



**VEDANTA POWER LIMITED
(FORMERLY TALWANDI SABO POWER LIMITED)**

Our Company was originally incorporated in Punjab on April 5, 2007, by the name “Talwandi Sabo Power Limited” with the Registrar of Companies, Punjab in accordance with the Companies Act, 1956 as a “public limited company. Pursuant to Clauses 17A.1 and 17A.2 of the Scheme of demerger, the name of Talwandi Sabo Power Limited was changed to “Vedanta Power Limited” and a certificate of incorporation pursuant to change of name dated June 3, 2026 was issued by the Registrar of Companies (“ROC”), Central Processing Centre. For further details, see “Our History and Certain Other Corporate Matters” on page 98 of this Information Memorandum.

Corporate Identification Number: U40101MH2007PLC433557

Registered Office: C-103, Atul Projects, Corporate Avenue, New Link Road, Chakala, Andheri (E), Chakala MIDC, Mumbai, Maharashtra, India, 400093

Tel. No.: +0165 929 2065

E-mail: vpl.sect@vedanta.co.in; **Website:** www.vedantapower.com.

Contact Person: Bhagya Hasija, Company Secretary and Compliance

PROMOTERS OF THE COMPANY: Anil Agarwal and Finsider International Company Limited

INFORMATION MEMORANDUM FOR LISTING OF 3,91,03,88,057 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ALLOTTED BY VEDANTA POWER LIMITED (FORMERLY KNOWN AS TALWANDI SABO POWER LIMITED) EQUITY SHARES PURSUANT TO THE SCHEME

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Equity Shares of our Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision to invest in the Equity Shares of our Company. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved. The Equity Shares of our Company have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum. Specific attention of the investors is invited to the section “Risk Factors” given on page 19 of this Information Memorandum.

OUR COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that, this Information Memorandum contains all information with regard to our Company, which is material in the context of listing of the Equity Shares pursuant to the Scheme, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held, and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. This Information Memorandum is filed pursuant to the Scheme and is not an offer to the public at large.

LISTING

The Equity Shares of our Company are proposed to be listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”). For the purposes of this listing, the Designated Stock Exchange is BSE. Our Company has submitted this Information Memorandum with BSE and NSE and the same has been made available on the Company’s website www.vedantapower.com. The Information Memorandum will also be made available on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).

REGISTRAR AND SHARE TRANSFER AGENT



KFin Technologies Limited (*formerly known as KFin Technologies Private Limited*)
Correspondence Address: Selenium Tower B, Plot No. - 31 & 32, Financial District, Nanakramguda, Serilingampally, Rangareddi, Hyderabad 500032, Telangana
Tel : +91 40 6716 2222/1-800-34-54001
Contact Person: Ganesh Chandra Patro
Email: einward.ris@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
SEBI Registration No.: INR000000221

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Information Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings provided below. References to any legislation, act, regulation, rules, guidelines or policies, circular, notification or clarification shall be to such legislation, act, regulation, rules, guidelines or policies, circular, notification or clarification as amended, supplemented or re-enacted from time to time.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Possible Tax Benefits”, “Industry Overview”, “Our Business”, “Risk Factors”, “Financial Statements”, “Outstanding Litigation and Material Developments” and “Objects and Rationale of the Scheme”, shall have the meaning ascribed to such terms in those respective sections.

Company and Scheme related terms

Term	Description
“the Company” or “Resulting Company 2” or “TSPL” or “VPL”	Vedanta Power Limited (formerly Talwandi Sabo Power Limited), a public limited company incorporated on April 5, 2007 under the provisions of the Companies Act, 1956, bearing Corporate Identification Number U40101MH2007PLC433557 and having its registered and corporate office at C-103, Atul Projects-Corporate Avenue, New Link Road, Chakala, Andheri, Mumbai, 400093 Maharashtra, India
“We” or “us” or “our” or “our Company”	Unless the context otherwise indicates or implies our Company
“VAML” or “Resulting Company 1”	Vedanta Aluminium Metal Limited, a public limited company incorporated on October 6, 2023 under the provisions of the Companies Act, 2013, bearing Corporate Identification Number U24202MH2023PLC411663 and having its registered office situated at C-103 Atul Projects, Corporate Avenue New Link, Chakala MIDC, Mumbai, 400093 Maharashtra, India
“MEL” or “Resulting Company 3”	Malco Energy Limited (now Vedanta Oil and Gas Limited), a public limited company incorporated on January 18, 2001 under the provisions of the Companies Act, 1956, bearing Corporate Identification Number U31300TN2001PLC069645 and having its registered office at C-103, Atul Projects-Corporate Avenue New Link Road, Chakala Andheri, Chakala MIDC, Mumbai, 400093 Maharashtra, India
“VISL” or “Resulting Company 4”	Vedanta Iron and Steel Limited, a public limited company incorporated on October 10, 2023 under the provisions of the Companies Act, 2013, bearing Corporate Identification Number U24109MH2023PLC411777 and having its registered office situated at C-103 Atul Projects, Corporate Avenue New Link, Chakala MIDC, Mumbai, 400093 Maharashtra, India
“Demerged Company” or “Vedanta Limited” or “VEDL”	Vedanta Limited, a public limited company incorporated under the Indian Companies Act, 1956 bearing Corporate Identification Number L13209MH1965PLC291394 and having its registered office at 1st Floor, C wing, Unit 103, Corporate Avenue Atul Projects, Chakala, Andheri (East), Mumbai 400093, Maharashtra, India.
Aluminium Business	Means all the businesses, undertakings, activities, properties and liabilities of whatsoever nature and kind and wherever situated, pertaining and / or related to the Demerged Company’s division engaged in mining and processing of bauxite and refining of alumina and extraction, manufacture, and sale of aluminium
“AoA” or “Articles of Association” “Articles”	The articles of association of our Company, as amended from time to time
“Applicable Law” or “Law”	means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), bye-laws, codes, notifications, rules, regulations, policies, guidelines, circulars, press notes, clearances, approvals, directions, directives, ordinances or orders of any Appropriate Authority; (b) Permits; and (c) orders, decisions, writs, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties, in each case having the force of law and that is binding or applicable to a person, as may be in force from time to time.
Appointed Date	Opening of business hours on May 1, 2026
Appropriate Authority	means: the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, NCLT, central bank, commission, or other authority thereof; any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, SEBI, and the Tribunal; and any Stock Exchange
“Athena Power Plant” or “Athena” or Sakti Thermal Plant” or “Sakti”	means the Athena Chhattisgarh Power Limited (“Athena”), which is in the process of being amalgamated with the Demerged Company pursuant to the Insolvency and Bankruptcy Code, 2016, including the two units of total capacity of 1,200 MW situated in Chhattisgarh (owned and operated by Athena).

Term	Description
Audit and Risk Management Committee	Audit and Risk Management Committee of the Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” on page 104
“Auditor” or “Statutory Auditor”	The statutory auditor of our Company, being Walker Chandiok & Co. LLP and having its address at 21st Floor, DLF Square Jacaranda Marg, DLF Phase II, Gurugram - 122 002, Haryana, India
BALCO	means Bharat Aluminium Co Ltd., a public limited company incorporated under the provisions of the Companies Act, 1956 with Corporate Identification Number U74899DL1965PLC004518 and registered office situated at Aluminium Sadan, Core – 6 Scope Office Complex, 7 Lodhi Road, New Delhi – 110003, Delhi, India.
“Board of Directors” or “the Board” or “our Board”	The board of Directors of our Company, including all duly constituted Committees thereof.
Central Contracts	means the contracts entered into by VEDL with third party service providers in respect of information technology, legal and compliance, finance and accounting, procurement, human resources and other similar corporate services availed by VEDL on a centralized basis prior to the Effective Date, the benefit of which is to be made available to, and migrated to, our Company under the MSA.
Chief Financial Officer	Pankaj Jha, being the Chief Financial Officer of the Company. For details, see “ <i>Our Management</i> ” on page 104
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of the Company, appointed in terms of Regulation 6(1) of the SEBI Listing Regulations, and Section 203 read with Section 2(51) of the Companies Act, 2013, being Bhagya Hasija. For details, see “ <i>Our Management</i> ” on page 104
“Demerged Undertaking” or “Merchant Power Business Undertaking”	<p>Means the undertaking of the Demerged Company pertaining to the Merchant Power Business as on the Appointed Date and shall include (without limitation):</p> <ul style="list-style-type: none"> (i) All immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, steel structures, cables, conductors, residential premises occupied by the employees engaged for the purpose of the Merchant Power Business, security cabins, foundations for civil works etc. which immovable properties are currently being used for the purpose of the Merchant Power Business and all documents of title, rights and easement in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties; (ii) All assets as are movable in nature pertaining to the Merchant Power Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, modules, inverters, electrical fittings, submersible pumps, sprinkler system, module cleaning machine, electrical erections, earthing and lighting systems, diesel generators, cables, transformers, capital work in progress, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventory, tools and plants), actionable claims, earnest monies and sundry debtors, financial assets, investments in shares, securities etc., including investments in Resulting Company 2, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, benefit of bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added / sales tax, entry tax credits or set-offs, income tax holiday/ benefit/ losses / minimum alternate tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company, tax credits including, but not limited to, credits in respect of income tax (including brought forward tax losses comprising of unabsorbed depreciation), minimum alternate tax, advance tax, tax deducted at source, tax refunds, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the Merchant Power Business; (iii) all debts, liabilities including contingent liabilities, duties, taxes, and obligations whether present or future, whether secured or unsecured pertaining to the Merchant Power Business and / or arising out of and / or relatable to the Merchant Power Business (“Merchant Power Undertaking Liabilities”) including: <ul style="list-style-type: none"> (i) the debts, liabilities, duties, and obligations of the Demerged Company which arise out of the activities or operations of the Merchant Power Business; (ii) specific loans and borrowings raised, incurred, and utilised solely for the activities or operations of the Merchant Power Business; (iii) existing securities, mortgages, charges, and other encumbrances subsisting over and in respect of the property and assets of the Merchant Power Business; (iv) liabilities other than those referred to in subclauses (a) and (b) above and not directly relatable to the Remaining Business of the Demerged Company being the amounts of general and multipurpose borrowings of the Demerged Company that shall be allocated to the Merchant Power Undertaking in the same proportion which the value of assets transferred under this Scheme bears to the total value of the assets of the Demerged Company immediately prior to giving effect to Part III of the Scheme;

Term	Description
	<p>(v) contracts, agreements, purchase orders, service orders, operation and maintenance contracts, memoranda of understanding, undertakings, memoranda of agreement, minutes of meetings, bids, tenders, tariff policies, expression of interest, letters of intent, hire purchase agreements, lease / license agreements, power purchase agreements tenancy rights, agreements for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with supplier / manufacturer or goods or service providers, schemes, other arrangements, undertakings, deeds, bonds, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Merchant Power Business;</p> <p>(vi) all Permits, quotas, incentives, right of way, powers, authorities, allotments, rights, benefits, advantages, credits, awards, sanctions, exemptions, concessions, liberties including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Merchant Power Business;</p> <p>(vii) all intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames, trademarks, goodwill, trade secrets in relation to the Merchant Power Business (including any applications for the same) of any nature whatsoever, including all books, records, files, papers, engineering and process information, hardware, computer programs, domain names, software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, databases, catalogues, quotations, sales and advertising materials, pricing information, and other records whether in physical or electronic form in connection with or pertaining to Merchant Power Business;</p> <p>(viii) rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership or possession of or in control of or vested in or granted in favour of or enjoyed in respect of the Merchant Power Business;</p> <p>(ix) all legal or other proceedings of whatsoever nature that pertain to the Merchant Power Business;</p> <p>(x) entire experience, credentials, past record, and market share of the Demerged Company pertaining to the Merchant Power Business;</p> <p>(xi) amounts claimed or to be claimed including the receivables by the Merchant Power Business from any third party including from distribution companies (with whom the Merchant Power Business has executed power purchase agreements);</p> <p>(xii) all employees employed by / engaged in the Merchant Power Business as on the Effective Date including liabilities with regard to employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise; and</p> <p>(a) 1 (one) unit of the Demerged Company of total gross capacity of 600 MW situated in Jharsuguda, Odisha; (b) all the assets and liabilities of Athena Chhattisgarh Power Limited (“Athena”), which is in the process of being amalgamated with the Demerged Company pursuant to the Insolvency and Bankruptcy Code, 2016, including the two units of total capacity of 1,200 MW situated in Chhattisgarh (owned and operated by Athena)</p>
Depository	A depository registered with the SEBI under the Depositories Act, 1996
Designated Stock Exchange	BSE Limited
Director(s)	The director(s) on the Board of the Company
Draft Information Memorandum	This draft information memorandum dated May 12, 2026 filed with the Stock Exchanges issued in accordance with the applicable laws as prescribed by SEBI
Effective Date	Opening of business hours on May 1, 2026, being the date on which all conditions precedent set forth in clauses 39.1 and 39.3 of the Scheme have been fulfilled and/or obtained and/or waived, as applicable in accordance with the Scheme
Eligible Shareholders	A person whose name appears in the register of members of VEDL and/ or whose name appears as the beneficial owner of the equity shares of VEDL in the record of the depositories on the Record Date
Equity Shares	Unless otherwise specified, fully paid-up Equity Shares of our Company of face value of ₹ 10 each
ESOS Trust	means the existing Vedanta Limited ESOS Trust constituted by the Demerged Company for administering and servicing the Vedanta ESOS Plan.
Executive Director(s)	An executive director of our Company, unless otherwise specified
Financial Year” or “Fiscal” or “Fiscal Year” or “FY”	Period of 12 months ended March 31 of that particular year
Financial Statements	shall mean the standalone financial statements of our Company prepared in accordance with AS or Ind AS, as the case may be, for the year ended March 31, 2024, FY 2025 and FY 2026 duly audited and certified

