issuance by the Board of Directors on April 22, 2025.

**2 Basis of Preparation and Material Accounting Policies :**

**2.A. BASIS OF PREPARATION**

**(a) Basis of Preparation and Compliance with Ind AS**

- (i) These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act, 2013 (the Act).
- (ii) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- (iii) Certain Comparative figures appearing in these Financial statements have been regrouped and/ or reclassified to better reflect the nature of those items.

**(b) Basis of Measurement**

- (i) The financial statements have been prepared on a going concern basis using historical cost convention, except for certain financial assets and liabilities which are measured at fair value/amortised cost (Refer note 2.B (g)).

**2.B. MATERIAL ACCOUNTING POLICIES**

The Company has applied the following Accounting policies to all periods presented in the Financial Statements:

**(a) Functional and presentation Currency**

The Financial Statements are prepared in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in Indian Rupee has been rounded to the nearest Crore with two decimals.

**(b) Revenue from Contract with Customer**

Ind AS 115 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of the standard is for companies to recognize revenue when the control of the goods and services is transferred to the customer as against the transfer of risk and rewards. The amount of revenue recognised reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreement with its sole customer i.e. PSPCL Late Payment Surcharge Cess ("LPSC") if any received by the Company from PSPCL as per the contract is recorded as revenue from sale of power. Revenues from sale of by-products are included in revenue.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company transfers goods or services to a customer even before the customer pays consideration or payment is due, a contract asset is recognised for the earned consideration when that right is conditional on the Company's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

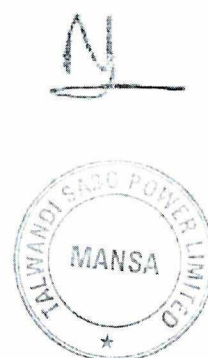
The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a result, the Company does not adjust any of the transaction prices for the time value of money.

**Lease Income**

Where the Company is a lessor, lease income from operating leases (excluding amount for services on maintenance, etc. and contingent rentals) is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases and another systematic basis is more representative of the time pattern in which user's benefit derived from the leased asset is diminished. Contingent rent is recognised in the period when earned. The respective leased assets are included in the balance sheet according to the nature of the asset.

**Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts throughout the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.



**(c) Property, Plant and Equipment****(i) Property, Plant and Equipment**

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spare parts are capitalised when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

**Subsequent costs and disposal:**

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including routine repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/other expenses in Statement of Profit and Loss.

**(ii) Capital Work in Progress**

Assets during construction are capitalised in capital work in progress account. All costs attributable to construction of project or incurred in relation to the project under construction, net of incidental income during the construction/pre-production period, are aggregated under 'Expenditure during Construction Period' to be allocated to individual identified assets on completion. At the point when an asset is capable of operating in the manner intended by the management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

**(iii) Depreciation**

Assets during development or construction and freehold land are not depreciated. Property plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line method over its expected useful lives.

The estimated useful lives of assets are as follows:

|                                    |            |
|------------------------------------|------------|
| • Buildings                        | 3-25 years |
| • Roads                            | 5-10 years |
| • Plant and machinery              | 5-25 years |
| • Furniture and fixtures           | 5-10 years |
| • Vehicles*                        | 4-8 years  |
| • Railway siding                   | 15 years   |
| • Office equipment                 | 5 years    |
| • Computers and data processing un | 3-6 years  |
| • Laboratory equipment             | 10 years   |

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment and furniture and fixtures over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation methods, useful lives and residual values of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

\*Useful life of vehicles is taken as per the tenure of Finance Lease.

**(d) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over their estimated useful life on a straight-line basis. Software is amortised over the estimated useful life of software of 3-6 years. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

**(e) Lease****Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (j) Impairment of non-financial assets.



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(ii) **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption of low-value assets to leases of office equipment that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Company as a Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(f) **Current and Non Current Classification**

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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. The Company has identified twelve months as its operating cycle. Deferred tax assets and liabilities are classified as non-current only.

(g) **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets – recognition**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

(i) **Debt instruments at amortised cost**

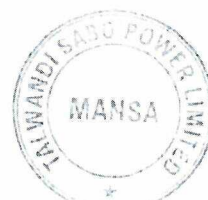
A 'Debt instrument' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.



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**Talwandi Sabo Power Limited**

**Notes forming part of the financial statements as at and for the year ended March 31, 2025**

**(ii) Debt instruments at fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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 interest income, impairment losses & reversals and foreign exchange gain or loss are recognised 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 profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**(iii) Debt instruments at fair value through profit and loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

**Financial assets – derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

**Impairment of financial assets**

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables;
- Financial assets that are debt instruments and are measured as at FVTOCI;
- 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 follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL 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 entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income or expense in the Statement of Profit and Loss under the head 'Other Expenses'.

The balance sheet presentation for financial instruments is described below:

- **Financial assets measured at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Debt instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.



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Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

#### Financial Liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

##### Subsequent measurement

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

##### • Financial liabilities at amortised cost (Loans & Borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

##### • Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities held are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

##### Financial Liabilities- Derecognition

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

##### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of any entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

##### 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 off-set the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### Supplier finance arrangements

The Company has established supplier finance arrangements. The Company evaluates whether financial liabilities covered such arrangements continue to be classified within trade payables, or they need to be classified as a borrowing or as part of other financial liabilities/ as a separate line item on the face of the balance sheet. Such evaluation requires exercise of judgment basis specific terms of the arrangement.

The Company classifies financial liabilities covered under supplier finance arrangement within trade payables in the balance sheet only if (i) the obligation represents a liability to pay for goods and services, (ii) is invoiced and formally agreed with the supplier, (iii) is part of the working capital used in its normal operating cycle, (iv) the company is not legally released from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (v) there is no substantial modification to the terms of the liability.

If one or more of the above criteria are met, the Company derecognises its original liability toward the supplier and recognise a new liability toward the bank which is classified as bank borrowing or other financial liability, depending on factors such as whether the Company (i) has obligation toward bank, (ii) is getting extended credit period such that obligation is no longer part of its working capital cycle, (iii) is paying interest directly or indirectly, (iv) has provided guarantee or security, and/or (v) is recognized as borrower in the bank books.

Cash flows related to liabilities arising from supplier finance arrangements that continue to be classified in trade payables in the standalone balance sheet are included in operating activities in the standalone statement of cash flows, when the Company finally settles the liability.

In cases, where the Company has derecognised its original liability toward the supplier and recognise a new liability toward the bank, the Company has assessed that the bank is acting as its agent in making payment to the supplier. Accordingly, the Company presents operating cash outflow and financing cash inflow, when bank made payment to the supplier. The payment made by the Company to the bank toward interest, if any, as well as on settlement is presented as financing cash outflow.



**(h) Derivative Financial Instruments**

**Initial recognition and subsequent measurement**

In order to hedge its exposure to foreign exchange risks, the Company enters into forward contracts for hedging of exposures of foreign currencies borrowings and capital vendors. The Company does not hold derivative financial instruments for speculative purposes. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

**(i) 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:

- In the principal market for the asset or liability, or
- 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 considers 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 assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

**(i) Borrowing Costs**

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use i.e. when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such short-term investments is deducted from the total capitalised borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year.

Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during the extended periods when the active development on the qualifying asset is suspended.

All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options).

**(k) Impairment of Non-Financial Assets**

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment tests are carried out annually for all assets when there is an indication of impairment. The Company conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. External factors, such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists then an impairment review is undertaken, the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use. Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.





Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

An impairment loss is recognised in the 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. Company has done the impairment assessment as at March 31, 2025 and concluded that no impairment indicators exist for the current year reporting.

#### (l) Inventories

Inventories comprising fuel, stores and spares, consumables, supplies and loose tools are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses. Cost includes all charges in bringing the goods to the present location and condition, and other levies, transit insurance and receiving charges and is determined on a weighted average basis.

Net realisable value is determined based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (m) Taxation

Tax expense represents the sum of current tax and deferred tax. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years.

Subject to exceptions below, deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unutilised tax credits and unutilised tax loss.

- \* deferred income tax is not recognised on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- \* deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or equity).

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

#### (n) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund. The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

The date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Standalone statement of profit and loss:

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurement gains/losses are immediately taken to the statement of profit and loss and are not deferred.



**(o) Provision for liabilities and charges, contingent liabilities and contingent assets**

Provisions represent liabilities of the Company for which the amount or timing is uncertain. Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements (Refer note 33).

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

**(p) Foreign Currency Translation**

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. The functional currency is the local currency of the country in which it operates which is Indian Rupee (₹).

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the Statement of Profit and Loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognised in the other comprehensive income.

The Company had applied paragraph 46A of AS 11 as prescribed under the accounting standards notified pursuant to Section 133 of the Act. On transition to Ind AS, the Company had elected the option, whereby a first time adopter could continue its accounting policy for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary liabilities recognised upto March 31, 2016 which were obtained for acquisition of property, plant and equipment, have been adjusted to the cost of PPE.

Such exchange differences arising on translation/settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful life of the assets.

From accounting periods commencing on or after April 01, 2016, exchange differences arising on translation/ settlement of long-term foreign currency monetary items, acquired post April 01, 2016, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss.

The date of the transaction for the purpose of determining the exchange rate to use on initial Ind AS 21 recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

**(q) Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

**(r) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and demand deposits with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(s) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit/(loss) for the year before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past and future cash receipts or payments. The cash flows from operating, investing, and financing activities of the Company are segregated based on the available information.

Cash comprises cash at bank and in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**(t) Segment Reporting**

The Company operates only in one segment namely power generation and there are no reportable segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker i.e., Board of Directors.

**(u) Share-based payments**

The Company does not have any outstanding share-based payments. Vedanta Limited ("VL"), the immediate holding company offers certain share-based incentives under the Long-Term Incentive Plan ("LTIP") to employees and directors of the Company and its subsidiaries. VL recovers the proportionate cost (calculated based on the grant date fair value of the options granted) from the respective group companies, which is charged to the statement of profit and loss.





## 2.C. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statement in conformity with Ind AS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

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, and future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following accounting policies and/or notes.

### Critical estimates and judgements in applying accounting policies

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Information about estimates and judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

#### Critical estimates:

- Useful life of property, plant and equipment

Useful life of depreciable/ amortisable assets (tangible and intangible) - Management reviews its estimate of the useful lives and consumption pattern of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. The reassessment may lead to a change in depreciation and amortisation charge. Accordingly, the Company had revised the useful life of its property, plant and equipment from 40 years to 25 years during earlier years.

#### Critical judgements:

- Determining whether an arrangement contains a lease and fixed rentals therein

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

The Company has ascertained that the Power Purchase Agreement (PPA) entered between the Company and Punjab State Power Corporation Limited (PSPCL) qualify as operating lease as per Ind AS 116 Leases. Accordingly, the consideration receivable under the PPA relating to recovery of capacity charges have been recognised as operating lease rentals and in respect of energy charges is considered as revenue from sale of products.

The Company has assessed the nature of operating lease payments received as a lessor. Management has assessed that the entire lease payments as disclosed in Note 24 are contingent in nature as the payments are based on the number of units of electricity made available by the Company. This is subject to variation on account of various factors like availability of coal, water, etc. of the plant.

- Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation, taxation, and other claims against the Company. A tax provision is recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation.

Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to confirm their decision.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability. The liabilities which are assessed as possible and hence are not recognised in these financial statements are disclosed in Note 33.

- Revenue Recognition of disputed dues:

The Company has evaluated the provisions of Ind-AS 115, which states that revenue should be recorded if it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services has been transferred to the customer. Management has assessed the recognition of revenue and recoverability of disputed dues with PSPCL as disclosed in Note 47 as highly probable due to the following reasons:

- The Company has favorable legal opinions from senior advocates.
- Favourable judgement in one of the related matters.
- PSPCL being a government owned company, credit risk is low.



**Climate Related Matters:**

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment: When reviewing the residual values and expected useful lives of assets, the Company considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures

- Impairment of non-financial assets: The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Company's products. The Company has concluded that no climate-related assumption will have impact on FY 2024-25 test of impairment.

**2.D. NEW AND AMENDED STANDARDS**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**(i) Ind AS 117 Insurance Contracts**

The Ministry of Corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 1 April 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 does not have material impact on the Company's separate financial statements as the Company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

**(ii) Amendments to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback Transaction**

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amended Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback Transaction.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendments do not have a material impact on the Company's financial statements.

**2.E. STANDARDS NOTIFIED BUT YET NOT EFFECTIVE**

There are no standards that are notified and not yet effective as on the date.