Term	Description
	by the Statutory Auditors who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Group Companies	In terms of SEBI ICDR Regulations, includes companies (other than Promoters and Subsidiaries) with which the Company had related party transactions, during the period for which financial information is disclosed in this Information Memorandum, as covered under the applicable Accounting Standards and any other company as considered material by the Board of the Company. For further details, please see the section titled “ <i>Our Group Company</i> ” on page 121 of this Information Memorandum
“Income Tax Act” or “IT Act”	means the Income-tax Act, 1961, as amended from time to time or any statutory modification / reenactment thereof together with the rules, regulations, circulars, notifications, clarifications, and orders issued thereunder
“Independent Director”	A non-executive, independent director of our Company as per the Companies Act, 2013 and the SEBI LODR Regulations.
Iron Ore Business	means all the businesses, undertakings, activities, properties and liabilities of whatsoever nature and kind and wherever situated, pertaining and / or related to the Demerged Company's division engaged in mining, processing and sale of iron ore
“Key Managerial Personnel” or “KMP”	Key managerial personnel of our Company as identified in the section titled “ <i>Our Management</i> ” beginning on page 104 of this Information Memorandum.
Materiality Policy	Materiality policy adopted by the Board of Directors at its meeting dated May 12, 2026, in accordance with the SEBI ICDR Regulations.
“Material Subsidiary” or “Subsidiary”	Meenakshi Energy Limited
Meenakshi Energy Limited	Meenakshi Energy Limited, a public limited company incorporated on August 21, 1996 with Corporate Identification Number being U40101TG1996PLC054239 and registered office situated at Flat no. 102, Maruthi Nivas, Green Fields, Hyderabad, Ameenpur, Medak, Ramachandrapuram 502032, Telangana, India,
“Memorandum of Association” or “MoA”	Memorandum of Association of the Company, as amended from time to time
Merchant Power Business	means all the businesses, undertakings, activities, properties, and liabilities of whatsoever nature of the Demerged Company in relation to generation distribution, trading, supply and sale of power
MSA	means the migration services agreement dated April 30, 2026 entered into amongst VEDL, our Company and the other Resulting Companies under the Scheme, pursuant to which VEDL has agreed, from the Effective Date until completion of migration of the Central Contracts, to provide or facilitate the provision of certain corporate services to our Company on a pass-through cost basis, together with agreed ancillary costs actually incurred.
“NCLT” or “Tribunal”	National Company Law Tribunal, Mumbai Bench
Net Worth	Net worth of the Company in terms of Regulation 2(1)(hh) of the SEBI ICDR Regulations
Non-Executive Director(s)	A non-executive director of our Company, unless otherwise specified.
Nomination and Remuneration Committee	Nomination and Remuneration Committee of the Company constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” on page 104
Oil & Gas Business	Means all the businesses, undertakings, activities, properties and liabilities of whatsoever nature and kind and wherever situated, pertaining and / or related to the Demerged Company’s division engaged in exploration and production of oil and gas.
Parties	Collectively mean VEDL and our Company, and ‘Party’ means each of them, individually.
Permits	means all consents, licenses, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory, or otherwise as required under Applicable Law
Proforma Financial Statements	means the unaudited proforma combined statement of profit and loss and balance sheet for the year ended March 31, 2025, and the year ended March 31, 2026, reviewed by a peer reviewed Chartered Accountant i.e., SBH & Co, Chartered Accountants who is not the Statutory Auditor of the Company.
“Promoters” or “Our Promoters”	The promoters of our Company, being Anil Agarwal and Finsider International Company Limited. For further details, see “ <i>Our Promoter and Promoter Group</i> ” on page 118
Promoter Group	Persons and entities constituting our promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see section titled “ <i>Our Promoter and Promoter Group</i> ” on page 118
Record Date	means the date to be fixed by the Boards of our Company and Vedanta Limited being May 1, 2026
“RoC” or “Registrar of Companies”	The Registrar of Companies, Maharashtra at Mumbai
Registrar and Share Transfer Agent	KFin Technologies Limited
Registered and Corporate Office	The registered office of our Company is situated at C-103, Atul Projects-Corporate Avenue, New Link Road, Chakala, Andheri, Chakala MIDC, Mumbai, 400093 Maharashtra, India

Term	Description
Remaining Business	means all the business, units, divisions, undertakings, and assets and liabilities of VEDL other than the Demerged Undertaking, Aluminium Undertaking (<i>as defined in the Scheme</i>), Oil and Gas Undertaking (<i>as defined in the Scheme</i>), and Iron Ore Undertaking (<i>as defined in the Scheme</i>), including VEDL's investment in Hindustan Zinc Limited, VEDL's interest in semiconductors and glass displays, stainless steel, ferrochrome and nickel and base metals business in relation to mining and processing of certain base metals such as Copper and manufacture and sale of copper
"Resulting Company New Shares" or "New Equity Shares" Scheme	Fully paid-up Equity Shares of the Company having a face value of ₹ 10 each allotted by the Company as consideration in terms of clause 15 of the Scheme of Arrangement
Senior Management	The scheme of arrangement under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 between the Demerged Company, Vedanta Aluminium Metal Limited, Talwandi Sabo Power Limited (now Vedanta Power Limited), Malco Energy Limited (now Vedanta Oil and Gas Limited) and Vedanta Iron and Steel Limited, and their respective shareholders and creditors as approved by the NCLT by way of its order dated December 16, 2025 and January 9, 2026 with respect to inter alia the demerger of the Demerged Undertaking from the Demerged Company to TSPL (now VPL). A copy of the Scheme is available at the website of the Company at www.vedantapower.com .
Share Entitlement Ratio	Senior Management of the Company as described in " <i>Our Management – Key Managerial Personnel and Senior Management</i> " on page 104
Shareholders	Share entitlement ratio as set out in the Scheme being 1 (One) fully paid-up Equity Share of the Company having face value of INR 10 (Indian Rupees Ten) each for every 1 (one) fully paid-up equity share of INR 1 (Indian Rupee One) each of the Demerged Company
Stakeholders Relationship Committee	Shareholders holding Equity Shares of the Company from time to time
Stock Exchange	The Stakeholders Relationship Committee of the Company constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in " <i>Our Management</i> " on page 104
"Taxation" "Tax" "Taxes"	Means BSE and NSE collectively and Stock Exchange shall mean each of them individually
VPL ESOS Special Purpose Demerger Scheme	Means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to any of the Parties and all penalties, charges, costs and interest relating thereto
"Vedanta ESOS Plan" or "Vedanta ESOS Scheme 2016"	means the employee stock option scheme of our Company titled " <i>Vedanta Power Limited ESOS Special Purpose Demerger Scheme</i> ", to be adopted by our Company with effect from the Effective Date for the limited and special purpose of facilitating the treatment of outstanding Stock Options granted by the Demerged Company under the Vedanta ESOS Plan, in accordance with the Scheme.
Wilful defaulter	means the Vedanta Limited Employee Stock Option Scheme 2016, originally approved by the shareholders of the Demerged Company on December 10, 2016, under which the Demerged Company has granted Stock Options to its eligible employees from time to time.
Working Day	A wilful defaulter, as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
	All days on which commercial banks in Mumbai are open for business. In respect of the time period between the filing of this Information Memorandum and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI

Conventional and general terms

Term	Description
₹ / Rs. / Rupees / INR	Indian Rupees
€ / EUR / Euro(s)	Euros, the legal currency of 20 of the 27 member states of the European Union
£ / GBP / Pound Sterling	Pound Sterling, the legal currency of the United Kingdom
\$ / US\$ / USD / U.S. Dollars	US Dollars, the legal currency of the United States of America
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
Bn / bn	Billion
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification / Identity Number
Companies Act, 1956	Erstwhile Companies Act, 1956, along with relevant rules, regulations, clarifications and modifications made thereunder
Companies Act, 2013	Companies Act, 2013, along with relevant rules, regulations, clarifications and modifications made thereunder
Demat	Dematerialised

Term	Description
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EBITDA Margin	EBITDA divided by revenue from operations
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESOP	Employee stock options plan
ESI Act	The Employees State Insurance Act, 1948
EPA	The Environment (Protection) Act, 1986
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
Factories Act	The Factories Act, 1948
GoI/ Government	Government of India
GST	Goods and Services Tax
ICAI	The Institute of Chartered Accountants of India
ICDR Regulations/ SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
IND AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, as notified under Rule 3 of The Companies (Indian Accounting Standard) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
IPC	The Indian Penal Code, 1860
ISIN	International Securities Identification Number allotted by the Depository
MSME	Micro, Small and Medium Enterprises
N/A or N.A.	Not Applicable
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
Pvt.	Private
PAT	Profit After Tax
PAT Margin	PAT divided by revenue from operations
PBT	Profit Before Tax
RBI	Reserve Bank of India
Return on net worth	Net profit after tax divided by net worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
SEBI LODR Regulations / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Schemes Master Circular	Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 on (i) Scheme of Arrangement by Listed Entities; and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 dated November 23, 2021.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
State	States in India
Stock Exchanges	BSE and NSE
YoY	Year over year

Industry related terms/ Abbreviations

Term	Description
ABB	ABB Ltd.
ADB	Asian Development Bank
AHP	Air Handling Plant
AI	Artificial Intelligence
ASEAN	Association of Southeast Asian Nations
ARR	Average Revenue Realised
AT&C	Aggregate Technical and Commercial

Term	Description
BT	Billion Tonnes
BU	Billion Units
CAGR	Compound Annual Growth Rate
CEA	Central Electricity Authority
CFBC	Circulating Fluidised Bed Combustion
CHP	Cooling Tower Heat Exchanger / Condenser Heat Pump
CIL	Coal India Limited
CPI	Consumer Price Index
CSR	Corporate and Social Responsibility
CY	Calendar Year
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti Yojana
DM	Demineralisation Plant
DPIIT	Department for Promotion of Industry and Internal Trade
EU	European Union
ESG	Environmental, Social and Governance
FAE	First Advance Estimates
FRE	First Revised Estimates
FSA	Fuel Supply Agreement
GCV	Gross Calorific Value
GFD	Gross Fiscal Deficit
GRIDCO	Grid Corporation
GNI	Gross National Income
GVA	Gross Value Added
GW	Gigawatt
HFI	High-Frequency Indicators
ICOFR	Internal Control Over Financial Reporting
IIP	Index of Industrial Production
IEA	International Energy Agency
IMF	International Monetary Fund
IPDS	Integrated Power Development Scheme
IPP	Independent Power Producer
JSG IPP	Jharsuguda Independent Power Producer
kcal/kg	Kilocalories per kilogram
km	Kilometre
kWh	Kilowatt-hour
MCL	Mineral Coal Limited
MoP	Ministry of Power
MoSPI	Ministry of Statistics and Programme Implementation
MPC	Monetary Policy Committee
MT	Million Tonnes
MW	Megawatt
MU	Million Units
NEP	National Electricity Plan
NLCIL	National Thermal Power Corporation
NNI	Net National Income
NSO	National Statistical Office
NTPC	National Thermal Power Corporation
OEM	Original Equipment Manufacturer
O&M	Operations and Maintenance
PAF	Plant Availability Factor
PE	Provisional Estimates
PFC	Power Finance Corporation
PFCE	Private Final Consumption Expenditure
PLF	Plant Load Factor
PLI	Production Linked Incentive
PM-KUSUM	Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan
PMI	Purchasing Managers' Index
PPA	Power Purchase Agreement
PSEB	Punjab State Electricity Board
PSPCL	Punjab State Power Corporation Limited
Q1, Q2, Q3, Q4	Quarter 1, 2, 3, 4
R-APDRP	Restructured Accelerated Power Development and Reforms Programme
RDSS	Revamped Distribution Sector Scheme

Term	Description
SECL	South Eastern Coalfields Limited
SMRs	Small Modular Reactors
SMNP	Smart Meter National Programme
SOx	Sarbanes-Oxley Act
SPA	Share Purchase Agreement
SPV	Special Purpose Vehicle
TG	Turbine Generator
TNPDCL	Tamil Nadu Puducherry Distribution Corporation Limited
TNSPDCL	Tamil Nadu Southern Power Distribution Company Limited
TPD	Tonnes Per Day
TWh	Terawatt-hour
UJALA	Unnat Jyoti by Affordable LEDs for All
UNFPA	United Nations Fund for Population Activities
WEO	World Economic Outlook
YTD	Year-To-Date

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

Unless stated otherwise, all references to page numbers in this Information Memorandum are to the page numbers of this Information Memorandum.