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Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

(₹ in Crore)

Note 3 Property Plant and Equipment  
For the year ended March 31, 2025

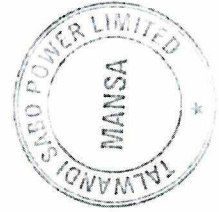
| Particulars                    | Gross Block                     |              |                           | Accumulated depreciation and amortisation |                                 |                             | Net Block<br>Balance as at<br>March 31, 2025 |
|--------------------------------|---------------------------------|--------------|---------------------------|---|---------------------------------|-----------------------------|--|
|                                | Balance as at March<br>31, 2024 | Additions    | Disposals/<br>Adjustments | Foreign<br>exchange                       | Balance as at March<br>31, 2024 | Depreciation<br>charge      |  |
| a) Tangible Assets             |                                 |              |                           |   |                                 |                             |  |
| Freehold Land                  | 390.60                          | -            | -                         | -   | -                               | -                           | 390.60                                       |
| Buildings                      | 265.42                          | -            | -                         | -   | 135.36                          | 13.44                       | 116.62                                       |
| Plant and Machinery            | 10,565.08                       | 30.07        | 12.47                     | -   | 3,784.84                        | 397.15                      | 6,408.36                                     |
| Furniture and Fittings         | 2.84                            | 0.00         | 0.07                      | -   | 2.15                            | 0.19                        | 0.49   |
| Motor Vehicles                 | 1.11                            | 0.19         | 0.56                      | -   | 0.41                            | 0.22                        | 0.44   |
| Railway Siding and Locomotives | 418.16                          | -            | -                         | -   | 237.85                          | 23.78                       | 156.53                                       |
| Office and Equipment           | 8.61                            | 0.03         | 0.06                      | -   | 7.63                            | 0.23                        | 0.77   |
| Computers and Data Processing  | 7.90                            | 0.96         | 0.02                      | -   | 6.35                            | 0.55                        | 1.95   |
| Laboratory Equipment           | 28.29                           | -            | -                         | -   | 24.87                           | 1.57                        | 1.85   |
| <b>Total</b>                   | <b>11,688.01</b>                | <b>31.25</b> | <b>13.18</b>              | <b>-</b>                                  | <b>4,199.46</b>                 | <b>437.13</b>               | <b>7,077.61</b>                              |
|                                |                                 |              |                           |   |                                 | 8.12                        |  |
|                                |                                 |              |                           |   |                                 | b) Capital work in progress | 1.03   |
|                                |                                 |              |                           |   |                                 | <b>Total</b>                | <b>7,078.64</b>                              |

|                      |             |             |          |          |             |             |             |
|----------------------|-------------|-------------|----------|----------|-------------|-------------|-------------|
| b) Intangible Assets |             |             |          |          |             |             |             |
| Computer software    | 3.88        | 0.74        | -        | -        | 3.49        | 0.32        | 0.81        |
| <b>Total</b>         | <b>3.88</b> | <b>0.74</b> | <b>-</b> | <b>-</b> | <b>3.49</b> | <b>0.32</b> | <b>0.81</b> |

|                                   |             |              |          |          |             |             |              |
|-----------------------------------|-------------|--------------|----------|----------|-------------|-------------|--------------|
| c) ROU Assets (Refer note 2.B(e)) |             |              |          |          |             |             |              |
| Land                              | 0.86        | -            | -        | -        | 0.18        | 0.19        | 0.49         |
| Plant and Machinery               | -           | 45.90        | -        | -        | -           | 3.80        | 42.10        |
| Computer software                 | 2.73        | -            | -        | -        | 0.36        | 0.55        | 1.82         |
| <b>Total</b>                      | <b>3.59</b> | <b>45.90</b> | <b>-</b> | <b>-</b> | <b>0.54</b> | <b>4.54</b> | <b>44.41</b> |



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## Previous year ended March 31, 2024

| Particulars                    | Gross Block                  |              |                        |                             | Accumulated depreciation and amortisation |                     |             | Net Block                    |
|--------------------------------|------------------------------|--------------|------------------------|-----------------------------|---|---------------------|-------------|------------------------------|
|                                | Balance as at March 31, 2023 | Additions    | Disposals/ Adjustments | Foreign exchange difference | Balance as at March 31, 2024              | Depreciation charge | Deductions  | Balance as at March 31, 2024 |
| <b>a) Tangible Assets</b>      |                              |              |                        |                             |   |                     |             |                              |
| Freehold Land                  | 390.60                       | -            | -                      | -                           | 390.60                                    | -                   | -           | 390.60                       |
| Buildings                      | 265.34                       | 0.08         | -                      | -                           | 265.42                                    | 13.51               | -           | 130.06                       |
| Plant and Machinery*           | 10,996.91                    | 20.58        | 452.41                 | -                           | 10,565.08                                 | 415.11              | 0.00        | 6,780.24                     |
| Furniture and Fittings         | 2.82                         | 0.03         | 0.01                   | -                           | 2.84                                      | 0.19                | 0.01        | 0.69                         |
| Motor Vehicles                 | 1.11                         | -            | -                      | -                           | 1.11                                      | 0.20                | -           | 0.70                         |
| Railway Siding and Locomotives | 418.16                       | -            | -                      | -                           | 418.16                                    | 23.78               | -           | 180.31                       |
| Office and Equipment           | 8.56                         | 0.06         | 0.01                   | -                           | 8.61                                      | 0.24                | 0.01        | 0.98                         |
| Computers and Data Processing  | 7.37                         | 0.58         | 0.05                   | -                           | 7.90                                      | 0.51                | 0.03        | 1.55                         |
| Laboratory Equipment           | 28.29                        | -            | -                      | -                           | 28.29                                     | 2.17                | -           | 3.42                         |
| <b>Total</b>                   | <b>12,119.17</b>             | <b>21.33</b> | <b>452.48</b>          | <b>-</b>                    | <b>11,688.01</b>                          | <b>455.72</b>       | <b>0.05</b> | <b>7,488.55</b>              |
| * Refer Note 50                |                              |              |                        |                             |   |                     |             |                              |
| b) Capital work in progress    |                              |              |                        |                             |   |                     |             | 3.05                         |
| <b>Total</b>                   |                              |              |                        |                             |   |                     |             | <b>7,491.60</b>              |

|                             |             |             |          |          |             |             |          |             |
|-----------------------------|-------------|-------------|----------|----------|-------------|-------------|----------|-------------|
| <b>b) Intangible Assets</b> |             |             |          |          |             |             |          |             |
| Computer software           | 3.79        | 0.09        | -        | -        | 3.88        | 0.20        | -        | 0.39        |
| <b>Total</b>                | <b>3.79</b> | <b>0.09</b> | <b>-</b> | <b>-</b> | <b>3.88</b> | <b>0.20</b> | <b>-</b> | <b>0.39</b> |

|  |              |             |              |          |             |             |             |             |
|--|--------------|-------------|--------------|----------|-------------|-------------|-------------|-------------|
| <b>c) ROU Assets (Refer note 2.8(e))</b> |              |             |              |          |             |             |             |             |
| Land                                     | 12.00        | 0.54        | 11.68        | -        | 0.86        | 0.18        | 4.00        | 0.68        |
| Plant and Machinery                      | -            | -           | -            | -        | -           | -           | -           | -           |
| Computer software                        | -            | 2.73        | -            | -        | 2.73        | 0.36        | -           | 2.37        |
| <b>Total</b>                             | <b>12.00</b> | <b>3.27</b> | <b>11.68</b> | <b>-</b> | <b>3.59</b> | <b>0.54</b> | <b>4.00</b> | <b>3.05</b> |

Note: i) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 15 on "Borrowings".

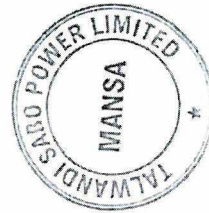
Title deeds in respect of freehold land having Gross and net book value of ₹ 390.60 Crore included in plant, property and equipment are in the name of the company but are not physically available with the Company. Same has been held with Vistra ITCL (India) Limited working as trustee appointed by Banks/ Financial Institutions against charge created on borrowings taken from Banks and Financial Institutions. There is no such property wherein there is an issue with the title.

## (ii) Ageing of Capital-Work-in Progress (CWIP)

| Year ended March 31, 2025 |                  |           |           |                   | (₹ in Crore) |
|---------------------------|------------------|-----------|-----------|-------------------|--------------|
| Particulars               | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total        |
| Projects in progress      | 0.92             | 0.11      | -         | -                 | 1.03         |

| Previous year ended March 31, 2024 |                  |           |           |                   | (₹ in Crore) |
|------------------------------------|------------------|-----------|-----------|-------------------|--------------|
| Particulars                        | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total        |
| Projects in progress               | 3.05             | -         | -         | -                 | 3.05         |

There is no project whose completion is overdue or has exceeded its cost compared to its original plan during the financial year 2023-24.





Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

(₹ in Crore)

**Note 4**

**Trade receivables - Non-current**

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Considered good - Unsecured (Refer Note 42)                             | 1,691.35                | 1,619.79                |
| Trade Receivables - Credit impaired                                     | 0.05                    | 0.05                    |
| Less: Provision for Trade Receivables - Credit impaired (Refer Note 40) | (0.05)                  | (0.05)                  |
| <b>Total</b>  | <b>1,691.35</b>         | <b>1,619.79</b>         |

**Note 5**

**Other financial assets - Non-current**

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Bank Deposits with remaining maturity of more than 12 months (including interest accrued thereon) (Refer note below) | 38.26                   | -                       |
| Security deposits (Unsecured, considered good)   | 7.59                    | 7.59                    |
| <b>Total</b>   | <b>45.85</b>            | <b>7.59</b>             |

Note: Bank deposits are kept as margin money and earns interest at fixed rate based on respective deposit rate.

**Note 6**

**Other non-current assets**

| Particulars      | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------|-------------------------|-------------------------|
| Prepaid Expenses | 6.02                    | 1.77                    |
| <b>Total</b>     | <b>6.02</b>             | <b>1.77</b>             |

**Note 7**

**Inventories**

| Particulars       | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------|-------------------------|-------------------------|
| Fuel Stock        | 143.41                  | 149.92                  |
| Goods-in transit  | 37.06                   | 71.97                   |
| Stores and Spares | 68.30                   | 70.45                   |
| Goods-in transit  | -                       | 0.15                    |
| <b>Total</b>      | <b>248.77</b>           | <b>292.49</b>           |

Note: For method of valuation of inventories, refer note 2.B(i)

**Note 8**

**Trade receivables - Current**

| Particulars                                 | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Considered good - Unsecured (Refer note 42) | 959.58                  | 547.10                  |
| <b>Total</b>                                | <b>959.58</b>           | <b>547.10</b>           |

Note: The Company offers a credit period of 0-30 days to its customers.



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Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

(₹ in Crore)

**Note 9**

**Cash and cash equivalents**

| Particulars         | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------|-------------------------|-------------------------|
| Balances with banks | 33.52                   | 168.01                  |
| <b>Total</b>        | <b>33.52</b>            | <b>168.01</b>           |

**Note 10**

**Other Bank Balances**

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Bank deposits (remaining maturity of less than 12 months including interest accrued thereon) | -                       | 38.27                   |
| <b>Total</b>   | <b>-</b>                | <b>38.27</b>            |

Note: Bank deposits are kept as margin money and earns interest at fixed rate based on respective deposit rate.

**Note 11**

**Other financial assets**

| Particulars                                      | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Receivables from related parties (Refer note 37) | 0.01                    | 0.14                    |
| Claims and other receivables                     | 1.10                    | 0.51                    |
| <b>Total</b>                                     | <b>1.11</b>             | <b>0.65</b>             |

**Note 12**

**Other current assets**

| Particulars                                | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Advance to suppliers                       | 21.64                   | 0.47                    |
| Advance to related parties (Refer note 37) | 1.01                    | -                       |
| Prepaid expenses                           | 16.48                   | 14.94                   |
| <b>Total</b>                               | <b>39.13</b>            | <b>15.41</b>            |

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Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 13

Equity Share Capital:

| Particulars                                    | As at<br>March 31, 2025 |                        | As at<br>March 31, 2024 |                        |
|--|-------------------------|------------------------|-------------------------|------------------------|
|  | Number of shares        | Amount<br>(₹ in Crore) | Number of shares        | Amount<br>(₹ in Crore) |
| <b>Authorised Equity Share Capital</b>         |                         |                        |                         |                        |
| Equity shares of ₹ 10 each, with voting rights | 400,00,00,000           | 4,000.00               | 400,00,00,000           | 4,000.00               |
| <b>Issued, Subscribed and Fully Paid up</b>    |                         |                        |                         |                        |
| Equity shares of ₹ 10 each, with voting rights | 3,206,66,09,692         | 3,206.61               | 3,206,66,09,692         | 3,206.61               |
| <b>Total</b>                                   | <b>3,206,66,09,692</b>  | <b>3,206.61</b>        | <b>3,206,66,09,692</b>  | <b>3,206.61</b>        |

(i) Reconciliation of the number of shares and the amount outstanding as at beginning and at the end of the reporting year:

| Particulars                                      | Equity Shares as at<br>March 31, 2025 |                        | Equity Shares as at<br>March 31, 2024 |                        |
|--|---------------------------------------|------------------------|---------------------------------------|------------------------|
|  | Number of shares                      | Amount<br>(₹ in Crore) | Number of shares                      | Amount<br>(₹ in Crore) |
| Shares outstanding at the beginning of the year  | 3,206,66,09,692                       | 3,206.61               | 3,206,66,09,692                       | 3,206.61               |
| Movement during the year                         |                                       |                        |                                       |                        |
| <b>Shares outstanding at the end of the year</b> | <b>3,206,66,09,692</b>                | <b>3,206.61</b>        | <b>3,206,66,09,692</b>                | <b>3,206.61</b>        |

(ii) Details of shares held by the holding Company, the ultimate holding Company, their subsidiaries and associates:

3,20,66,09,692 (previous year: 3,20,66,09,692) Equity Shares i.e. 100% of the equity shares are held by the Holding Company, Vedanta Limited and its nominees.

(iii) Details of shares held by each shareholder holding more than 5% shares:

| Name of Shareholder              | As at<br>March 31, 2025  |              | As at<br>March 31, 2024  |              |
|----------------------------------|--------------------------|--------------|--------------------------|--------------|
|                                  | Number of shares<br>held | % of Holding | Number of shares<br>held | % of Holding |
| Vedanta Limited and its nominees | 3,20,66,09,692           | 100          | 3,20,66,09,692           | 100          |

Other disclosures:

(iv) The Company has one class of Equity Shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. Dividend proposed (if any) by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

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Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 14

Other equity (Refer Statement of changes in Equity)

(₹ in Crore)

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Retained earnings</b>                              |                         |                         |
| Balance at the beginning of the year                  | 416.15                  | (184.92)                |
| Add: Profit for the period                            | 31.84                   | 602.15                  |
| Add: Transfer from Other Comprehensive Income         | (0.01)                  | (1.08)                  |
| <b>Closing Balance</b>                                | <b>447.98</b>           | <b>416.15</b>           |
| <b>Closing Balance</b>                                | <b>-</b>                | <b>-</b>                |
| <b>Other Comprehensive Income</b>                     |                         |                         |
| <b>Remeasurement Reserve</b>                          |                         |                         |
| Balance at the beginning of the year                  | -                       | (1.35)                  |
| Add: Remeasurement gain on defined benefit obligation | (0.01)                  | 0.27                    |
| Less: Transfer to Retained earnings                   | 0.01                    | 1.08                    |
| <b>Closing Balance</b>                                | <b>-</b>                | <b>-</b>                |
| <b>Total other equity</b>                             | <b>447.98</b>           | <b>416.15</b>           |

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Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 15

(₹ in Crore)

**Non current financial liabilities - Borrowings**

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>Secured : At amortised cost</b>                                |                         |                         |
| (a) Term Loan (Refer note (iii) below)                            |                         |                         |
| From Other than Banks (Indian currency loan)                      | 4,871.92                | 5,616.32                |
| <b>Total Borrowings</b>   | <b>4,871.92</b>         | <b>5,616.32</b>         |
| Less : Current maturities of long-term borrowings (Refer note 18) | (538.26)                | (744.75)                |
| <b>Total</b>  | <b>4,333.66</b>         | <b>4,871.57</b>         |

**Notes:**

(i) The Company has not defaulted in the repayment of loans and interest as at balance sheet date.

(ii) Bank loans availed by the Company are subject to certain covenants relating to debt service coverage ratio and debt equity ratio. The Company has complied with the covenants as per the terms of the loan agreement.

(iii) During the previous year, the Company had entered into a Loan refinancing agreement with Power Finance Corporation Limited under which loan amount of all other existing lenders were fully repaid and entire loan was refinanced with Power Finance Corporation Limited. The refinanced loan carries an interest rate of 9.45%.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

(iv) Summary of Term Loan (Carrying Value):

| (₹ in Crore)                      |                |  |                         |                         |
|-----------------------------------|----------------|--|-------------------------|-------------------------|
| Particulars                       | Issued on      | Security   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
| <b>(a) From other than banks:</b> |                |  |                         |                         |
| Power Finance Corporation Limited | June 2020      | Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the Company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited. | 2,529.63                | 3,250.82                |
| Power Finance Corporation Limited | September 2023 | Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the Company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited. | 2,342.28                | 2,365.50                |
| <b>Total</b>                      |                |  | <b>4,871.92</b>         | <b>5,616.32</b>         |
| <b>Total Term Loan</b>            |                |  | <b>4,871.92</b>         | <b>5,616.32</b>         |

Repayment terms of Term loan outstanding as on March 31, 2025:

| Particulars            | Weighted Average<br>Interest Rate | Total Carrying Value | <1 year       | 1-3 years     | 3-5 years     | >5 years        | Unamortised cost/MTM |
|------------------------|-----------------------------------|----------------------|---------------|---------------|---------------|-----------------|----------------------|
| Yes Bank Limited       |                                   |                      |               |               |               |                 |                      |
| Indian Rupee term loan | 9.45%                             | 4,871.92             | 538.26        | 872.31        | 816.18        | 2,665.90        | (20.73)              |
| <b>Total</b>           |                                   | <b>4,871.92</b>      | <b>538.26</b> | <b>872.31</b> | <b>816.18</b> | <b>2,665.90</b> | <b>(20.73)</b>       |

Repayment terms of Term loan outstanding as on March 31, 2024:

| Particulars            | Weighted Average<br>Interest Rate | Total Carrying Value | <1 year       | 1-3 years       | 3-5 years     | >5 years        | Unamortised cost/MTM |
|------------------------|-----------------------------------|----------------------|---------------|-----------------|---------------|-----------------|----------------------|
| Indian Rupee term loan | 9.45%                             | 5,616.32             | 744.75        | 1,076.52        | 694.12        | 3,122.01        | (21.08)              |
| <b>Total</b>           |                                   | <b>5,616.32</b>      | <b>744.75</b> | <b>1,076.52</b> | <b>694.12</b> | <b>3,122.01</b> | <b>(21.08)</b>       |

Note:

(a) The maturity amount as mentioned above is based on the total principal outstanding.

(v) Change in liabilities arising from financing activities and for non-cash financing and investing activities:

| (₹ in Crore)   |                |                 |              |             |                |
|--|----------------|-----------------|--------------|-------------|----------------|
| Particulars  | 01-Apr-24      | Cash flows      | New leases   | Other       | 31-Mar-25      |
| Current borrowings                                     | 1178.75        | (273.23)        | -            | 539.37      | 1,444.89       |
| Current lease liabilities<br>(note 16)                 | 1.36           | (4.24)          | -            | 11.18       | 8.30           |
| Non-current borrowings                                 | 4871.57        | (3.70)          | -            | (534.21)    | 4,333.66       |
| Non-current lease liabilities<br>(note 16)             | 2.14           | -               | 45.90        | (9.15)      | 38.89          |
| <b>Total liabilities from<br/>financing activities</b> | <b>6053.82</b> | <b>(281.17)</b> | <b>45.90</b> | <b>7.19</b> | <b>5825.74</b> |

| (₹ in Crore)   |                |                 |             |             |                |
|--|----------------|-----------------|-------------|-------------|----------------|
| Particulars  | 01-Apr-23      | Cash flows      | New leases  | Other       | 31-Mar-24      |
| Current borrowings                                     | 881.99         | (336.34)        | -           | 633.10      | 1,178.75       |
| Current lease liabilities<br>(note 16)                 | 4.41           | (0.10)          | -           | (2.95)      | 1.36           |
| Non-current borrowings                                 | 5496.12        | -               | -           | (624.55)    | 4,871.57       |
| Non-current lease liabilities<br>(note 16)             | 4.28           | -               | 3.42        | (5.56)      | 2.14           |
| <b>Total liabilities from<br/>financing activities</b> | <b>6386.80</b> | <b>(336.44)</b> | <b>3.42</b> | <b>0.04</b> | <b>6053.82</b> |

The 'Other' column includes the effect of reclassification of non-current portion of borrowings, including lease liabilities to current due to the passage of time, and the effect of accrued but not yet paid interest on borrowings, including lease liabilities.





**Talwandi Sabo Power Limited**

Notes forming part of the financial statements as at and for the year ended March 31, 2025

(₹ in Crore)

**Note 16**

**Lease Liabilities - Non Current**

| Particulars                        | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------------|-------------------------|-------------------------|
| Lease liability (Refer note below) | 38.89                   | 2.14                    |
| <b>Total</b>                       | <b>38.89</b>            | <b>2.14</b>             |

**Note:**

The movement in lease liabilities is as follows:

| Particulars                 | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------|-------------------------|-------------------------|
| Opening balance             | 3.50                    | 8.69                    |
| Additions                   | 45.90                   | 3.42                    |
| Reversal                    | 0                       | (8.68)                  |
| Repayments                  | (4.24)                  | (0.10)                  |
| Interest                    | 2.03                    | 0.17                    |
| <b>Closing Balance</b>      | <b>47.19</b>            | <b>3.50</b>             |
| Non Current Lease Liability | 38.89                   | 2.14                    |
| Current Lease Liability     | 8.30                    | 1.36                    |

Lease liabilities carry an interest rate at 9.45% p.a.

**Note 17**

**Provisions - Non-current**

| Particulars                      | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|----------------------------------|-------------------------|-------------------------|
| Provision for employee benefits: |                         |                         |
| Gratuity (Refer Note 36)         | 0.22                    | 0.15                    |
| Leave Encashment                 | 0.74                    | 0.91                    |
| <b>Total</b>                     | <b>0.96</b>             | <b>1.06</b>             |

**Note 18**

**Borrowings - Current**

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>At amortised cost</b>                                     |                         |                         |
| <b>Secured</b>   |                         |                         |
| - Working Capital Demand Loan (Refer note (i) below)         | 357.00                  | 434.00                  |
| - Current maturities of long-term borrowings (Refer note 15) | 538.26                  | 744.75                  |
| <b>Unsecured</b>   |                         |                         |
| Short Term Loan (Refer note (ii) below)                      | 349.63                  | -                       |
| Loans from Related Parties (Refer note (iii) below)          | 200.00                  | -                       |
| <b>Total</b>   | <b>1,444.89</b>         | <b>1,178.75</b>         |

**Notes:**

**(i) Loan from banks**

The Company meets its working capital requirement through loans from banks. These loans are secured by a first pari passu charge on all present and future inventories, book debts and all other current assets & second pari passu charge on fixed assets of the Company.

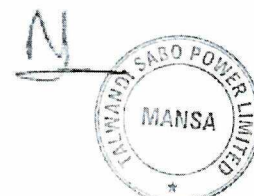
The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

The above outstanding loans carry interest rate of 9.50% p.a. (previous year 9.05% p.a.).

**(ii) The Company has been sanctioned short term loan from Power Finance Corporation and Aditya Birla Finance Limited during the year, with an unconditional and irrevocable corporate guarantee by Vedanta Limited. The loans carry an average interest rate of 10.14% and are repayable on or before 12 months.**

**(iii) Loans from Related Parties**

The Company has obtained an inter corporate loan from its Parent company, Vedanta Limited during the year amounting to ₹ 200 Crore at an interest rate of 10.40%.



**Talwandi Sabo Power Limited**

**Notes forming part of the financial statements as at and for the year ended March 31, 2025**

(₹ in Crore)

**Note 19**

**Trade Finance**

| Particulars                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------|-------------------------|-------------------------|
| Trade finance with bank        |                         |                         |
| - Secured (Refer note below)   | 414.12                  | 375.13                  |
| - Unsecured (Refer note below) | 36.66                   | -                       |
| <b>Total</b>                   | <b>450.78</b>           | <b>375.13</b>           |

**Note:**

a) LC bills payable amounting to ₹ 414.12 Crore to bank with a discounting period of 120 days and is secured by first pari passu charge on current assets and second pari passu charge on fixed assets of the Company, both present and future.

b) Unsecured liability towards bank for bills payable under bill discounting facility availed for MSME vendors with a discounting period of 180 days.

**Note 20**

**Trade payables**

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer note (b) below) | 8.98                    | 1.56                    |
| Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises   | 116.12                  | 411.48                  |
| <b>Total</b>   | <b>125.10</b>           | <b>413.04</b>           |

**Notes:**

(a) Trade payables are non-interest bearing and are normally settled upto 180 days terms.