Financial Data

Unless stated otherwise, the financial data in this Information Memorandum is derived from our Financial Statements which have been prepared by our Company in accordance with Indian accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and are also included in this Information Memorandum. Our Company publishes its Financial Statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Information Memorandum should accordingly be limited.

Our fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular fiscal year are to the 12 (twelve) month period ended March 31 of that year. In terms of Section 2(41) of the Companies Act, for companies which have been incorporated on or after January 1 of a calendar year, the financial year will be the period ending on March 31 of the following year, in respect whereof the financial statement of the company or body corporate is prepared.

Financial information in respect of the Demerged Undertaking forms part of the financial statements prepared by VEDL and is reported separately. The reported financial statements of VEDL are available on the website of the BSE and NSE and on the website of VEDL, respectively. The reference to the audited financial information of VEDL is being provided solely for information purposes and such information does not form part of the Information Memorandum.

Certain figures contained in this Information Memorandum, including financial information, have been subject to rounding off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points, to conform to their respective sources.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 19, 80 and 324, respectively, and elsewhere in this Information Memorandum have been calculated on the basis of the Financial Statements.

Currency and Units of Presentation

All references to “Rupees” or “₹” or “Rs.” or “INR” or “Re” are to Indian Rupees, the official currency of the Republic of India. All references to “USD”, or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America and its territories and possessions. In this Information Memorandum, our Company has presented certain numerical information “lakh”, “million”, “crores” and “billion” units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000 and one billion represents 1,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakhs, such figures appear in this Information Memorandum expressed in such denominations as provided in their respective sources.

Industry and Market Data

Unless stated otherwise, industry and market data and various forecasts used throughout this Information Memorandum have been obtained from the report titled “*Power Sector Report – Vedanta Limited*” dated March 11, 2026 (“**Report**”), which is exclusively prepared for the purpose of the listing and issued by ICRA Analytics Limited and is commissioned and paid for by our Company. The Report will be available on the website of our Company at www.vedantapower.com. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. ICRA Analytics Limited is an independent agency which has no relationship with our Company, the Promoter, any of our Directors, or Key Managerial Personnel or Senior Management. The Report is subject to the following disclaimer: “*All information contained in the Report has been obtained by ICRA Analytics Limited from sources believed by ICRA Analytics Limited to be true, accurate and reliable and after exercise of due care and diligence by us. Although reasonable care has been taken to ensure that the information therein is true, such*”

information is provided 'as is' without any warranty of any kind, and in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained therein must be construed solely as statements of opinion and not any recommendation for investment. ICRA Analytics Limited shall not be liable for any losses incurred by users from any use of the Report or its contents."

Industry sources as well as government publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified by our Company and our affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "*Risk Factors*" on page 19 of this Information Memorandum. Accordingly, investment decisions should not be based solely on such information.

The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Further, the extent to which the industry and market data presented in this Information Memorandum is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Time

All references to time in this Information Memorandum are to Indian Standard Time.

FORWARD LOOKING STATEMENTS

This Information Memorandum contains certain “forward-looking statements”. All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “can”, “continue”, “could”, “expect”, “estimate”, “intend”, “is likely”, “may”, “objective”, “plan”, “potential” “project”, “pursue” “shall”, “should”, “will”, “would”, “will continue”, “will pursue”, “will likely result”, or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and prospects are forward-looking statements. All forward looking statements are based on our current plans, estimates, presumptions and expectations, and are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward-looking statement.

These forward-looking statements contained in this Information Memorandum (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward -looking statements or other projections. This may be due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in the industry and incidence of any natural calamities and/or acts of violence.

Important factors that could cause actual results to differ materially from our expectations include but are not limited to the following:

- Our Company was incorporated on April 5, 2007 and there may be certain uncertainties in the integration of the Demerged Undertaking into a recently incorporated entity, such as our Company.
- If our planned expansions and new projects are delayed, our results of operations, cash flows and financial condition may be materially and adversely affected.
- Our Promoters and members of our Promoter Group will continue to hold a significant equity stake in our Company after the Issue and their interests may differ from those of the other shareholders.
- Our Promoters, Directors, Key Managerial Personnel and Senior Management have interests in our Company other than normal remuneration or benefits. They may enter into ventures that may lead to conflicts of interest with our business
- We depend on the experience and management skill of certain of our Key Managerial Personnel and Senior Management.
- Our future expansions and acquisitions are dependent upon our ability to raise capital.
- The volatility of commodity prices may cause a material adverse effect on our revenue, results of operations, cash flows and financial condition.
- Our businesses depend upon certain third parties for the supply of our raw material, equipment and services, the execution of projects and, as well as the offtake of our production.
- Our Proforma Financial Statements are illustrative in nature, and our actual results could be materially different from those indicated in the Proforma Financial Statements.
- A FIR has been registered against Anil Agarwal, our Promoter, in connection with an industrial accident at our Unit-1 of our Company’s Athena Power Plant.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “Risk Factors” on page 19 of this Information Memorandum. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

These statements are based on the management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Future looking statements speak only as of the date of this Information Memorandum. Neither we nor our Promoters, Directors, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI / Stock Exchange requirements, our Company will ensure that investors are informed of material developments until the time of grant of listing and trading permission by the Stock Exchanges.

SECTION II – INFORMATION MEMORANDUM SUMMARY

This section is a summary of specific disclosures included in this Information Memorandum and is neither exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Information Memorandum, including the sections entitled “Risk Factors”, “Industry Overview”, “Our Business”, “Promoter and Promoter Group”, “Financial Statements”, “Outstanding Litigation and Material Developments”, and “Main Provisions of the Articles of Association” on pages 19, 60, 80, 118, 141, 344 and 363, respectively. For additional information and further details with respect to any of the information summarized below, please refer to the relevant sections of this Information Memorandum. Unless otherwise stated, the financial information in this section is derived from the Financial Statements.

Summary of industry in which our Company operates

As per the Central Electricity Authority (CEA), all-India electricity demand rose by 7.4% year-on-year in FY2024, reaching 16,26,132 MU. This growth was largely driven by the delayed onset of monsoons, uneven rainfall across the country, and resilient economic activity. In FY2025, electricity demand is estimated at 16,95,188 MU, marking a growth of 4.2% over the previous year. Looking ahead, demand is projected to accelerate further, with requirements expected to reach 18,50,211 MU in FY2026, reflecting a strong 9.1% increase over FY2025.

For further details, please see section titled “Industry Overview” on page 60 of this Information Memorandum.

Summary of the primary business of our Company

Our Company was incorporated as a Special Purpose Vehicle (SPV) by Punjab State Power Corporation Limited (PSPCL) to develop a 1,980 (3×660) MW thermal power project and was subsequently acquired by VEDL through auction. Our Company has current installed capacity of 4.2GW (additional 0.6GW Sakti’s Unit2 in Project phase), making it the 5th Largest Private Thermal Company in India as on Dec’25 (Adani Power 18.2GW, TATA Power 8.9GW, Reliance Power 5.2GW, JSW Energy 5.7GW). Our Company has secured PPA (Longterm + Midterm) for 74% Capacity which is 3.1GW. Power supply through PPAs are currently with GRIDCO, PSPCL, TNPDCL. Linkage fuel is also secured for PPA quantum to ensure uninterrupted power supply. Our Company has 4.2GW operating capacity of which 29% capacity is in close proximity to coal mines. The share of operational capacity in close proximity to coal mines is expected to increase to 38% after the commissioning of Sakti Unit 2 (600MW). In addition, Meenakshi received CRISIL AA-long term rating and AA long term CRISIL rating and AA- ICRA rating for our Company. The brief details of the Projects have been provided below:

Company Name/Undertaking	Technology	Capacity	State	Status	Fuel Type
Talwandi Sabo Thermal Plant	Super Critical	1,980 MW	Punjab	Operational	Coal based
Jharsuguda Thermal Plant	Sub Critical	600 MW	Odisha	Operational	Coal based
Sakti Thermal Plant	Sub Critical	1,200 MW	Chhattisgarh	600 MW operational 600 MW Under construction	Coal Based
Meenakshi Energy Limited	Sub Critical	1,000 MW	Andhra Pradesh	Operational	Coal Based

For further details, please see “Our Business – Overview” on page 80 of this Information Memorandum.

Objects of the Issue

There is no other object except the listing of the Equity Shares of our Company.

Our Promoters

The Promoters of our Company are Anil Agarwal and Finsider International Company Limited. For further details, see “Our Promoters and Promoter Group” beginning on page 118.

Shareholding as at the date of this Information Memorandum for Promoter, members of the Promoter Group and additional top 10 shareholders

Except as disclosed below, none of our Promoters, members of Promoter Group and additional top 10 Shareholders hold any Equity Shares in our Company as at the date of this Information Memorandum:

#	Name of Shareholder	No. of Equity Shares held	Percentage of the post-Scheme Equity Share Capital (%)
Promoters			
(i)	Anil Agarwal	-	-
(ii)	Finsider International Company Limited	-	-
Promoter Group			
(i)	Pravin Agarwal	1,000	0.00
(ii)	Suman Didwania	87,696	0.00
(iii)	Ankit Agarwal	36,300	0.00
(iv)	Sakshi Mody	18,000	0.00
(v)	Navin Agarwal	-	-
(vi)	Kiran Agarwal	-	-
(vii)	Priya Agarwal	-	-
(viii)	Pratik Agarwal	-	-
(ix)	Hare Krishna Packaging Pvt. Limited	-	-
(x)	Welter Trading Limited	3,82,41,056	0.98
(xi)	Twin Star Holdings Ltd	1,56,48,05,858	40.02
(xii)	Vedanta Holdings Mauritius Limited	10,73,42,705	2.75
(xiii)	Vedanta Holdings Mauritius II Limited	49,28,20,420	12.60
(xiv)	Vedanta Netherlands Investments B.V.	15,14,714	0.04
(xv)	Vedanta UK Investments Limited	-	-
(xvi)	Westglobe Limited	-	-
(xvii)	Richter Holding Limited, Cyprus	-	-
(xviii)	Vedanta Resources Cyprus Limited (VRCL, Cyprus)	-	-
(xix)	Vedanta Resources Holdings Limited	-	-
(xx)	Vedanta Finance UK Limited (VFUL)	-	-
(xxi)	Vedanta Resources Limited, UK	-	-
(xxii)	Vedanta Holdings Jersey Limited	-	-
(xxiii)	Volcan Investments Cyprus Limited	-	-
(xxiv)	Vedanta Resources Finance Limited	-	-
(xxv)	Vedanta Resources Finance II PLC	-	-
(xxvi)	Anil Agarwal Discretionary Trust	-	-
(xxvii)	Conclave PTC Limited	-	-
(xxviii)	Vedanta Incorporated (Erstwhile Volcan Investments Limited)	-	-
Top 10 Shareholders			
(i)	LIFE INSURANCE CORPORATION OF INDIA	17,79,59,786	4.55
(ii)	PTC CABLES PRIVATE LIMITED	7,46,39,083	1.91
(iii)	ICICI PRUDENTIAL MULTICAP FUND	7,09,98,086	1.82
(iv)	MIRAE ASSET LARGE & MIDCAP FUND	2,89,62,628	0.74
(v)	SBI LARGE CAP FUND	2,87,78,125	0.74
(vi)	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA SMALL CAP FUND	2,72,34,368	0.70
(vii)	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	2,37,85,021	0.61
(viii)	BNP PARIBAS FINANCIAL MARKETS - ODI	2,34,77,927	0.60
(ix)	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI	2,24,88,292	0.58
(x)	UTI-NIFTY NEXT 50 INDEX FUND	1,60,09,106	0.41

Financial information

The following information has been derived from the Financial Statements of our Company:

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Share Capital (including share capital suspense account)	320,661	320,661	320,661
Net Worth	193,716	365,459	362,276
Revenue from operations	545,318	522,340	525,605
Profit/(Loss) after tax	(171,326)	3,184	60,215

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Earnings/(Loss) per share (in ₹) as per denomination ₹ 10/- per share	(5.34)	0.10	1.88
Net asset value per share (in ₹) as per denomination ₹ 10/- per share	6.04	11.40	11.30
Total borrowings	583,145	577,855	605,032

Note: The number for FY 23-24 were restated after signing of Financial Statements, accordingly restated Values have been included

For further details, please see section titled “Financial Statements” on page 141 of this Information Memorandum.

Auditor qualifications or adverse remarks

There have been no qualifications or adverse remarks by our Statutory Auditor in the Financial Statements.

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, our Directors, our Promoters, Key Managerial Personnel and Senior Management, as applicable in terms of our Materiality Policy and as disclosed in the section titled “Outstanding Litigation and Material Developments” of this Information Memorandum is set out below:

Name of Entity	Number of matters					Aggregate Amount involved (INR in crores*)
	Criminal Proceedings	Tax Proceedings [#]	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter	Material civil litigations	
Company						
By our Company	2	28 ¹	Nil	Nil	11	3,486.37
Against our Company	3	1	2	Nil	10	4,109.62
Subsidiaries						
By our Subsidiaries	Nil	1	Nil	Nil	Nil	22
Against our Subsidiaries	Nil	Nil	Nil	Nil	Nil	NA
Directors*						
By our Directors	Nil	Nil	Nil	Nil	Nil	NA
Against our Directors	2	Nil	Nil	Nil	Nil	NA
Promoters						
By our Promoters	Nil	Nil	1	Nil	Nil	35
Against our Promoters	2	Nil	Nil	1	1	300
Key Managerial Personnel (excluding our directors)						
By our Key Managerial Personnel	Nil	Nil	Nil	Nil	Nil	NA
Against our Key Managerial Personnel	Nil	Nil	Nil	Nil	Nil	NA
Senior Management						
By our Senior Management	Nil	Nil	Nil	Nil	Nil	NA
Against our Senior Management	Nil	Nil	Nil	Nil	Nil	NA
Group Companies						
By our Group Companies	Nil	Nil	Nil	Nil	Nil	NA

Name of Entity	Number of matters					Aggregate Amount involved (INR in crores*)
	Criminal Proceedings	Tax Proceedings [#]	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter	Material civil litigations	
Against our Group Companies	Nil	Nil	Nil	Nil	Nil	NA

*To the extent quantifiable; [#]For details, please refer to "Tax proceedings involving our Company" on page 344 of this Information Memorandum.

¹Note: There are some tax litigations, demand amounting to ₹ 308 Crs are common in nature between 1800 MW (Aluminium Undertaking) & 600 MW (Power Undertaking) to be demerged from Vedanta Limited to Resulting Company 1 & Resulting Company 2, respectively.

For further details, please see section titled "Outstanding Litigation and Material Developments" on page 344 of this Information Memorandum.

Risk factors

For details of the risks associated with our Company, please see the section on "Risk Factors" on page 19 of this Information Memorandum.

Contingent liabilities

A summary of our contingent liabilities is as set out below:

	(₹ in lakh)		
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Claims against the Company not acknowledged as debt	-	12,732	12,732
Disputed excise and service tax liability	-	-	-
Disputed Value added tax and Central Sales Tax liability	-	-	-
Total	-	-	-

For further details, please see note on contingent liabilities in the section titled "Financial Statements" on page 141 of this Information Memorandum.

Summary of related party transactions

The following are the details of the related party transactions for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024, derived from the Financial Statements:

	(Amount in INR Crores)		
Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2024
1) Recovery of employee cost and other expenses			
(i) Vedanta Limited	0.37	0.08	0.23
(ii) Bharat Aluminium Company Limited	0.04	0.11	0.19
(iii) ESL (Electrosteel)	0.03	-	0.01
(iv) Hindustan Zinc Limited	0.11	0.04	0.24
(v) Meenakshi Energy Limited	0.01	-	-
(vi) Resonia Limited	0.02	0.01	-
(vii) Sterlite Power Transmissions Limited	-	-	0.01
(viii) Runaya Refining LLP	-	-	0.04
2) Reimbursement of employee cost and other expenses			
(i) Vedanta Limited	8.94	8.61	9.61
(ii) Vedanta Foundation	0.03	0.02	0.01
(iii) STL Digital Limited	2.55	1.50	0.78
(iv) Hindustan Zinc Limited	0.03	0.05	0.01
(v) Meenakshi Energy Limited	0.02	0.01	-
(vi) Bharat Aluminium Company Limited	0.00	0.00	0.00
(vii) ESL (Electrosteel)	-	0.02	-
(viii) Runaya Refining LLP	-	-	0.01

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2024
3) Sale of Consumables and Capex items			
(i) Hindustan Zinc Limited	-	-	0.04
(ii) Vedanta Limited	0.17	0.35	-
(iii) Meenakshi Energy Limited	0.00	-	-
(vi) Bharat Aluminium Company Limited	-	-	-
4) Purchase of Consumables and Capex items			
(i) Hindustan Zinc Limited	-	-	0.01
(ii) Vedanta Limited	0.04	-	0.05
(iii) Sterlite Technologies Limited	-	0.71	-
(iv) STL Digital Ltd	0.06	-	-
5) Brand Fees paid			
(i) Vedanta Resources Limited (VRL)	-	-	46.94
(ii) Vedanta Resources Investment Limited (VRIL)	42.28	46.38	-
6) Interest and Guarantee Commission			
Vedanta Limited	62.42	22.95	23.95
7) Loans Taken during the Year			
Vedanta Limited	669.00	200.00	-
8) Loans Repaid during the Year			
Vedanta Limited	-	-	-

For more details, please refer to the note on related party transactions in the section titled “*Financial Statements*” on page 141 of this Information Memorandum.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, or our directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity, during a period of six months immediately preceding the date of this Information Memorandum.

Weighted average price at which the Equity Shares were acquired by the Promoter in the one year preceding the date of this Information Memorandum

Other than the Equity Shares issued to the Eligible Shareholders of VEDL pursuant to and in consideration for the Scheme, no Equity Shares have been acquired by the Promoters in the one year preceding the date of this Information Memorandum.

Price at which Equity Shares were acquired by the Promoters, members of Promoter Group and other Shareholders with the right to nominate directors or any other rights in the last three years

The price at which Equity Shares were acquired by the Promoter, members of the Promoter Group, in the last three years preceding the date of this Information Memorandum is not applicable as the Equity Shares were acquired by our Promoters, and members of the Promoter Group pursuant to and in consideration of the Scheme. Further there are no other shareholders with the right to nominate directors or any other rights.

Average cost of acquisition

The average cost of acquisition per Equity Share for the Promoters is not applicable as the Equity Shares were allotted pursuant to the Scheme.

Issue of Equity Shares for consideration other than cash in the one year preceding the date of this Information Memorandum

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Information Memorandum.

Split or consolidation in the one year preceding the date of this Information Memorandum

Our Company has not undertaken any split or consolidation of Equity Shares during the last one year from the date of this Information Memorandum.

Exemption under securities laws

The Company was granted an exemption from the application of Rule 19(2)(b) of the SCRR by SEBI vide letter no. HO/49/12/(4)2026-CFD-RAC-DCR2 dated June 9, 2026.

SECTION III – RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our Company's business, results of operations and financial condition could suffer, the price of the Equity Shares could decline, and all or part of the investment may be lost.

In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on pages 80 and 324 of this Information Memorandum, respectively, as well as the other financial and statistical information contained in this Information Memorandum. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms on which the Equity Shares of the Company have been issued pursuant to the Scheme including the merits and risks involved potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Equity Shares of the Company. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section.

This Information Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Information Memorandum. Please see section titled "Forward Looking Statements" on page 11 of this Information Memorandum.

Wherever used in this section the terms "we", "us" "our" shall mean our Company, including the Demerged Undertaking which is transferred pursuant to the Scheme, unless otherwise stated. While the following section includes material risks in relation to the business operations of our Company, post the Effective Date, for complete details in relation to the Merchant Power Business, including the historical performance, previous milestones and risk factors, the disclosures in the section below should be read with the information available on the websites of the Stock Exchanges, and financial statements, investor presentations and corporate disclosures issued by Demerged Company.

Internal Risk Factors

- 1. Our Company was incorporated on April 5, 2007, and there may be certain uncertainties in the integration of the Demerged Undertaking into a resulting entity, such as our Company.***

Our Company was incorporated on April 5, 2007, and from the Effective Date of the Scheme, was vested with the Demerged Undertaking as a going concern, with Appointed Date of May 1, 2026. Accordingly, there may also be certain uncertainties in the integration of the Demerged Undertaking into our Company. While post the Effective Date, experienced personnel in the Demerged Undertaking have been transferred to the Company, our Company may be unable to effectively integrate the Demerged Undertaking, and efficiently operate the consequent business of our Company, thereby adversely impacting the results of our Company's operations and profitability of the business. Additionally, pursuant to the Scheme, inter alia, properties, approvals, employees, existing contracts and intellectual property of the Demerged Undertaking stands transferred to our Company. Inability to effectively integrate all such transfers in a timely manner may materially impact the ability of our Company to carry on and undertake business operations, in compliance with Applicable Laws.

- 2. If our planned expansions and new projects are delayed, our results of operations, cash flow and financial condition may be materially and adversely affected.***

We have, over the past few years, initiated expansion plans for its existing operations and planned greenfield projects, which may involve significant capital expenditure. Our planned expansions and new projects are subject to a number of risks that may adversely affect the prospects and profitability of such projects, including the following:

- unfavourable results from feasibility studies;
- failure to obtain, or experience delays or higher than expected costs in obtaining, the required agreements, authorisations, licenses and permits to develop a project, including the prior consultation procedure and agreements with local communities;

- permits, authorisations or rights granted to third parties that could conflict with, and require us to alter its expansion or new project plans;
- delays or higher than expected costs in obtaining the necessary equipment, machinery, materials, supplies, labour or services and in implementing new technologies to develop and operate a project;
- conflicts with local communities and/or strikes or other labour disputes may delay the implementation or the development of projects;
- accidents, natural disasters and equipment failures, as well as major public health issues, could result in delays, cost overruns, or the suspension or cancellation of projects; and
- changes in market conditions or regulations may make a project less profitable than expected at the time we initiated work on it. Any delay in completing planned expansions, revocation of existing clearances, failure to obtain or renew regulatory approvals, non-compliance with applicable regulations or conditions stipulated in the approvals obtained, suspension of current projects, or cost overruns or operational difficulties once the projects are commissioned may have a material adverse effect on our business, results of operations, cash flows and financial condition. Any delay in completing planned expansions could have a material adverse effect on our credit ratings, which may increase its borrowing costs.

3. *Our Promoters and members of our Promoter Group will continue to hold a significant equity stake in our Company after the Issue and their interests may differ from those of the other shareholders.*

As of the date of this Information Memorandum, our Promoters and Promoter Group hold 56.38% of our total listed Equity Share capital prior to the Issue. After the completion of the listing, our Promoters along with the members of our Promoter Group will continue to collectively hold majority of the shareholding in our Company and will continue to exercise control over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditure or any other matter requiring special resolution. The interests of our Promoters as our controlling shareholders could conflict with our interests or the interests of our other shareholders. We cannot assure you that our Promoters and members of our Promoter Group will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

4. *Our Promoters, Directors, Key Managerial Personnel and Senior Management have interests in our Company other than normal remuneration or benefits. They may enter into ventures that may lead to conflicts of interest with our business.*

Certain of our Promoters, Directors, Key Managerial Personnel and Senior Management have interests in our Company that are in addition to reimbursement of expenses and normal remuneration payable to them. Furthermore, certain Promoters, Directors, Key Managerial Personnel and Senior Management may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Promoters, Directors, Key Managerial Personnel and Senior Management will exercise their rights as shareholders to the benefit and best interest of our Company.