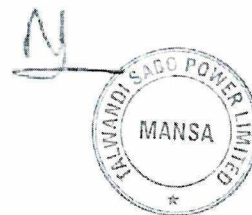
(b) Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006:

| Particulars  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year   | 8.98                    | 1.56                    |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year  | -                       | -                       |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day                              | -                       | -                       |
| (iv) The amount of interest due and payable for the year   | -                       | -                       |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year  | -                       | -                       |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | -                       | -                       |

**Note 21**

**Other financial liabilities - Current**

| Particulars   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Interest accrued but not due on borrowings          | 30.61                   | 34.17                   |
| <b>Other Payables:</b>                              |                         |                         |
| Retention money                                     | 15.12                   | 8.81                    |
| Due to related parties (Refer note 37)              | 163.61                  | 146.25                  |
| Earnest money deposit                               | 12.45                   | 10.43                   |
| Interest on Loan from Related Party (Refer note 37) | 3.17                    | -                       |
| <b>Other Liabilities</b>                            | <b>3.23</b>             | <b>3.58</b>             |
| <b>Total</b>  | <b>228.19</b>           | <b>203.24</b>           |



Note 22

Other current liabilities

| Particulars             | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------|-------------------------|-------------------------|
| Advance from customers* | 0.94                    | 1.72                    |
| Other Payables:         |                         |                         |
| Taxutory liabilities    | 3.04                    | 3.05                    |
| Other liabilities       | 0.04                    | 0.67                    |
| <b>Total</b>            | <b>3.72</b>             | <b>6.14</b>             |

\* These are contract liabilities. Additional disclosures have not been furnished as the same are not material.

Note 23

Provisions - Current

| Particulars                     | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------------|-------------------------|-------------------------|
| Provision for employee benefits |                         |                         |
| Leave Encashment                | 0.09                    | 0.11                    |
| <b>Total</b>                    | <b>0.09</b>             | <b>0.11</b>             |





**Talwandi Sabo Power Limited**

Notes forming part of the financial statements as at and for the year ended March 31, 2025

(₹ in Crore)

**Note 24**

**Revenue from operations**

| Particulars                     | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---------------------------------|------------------------------|------------------------------|
| <b>Revenue from Operations</b>  |                              |                              |
| Energy Sales (Refer note below) | 5,223.40                     | 5,256.05                     |
| <b>Total</b>                    | <b>5,223.40</b>              | <b>5,256.05</b>              |

Note: Energy sales includes operating lease rentals of ₹ 1,386.98 Crore (previous year ₹ 1,423.27 Crore) relating to recovery of Capacity charges. The balance revenue of ₹ 3,836.42 Crore (previous year ₹ 3,832.78 Crore) relates to sale of power in relation to contract with customer and is recorded at a point in time. Also, refer note 2.B(b).

**Note 25**

**Other Operating Revenue**

| Particulars          | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|----------------------|------------------------------|------------------------------|
| Scrap Sales          | 3.34                         | 1.65                         |
| Sale of fly ash      | 12.75                        | 26.35                        |
| Miscellaneous income | 1.02                         | 8.81                         |
| <b>Total</b>         | <b>17.11</b>                 | <b>36.81</b>                 |

**Note 26**

**Other income**

| Particulars   | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---|------------------------------|------------------------------|
| Interest income from financial assets at amortised cost |                              |                              |
| - Bank Deposits   | 2.57                         | 2.47                         |
| - Others  | 0.25                         | 0.20                         |
| Realised gains from investments measured at FVTPL       | 0.04                         | 0.25                         |
| (iii) Others  |                              |                              |
| Interest on income tax refunds                          | 0.84                         | 0.35                         |
| Miscellaneous income                                    | 0.00                         | 12.87                        |
| <b>Total</b>  | <b>3.70</b>                  | <b>16.14</b>                 |

**Note 27**

**Employee benefits expense**

| Particulars                       | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|-----------------------------------|------------------------------|------------------------------|
| Salaries and Bonus                | 22.20                        | 23.69                        |
| Contribution to provident fund    | 0.68                         | 0.70                         |
| Staff welfare expenses            | 0.48                         | 0.35                         |
| Gratuity expenses (Refer note 36) | 0.15                         | 0.20                         |
| Contribution to superannuation    | 0.54                         | 0.57                         |
| <b>Total</b>                      | <b>24.05</b>                 | <b>25.51</b>                 |

**Note 28**

**Finance cost**

| Particulars                  | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|------------------------------|------------------------------|------------------------------|
| Interest on loan             | 587.19                       | 635.17                       |
| Interest on lease obligation | 2.03                         | 0.17                         |
| Other finance costs          | 29.86                        | 32.36                        |
| <b>Total</b>                 | <b>619.08</b>                | <b>667.70</b>                |



**Talwandi Sabo Power Limited**

**Notes forming part of the financial statements as at and for the year ended March 31, 2025**

(₹ in Crore)

**Note 29**

**Depreciation and amortisation expense (Refer note 3)**

| Particulars                       | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|-----------------------------------|------------------------------|------------------------------|
| Depreciation of tangible assets   | 437.13                       | 455.72                       |
| Amortisation of intangible assets | 0.32                         | 0.20                         |
| Amortisation of ROU               | 4.54                         | 0.54                         |
| <b>Total</b>                      | <b>441.99</b>                | <b>456.46</b>                |

**Note 30**

**Other expenses**

| Particulars   | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---|------------------------------|------------------------------|
| Consumption of stores and spare parts                     | 45.72                        | 56.76                        |
| Plant running and maintenance expenses                    | 176.13                       | 170.29                       |
| CSR expenses (Refer note 32)                              | 1.30                         | 1.45                         |
| Legal and professional fees                               | 14.79                        | 10.91                        |
| Electronic data processing expenses                       | 2.52                         | 2.97                         |
| Insurance   | 14.13                        | 20.78                        |
| Rates and taxes   | 0.90                         | 1.10                         |
| Security expenses   | 0.12                         | 0.16                         |
| Travelling  | 2.68                         | 2.84                         |
| Books and periodicals                                     | 0.32                         | 0.13                         |
| Director sitting fees (Refer note 37)                     | 0.45                         | 0.66                         |
| Net loss on foreign currency transactions and translation | 0.07                         | 4.42                         |
| Loss on property plant and equipment written off          | 4.78                         | 0.00                         |
| Brand Fees (Refer note 37)                                | 46.38                        | 46.94                        |
| Miscellaneous expenses                                    | 2.77                         | 3.11                         |
| <b>Total</b>  | <b>313.06</b>                | <b>322.52</b>                |

**Note 31**

**Commitments**

**(i) Capital Commitments:**

Estimated amount of contracts remaining to be executed (net of advances) are ₹ 1.28 Crore (previous year ₹ 0.38 Crore).

**(ii) Other Commitments:**

The Company entered into Power Purchase Agreement ("PPA") with Punjab State Power Corporation Limited ("PSPCL") for twenty five years which has been identified as arrangement containing lease as per Ind AS 116. The arrangement has been classified as operating lease as per the policy of the Company. The contingent rent recognized as income during the year is ₹ 1,386.98 Crore (previous year ₹ 1,423.27 Crore).

**(iii) Guarantees:**

a) The Company has advanced bank guarantees to regulators of India amounting to ₹ 0.01 Crore (previous year ₹ 0.01 Crore) relating to payment of state taxes (VAT & CST).

b) The Company has given bank guarantee amounting to ₹ 38.23 Crore (previous year ₹ 38.23 Crore) to 'Punjab State Power Corporation Limited' (PSPCL) against pending litigation at Supreme Court.

*N*



**Talwandi Sabo Power Limited**

**Notes forming part of the financial statements as at and for the year ended March 31, 2025**

**Note 32**

**Corporate Social responsibility**

(₹ in Crore)

| Particulars   | Year ended March 31, 2025 |                                | Year ended March 31, 2024 |                                |
|---|---------------------------|--------------------------------|---------------------------|--------------------------------|
|   | Payment made in Cash      | Payment yet to be Paid in Cash | Payment made in Cash      | Payment yet to be Paid in Cash |
| Amount of expenditure incurred by the Company during the year on: |                           |                                |                           |                                |
| i) Capital work-in-progress                                       | 0.39                      | 0.02                           | 0.25                      | 0.09                           |
| ii) General expenses (Refer table below)                          | 0.41                      | 0.43                           | 0.84                      | 0.21                           |
| iii) Salaries and wages   | 0.03                      | 0.02                           | 0.06                      | 0.00                           |
| <b>Total amount of expenditure incurred</b>                       | <b>0.83</b>               | <b>0.47</b>                    | <b>1.15</b>               | <b>0.30</b>                    |

As per the provisions of Companies Act, 2013, during the year, the Company was required to spend an amount of ₹ 3.42 Crore (previous year ₹ NIL) towards CSR expenditure. During the year, the Company has adjusted ₹ 2.87 Crore carried forward from previous years and also spent ₹ 1.30 Crore during the year and carried forward the excess spent of ₹ 0.75 Crore to subsequent years.

**Balance of CSR provision/CSR expenses not yet paid in cash**

| Particulars                         | Year ended March 31, 2025 | Year ended March 31, 2024 |
|-------------------------------------|---------------------------|---------------------------|
| Opening Balance                     | 0.30                      | 1.04                      |
| Provision made during the year      | 1.30                      | 1.45                      |
| Less: Payments made during the year | (1.13)                    | (2.19)                    |
| <b>Closing Balance</b>              | <b>0.47</b>               | <b>0.30</b>               |

Closing balance of ₹ 0.47 Crore with respect to expenses incurred during the year will be paid in the next financial year.

**Nature of amount - General Expenses**

| Particulars                      | Year ended March 31, 2025 | Year ended March 31, 2024 |
|----------------------------------|---------------------------|---------------------------|
| Health care                      | 0.30                      | 0.30                      |
| Agriculture & Animal Husbandry   | 0.29                      | 0.31                      |
| Children's Wellbeing & Education | 0.04                      | 0.02                      |
| Women Empowerment                | 0.20                      | 0.28                      |
| Rural Development                | -                         | 0.14                      |
| Others                           | 0.01                      | 0.00                      |
| <b>Total</b>                     | <b>0.84</b>               | <b>1.05</b>               |



*N*





**Talwandi Sabo Power Limited**  
**Notes forming part of the financial statements as at and for the year ended March 31, 2025**

**Note 33**

**Contingent Liabilities**

**Claims against the Company not acknowledged as debt**

- (i) As per the Punjab State Grid Code, if a power generating station fails to demonstrate its declared capacity for any time block mentioned in the demonstration notice from Punjab State Load Dispatch Centre ("PSLDC"), it amounts to a mis-declaration. During the month of January 2017, Punjab State Power Corporation Limited ("PSPCL") imposed a penalty on the Company on account of alleged mis-declaration and deducted a penalty of ₹ 77.86 Crore (previous year ₹ 77.86 Crore) from the monthly bill setting aside the clarifications submitted by TSP.

In November 2017, TSP filed a petition before Punjab State Electricity Regulatory Commission ("PSERC"). In February 2018, PSERC unfavourably disposed the petition and directed calculation of the penalty for four instances in January 2017 at normative availability of 80% amounting to ₹ 127.32 Crore (previous year ₹ 127.32 Crore). In February 2018, TSP filed an appeal before Appellate Tribunal for Electricity ("APTEL"). During the year, APTEL pronounced the order in favour of the Company directing PSPCL to refund the deducted penalty along with 'Late Payment Surcharge'. Accordingly, the Company has classified the deducted penalty from non-current trade receivables to current trade receivables as at March 31, 2025.

- (ii) Certain cases have been filed by the erstwhile land owners against the State of Punjab, which have been disposed off by the Hon'ble District Court at Mansa.

**Note 34**

**Auditors' Remuneration included under Legal & Professional Services**

(₹ in Crore)

| Particulars                                | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|--|------------------------------|------------------------------|
| Audit Fees                                 | 0.25                         | 0.25                         |
| Limited Review                             | 0.17                         | 0.16                         |
| Reporting for Parent Company consolidation | 0.08                         | 0.08                         |
| Other Services                             | 0.15                         | 0.04                         |
| Out of Pocket Expenses                     | 0.03                         | 0.03                         |
| <b>Total</b>                               | <b>0.68</b>                  | <b>0.56</b>                  |

**Note 35**

**Earnings Per Share (EPS)**

| Particulars   | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---|------------------------------|------------------------------|
| Net profit after tax attributable to equity shareholders for basic and diluted EPS (₹ in Crore) | 31.84                        | 802.15                       |
| Weighted average number of Equity shares for Basic and Diluted EPS                              | 3,206,609,692                | 3,206,609,692                |
| <b>Basic and Diluted Earnings Per Share (₹)</b>   | <b>0.10</b>                  | <b>1.88</b>                  |
| <b>Nominal Value Per share (₹)</b>  | <b>10.00</b>                 | <b>10.00</b>                 |

**Note 36**

**Employee Benefits**

**a) Defined contribution plan**

During the year, the Company contributed a total of ₹ 1.22 Crore (previous year ₹ 1.27 Crore) to the following defined contribution plans:

**Central provident fund**

In accordance with the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2025 and 2024) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI) or to independently managed and approved funds. The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred. Where the contributions are made to independently managed and approved funds, shortfall in actual return, if any, from the return guaranteed by the State are made by the employer, these are accounted for as defined benefit plans. The benefits are paid to employees on their retirement or resignation from the Company.

**Superannuation**

Superannuation, another pension scheme applicable in India, is applicable only to senior executives. The Company holds a policy with Life Insurance Corporation of India ("LIC"), to which it contributes a fixed amount relating to superannuation and the pension annuity is met by LIC as required, taking into consideration the contributions made. The Company has no further obligations under the scheme beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred.

*N*



Note 36  
Employee Benefits (Contd.)

b) Defined Benefit Plan:

In accordance with the Payment of Gratuity Act of 1972, the Company operates a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. The Gratuity plan is a funded plan and the Company makes contribution to recognised funds in India. Based on actuarial valuations conducted as at year end on the basis of Projected Unit Credit (PUC) method, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan.

The disclosure as required under Ind AS-19 "Employee Benefits" regarding the company's gratuity plan (funded) are as follows:

Actuarial assumptions

| Particulars                                   | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---|------------------------------|------------------------------|
| Salary growth (p.a.)                          | 5.50%                        | 5.50%                        |
| Expected rate of Return on Plan Assets (p.a.) | 7.11%                        | 7.38%                        |
| Discount rate (p.a.)                          | 7.03%                        | 7.10%                        |
| Mortality rate                                | 100% (ALM(2012-14))          | 100% (ALM(2012-14))          |

The rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, including supply and demand in the employment market.

Expenditure recognized during the year

| Particulars          | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|----------------------|------------------------------|------------------------------|
| Current service cost | 0.16                         | 0.20                         |
| Interest cost        | 0.01                         | 0.03                         |
| <b>Total</b>         | <b>0.16</b>                  | <b>0.23</b>                  |

Amount recognized in Other Comprehensive Income during the year

| Particulars  | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|--|------------------------------|------------------------------|
| <b>Remeasurement of the net defined benefit obligation:-</b>             |                              |                              |
| Actuarial losses / (gains) arising from changes in financial assumptions | 0.01                         | 0.05                         |
| Actuarial losses / (gains) arising from experience adjustments           | (0.21)                       | (0.41)                       |
| <b>Total</b>   | <b>0.00</b>                  | <b>(0.36)</b>                |

Movement in present value of defined benefit obligation

| Particulars                              | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|--|------------------------------|------------------------------|
| Obligation at the beginning of the year  | 1.77                         | 1.86                         |
| Current service cost                     | 0.15                         | 0.20                         |
| Interest cost                            | 0.13                         | 0.14                         |
| Actuarial (gains)/losses                 | 0.00                         | (0.34)                       |
| Benefits paid                            | (0.47)                       | (0.06)                       |
| <b>Obligation at the end of the year</b> | <b>1.58</b>                  | <b>1.77</b>                  |

Movement in present value of plan assets

| Particulars                               | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---|------------------------------|------------------------------|
| Fair value at the beginning of the year   | 1.40                         | 1.40                         |
| Actual return on plan assets              | 0.11                         | 0.14                         |
| Contribution                              | 0.30                         | 0.18                         |
| Benefits paid                             | (0.37)                       | (0.06)                       |
| <b>Fair value at the end of the year*</b> | <b>1.56</b>                  | <b>1.62</b>                  |

\*The entire amount has been invested with Life Insurance Corporation of India.



**Note 36**

**Employee Benefits (Contd.)**

**Amount Recognized in the Balance Sheet**

| Particulars  | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|--|------------------------------|------------------------------|
| Present value of obligation at the end of the year     | 1.58                         | 1.77                         |
| Less: Fair value of plan assets at the end of the year | (1.36)                       | (1.62)                       |
| <b>Net liability recognized in the Balance Sheet</b>   | <b>0.22</b>                  | <b>0.15</b>                  |

The contribution expected to be made by the Company during the financial year 2025-26 as ascertained by the management is ₹ 0.19 Crore (previous Year ₹ 0.24 Crore)

| Sensitivity analysis  | March 31, 2025 | March 31, 2024 |
|---|----------------|----------------|
| <b>Increase / (Decrease) in defined benefit obligation</b>                  |                |                |
| <b>Discount rate</b>  |                |                |
| Increase by 0.50%   | (0.09)         | (0.09)         |
| Decrease by 0.50%   | 0.10           | 0.10           |
| <b>Expected rate of increase in compensation level of covered employees</b> |                |                |
| Increase by 0.50%   | 0.10           | 0.10           |
| Decrease by 0.50%   | (0.09)         | (0.10)         |

**Maturity profile of defined benefit obligation**

| Year              | March 31, 2025 | March 31, 2024 |
|-------------------|----------------|----------------|
| 0-1 Years         | 0.03           | 0.03           |
| 1-2 Years         | 0.03           | 0.03           |
| 2-3 Years         | 0.03           | 0.30           |
| 3-4 Years         | 0.03           | 0.03           |
| 4-5 Years         | 0.02           | 0.02           |
| 5-6 Years         | 0.02           | 0.02           |
| More than 6 years | 1.42           | 1.34           |
| <b>Total</b>      | <b>1.58</b>    | <b>1.77</b>    |

**Risk analysis**

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans, and management's estimation of the impact of these risks are as follows:

**Interest risk**

A decrease in the interest rate on plan assets will increase the plan liability.

**Longevity risk/ Life expectancy**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

**Salary growth risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

**Investment risk**

The Gratuity plan is funded with Life Insurance Corporation of India ("LIC"). The Company does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

**Note 37**

**Related Party Disclosures**

**List of related parties and relationships**

**(a) Entities controlling the company (Holding Companies):**

|               |   |
|---------------|---|
| Immediate:    | Vedanta Limited   |
| Intermediate: | Vedanta Resources Limited (formerly Vedanta Resources Plc.) |
|               | Vedanta Resources Investment Limited (VRIL)                 |
| Ultimate:     | Vedanta Incorporated (formerly Vulcan Investments Limited)* |



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**Talwandi Sabo Power Limited**

**Notes forming part of the financial statements as at and for the year ended March 31, 2025**

**Note 37**

**Related Party Disclosures (Contd.)**

**(b) Fellow subsidiaries with whom transactions have taken place:**

|                             |                                      |
|-----------------------------|--------------------------------------|
| <b>Fellow Subsidiaries:</b> | Bharat Aluminium Company Limited     |
|                             | ESL Steel Limited                    |
|                             | Hindustan Zinc Limited               |
|                             | Sterlite Power Transmissions Limited |
|                             | Runaya Refining LLP                  |
|                             | STL Digital Limited                  |
|                             | Vedanta Foundation                   |
|                             | Meenakshi Energy Limited             |
|                             | Resonia Limited                      |
|                             | Sterlite Technologies Limited        |

**(c) Key Managerial Personnel:**

|                           |  |
|---------------------------|--|
| Mr. Rajinder Singh Ahuja  | : Chief Executive Officer (w.e.f. 9th February 2025)   |
| Mr. Vibhav Agarwal        | : Chief Executive Officer (CEO till close of business hours on 8th February 2025)                |
| Mr. Nitesh Malani         | : Chief Financial Officer  |
| Mr. Agnivesh Agarwal      | : Chairman, Non Executive Director   |
| Mr. Pankaj Kumar Sharma   | : Whole time Director  |
| Ms. Sonal Choitani        | : Non-Executive Director   |
| Mr. Baldev Krishan Sharma | : Non-Executive Director   |
| Mr. Mahendra Singh Mehta  | : Independent Director (ceased to be director w.e.f. close of business hours on 29th March 2025) |
| Ms. Shivangi Dhanuka      | : Company Secretary  |

\* No transaction with parties during the year.

**Terms and conditions of transactions with related parties:**

The Company enters into transactions in the normal course of business with its related parties, including its parent Vedanta Limited. A summary of all related party transactions for the year ended March 31, 2025 and 2024 are noted below.

**a. Details of transactions during the year with related parties :**

(₹ in Crore)

| Particulars   | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---|------------------------------|------------------------------|
| <b>1) Recovery of employee cost and other expenses</b>      |                              |                              |
| (i) Vedanta Limited   | 0.08                         | 0.23                         |
| (ii) Hindustan Zinc Limited                                 | 0.04                         | 0.24                         |
| (iii) Bharat Aluminium Company Limited                      | 0.11                         | 0.19                         |
| (iv) Sterlite Power Transmissions Limited                   | -                            | 0.01                         |
| (v) ESL Steel Limited                                       | -                            | 0.01                         |
| (vi) Runaya Refining LLP                                    | -                            | 0.04                         |
| (vii) Resonia Limited                                       | 0.01                         | -                            |
| <b>2) Reimbursement of employee cost and other expenses</b> |                              |                              |
| (i) Vedanta Limited   | 8.61                         | 9.61                         |
| (ii) Vedanta Foundation                                     | 0.02                         | 0.01                         |
| (iii) STL Digital Limited                                   | 1.50                         | 0.78                         |
| (iv) Hindustan Zinc Limited                                 | 0.05                         | 0.01                         |
| (v) Bharat Aluminium Company Limited                        | 0.00                         | 0.00                         |
| (vi) ESL Steel Limited                                      | 0.02                         | -                            |
| (vii) Runaya Refining LLP                                   | -                            | 0.01                         |
| (viii) Meenakshi Energy Limited                             | 0.01                         | -                            |
| <b>3) Sale of Consumables and Capex items</b>               |                              |                              |
| (i) Hindustan Zinc Limited                                  | -                            | 0.04                         |
| (ii) Vedanta Limited  | 0.35                         | -                            |
| <b>4) Purchase of Consumables and Capex items</b>           |                              |                              |
| (i) Vedanta Limited   | -                            | 0.05                         |
| (ii) Hindustan Zinc Limited                                 | -                            | 0.01                         |
| (iii) Sterlite Technologies Limited                         | 0.71                         | -                            |
| <b>5) Brand Fees</b>  |                              |                              |
| (i) Vedanta Resources Limited (VRL)                         | -                            | 46.94                        |
| (ii) Vedanta Resources Investment Limited (VRIL)            | 46.38                        | -                            |
| <b>6) Interest and Guarantee Commission</b>                 |                              |                              |
| Vedanta Limited   | 22.95                        | 23.95                        |
| <b>7) Loans taken during the year</b>                       |                              |                              |
| Vedanta Limited   | 200.00                       | -                            |



## Note 37

## Related Party Disclosures (Contd.)

## b. Details of balances with related parties :

| Particulars   | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---|------------------------------|------------------------------|
| 1) Loans from Vedanta Limited   | 200.00                       | -                            |
| 2) Balance Receivable as at the end of the year   |                              |                              |
| (i) Sterlite Power Transmissions Limited  | -                            | 0.01                         |
| (ii) Resona Limited   | 0.01                         | -                            |
| 3) Advances given as at the end of the year   |                              |                              |
| Vedanta Resources Investment Limited  | 1.01                         | -                            |
| 4) Balance Payable as at the end of the year  |                              |                              |
| (i) Vedanta Limited   | 161.45                       | 140.77                       |
| (ii) Hindustan Zinc Limited   | 0.00                         | 0.00                         |
| (iii) ESL Steel Limited   | 0.01                         | -                            |
| (iv) Sterlite Technologies Limited  | 0.71                         | -                            |
| (v) STL Digital Limited   | 0.23                         | -                            |
| (vi) Meenakshi Energy Limited   | 0.01                         | -                            |
| (vii) Vedanta Resources Limited   | 5.34                         | 5.34                         |
| 5) Bank Guarantees/Corporate Guarantee issued on our behalf and outstanding as at the end of the year |                              |                              |
| Vedanta Limited   | 5,242.70                     | 5,637.41                     |

## c. Remuneration of key management personnel (KMP)

| Particulars                  | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|------------------------------|------------------------------|------------------------------|
| Short-term employee benefits | 5.83                         | 4.86                         |
| Post employment benefits     | 0.38                         | 0.37                         |
| Share based payments         | 0.57                         | 0.41                         |
| <b>Total</b>                 | <b>6.78</b>                  | <b>5.64</b>                  |

## Note

a. The Company has paid ₹ 0.12 Crore (previous year ₹ 0.14 Crore) as sitting fees & has also accrued ₹ 0.34 Crore (Previous year ₹ 0.51 Crore) as commission to its directors.

b. Post employment benefits does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.