5. *We depend on the experience and management skills of certain of our Key Managerial Personnel and Senior Management.*

Our ability to maintain and grow our existing business and integrate new businesses will depend on our ability to maintain the necessary management resources and on our ability to attract, train and retain personnel with skills that enable it to keep pace with growing demands and evolving industry standards. We are in particular dependent to a large degree on the continued service and performance of our senior management team and other key team members, including our Directors, in our business units. These key personnel possess technical and business capabilities that are difficult to replace. The loss or diminution in the services of our executive management or other key team members, or our failure otherwise to maintain the necessary management and other resources and grow our business, could have a material adverse effect on our business, results of operations, cash flows, financial condition and prospects. In addition, as our business develops and expands, we believe that our future success will depend on our ability to attract and retain highly skilled and qualified personnel, which is not guaranteed.

6. *Our future expansions and acquisitions are dependent upon our ability to raise capital.*

We will require capital, in the form of debt or equity for, among other purposes, expanding our operations, making acquisitions, managing acquired assets, acquiring new equipment, maintaining the condition of its existing equipment and maintaining compliance with environmental laws and regulations. From time to time, we evaluate the acquisition opportunities in the course of our business. To the extent that cash generated internally and cash available under our existing credit facilities may not be sufficient to fund our capital requirements, we may have to obtain financing in the form of debt or equity financing. Factors that may affect our access to funding or increase its funding costs include (a) the financial and regulatory environments; (b) adverse changes in our operating results, financial condition or cash flows; (c) currency movements, interest rate increases or volatility or other potential market disruptions; (d) a decrease in bank appetite for risk as a result of tightened lending standards, regulatory capital requirements or otherwise and (e) downgrade in India's sovereign ratings. There can be no assurance that we will continue to be successful in obtaining the necessary funding to fund our future expansions and acquisitions, or be successful in obtaining such funding on terms favourable to us, or that any such future financing would not result in increased finance charges, increased financial leverage or decreased income or the imposition of more restrictive covenants on our businesses and operations. Our ability to refinance our existing indebtedness are dependent upon our ability to raise capital or obtain funding. More recently, we are dependent on our ability to obtain external funding to refinance our existing and upcoming indebtedness. We have a significant level of indebtedness, and a material amount of such indebtedness will mature in the near future. Failure to obtain necessary funding in a timely manner or failure to obtain terms favourable to us to repay such maturing indebtedness may have a material adverse effect on our business, results of operations, cash flows and financial condition. Factors that may affect our access to funding or increase its funding costs include (a) the financial and regulatory environments; (b) adverse changes in our operating results, financial condition or cash flows; (c) currency movements, interest rate increases or volatility or other potential market disruptions; (d) a decrease in bank appetite for risk as a result of tightened lending standards, regulatory capital requirements or otherwise and (e) downgrade in India's sovereign ratings. There can be no assurance that we will continue to be successful in obtaining the necessary funding to refinance our existing indebtedness, or be successful in obtaining such funding on terms favourable to us, or that any such future financing would not result in increased finance charges, increased financial leverage or decreased income or the imposition of more restrictive covenants on our businesses and operations.

7. *The volatility of commodity prices may cause a material adverse effect on our revenue, results of operations, cash flows and financial condition.*

The performance of our power business is significantly influenced by the volatility in commodity prices, particularly that of coal, which is the primary fuel used in our thermal power generation. Fluctuations in domestic and international coal prices, whether due to changes in demand-supply dynamics, regulatory interventions, or logistical constraints, directly impact our cost of generation. For instance, any sharp increase in the price of e-auction coal or imported coal can elevate our fuel costs and reduce operating margins, especially in the absence of timely pass-through mechanisms in power purchase agreements (“PPAs”).

Additionally, variability in fuel mix—whether coal is sourced through linkages, auctions, or imports—further affects cost competitiveness. Any disruption in coal availability or significant price movement can result in lower plant load factors, higher input costs, and reduced profitability. Our dependence on third-party coal sources for certain plants also exposes us to international price indices and currency fluctuations.

8. *Our businesses depend upon certain third parties for the supply of our raw material, equipment and services, the execution of projects and, as well as the offtake of our production.*

We source coal of our power operations from third parties. In Fiscal Year 2025, our Company sourced 100% of coal from third parties. Profitability for our Power Business is dependent upon the sourcing of coal at reasonable rates from third parties. The market prices of coal that we purchase from third parties and the electricity which we sell to discoms have experienced volatility in the past, and any increases in the market price of the raw material relative to the market prices of the electricity that we sell would adversely affect the results and margins, which could have a material and adverse effect on our business, financial condition, results of operations, cash flows and prospects.

9. *Our Proforma Financial Statements are illustrative in nature, and our actual results could be materially different from those indicated in the Proforma Financial Statements.*

In order to give potential investors a better understanding of what the consolidated results of operations for our Company and the Merchant Power Business of our Company would have been had we been operating as one group for all of Fiscal 2025 and Fiscal 2026, we have prepared the unaudited proforma statement of profit and loss for the year ended March 31, 2025 and year ended March 31, 2026. Further the Proforma Financial Statements have been reviewed by a peer reviewed Chartered Accountant i.e., SBH & Co, Chartered Accountants who is not the Statutory Auditor of the Company.

The Proforma Financial Statements are illustrative in nature and have not been prepared in accordance with accounting or other standards and practices generally accepted in any jurisdiction and accordingly should not be relied upon as if they had been prepared in accordance with those standards and practices. Accordingly, the degree of reliance placed by investors on such proforma information should be limited. In addition, the rules and regulations related to the preparation of proforma financial information in any jurisdiction may also vary significantly from the basis of preparation as set out in our notes to the Proforma Financial Statements. The Proforma Financial Statements have been prepared on the basis of the assumptions set forth in the notes to the Proforma Financial Statements. The Proforma Financial Statements addresses a hypothetical situation and do not represent our actual consolidated or combined financial results and is not intended to be indicative of our future results of operations. As the Proforma Financial Statements are prepared for illustrative purposes only, it is, by its nature, subject to change and may not give an accurate picture of the actual financial results of operations that would have occurred had such transactions by us been effected on the dates they are assumed to have been effected, and is not intended to be indicative of our future financial results of operations. In addition, if the various assumptions underlying the preparation of the Proforma Financial Statements do not come to pass, our actual results could be materially different from those indicated in the Proforma Financial Statements. Accordingly, the Proforma Financial Statements are illustrative only and should not be taken as an indication of our future results of operation, financial condition or cash flows.

10. *A FIR has been registered against Anil Agarwal, our Promoter, in connection with an industrial accident at our Unit-1 of our Company's Athena Power Plant.*

On April 14, 2026, a boiler explosion occurred at Unit-1 of our Company's Athena Power Plant in Chhattisgarh, resulting in fatalities and injuries to certain contractor and sub-contractor personnel. Pursuant to an operation and maintenance contract, the plant was being operated and maintained NTPC-GE Power Services Limited ("NGSL"), a JV between NTPC and GE Power Services Limited. An FIR under Sections 106, 289 and 3(5) of the Bharatiya Nyaya Sanhita, 2023, has been filed naming eighteen individuals including eleven personnel of NGSL and seven personnel of our Company, including Anil Agarwal, Promoter & Non-Executive Chairman of the Company and Devendra Patel, Plant Head of our Company. Multiple regulatory authorities and law enforcement agencies are currently investigating the incident. Our Company will evaluate and determine any further legal and operational steps based on the finding and outcome of such investigations. Any adverse findings, penalties, liabilities, regulatory actions arising from the ongoing investigations or related proceedings could adversely affect on our business, results of operations and financial condition.

11. *Seasonality in Demand and Supply may impact our Merchant Power Business.*

Our power business is subject to seasonal fluctuations which may significantly impact generation schedules, fuel procurement, and revenue realization. Additionally, seasonal factors can affect the availability and cost of critical inputs such as coal, water, and renewable energy sources. In particular, coal mining and transportation may face disruptions during the monsoon season, while hydroelectric generation is directly influenced by seasonal rainfall patterns. These variations can lead to imbalances in fuel supply, underutilization of installed capacity, and volatility in power generation and sales volumes.

Although we undertake operational and procurement planning to mitigate the impact of such seasonal trends, prolonged or unexpected shifts in weather or consumption patterns could adversely affect our operational efficiency, profitability, and cash flows.

12. *Any downgrade in our credit ratings in future could adversely affect our business, financial condition, results of operations and cash flows.*

Any downgrade in our credit ratings in future could increase interest rates for refinancing our outstanding debt, which could increase our financing costs, and could also adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which could adversely affect our business, financial condition, results of operations and cash flows.

13. *Risk in relation to compliance with financing covenants and existing encumbrances*

Our borrowings are subject to financial and non-financial covenants, restrictions and events of default. These may require us to maintain specified ratios, preserve certain shareholding levels, obtain required consents and comply with other obligations under the relevant financing documents. In addition, certain shares of the Company held directly or indirectly by the promoters may remain subject to encumbrances, non-disposal undertakings and/or negative lien restrictions created in connection with borrowing arrangements entered into by group companies. The Promoters may therefore be restricted from transferring or otherwise disposing of such shares. Any breach of these covenants or restrictions, or failure to obtain required consents, could result in an event of default, acceleration of amounts due, enforcement of security and/or cross-default under other financing arrangements.

14. *Our risk management, as well as the risk management tools available to us, may not be adequate or effective in identifying or mitigating risks to which we are exposed.*

We have implemented a risk management system that includes an organizational framework, policies, risk management tools, and procedures that we believe are appropriate for our business operations. However, we recognize that there are inherent limitations in the design and implementation of our risk management system, risk identification, evaluation, risk control effectiveness, and information communication, which may not be sufficient or effective in identifying or mitigating our risk exposure in all market environments or against all types of risks. Our methods for managing risk exposure, estimating market volatility, and determining margins for our products may not always accurately predict our risk exposure, which could be significantly greater than our estimates.

15. *If we are unable to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.*

Effective internal controls are necessary for us to manage our operations, prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

16. *Our ability to pay dividends in the future will depend on our future cash flows, investments, expenditures and financial condition.*

The amount of our future dividend payments, if any, will be at the sole discretion of our Board of Directors subject to regulatory stipulations and will depend on our future earnings, cash flows and our financial condition. There can be no assurance that we will pay dividends. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. Our historical payment of dividends is not indicative of any payments of dividends in the future. We may be unable to pay dividends in the near or medium term and our future dividend policy will depend on our capital requirements, financial condition and results of operations.

17. *We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materialize*

Our contingent liabilities, as disclosed in Financial Statements may materialize. Further, we cannot assure that we will not incur similar or increased level of contingent liabilities in the future. If any of the contingent liabilities materialize or if at any time, we are compelled to pay all or a material proportion of contingent liabilities, our financial performance may be adversely affected.

18. *We have in the past entered into related party transactions and will continue to do so in the future.*

In the ordinary course of our business, we have in the past entered into transactions with our related parties and it is likely that we may enter into related party transactions in the future. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with an unrelated party or that our shareholders would not question the related party transactions that we enter into.

19. *We could be subject to weaknesses, disruptions, failures or infiltrations of, or inadequacies in, its information technology systems.*

We are dependent on the capacity and reliability of the communications, information and technology systems supporting its operations. We are exposed to operational risks, such as data entry or operational errors or interruptions of its financial, accounting, compliance and other data processing systems, whether caused by the failure to prevent or mitigate data losses and other security breaches, or other cyber security threats or attacks, fire or other disaster and power or telecommunications failure, which could result in a disruption of its business, liability to third parties, regulatory intervention, or reputational damage, and thus have a material adverse effect on its business. Although we have back-up systems and cyber security measures in place, our back-up procedures, cyber defences and capabilities in the event of a failure, interruption, or breach of security may not be adequate. Insurance and other safeguards we use may not be available or may only partially reimburse it for losses related to operational failures or cyber-attacks. As we grow and our reliance on information technology and systems increases, protecting systems from cyber security attacks and threats may become increasingly challenging and costly. We may be unable to prevent or address any disruption to the operation of its information technology systems in a timely manner, or upgrade its information technology or communications systems. Any such failure could result in its inability to perform, or result in prolonged delays in the performance of critical business and operational functions, the loss of key business information and data, or a failure to comply with regulatory requirements.

20. ***Our operations are subject to extensive governmental, health and safety and environmental regulations, which require it to obtain and comply with the terms of various approvals, licences and permits. Any failure to obtain, renew or comply with the terms of such approvals, licences and permits in a timely manner may have a material adverse effect on our results of operations, cash flows and financial condition.***

Numerous governmental permits, approvals and leases are required for our operations as the industries in which it operates and seeks to operate are subject to numerous laws and extensive regulation by national, state and local authorities in jurisdictions and any other jurisdictions where we may operate in the future. Our operations are also subject to laws and regulations relating to employment, the protection of the health and safety of employees as well as the environment, including conservation and climate change. For instance, we are required to obtain various environmental and labour-related approvals in connection with its operations in India, including clearances from the Ministry of Environment, Forest and Climate Change, GoI and from the relevant Pollution Control Boards in the various states in India in which we operate, and registration under the Factories Act, 1948 of India, as amended (the “**Factories Act**”) to establish and operate its facilities. Certain of such approvals are valid for stipulated periods of time and require periodic renewals. At times, there may be instances where our Company or Material Subsidiaries are in the process of renewing licenses which are material for their business and operations.

Furthermore, regulations or laws have been or are being considered to limit or reduce greenhouse gas emissions. These changes can result in increased cost of fossil fuels, imposition of levies for emissions in excess of certain permitted levels and increased administrative costs for monitoring and reporting. Increasing regulation of greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets, can result in increased costs and reduced demand growth. For example, our smelting and mineral processing operations are energy intensive and depend heavily on fossil fuels. Increasing regulation of climate change issues such as greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets, may raise energy costs and costs of production.

Moreover, our operations are subject to significant regulatory oversight, which can change in response to environmental, social, and political pressures. There is a risk that new laws or regulations could impose restrictions or outright bans on mining activities in some of the regions where we operate. Such regulatory changes could lead to operational disruptions, financial losses from halted projects, and substantial costs associated with compliance or legal challenges.

21. ***Material statutory clearances and approval that are yet to be received by the Company.***

Pursuant to the Scheme, our Company has to transfer and/or get all clearances and approval in the name of the Company. A significant criterion for the same involves seeking approvals, clearances, permissions, among other things, from relevant Departments of the State and Central governments. The same is also contingent upon meeting stringent conditions and pre-requisites set by the relevant Departments. In case of potential delays, the company may face delay which may adversely affect our business, financial condition, cash flows and the value of our equity shares.

22. ***Restrictive covenants as regards the interest of the equity shareholder in any shareholders agreements, promoters agreements or any agreement for short term and long term borrowings may limit the ability of the Company to take certain actions***

Certain shareholders’ agreements, promoters’ agreements or financing documents executed by our Company and/or our subsidiary in connection with short-term and long-term borrowings (both secured and unsecured) contain restrictive covenants, including conditions pertaining to the composition of the Board of Directors, dividend distribution, incurrence of additional indebtedness, creation of further encumbrances, and changes in capital structure, etc. These covenants may limit our ability to raise additional capital, make investments, expand operations, or take other strategic decisions which may otherwise be in the best interest of our equity shareholders. Any breach of such covenants could also result in acceleration of repayment obligations or enforcement of security by the lenders, which may adversely affect our business, financial condition, cash flows and the value of our equity shares.

23. ***Our Company, Promoters and Directors, Subsidiaries, Key Managerial Personnel, and Senior Management are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have an adverse effect on our reputation, prospects, business, result of operations, financial condition and cash flows.***

As of the date of this Information Memorandum, there are outstanding legal and regulatory proceedings involving our Company, our Promoters, Directors, our Subsidiaries, our Key Managerial Personnel (“**KMP**”) and Senior Management which are pending at different levels of adjudication before various courts, tribunals and other authorities. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, continuity of our management, business, results of operations, financial conditions and cash flows. The summary of such outstanding material legal and regulatory proceedings as on the date of this Information Memorandum is set out below:

Name of Entity	Number of matters					Aggregate Amount involved (INR in crores*)
	Criminal Proceedings	Tax Proceedings [#]	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter	Material civil litigations	
Company						
By our Company	2	28 ¹	Nil	Nil	11	3,486.37
Against our Company	3	1	2	Nil	10	4,109.62
Subsidiaries						
By our Subsidiaries	Nil	1	Nil	Nil	Nil	22
Against our Subsidiaries	Nil	Nil	Nil	Nil	Nil	NA
Directors*						
By our Directors	Nil	Nil	Nil	Nil	Nil	NA
Against our Directors	2	Nil	Nil	Nil	Nil	NA
Promoters						
By our Promoters	Nil	Nil	1	Nil	Nil	35
Against our Promoters	2	Nil	Nil	1	1	300
Key Managerial Personnel (excluding our directors)						
By our Key Managerial Personnel	Nil	Nil	Nil	Nil	Nil	NA
Against our Key Managerial Personnel	Nil	Nil	Nil	Nil	Nil	NA
Senior Management						
By our Senior Management	Nil	Nil	Nil	Nil	Nil	NA
Against our Senior Management	Nil	Nil	Nil	Nil	Nil	NA
Group Companies						
By our Group Companies	Nil	Nil	Nil	Nil	Nil	NA
Against our Group Companies	Nil	Nil	Nil	Nil	Nil	NA

*To the extent quantifiable; [#]For details, please refer to "Tax proceedings involving our Company" on page 344 of this Information Memorandum.

¹ Note: There are some tax litigations, demand amounting to ₹ 308 Crs are common in nature between 1800 MW (Aluminium Undertaking) & 600 MW (Power Undertaking) to be demerged from Vedanta Limited to Resulting Company 1 & Resulting Company 2, respectively.

For details of litigation involving our Group Companies an adverse outcome of which would materially and adversely affect the business, prospects, operations, performance, financial position, cash flows or reputation of the Company, please see "Outstanding Litigation and Other Material Developments" on page 344.

If any of these outstanding litigations are decided against our Company as the case may be, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. In this regard, we may be subject to penalties and regulatory actions including the suspension of our business. We cannot assure you that any of these matters will be settled in favour of our Company, Promoter, Directors, Key Managerial Personnel or Senior Management, respectively, or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings may have an adverse effect on our reputation, prospects, business, results of operations, financial conditions and cash flows. Further, such proceedings may divert our management's time and attention and consume financial resources in their defence or prosecution. For further information, see "Outstanding Litigation and Other Material Developments" on page 344.

Some of the litigations disclosed in "Outstanding Litigation and Other Material Developments" could be based on litigation search undertaken by our Company and based on other publicly available information, considering that the relevant litigation documents are

not available for reasons including such litigation notices/ summons have not been served or received yet. Additionally, there may be proceedings/ matters involving our Company before various legal/ judicial bodies including criminal, civil or tax matters in nature in relation to which our Company has not received any notice or summons or any other form of communication, or such proceedings may not have been admitted before the respective courts or adjudicating authority and accordingly such matters have not been disclosed in this Information Memorandum. Further, we rely on advice provided by our lawyers and consultants who advise us on various litigation matters. While we have not experienced any such instances in the last three Financial Years, if we receive incorrect advice from our lawyers and consultants, penalties and tax liabilities may be levied on us, and we may be implicated in additional legal proceedings in the future. Any such penalties, tax liabilities or additional legal proceedings may affect our reputation, business operations financial condition and results of operations.

24. *Our insurance coverage may prove inadequate to satisfy future claims against it.*

We maintain insurance which it believes is typical in the respective industries in which it operates and in amounts which it believes to be commercially appropriate. Nevertheless, we may become subject to liabilities, including liabilities for pollution or other hazards, against which it has not been insured adequately or at all, or cannot insure. Our insurance policies contain certain customary exclusions and limitations on coverage which may result in its claims not being honoured to the full extent of the losses or damages it has suffered.

25. *We are subject to risks associated with negative publicity or damage to our reputation.*

We value and rely on our reputation to maintain and grow our business operations. Negative publicity associated with our operations could cause loss of business, divert management attention and other resources and incur litigation costs. We conduct business with a number of counterparties, including customers and suppliers. If any of such counterparties, or any of our former employees, is dissatisfied with us, whether or not justified, and raises any complaints or allegations relating to our operations and/or our Directors or employees, our business may be adversely affected. Any negative publicity on any form of media following such complaints or allegations, regardless of whether the court has ruled in our favour or otherwise, may also damage our reputation and impact customers' perceptions of our brand, which may in turn materially and adversely affect our business, cash flows and results of operations.

26. *We do not own the 'Vedanta' trademark or logo and have a license to use the brand name, trademark and logo for our operations. An inability to maintain or renew our license agreement could adversely affect our reputation, business, financial condition, results of operations and cash flows*

Our Company has entered into a brand license and strategic services agreement dated March 18, 2023 (as amended and restated on January 25, 2024) with Vedanta Resources Limited ("VRL") and Vedanta Resources Investments Limited ("VRIL") ("Agreement"). Prior to the Agreement, VRL had granted a non-exclusive license to Vedanta UK Holdings Limited to use the 'Vedanta' name, logo and trademarks ("Trademarks"), which in turn granted such license to VRIL. Pursuant to this Agreement, VRIL has granted a non-exclusive, non-assignable and non-transferable license to our Company to use the Trademarks in accordance with the terms of the Agreement. The Agreement is valid for a period of 15 years until March 31, 2038 and upon expiry or termination of the Agreement, the sub-license will automatically convert into a direct license between Vedanta Resources Limited and our Company. A failure to renew the Agreement or failure to comply with our obligations under this Agreement or an inability to successfully enforce our intellectual property rights pursuant to this Agreement may have an adverse impact on our reputation, brand recognition, business, financial condition, results of operations and cash flows.

27. *Our Registered Office and Corporate Office is located on leased premises. An inability to renew or maintain our lease agreement may adversely affect our business operations. Further, we may be unable to enforce our rights in the event of any inadequate preservation, stamping or non-registration of agreements in relation to our properties.*

Our Registered Office in Andheri (East), Mumbai, Maharashtra, India is located on leased premises and our Company has been granted the right to use these premises on a leave and license basis for a period of three years from July 25, 2025, to July 24, 2029. A failure to observe and perform our obligations under the leave and license agreement in relation to our Registered Office may lead to termination or non-renewal of such license in the future, which may adversely affect our operations. There can be no assurance that we will be able to renew such an agreement at commercially favourable terms, or at all. If we are unable to renew such agreement in a timely manner or if there is any premature termination of such agreement, it may cause disruptions in our business and we may incur substantial costs associated with shifting to new premises, all of which may adversely affect our business operations.

28. *We could be subject to weaknesses, disruptions, failures or infiltrations of, or inadequacies in, its information technology systems.*

We are dependent on the capacity and reliability of the communications, information and technology systems supporting its operations. We are exposed to operational risks, such as data entry or operational errors or interruptions of its financial, accounting, compliance and other data processing systems, whether caused by the failure to prevent or mitigate data losses and other security breaches, or other cyber security threats or attacks, fire or other disaster and power or telecommunications failure, which could result in a disruption of its business, liability to third parties, regulatory intervention, or reputational damage, and thus have a material adverse effect on its business. Although we have back-up systems and cyber security measures in place, our back-up procedures, cyber defences and capabilities in the event of a failure, interruption, or breach of security may not be adequate. Insurance and other safeguards we use may not be available or may only partially reimburse it for losses related to operational failures or cyber-attacks. As we grow and our reliance on information technology and systems increases, protecting systems from cyber security attacks and threats may become increasingly challenging and costly. We may be unable to prevent or address any disruption to the operation of its information technology systems in a timely manner or upgrade its information technology or communications systems. Any such failure could result in its inability to perform, or result in prolonged delays in the performance of, critical business and operational functions, the loss of key business information and data, or a failure to comply with regulatory requirements.

29. *We are exposed to competitive pressures in the various businesses in which it operates*

The power industry are highly competitive. We will continue to compete with other industry participants in the search for and acquisition of assets and licences. Competitors include companies with, in many cases, greater financial resources, local contacts, staff and facilities than ours.

Competition for licences as well as for other investment or acquisition opportunities may increase in the future. This may lead to increased costs in the carrying out of our activities, reduced available growth opportunities and may have a material adverse effect on its businesses, financial condition, results of operations, cash flows and prospects.

30. *We have not previously operated as a stand-alone publicly listed entity and the demerger may result in significant additional expenses; we may be unable to operate efficiently and to fully implement our business strategy.*

We have not previously operated as a stand-alone publicly listed entity and it is uncertain how we will perform as such. Following the demerger, we will be responsible for managing all of our corporate affairs ourselves. This may result in significant additional expenses, including expenses for the creation of our own financial and administrative support systems. We cannot guarantee that we will be able to do so in a timely and effective manner and may face additional costs in doing so, which could have a material adverse effect on our business, financial position and results of operations.