**Talwandi Sabo Power Limited**

**Notes forming part of the financial statements as at and for the year ended March 31, 2025**

**Note 38**

**Capital management**

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to its shareholder through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and borrowings from banks and financial institutions. The Company's policy is to use short term and long-term borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises all the components including other comprehensive income. The Company does not consider lease liabilities and trade finance as debts for this purpose.

The following table summarizes the capital of the Company:

| Particulars  | [₹ in Crore]                 |                            |
|--|------------------------------|----------------------------|
|  | Year ended<br>March 31, 2025 | Year ended<br>May 31, 2024 |
| Equity Share Capital                                 | 3,206.61                     | 3,206.61                   |
| Other Equity   | 447.98                       | 416.15                     |
| <b>Total Equity (a)</b>                              | <b>3,654.59</b>              | <b>3,622.76</b>            |
| Cash and cash equivalents                            | 33.52                        | 168.01                     |
| Current investments                                  | -                            | 38.27                      |
| <b>Total cash (b)</b>                                | <b>33.52</b>                 | <b>206.28</b>              |
| Short-term borrowings (including current maturities) | 1,444.89                     | 1,178.75                   |
| Long-term borrowings                                 | 4,333.66                     | 4,371.57                   |
| <b>Total debt (c)</b>                                | <b>5,778.55</b>              | <b>6,050.32</b>            |
| <b>Net debt (d=(c-b))</b>                            | <b>5,745.03</b>              | <b>5,844.04</b>            |
| <b>Net debt to equity ratio (d/a)</b>                | <b>1.57</b>                  | <b>1.61</b>                |

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Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 39

Financial instruments

(₹ in Crore)

Financial assets and liabilities:

The accounting classification of each category of financial instruments, their carrying amounts and fair value amounts are set out below:

March 31, 2025

| Financial assets                   | Fair value through profit or loss | Amortised cost  | Total carrying value | Total fair value |
|------------------------------------|-----------------------------------|-----------------|----------------------|------------------|
| Trade receivables - Current        | -                                 | 959.58          | 959.58               | 959.58           |
| Trade receivables - Non Current    | -                                 | 1,691.35        | 1,691.35             | 1,691.35         |
| Other non-current financial assets | -                                 | 45.85           | 45.85                | 45.85            |
| Other current financial assets     | -                                 | 1.11            | 1.11                 | 1.11             |
| Cash and cash equivalents          | -                                 | 33.52           | 33.52                | 33.52            |
| Other bank balances                | -                                 | -               | -                    | -                |
| <b>Total</b>                       | -                                 | <b>2,731.41</b> | <b>2,731.41</b>      | <b>2,731.41</b>  |

March 31, 2024

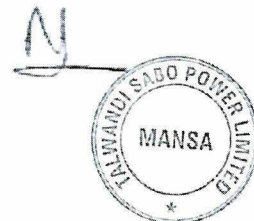
| Financial assets                   | Fair value through profit or loss | Amortised cost  | Total carrying value | Total fair value |
|------------------------------------|-----------------------------------|-----------------|----------------------|------------------|
| Trade receivables - Current        | -                                 | 547.10          | 547.10               | 547.10           |
| Trade receivables - Non Current    | -                                 | 1,619.79        | 1,619.79             | 1,619.79         |
| Other non-current financial assets | -                                 | 7.59            | 7.59                 | 7.59             |
| Other current financial assets     | -                                 | 0.65            | 0.65                 | 0.65             |
| Cash and cash equivalents          | -                                 | 168.01          | 168.01               | 168.01           |
| Other bank balances                | -                                 | 38.27           | 38.27                | 38.27            |
| <b>Total</b>                       | -                                 | <b>2,381.41</b> | <b>2,381.41</b>      | <b>2,381.41</b>  |

March 31, 2025

| Financial liabilities               | Fair value through profit or loss | Amortised cost  | Total carrying value | Total fair value |
|-------------------------------------|-----------------------------------|-----------------|----------------------|------------------|
| Long-term borrowings                | -                                 | 4,333.66        | 4,333.66             | 4,333.66         |
| Short-term borrowings               | -                                 | 1,444.89        | 1,444.89             | 1,444.89         |
| Trade finance                       | -                                 | 450.78          | 450.78               | 450.78           |
| Trade payables                      | -                                 | 125.10          | 125.10               | 125.10           |
| Lease Liability                     | -                                 | 47.19           | 47.19                | 47.19            |
| Derivative liability                | -                                 | 0.04            | 0.04                 | 0.04             |
| Other current financial liabilities | -                                 | 228.19          | 228.19               | 228.19           |
| <b>Total</b>                        | -                                 | <b>6,629.85</b> | <b>6,629.85</b>      | <b>6,629.85</b>  |

March 31, 2024

| Financial liabilities               | Fair value through profit or loss | Amortised cost  | Total carrying value | Total fair value |
|-------------------------------------|-----------------------------------|-----------------|----------------------|------------------|
| Long-term borrowings                | -                                 | 4,871.57        | 4,871.57             | 4,871.57         |
| Short-term borrowings               | -                                 | 1,178.75        | 1,178.75             | 1,178.75         |
| Trade finance                       | -                                 | 375.13          | 375.13               | 375.13           |
| Trade payables                      | -                                 | 413.04          | 413.04               | 413.04           |
| Lease Liability                     | -                                 | 3.50            | 3.50                 | 3.50             |
| Derivative liability                | -                                 | -               | -                    | -                |
| Other current financial liabilities | -                                 | 203.24          | 203.24               | 203.24           |
| <b>Total</b>                        | -                                 | <b>7,045.22</b> | <b>7,045.22</b>      | <b>7,045.22</b>  |



**Note 39**

**Financial instruments (Contd.)**

- Long-term fixed-rate and variable-rate borrowings (including their current maturities): Fair value has been determined by the Company using level 2 technique, based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. For all other long-term fixed-rate and variable-rate borrowings, either the carrying amount approximates the fair value, or fair value have been estimated by discounting the expected future cash flows using a discount rate equivalent to the risk free rate of return adjusted for the appropriate credit spread. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and the value of other financial instruments recognised at fair value.

- **Current financial assets and liabilities:** The fair value of current trade receivables, cash and bank balances, loans and other financial assets, current borrowings, trade and other payables and other current financial liabilities is likely to approximate their carrying values due to short term maturities of these instruments.

- **Non-current trade receivables:** Fair value has been determined by the Company based on interest rates and recoverability of dues from the customer. Also, refer note 40.



**Note 40**

**Risk management**

The Company's business are subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, foreign exchange risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business management. The Company has risk in place management processes which are in line with the policy of the parent Company, Vedanta Limited. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the centralised Management Assurance function and is regularly reviewed by the Company's Audit Committee. The Audit Committee is aided by the Risk Management Committee of the Company comprising of senior management, which meets regularly to review risks as well as the progress against the planned actions. Key business decisions are discussed at the periodic meetings of the Board of Directors. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

**The risk management framework aims to:**

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

**Treasury management**

The Company's 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 through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk), credit risk and liquidity risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury policies are approved by the Board and adherence to these policies is strictly monitored at the Finance Standing Committee. A monthly reporting system exists to inform senior management of investments, debt and currency. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies. The internal control measures are effectively supplemented by regular internal audits.

The investment portfolio of the Company is maintained as per approved monthly policies duly approved by holding Company treasury team.

**Additional Information to the Financial Statements :**

**Financial risk**

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize foreign exchange impact through proven financial instruments.

**Liquidity Risk:**

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening its balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.





Notes forming part of the financial statements as at and for the year ended March 31, 2025

## Note 40

## Risk management (Contd.)

(₹ in Crore)

| Financial liabilities             | As on March 31, 2025 |           |           |           |          |
|-----------------------------------|----------------------|-----------|-----------|-----------|----------|
|                                   | <1 year              | 1-3 Years | 3-5 Years | > 5 Years | Total    |
| Borrowings                        | 1,444.89             | 872.31    | 816.18    | 2,665.90  | 5,799.28 |
| Interest on borrowings            | 451.60               | 735.48    | 588.95    | 702.76    | 2,478.79 |
| Trade finance                     | 450.78               | -         | -         | -         | 450.78   |
| Trade payables                    | 125.10               | -         | -         | -         | 125.10   |
| Other financial liabilities       | 228.19               | -         | -         | -         | 228.19   |
| Lease Liability                   | 12.05                | 24.45     | 22.32     | 0.75      | 59.57    |
| Financial Instruments-derivatives | 0.04                 | -         | -         | -         | 0.04     |

(₹ in Crore)

| Financial liabilities             | As on March 31, 2024 |           |           |           |          |
|-----------------------------------|----------------------|-----------|-----------|-----------|----------|
|                                   | <1 year              | 1-3 Years | 3-5 Years | > 5 Years | Total    |
| Borrowings                        | 1,178.75             | 1,076.52  | 694.12    | 3,122.01  | 6,071.40 |
| Interest on borrowings            | 500.68               | 827.51    | 660.71    | 978.16    | 2,967.06 |
| Trade finance                     | 375.13               | -         | -         | -         | 375.13   |
| Trade payables                    | 413.04               | -         | -         | -         | 413.04   |
| Other financial liabilities       | 203.24               | -         | -         | -         | 203.24   |
| Lease Liability                   | 1.37                 | 1.42      | 1.01      | 0.81      | 4.61     |
| Financial Instruments-derivatives | -                    | -         | -         | -         | -        |

**Interest rate risk:**

The Company is exposed to interest rate risk on short-term and long-term floating rate instrument. Borrowings of the Company are principally denominated in Indian Rupees with mix of fixed and floating rates of interest. The Indian Rupee debt is mix of fixed interest rates and floating interest rates. These exposures are reviewed by appropriate levels of management on a monthly basis. The Company invests cash and liquid investments in short-term deposits and liquid mutual funds.

(₹ in Crore)

| As at March 31, 2025                      |                                |                             |                                       |                        |
|---|--------------------------------|-----------------------------|---------------------------------------|------------------------|
| Particulars                               | Floating rate financial assets | Fixed rate financial assets | Non interest bearing financial assets | Total financial assets |
| <b>Financial assets-non current</b>       |                                |                             |                                       |                        |
| Trade Receivables*                        | -                              | -                           | 1,691.35                              | 1,691.35               |
| Other financial assets                    | 4.72                           | 38.26                       | 2.87                                  | 45.85                  |
| <b>Total financial assets-non current</b> | <b>4.72</b>                    | <b>38.26</b>                | <b>1,694.22</b>                       | <b>1,737.20</b>        |
| <b>Financial assets-current</b>           |                                |                             |                                       |                        |
| Trade receivables*                        | -                              | -                           | 959.58                                | 959.58                 |
| Cash and cash equivalents                 | -                              | -                           | 33.52                                 | 33.52                  |
| Bank Balances                             | -                              | -                           | -                                     | -                      |
| Other financial assets                    | -                              | -                           | 1.11                                  | 1.11                   |
| <b>Total financial assets-current</b>     | <b>-</b>                       | <b>-</b>                    | <b>994.21</b>                         | <b>994.21</b>          |
| <b>Total financial assets</b>             | <b>4.72</b>                    | <b>38.26</b>                | <b>2,688.43</b>                       | <b>2,731.41</b>        |

\*The Company is entitled to interest @ 2% in excess of the applicable State Bank Lending Rate (SBLR) per annum beyond normal credit period.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 40

Risk management (Contd.)

| As at March 31, 2024                      |                                |                             |                                       |                        |
|---|--------------------------------|-----------------------------|---------------------------------------|------------------------|
| Particulars                               | Floating rate financial assets | Fixed rate financial assets | Non interest bearing financial assets | Total financial assets |
| <b>Financial assets-non current</b>       |                                |                             |                                       |                        |
| Trade Receivables*                        | -                              | -                           | 1,619.79                              | 1,619.79               |
| Other financial assets                    | 4.72                           | -                           | 2.87                                  | 7.59                   |
| <b>Total financial assets-non current</b> | <b>4.72</b>                    | <b>-</b>                    | <b>1,622.66</b>                       | <b>1,627.38</b>        |
| <b>Financial assets-current</b>           |                                |                             |                                       |                        |
| Trade receivables*                        | -                              | -                           | 547.10                                | 547.10                 |
| Cash and cash equivalents                 | -                              | -                           | 168.01                                | 168.01                 |
| Bank Balances                             | -                              | 38.27                       | -                                     | 38.27                  |
| Other financial assets                    | -                              | -                           | 0.65                                  | 0.65                   |
| <b>Total financial assets-current</b>     | <b>-</b>                       | <b>38.27</b>                | <b>715.76</b>                         | <b>754.03</b>          |
| <b>Total financial assets</b>             | <b>4.72</b>                    | <b>38.27</b>                | <b>2,338.42</b>                       | <b>2,381.41</b>        |

\*The Company is entitled to interest @ 2% in excess of the applicable State Bank Lending Rate (SBLR) per annum beyond normal credit period.

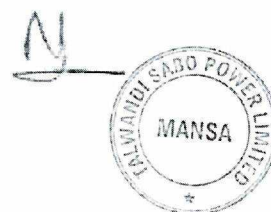
The weighted average interest rate on the fixed rate financial assets is 7.00% p.a. (previous year 6.50% p.a.) and the weighted average period for which the rate is fixed is 1.25 years (previous year 0.48 years).

| As at March 31, 2025                           |                 |               |                      |                 |
|--|-----------------|---------------|----------------------|-----------------|
| Particulars                                    | Floating rate   | Fixed rate    | Non interest bearing | Total financial |
| <b>Financial liabilities-non current</b>       |                 |               |                      |                 |
| Borrowings                                     | 4,333.66        | -             | -                    | 4,333.66        |
| Lease Liability                                | -               | 38.89         | -                    | 38.89           |
| <b>Total financial liabilities-non current</b> | <b>4,333.66</b> | <b>38.89</b>  | <b>-</b>             | <b>4,372.55</b> |
| <b>Financial liabilities-current</b>           |                 |               |                      |                 |
| Borrowings                                     | 1,444.89        | -             | -                    | 1,444.89        |
| Trade finance                                  | -               | 450.78        | -                    | 450.78          |
| Trade payables                                 | -               | 29.99         | 95.11                | 125.10          |
| Other financial liabilities                    | -               | -             | 228.19               | 228.19          |
| Lease Liability                                | -               | 8.30          | -                    | 8.30            |
| Derivative financial liabilities               | -               | -             | 0.04                 | 0.04            |
| <b>Total financial liabilities-current</b>     | <b>1,444.89</b> | <b>489.07</b> | <b>323.34</b>        | <b>2,257.30</b> |
| <b>Total financial liabilities</b>             | <b>5,778.55</b> | <b>527.96</b> | <b>323.34</b>        | <b>6,629.85</b> |

The weighted average interest rate on the fixed rate financial liabilities is 7.35% p.a. and the weighted average period for which the rate is fixed is 0.45 years.

| As at March 31, 2024                           |                 |               |                      |                 |
|--|-----------------|---------------|----------------------|-----------------|
| Particulars                                    | Floating rate   | Fixed rate    | Non interest bearing | Total financial |
| <b>Financial liabilities-non current</b>       |                 |               |                      |                 |
| Borrowings                                     | 4,871.57        | -             | -                    | 4,871.57        |
| Lease Liability                                | -               | 2.14          | -                    | 2.14            |
| <b>Total financial liabilities-non current</b> | <b>4,871.57</b> | <b>2.14</b>   | <b>-</b>             | <b>4,873.71</b> |
| <b>Financial liabilities-current</b>           |                 |               |                      |                 |
| Borrowings                                     | 1,178.75        | -             | -                    | 1,178.75        |
| Trade finance                                  | -               | 375.13        | -                    | 375.13          |
| Trade payables                                 | -               | -             | 413.04               | 413.04          |
| Other financial liabilities                    | -               | -             | 203.24               | 203.24          |
| Lease Liability                                | -               | 1.36          | -                    | 1.36            |
| Derivative financial liabilities               | -               | -             | -                    | -               |
| <b>Total financial liabilities-current</b>     | <b>1,178.75</b> | <b>376.49</b> | <b>616.27</b>        | <b>2,171.51</b> |
| <b>Total financial liabilities</b>             | <b>6,050.32</b> | <b>378.63</b> | <b>616.27</b>        | <b>7,045.22</b> |

The weighted average interest rate on the fixed rate financial liabilities is 7.63% p.a. and the weighted average period for which the rate is fixed is 0.19 years.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

**Note 40**

**Risk management (Contd.)**

The table below illustrates the impact of a 0.5% to 2.0% movement in interest rates on interest expense on loans and borrowings for the year ended March 31, 2025. The risk estimate provided assumes that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables remain constant.

(₹ in Crore)

| Movement in interest rates | Effect on profit before tax |            |
|----------------------------|-----------------------------|------------|
|                            | FY 2024-25                  | FY 2023-24 |
| 0.50%                      | 28.89                       | 30.25      |
| 1.00%                      | 57.79                       | 60.50      |
| 2.00%                      | 115.57                      | 121.01     |

**Credit Risk:**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company is exposed to credit risk primarily on trade and other receivables and cash and cash equivalents.

Given the nature of PPA, trade receivables are from a single customer Punjab State Power Corporation Limited (PSPCL), with significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Although there are significant disputed trade receivables, classified as non-current with PSPCL, the management has assessed that the company has strong chances of getting the dispute resolved in its favour. Therefore, the Company does not expect any material risk on account of non performance by any of the Company's counterparties.

The carrying value of the financial assets other than cash and investments in bank deposits represents the maximum credit exposure. The Company's maximum exposure to credit risk at March 31, 2025 is ₹ 2,659.64 Crore (previous year ₹ 2,175.13 Crore) of which ₹ 2,650.93 Crore (previous year ₹ 2,166.89 Crore) was from a single customer.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade and other receivables, and other non-current assets, there were no indications as at March 31, 2025, that defaults in payment obligations will occur, except for disputed matters.

Receivables are deemed to be past due or impaired with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions of the agreement with the customer. The Company based on past experiences does not expect any material loss on its receivables. The credit quality of the Company's customer is monitored on an ongoing basis. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

Movement in allowances for Trade receivables (Current & Non-Current) is as follows:

| Particulars                        | Trade Receivables Current | Trade Receivables Non Current | Total |
|------------------------------------|---------------------------|-------------------------------|-------|
| As at March 31, 2024               | -                         | 0.05                          | 0.05  |
| Allowances made during the year    | -                         | -                             | -     |
| Reversal/Write off during the year | -                         | -                             | -     |
| As at March 31, 2025               | -                         | 0.05                          | 0.05  |

| As on March 31, 2025                 |               |                        |                        |                         |                            |
|--------------------------------------|---------------|------------------------|------------------------|-------------------------|----------------------------|
| Particulars                          | Not past due  | Due less than 1 months | Due between 1-3 months | Due between 3-12 months | Due greater than 12 months |
| Trade receivables - Non Current*     | 25.26         | 12.80                  | 22.81                  | 111.97                  | 1,518.51                   |
| Trade receivables - Current*         | 881.72        | -                      | -                      | -                       | 77.86                      |
| Other Financial Assets - Non Current | 45.85         | -                      | -                      | -                       | -                          |
| Other Financial Assets - Current     | 0.01          | -                      | -                      | -                       | 1.10                       |
| <b>Total</b>                         | <b>952.84</b> | <b>12.80</b>           | <b>22.81</b>           | <b>111.97</b>           | <b>1,597.47</b>            |

\*Refer Note 42



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Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 40

Risk management (Contd.)

| As on March 31, 2024                 |               |                        |                        |                         |                            |
|--------------------------------------|---------------|------------------------|------------------------|-------------------------|----------------------------|
| Particulars                          | Not past due  | Due less than 1 months | Due between 1-3 months | Due between 3-12 months | Due greater than 12 months |
| Trade receivables - Non Current*     | 23.69         | 12.46                  | 24.35                  | 113.79                  | 1,445.50                   |
| Trade receivables - Current*         | 547.10        | -                      | -                      | -                       | -                          |
| Other Financial Assets - Non Current | 7.59          | -                      | -                      | -                       | -                          |
| Other Financial Assets - Current     | 0.14          | -                      | -                      | 0.51                    | -                          |
| <b>Total</b>                         | <b>578.52</b> | <b>12.46</b>           | <b>24.35</b>           | <b>114.30</b>           | <b>1,445.50</b>            |

\*Refer Note 42

#### Foreign exchange risk

Fluctuations in foreign currency exchange rates may have an impact on the financial statements where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Exposures on foreign currency loans are managed through the Company wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed.

As at March 31, 2025 and March 31, 2024, the Company did not have any significant exposure in foreign currency.

#### Note 41

As per Ministry of Environment norms, the Company had to comply with timeline of SO<sub>2</sub> emission by December 31, 2019. Subsequently the Company received a notice on October 16, 2020 and a corrigendum on November 04, 2020 wherein CPCB extended the timeline for installing the Fuel Gas Desulfurization (FGD) to February 28, 2021 for Unit 1, December 31, 2020 for Unit 2 and October 31, 2020 for Unit 3. As per the notification issued by Ministry of Environment, Forest and Climate Change (MoEF&CC) dated September 05, 2022, the timeline for complying with the SO<sub>2</sub> emission norms has been extended to December 31, 2026 for TSPL under category C plants. Recently, MoEF&CC issued another notice dated December 30, 2024, where the timeline for SO<sub>2</sub> emission compliance have again been extended to December 31, 2029.

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Talwandi Sabo Power Limited  
Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 42

Trade Receivables ageing schedule

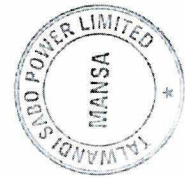
For the year ended March 31, 2025

(₹ in Crore)

| Particulars   | Not due       | Outstanding for following periods from due date of payment as on March 31, 2025 |                   |               |               |                   | Total           |
|---|---------------|---|-------------------|---------------|---------------|-------------------|-----------------|
|   |               | Less than 6 months  | 6 months - 1 year | 1-2 Years     | 2-3 years     | More than 3 years |                 |
| <b>Non-current</b>                                  |               |   |                   |               |               |                   |                 |
| (i) Disputed Trade Receivables - considered good    | 25.26         | 74.48   | 85.64             | 151.41        | 251.80        | 1,102.76          | 1,691.35        |
| (ii) Disputed Trade Receivables - credit impaired   | -             | -   | -                 | -             | 0.05          | -                 | 0.05            |
| <b>Sub-Total</b>                                    | <b>25.26</b>  | <b>74.48</b>  | <b>85.64</b>      | <b>151.41</b> | <b>251.85</b> | <b>1,102.76</b>   | <b>1,691.40</b> |
| <b>Current</b>                                      |               |   |                   |               |               |                   |                 |
| (i) Un Disputed Trade Receivables - considered good | 881.72        | -   | -                 | -             | -             | -                 | 881.72          |
| (ii) Disputed Trade Receivables - considered good   | -             | -   | -                 | -             | -             | 77.86             | 77.86           |
| <b>Sub-Total</b>                                    | <b>881.72</b> | <b>-</b>  | <b>-</b>          | <b>-</b>      | <b>-</b>      | <b>77.86</b>      | <b>959.58</b>   |
| <b>Total</b>  | <b>906.98</b> | <b>74.48</b>  | <b>85.64</b>      | <b>151.41</b> | <b>251.85</b> | <b>1,180.62</b>   | <b>2,650.98</b> |

For the year ended March 31, 2024

| Particulars   | Not due       | Outstanding for following periods from due date of payment as on March 31, 2024 |                   |               |               |                   | Total           |
|---|---------------|---|-------------------|---------------|---------------|-------------------|-----------------|
|   |               | Less than 6 months  | 6 months - 1 year | 1-2 Years     | 2-3 years     | More than 3 years |                 |
| <b>Non-current</b>                                  |               |   |                   |               |               |                   |                 |
| (i) Disputed Trade Receivables - considered good    | 23.69         | 73.50   | 77.09             | 164.23        | 227.18        | 1,054.10          | 1,619.79        |
| (ii) Disputed Trade Receivables - credit impaired   | -             | -   | -                 | 0.05          | -             | -                 | 0.05            |
| <b>Sub-Total</b>                                    | <b>23.69</b>  | <b>73.50</b>  | <b>77.09</b>      | <b>164.28</b> | <b>227.18</b> | <b>1,054.10</b>   | <b>1,619.84</b> |
| <b>Current</b>                                      |               |   |                   |               |               |                   |                 |
| (i) Un Disputed Trade Receivables - considered good | 547.10        | -   | -                 | -             | -             | -                 | 547.10          |
| (ii) Disputed Trade Receivables - considered good   | -             | -   | -                 | -             | -             | -                 | -               |
| <b>Sub-Total</b>                                    | <b>547.10</b> | <b>-</b>  | <b>-</b>          | <b>-</b>      | <b>-</b>      | <b>-</b>          | <b>547.10</b>   |
| <b>Total</b>  | <b>570.79</b> | <b>73.50</b>  | <b>77.09</b>      | <b>164.28</b> | <b>227.18</b> | <b>1,054.10</b>   | <b>2,166.94</b> |