31. *Our operations involve the operation of machinery. These activities can be dangerous and any accident, including any mechanical and operational failures could cause serious injury to people or property and in certain circumstances, even death, and this may adversely affect our production schedules, costs, sales and ability to meet customer demand and incur liabilities toward employees and other involved persons.*

Our operations require individuals to work under potentially dangerous circumstances and exposes them,

among others, to the risk of mechanical and operational failures of machines that they may work with. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including:

- explosions;
- fires;
- mechanical failures and other operational problems;
- natural disasters; and other environmental risks.

Although we employ safety procedures during our operations and maintain what we believe to be adequate insurance, there is a risk that any hazard including an accident during manufacturing operations, may result in personal injury to our employees or other persons, destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of civil or criminal liabilities. The loss or shutting down of our facilities could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. We could also face claims and litigation in India filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation could be significant. These claims and

lawsuits, individually or in aggregate, may be resolved against us inflicting negative publicity and consequently, our business, results of operations and financial condition could be adversely affected.

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, fire, explosion or other connected reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, reputation, financial condition, results of operations, cash flows and prospects.

32. *Our operations could be adversely affected by strikes, work stoppages, demands for increased wages or any other kind of employee dispute.*

Although we believe that we enjoy a good relationship with our workforce and we have not experienced any major labour disruptions in the past, there can be no assurance that we will not experience any strike, work stoppage or other industrial action in the future due to disputes or other problems with our work force due to inter alia wage demands. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other benefits or otherwise have an adverse effect on our business, financial condition and results of operations. Such situations may have an adverse impact on our business, financial condition and results of operation.

33. *Delays or defaults in payment from our customers could affect our cash flows and may adversely affect our financial condition and operations.*

We extend credit to some of our customers based on credit assessment carried out by us or by third parties for a specific period of time. There is no assurance that we will be able to recover these outstanding amounts in part, full or at all. Prolonged payment cycles, defaults or financial difficulties faced by our customers could result in a mismatch in cash flows, eventually resulting in bad debts. This may negatively affect our financial condition and operations.

34. *The Company has incurred losses during the last three financial years, which may adversely impact its profitability, cash flows, and financial condition.*

The Company has incurred losses during the last three financial years. These losses have been primarily attributable to factors such elevated finance costs, and certain operational and regulatory challenges impacting the power sector.

35. *Dependence of the company or any of its business segments upon a single customer or a few customers, the loss of any one or more may have a material adverse effect on the company.*

Certain of the Company's business segments are dependent on the limited number of customers. In particular, the business of our Company derives a significant portion of its revenues from a single customer, PSPCL, while the Jharsuguda operations are primarily dependent on GRIDCO. In addition, a substantial portion of revenues in Sakti and Meenakshi is concentrated among a few key customers.

Any reduction in offtake, delay in payments, renegotiation of tariffs, or termination/non-renewal of arrangements with such customers may have a material adverse effect on the Company's business, cash flows, and results of operations.

36. *Concentration of suppliers or the Customers, in case where more than 50% of supplies or revenue originates from Top 10 suppliers/customers, as the case may be.*

The Company is dependent on a limited number of suppliers for a significant portion of its fuel requirements. In particular, more than 50% of the Company's coal supplies are sourced from South Eastern Coalfields Limited and Mahanadi Coalfields Limited, subsidiaries of Coal India Limited.

Any disruption in supply, changes in allocation policies, pricing, or contractual terms, or failure by such suppliers to meet committed quantities may adversely affect the Company's operations, fuel availability, and cost structure, thereby impacting its financial performance.

External Risk Factors

37. *As the securities of our Company will be listed on the Stock Exchanges, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations*

The securities of our Company will be listed on the Stock Exchanges and consequently, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Although our Company endeavours to comply with all such obligations or reporting requirements, there could be instances of non-compliance or delays in complying with such obligations or reporting requirements, and penalties can be levied on our Company in relation to such non-compliance or delay from time to time. We cannot assure you that such instances of non-compliance or delays may not take place in the future, which may adversely affect our reputation, results of operations and cash flows. For further details, see “*Legal Proceedings – Litigation Involving our Company – Litigation against our Company – Actions initiated by statutory or regulatory authorities*” on page 344.

38. *The Proposed Demerger could have materially adverse tax consequences to investors.*

The Proposed Demerger has not been structured to achieve any particular non-Indian tax treatment, and no analysis has been conducted regarding the potential non-Indian tax consequence of the Proposed Demerger (which could be significantly adverse to a particular investor). The tax consequences of the Proposed Demerger to a particular investor will likely depend on applicable laws in the jurisdiction in which the investor is resident for tax purposes or otherwise in which it is generally subject to tax. For example, the Proposed Demerger could be treated as a taxable distribution for U.S. investors as described in more detail in the immediately preceding risk factor. Except to the very limited extent described in this Information Memorandum, no information is being provided by our Company regarding the potential tax consequences of the Proposed Demerger.

39. *Subsequent to the listing of the Equity Shares, we may be subject to pre-emptive surveillance measures, such as the Additional Surveillance Measures and the Graded Surveillance Measures by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors.*

Subsequent to the listing of the Equity Shares, we may be subject to pre-emptive surveillance measures, such as the Additional Surveillance Measures and the Graded Surveillance Measures by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors. These measures are in place to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock Exchanges for ASM is based on objective criteria, which includes market-based parameters such as high low-price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, among others. Securities are subject to GSM when its price is not commensurate with the financial health of the issuer. Specific parameters for GSM include net worth, net fixed assets, price to earnings ratio, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. In the event our Equity Shares are subject to such surveillance measures implemented by any of the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency, wherein trading is either allowed once in a week or a month, or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares. The market price of the Equity Shares may be subject to significant fluctuations in response to such disruptions.

40. *Pending investor grievances against our Company may adversely affect investor confidence and the trading price of our equity shares*

Any delay or failure in resolving the investor grievances in a timely manner may lead to regulatory scrutiny, reputational damage, and erosion of investor confidence, which could adversely impact the market perception and trading price of our equity shares. Moreover, continued non-compliance with investor servicing obligations may result in penalties or restrictions from regulatory authorities, including SEBI.

41. *We may face numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect its financial condition, cash flows and results of operations.*

Protectionist measures, including anti-dumping laws, countervailing duties and tariffs and government subsidization adopted or currently contemplated by governments in some of our export markets could adversely affect our sales. Anti-dumping duty proceedings or any resulting penalties or any other form of import restrictions in other countries may limit our access to export markets for our products, and in the future additional markets could be closed to us as a result of similar proceedings, thereby adversely impacting its sales and/or limiting its opportunities for growth.

42. *We are affected by climate change and decarbonisation, and failure of our ESG initiatives may adversely affect our reputation and loss of business opportunities.*

Climate change may have various impacts on us in the medium to long term. These impacts include the risks and opportunities related to the demand of products and services, impact due to transition to a low-carbon economy, disruption to the supply chain, risk of physical harm to the assets due to extreme weather conditions, regulatory changes etc. Our operations are likely to be affected by

rising regulatory changes and investor demands aimed at limiting or reducing greenhouse emissions. This will lead to higher costs for fossil fuels, penalties for emissions exceeding permitted limits and increased administrative costs for compliance monitoring and reporting. For instance, the carbon border adjustment mechanism (“CBAM”) will be applicable to our Power Business. We would need to potentially pay additional taxes for imports into countries implementing CBAM. Also, CBAM could increase our risk exposure due to decreased market access.

43. *As our assets and operations are located in India and we are subject to regulatory, economic, social and political uncertainties in India.*

As our assets and employees are located in India, and we intend to continue to develop and expand its facilities in India. Consequently, our financial performance will be affected by changes in exchange rates and controls, interest rates, commodity prices, subsidies and controls, changes in government policies, including taxation policies, the outbreak of infectious diseases, social and civil unrest and other political, social and economic developments in or affecting India.

The GoI exercises significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have pursued policies of economic liberalisation, including by significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant and there are no assurance that such liberalisation policies will continue. The rate of economic liberalisation could change and specific laws and policies affecting metals and mining companies, foreign investments, currency exchange rates and other matters affecting investment in India could change as well. The provisional estimate of India’s gross domestic product (“GDP”) growth by Ministry of Statistics and Programme Implementation is estimated to grow at 8.2% GDP growth in Fiscal Year 2024.

Furthermore, negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business and financial performance.

Any other global economic developments or the perception that any of them could occur may adversely affect global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity and restrict the ability of market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on its business, cash flows, financial condition and results of operations.

44. *Private participation in the power sector in India depends on the continued growth of the Indian economy and regulatory developments in India. Any adverse change in policy, implementation or industry demand may adversely affect the Issuer.*

Our business is dependent on the continued growth of the Indian economy and a stable and supportive regulatory environment for the power sector. Any adverse changes in government policies, regulatory framework, or their implementation, as well as any slowdown in economic growth or decline in power demand, may adversely impact private sector participation in the power sector. This, in turn, could have an adverse effect on our business, financial condition, results of operations, and cash flows

45. *Any downgrading of India’s sovereign rating by a credit rating agency could have a negative impact on our business*

Our borrowing costs and our access to the capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business, results of operations, financial condition, cash flows and the price of the Equity Shares

46. *Our operations are subject to operating risks common to the industries in which we operate could result in decreased production, increased cost of production and increased cost of or disruptions in transportation, which could adversely affect our business, results of operations, cash flows and financial condition*

The success of each of our businesses is subject to operating conditions and events common to the industry in which it operates which are beyond its control that could, among other things, increase its mining, transportation or production costs, disrupt or halt operations at its mines and production facilities permanently or for varying lengths of time, or interrupt the transportation of our products to our customers. These conditions and events include disruptions in production due to equipment failures, unexpected maintenance problems and other interruptions.

Our operations are vulnerable to disruptions. Metal processing plants are especially vulnerable to interruptions, particularly where an event causes a stoppage which necessitates a shut down in operations. Stoppages in certain types of our smelters, even if lasting only a few hours, can cause the contents of furnaces or cells to solidify, resulting in a plant closure for a significant period and necessitating expensive repairs.

Availability of raw materials for energy requirements. Any shortage of or increase in the prices of the raw materials needed to satisfy our energy requirements may interrupt our operations or increase its cost of production.

Availability of water. Our power plants depend upon the supply of a significant amount of water. There is no assurance that the water required for these operations will continue to be available for us in sufficient quantities or that the cost of water will not increase

Disruptions to or increased costs of transport services. Any disruption to or increase in the cost of these transport services, including as a result of fuel cost increases, interruptions, availability of railway wagons, that decrease the availability of these transport services or increases in demand for transport services from our competitors or from other businesses, or any failure of these transport services to be expanded in a timely manner to support an expansion of our operations

Accidents at power plants, cargo terminals and related facilities, including as a result of the occurrence of natural disasters. Any accidents or explosions, including as a result of the occurrence of natural disasters, causing personal injury or fatality, property damage or environmental damage at or to our power plants, cargo terminals and related facilities may result in significant losses, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences. Injuries to and deaths of workers at our mines and facilities have occurred in the past and may occur in the future

Industrial actions or disputes. Industrial actions or disputes may lead to business interruptions and halts in production. In addition, we may be subject to union demands and litigation for pay raises and increased benefits, and the existing arrangements with the trade unions may not be renewed on terms favourable, or at all

Tailings dam failure. A release of waste material from tailings dams of any of our production facilities may lead to loss of life, injuries, environmental damage, reputational damage, financial costs and production impacts. Tailings dam failure is considered to be a catastrophic risk, which is a very high severity but very low frequency event that must be treated with the highest priority

Although we have not experienced any material incident or condition as described above in the last three Fiscal Years, there is no assurance that any such incident or condition may not occur in the future, and any occurrence of such incident or condition could have a material adverse effect on our business, results of operations, cash flows and financial condition

47. *Terrorist attacks and other acts of violence involving India or neighboring countries could adversely affect our operations directly or indirectly,, which would have a material adverse effect on our business, results of operations, financial condition and cash flows.*

Terrorist attacks and other acts of violence or war involving India or neighbouring countries may adversely affect the Indian markets and the worldwide financial markets. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to economic recession and generally have a material adverse effect on our businesses, results of operations, financial condition and cash flows. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares.