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Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

(₹ in Crore)

Note 43

Income tax expenses

(a) Tax charge/(credit) recognised in Statement of Profit and Loss:

| Particulars   | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---|------------------------------|------------------------------|
| <b>Current tax</b>  |                              |                              |
| Current tax on profit for the year  | -                            | -                            |
| <b>Total current tax</b>  | -                            | -                            |
| <b>Deferred tax</b>   |                              |                              |
| Origination and reversal of temporary differences- other than exceptional items | 2.90                         | (46.26)                      |
| Charge in respect of exceptional item   | -                            | 199.90                       |
| Tax adjustment for previous years   | (24.54)                      | -                            |
| <b>Total deferred tax</b>   | <b>(21.64)</b>               | <b>153.64</b>                |
| <b>Net tax (credit)/charge</b>  | <b>(21.64)</b>               | <b>153.64</b>                |
| <b>Profit before tax</b>  | <b>10.20</b>                 | <b>755.79</b>                |

(b) Reconciliation of income tax expense/credit applicable to accounting profit/(loss) before tax at the statutory income tax rate to tax expense for the year:

| Particulars   | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---|------------------------------|------------------------------|
| Accounting profit before tax  | 10.20                        | 755.79                       |
| Statutory income tax rate   | 25.17%                       | 25.17%                       |
| Tax at Indian statutory income tax rate                                 | 2.57                         | 190.22                       |
| <b>Tax rate difference</b>  |                              |                              |
| Business losses on which Deferred tax assets not made in previous years | -                            | (54.85)                      |
| Forex loss adjusted u/s 43A   | -                            | 17.90                        |
| Deferred tax adjustment for previous years                              | (24.54)                      | -                            |
| CSR Expenditure Disallowed  | 0.33                         | 0.37                         |
| <b>Total</b>  | <b>(21.64)</b>               | <b>153.64</b>                |

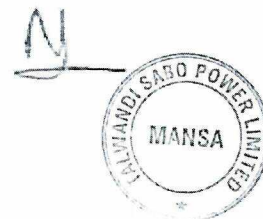
Note:

- During the year, the Company has accounted for Deferred tax Liability of ₹ 2.90 Crore and Deferred Tax Asset of ₹ 24.54 Crore in respect to adjustment of previous years.
- During the previous year, the Company has accounted for Deferred tax Liability on account of exceptional gain for ₹ 199.90 Crore and a Deferred tax Asset ₹ 46.26 Crore.
- Additionally, basis the Company's projections, there is a convincing evidence that there would be sufficient profits in the future years, to utilise the deferred tax assets.

(c) Deferred tax assets/liabilities

Significant components of deferred tax (assets) & liabilities in the balance sheet are as follows:

| Particulars   | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---|------------------------------|------------------------------|
| <b>Property, plant and equipment and intangible assets:</b> |                              |                              |
| Opening balance   | 849.89                       | 743.02                       |
| Charged to profit or loss section                           | 112.92                       | 106.87                       |
| <b>Closing balance</b>                                      | <b>962.81</b>                | <b>849.89</b>                |
| <b>Unabsorbed depreciation</b>                              |                              |                              |
| Opening balance   | (955.78)                     | (989.71)                     |
| Credited to profit or loss                                  | (135.23)                     | 33.93                        |
| Charged/(credited) to other comprehensive income (OCI)      | -                            | -                            |
| <b>Closing balance</b>                                      | <b>(1,091.01)</b>            | <b>(955.78)</b>              |
| <b>Other temporary differences</b>                          |                              |                              |
| Opening balance   | (0.68)                       | (13.61)                      |
| Charged to profit or loss                                   | 0.68                         | 12.84                        |
| Charged/(credited) to other comprehensive income (OCI)      | (0.00)                       | 0.09                         |
| <b>Closing balance</b>                                      | <b>(0.00)</b>                | <b>(0.68)</b>                |
| <b>Net deferred tax assets</b>                              | <b>(128.20)</b>              | <b>(106.57)</b>              |





Talwandi Sabo Power Limited  
Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 44  
Trade Payables ageing schedule  
For the year ended March 31, 2025  
(₹ in Crore)

| Particulars                 | Not due      | Outstanding for following periods from due date of payment |             |             |                   | Total         |
|-----------------------------|--------------|--|-------------|-------------|-------------------|---------------|
|                             |              | Less than 1 year   | 1-2 Years   | 2-3 years   | More than 3 years |               |
| (i) MSME                    | 8.98         | -  | -           | -           | -                 | 8.98          |
| (ii) Others                 | 69.28        | 41.59  | 5.24        | 0.01        | 0.00              | 116.12        |
| (iii) Disputed dues - MSME  | -            | -  | -           | -           | -                 | -             |
| (iv) Disputed dues - Others | -            | -  | -           | -           | -                 | -             |
| <b>Total</b>                | <b>78.26</b> | <b>41.59</b>   | <b>5.24</b> | <b>0.01</b> | <b>0.00</b>       | <b>125.10</b> |

For the year ended March 31, 2024

| Particulars                 | Not due      | Outstanding for following periods from due date of payment |             |             |                   | Total        |
|-----------------------------|--------------|--|-------------|-------------|-------------------|--------------|
|                             |              | Less than 1 year   | 1-2 Years   | 2-3 years   | More than 3 years |              |
| (i) MSME                    | 1.56         | -  | -           | -           | -                 | 1.56         |
| (ii) Others                 | 18.18        | 16.73  | 1.16        | 0.27        | 0.01              | 36.35        |
| (iii) Disputed dues - MSME  | -            | -  | -           | -           | -                 | -            |
| (iv) Disputed dues - Others | -            | -  | -           | -           | -                 | -            |
| <b>Total</b>                | <b>19.74</b> | <b>16.73</b>   | <b>1.16</b> | <b>0.27</b> | <b>0.01</b>       | <b>37.91</b> |



17



**Talwandi Sabo Power Limited**

**Notes forming part of the financial statements as at and for the year ended March 31, 2025**

**Note 45**

**Ratios**

| Particulars                          | As at<br>March 31, 2025 | As at<br>March 31, 2024 | % Variance | Remarks (for variances more than 25%)   |
|--------------------------------------|-------------------------|-------------------------|------------|---|
| (a) Current Ratio                    | 0.57                    | 0.59                    | -3%        | The Return on equity ratio has significantly declined as there was an exceptional gain net of taxes of ₹ 594.36 Crore in previous year. |
| (b) Debt-Equity Ratio                | 1.34                    | 1.55                    | -14%       |   |
| (c) Debt Service Coverage Ratio      | 1.16                    | 1.34                    | -13%       |   |
| (d) Return on Equity Ratio           | 0.01                    | 0.17                    | -95%       |   |
| (e) Inventory turnover ratio         | 19.30                   | 20.37                   | -5%        |   |
| (f) Trade Receivables turnover ratio | 6.93                    | 7.75                    | -11%       |   |
| (g) Trade payables turnover ratio    | 5.62                    | 6.20                    | -9%        |   |
| (h) Net capital turnover ratio       | (5.02)                  | (6.92)                  | -27%       | Due to decrease in working capital during current year.   |
| (i) Net profit ratio                 | 0.01                    | 0.11                    | -95%       | Due to decrease in profits in current year as exceptional gain net of taxes of ₹ 594.36 Crore in previous year                          |
| (j) Return on Capital employed       | 0.07                    | 0.15                    | -55%       |   |
| (k) Return on investment             | 0.07                    | 0.06                    | 4%         |   |

**Note 46**

**Other Statutory Information**

- (i) No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) The Company has not entered in any transaction with struck off companies during the current year or previous year.
- (iii) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has no Cryptocurrency transactions / balances during the current year or previous year.
- (v) 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.
- (vi) 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.
- (vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.



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Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

**Note 47**

**Disputed Trade Receivables**

Punjab State Power Corporation Limited ("PSPCL"), which is the Company's sole customer has withheld payments aggregating to ₹ 1,691.35 Crore (previous year ₹ 1,619.79 Crore) which are on account of various disputes including tax benefits at the time of initial plant setup, procurement of alternate coal, and basis of computation of plant availability amongst others.

In a Mis-declaration matter, APTEL has pronounced the order in favour of the Company on March 18, 2025 directing PSPCL to refund the deducted penalty along with 'Late Payment Surcharge'. The Company has classified the deducted penalty from non-current trade receivables to current trade receivables for the year ended March 31, 2025.

The balance matters are under litigation and the Company has obtained independent legal advice which supports its claims and is thus not expecting any material losses on these balances and believes that it is highly probable that the Company's claims would be upheld. Based on the expected timing of realisation of these balances, which is in turn dependent on the settlement of legal disputes, the Company has bifurcated the receivables into current and non-current. The management has assessed the recoverability of the outstanding balances and does not believe that any material adjustment is required.

**Note 48**

**Segment Information**

The Company's activities during the year revolved around operating 3\*660 MW Thermal Power Plant at Mansa, Punjab. Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Ind AS 108 - Operating Segments. All the Company's revenues, trade receivables and non-current operating assets are in India. The Company's revenues aggregating to ₹ 5,223.40 Crore (previous year ₹ 5,256.05 Crore) is from a single customer.

**Note 49**

**Share based compensation plans**

The Company offers equity-based award plans to its employees and officers through its parent (Vedanta Limited), Employee Stock Option Plan ("ESOP").

Share-based incentives under ESOP of Vedanta Limited (introduced w.e.f. September 2017) are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the individual fixed salary and share-based remuneration consistent with local market practice. The scheme is both tenure and performance based share schemes. The awards are indexed to and settled by parent's shares. The awards have a fixed exercise price denominated in Parent's functional currency (₹ 1 in case of Vedanta Limited), the performance period of each award is three years and is exercisable within a period of six months from the date of vesting beyond which the option will lapse.

Further, in accordance with the terms of the agreement between the Parent and the Company, the cost recognized towards the scheme is recovered by the parent from the Company.

Amount recovered by the parent and recognised by the Company in the statement of profit and loss for the financial year ended March 31, 2025 is ₹ 0.37 Crore (previous year ₹ 1.33 Crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

**Note 50**

During the previous year ended March 31, 2024, the Company had terminated its contract with one of its major capital contractors (the "Contractor"), due to its persistent failure to fulfil its contractual obligations, which adversely affected the plant's performance since commissioning. Consequently, as of March 31, 2024, the Company had written back creditors amounting to ₹ 1,252 Crore, representing amounts assessed as no longer payable under the terminated contract. The management had assessed that the amount written back comprised of ₹ 794 Crore towards loss of profit due to plant performance in the previous and earlier years and therefore recognised the same as Exceptional gain in the Statement of Profit & Loss and adjusted the balance amount towards the cost of spares and ancillaries capitalised in Property, Plant & Equipment in earlier years.

Subsequently, the Contractor disputed the termination of the contract and claimed dues along with damages arising from the Company's action. The Company issued a counter claim on the Contractor and also initiated arbitration proceedings to enforce its claims. Nominee arbitrators have been appointed by both the parties and on April 3, 2025, the Hon'ble Supreme Court appointed the presiding arbitrator.

Based on its detailed evaluations, merits of the case and independent legal advice obtained, the management continues to believe that the termination of the contract is contractually enforceable. The management also believes that this position is sustainable, when this matter is finally decided by the adjudicating authority. Accordingly, no adjustments are required to be made in these financial statements in respect of the Contractor's claims.





**Note 51**

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was enabled in the SAP application for direct changes to data in certain database tables for part of the year, i.e., from 03 March 2025. Further, no instance of audit trail feature being tampered was noted in respect of the software. Additionally, the Company preserved audit trail in full compliance with the requirements of section 128(5) of the Companies Act, 2013 to the extent it was enabled and recorded.

In terms of our report attached  
For S. R. Batliboi & Co. LLP  
ICAI Firm Registration No.: 301003E/E300005  
Chartered Accountants

per Armit Kumar Jain  
Partner  
Membership No.: 097214

Place : New Delhi  
Date : April 22, 2025

For and on behalf of Board of Directors

Agnivesh Agarwal  
Chairman  
DIN: 00038950  
Place: Fujairah

Nitesh Malani  
Chief Financial Officer  
Place : Mansa  
Date : April 22, 2025

Rajender Singh Ahuja  
Chief Executive Officer  
Place : New Delhi

Shivangi  
Shivangi Dhanuka  
Company Secretary  
ICSI Mem No.A70586  
Place : Mansa

Pankaj Kumar Sharma  
Whole Time Director  
DIN: 10277510  
Place: Mansa