Furthermore, any wars, acts of terrorism and uncertain political or economic prospects or instability in the Europe, particularly in Russia and Ukraine, Israel and Iran have adversely impacted global financial markets and result in increase in the price of the commodity. The conflict in these countries may continue in unforeseeable future and broaden across the region and lead to significant political uncertainties in a number of countries.

South Asia has also experienced instances of civil unrest and hostilities among neighbouring countries from time to time, especially between India and Pakistan. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armament and Kashmir. India has also experienced terrorist attacks in some parts of the country. These hostilities, attacks and tensions could lead to political or economic instability in India and a possible adverse effect on our business and our future financial performance. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk.

Social and civil unrest within other countries in Asia, could adversely influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares. Such activity or terrorist attacks could adversely

affect the Indian economy by disrupting communications and making travel more difficult. Resulting political tensions could create a greater perception that investments in Indian companies involve a high degree of risk. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue its operations.

48. *If natural disasters or environmental conditions in India, including floods and earthquakes, affect our production facilities, our revenues could decline.*

Our production facilities are spread across India, and our sales force is spread throughout the country. Natural calamities such as floods, rains, heavy downpours and earthquakes could disrupt mining and production activities and distribution chains and damage our storage facilities.

49. *If inflation were to rise in India and the jurisdictions in which we operate, we might not be able to increase the prices of power at a proportional rate in order to pass costs on to our customers thereby reducing our margins.*

Inflation rates in India and in other jurisdictions in which we operate have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of borrowings, wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability. Any increase in inflation in India and the jurisdictions in which we operate can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, financial condition and cash flows. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our consumers. In such case, our business, results of operations, financial condition and cash flows may be adversely affected.

50. *We are subject to various labor laws, regulations and standards in India. Non-compliance with and changes in such laws may adversely affect our business, results of operations and financial condition.*

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal, imposes financial obligations on employers upon employee layoffs and regulates contract labor. These laws may restrict our or our affiliates' ability to have human resource policies that would allow us to react swiftly to the needs of its business, discharge employees or downsize. We may also experience labor unrest in the future, which may disrupt its operations. If such delays or disruptions occur or continue for a prolonged period of time, its overall profitability could be negatively affected. We also depend on third party contract labor. It is possible under Indian law that we may be held responsible for wage payments to these laborers if their contractors default on payment. We may be held liable for any non-payment by contractors and any such order or direction from a court or any other regulatory authority may harm its business, prospects, financial condition, results of operations and cash flows.

We are required to comply with various labor and industrial laws in India, which include the Factories Act, 1948, the Industrial Disputes Act, 1947, the Employees State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Contract Labor (Regulation and Abolition) Act, 1970 and the Payment of Wages Act, 1936 in India ("**Erstwhile Labour Laws**"). Additionally, the GoI has introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions, Code 2020, and (d) the Industrial Relations Code, 2020 (collectively, the "**Labor Codes**") which consolidate, subsume and replace numerous existing central labor legislations, and were made effective from November 21, 2025. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden on the Issuers, which may adversely impact our profitability. We are yet to determine the impact of such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to the employees which were earlier segregated under different acts and had different applicability and coverage. Furthermore, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws may increase our employee and labor costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

51. *A slowdown in economic growth in India and other countries in which we operate could cause its business to suffer.*

The Indian securities market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effect on the

securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any slowdown in the Indian economy, or future volatility in global commodity prices, could adversely affect the growth of our India business.

The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States, United Kingdom, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

Economic downturn and adverse credit market conditions, whether in response to global trade wars or other factors, may negatively impact us and our customers and suppliers. In addition, our and our customers' and suppliers' access to capital and funding sources, cost of capital and ability to meet liquidity needs could be adversely affected in a prolonged economic downturn or deterioration in the global economies, which in turn could have a material adverse impact on our business, cash flows, financial condition and results of operations.

52. *We may be affected by competition laws in India and any adverse application or interpretation of the Competition Act could adversely affect its business.*

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practises having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Furthermore, any agreement among competitors which, directly or indirectly, involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of clients in the relevant market or, directly or indirectly, results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition and is considered void. Furthermore, the Competition Act also prohibits certain vertical agreements such as for tying, bundling, resale price maintenance, exclusive distribution and exclusive supply agreements, which cause or could cause an appreciable adverse effect on competition in India. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished with appropriate monetary penalties.

The Competition Commission of India (the "**CCI**") also has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

53. *After listing, the price of our equity shares may be volatile, or an active trading market for our equity shares may not develop.*

After listing, the market price of our Equity Shares may be volatile and may not reflect our operating performance. Factors such as fluctuations in financial results, developments in the power sector, changes in regulations, broader market conditions and significant sales of our Equity Shares could cause the trading price to vary significantly. There can be no assurance that an active or sustained trading market for our Equity Shares will develop or be maintained, and investors may therefore experience a loss on their investment.

54. *Our flexibility in managing our operations is limited by the regulatory environment and the policies of the Government of India which governs the power sector. Changes in government policies and other macro-economic factors can adversely impact the Company's business.*

Our flexibility in managing our operations is significantly constrained by the regulatory framework and policies of the Government of India and relevant state regulators governing the power sector, including tariff regulations, environmental and emission norms, fuel linkage and allocation policies, and grid and scheduling requirements. Any adverse changes in government policies, regulations, directions of regulatory authorities, or in broader macro-economic conditions—such as changes in taxation, duties, forex or interest rate environment, or policy shifts towards alternative generation technologies—may limit our ability to optimize operations, recover

costs or earn regulated returns. Such developments could adversely affect the Company's business, financial condition and results of operations.

55. *Any future issuance of our Equity Shares may dilute your shareholdings and may adversely affect the trading price of our Equity Shares.*

Any future issuance of our Equity Shares, including by way of public or private offerings, preferential allotments, employee share schemes or in connection with acquisitions or strategic investments, may dilute existing shareholders' percentage ownership and voting rights. Further, any such issuance, or even the perception that such an issuance may occur, could adversely affect the trading price and market value of our Equity Shares.

56. *Investors in Equity Shares may be unable to enforce a judgment of a foreign court against us.*

Investors in our Equity Shares may be unable to enforce judgments obtained in foreign courts against us, our Directors or certain members of our management in India. Since we are incorporated in India and most of our assets and such persons are located in India, any judgment obtained outside India would be subject to Indian laws on recognition and enforcement of foreign judgments, including the requirement of approaching competent Indian courts. It is possible that an Indian court may not recognise or enforce any such foreign judgment, in whole or in part, which could limit investors' ability to seek recourse against us.

57. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Investors may be subject to Indian tax on capital gains arising from the sale or transfer of our Equity Shares, depending on factors such as their residential status, holding period, manner of acquisition and applicable tax treaties. Any change in the tax laws or their interpretation, including in relation to capital gains taxation, surcharge, cess, withholding tax or availability of treaty benefits, could increase the tax burden on investors and thereby adversely affect the post-tax returns from their investment in Equity Shares.

58. *Shortages in the supply of coal (domestic and imported) could adversely affect the Indian economy and the power sector projects to which the Issuer has exposure.*

Shortages in the supply of coal (both domestic and imported) or disruptions in the coal value chain could adversely affect the Indian power sector in general and the operations of the our Company's plant in particular. Any constraints in coal availability, deterioration in coal quality, delays in coal evacuation and transportation, changes in coal linkage or allocation policies, or significant price increases may result in reduced generation, higher fuel costs, or the need to procure coal through costlier alternative arrangements. To the extent such higher costs or reduced availability are not fully compensated under the applicable regulatory framework or PPAs, or are recovered only with a time lag, the operational performance and profitability of our Company could be adversely affected, which in turn may negatively impact our overall business, financial condition, results of operations and cash flows.

59. *Restrictions or Duties on imports from China, Taiwan and Malaysia may adversely affect our business as a substantial part of our equipment is imported from these countries*

Restrictions or additional duties on imports from China, Taiwan and Malaysia may adversely affect our business, as a substantial part of the equipment and components used in our projects is sourced from suppliers based in these countries. Any increase in basic customs duty, safeguard or anti-dumping duties, imposition of quantitative restrictions, sanctions, logistical disruptions or other trade barriers on such imports could increase our procurement costs, cause delays in equipment availability, or necessitate a shift to alternative suppliers at higher prices or on less favourable terms, which may in turn adversely impact our project timelines, capital expenditure, profitability and overall financial performance.

60. *There is no guarantee that the Equity Shares will be listed on the BSE and NSE in a timely manner or at all, or that after such listing that they will remain listed on the BSE and NSE.*

There can be no assurance that our Equity Shares will be listed on the BSE and NSE within the time periods prescribed by applicable regulations or that such listing will occur at all, as it is subject to the completion of all procedural requirements and the approval of the stock exchanges. Further, even after listing, the continuance of such listing will depend upon our ongoing compliance with the listing conditions and other applicable regulatory requirements. Any delay in obtaining, or failure to obtain or maintain, listing of our Equity Shares on the BSE and NSE could adversely affect investor liquidity and the market price of the Equity Shares.

SECTION IV – INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated in Punjab on April 5, 2007, by the name “Talwandi Sabo Power Limited” with the Registrar of Companies, Punjab in accordance with the Companies Act, 1956 as a “public limited company. Pursuant to Clauses 17A.1 and 17A.2 of the Scheme of demerger, the name of Talwandi Sabo Power Limited was changed to “Vedanta Power Limited” and a certificate of incorporation pursuant to change of name dated June 3, 2026 was issued by the Registrar of Companies (“**ROC**”), Central Processing Centre.

Pursuant to the Scheme effective from May 1, 2026, the Merchant Power Business Undertaking was demerged from Vedanta Limited on a going concern basis and in consideration, our Company issued New Equity Shares to the shareholders of Vedanta Limited, in accordance with the provisions of the Scheme and on the basis of the Share Entitlement Ratio set out therein. For further details, see “*Our History and Certain Other Corporate Matters*” on page 98 of this Information Memorandum.

Registered and Corporate Office of our Company

The addresses of our Registered Office and Corporate Office is as follows:

Registered Office

C-103, Atul Projects, Corporate Avenue,
New Link Road, Chakala, Andheri (E),
Chakala MIDC,
Mumbai, 400093
Maharashtra, India

Company Registration Number and Corporate Identification Number

The registration number and Corporate Identity Number of our Company are as follows:

- a. Registration Number: 433557
- b. Corporate Identification Number: U40101MH2007PLC433557

Registrar of Companies

The Registrar of Companies, Maharashtra at Mumbai is situated at the following address:

Registrar of Companies
100, Everest, Marine Drive,
Mumbai 400 002
Maharashtra, India

Board of Directors

The following table sets out details regarding our Board as on the date of this Information Memorandum:

Name	DIN	Designation	Address
Anil Kumar Agarwal	00010883	Chairman and Non-Executive Director	Flat 2, 42 Hill Street, London, United Kingdom W1J 5NU
Tarun Jain	00006843	Non-Executive Director	Flat No.1201, 12th Floor, Yoga Co-op Hsg Soc. Ltd. CTS 195/172, Gulmohar XRD-12 JVPD Scheme, Mumbai – 400 049
Suresh Balasubramaniam	00424602	Non-Executive Independent Director	20, Sea Glimpse, Worli Hill Rd, Worli, Mumbai-400018, Maharashtra
Rahul A. Shetty	08733159	Non-Executive Independent Director	Flat 200, Block 4, Park West Place, W2 2QL, London, United Kingdom
Roma Ashok Balwani	00112756	Non-Executive Independent Woman Director	2, Paliputra, 16 th Road, Opp Khar Gymkhana, Khar West, Mumbai, Khar Delivery, Maharashtra, 400052
Rajinder Singh Ahuja	11047070	Whole time Director and CEO	TC9/2, Vedanta Vihar, Mahenduriya, Rajsamand, Rajpura, Rajasthan, 313211

For further details of our Board of Directors, please refer to the section titled “*Our Management*” on page 104 of this Information Memorandum.

Company Secretary and Compliance Officer

Bhagya Hasija is the Company Secretary and Compliance Officer of our Company

Address: Vedanta Power Limited

Village Banwala,

Mansa - Talwandi Sabo Road,

Mansa, Punjab, India, 151302

Tel: +0165 929 2065

Email: bhagya.hasija@vedanta.co.in

Registrar and Share Transfer Agent

KFin Technologies Limited (formerly known as KFin Technologies Private Limited)

Address: Selenium Tower B,

Plot No. - 31 & 32, Financial District,

Nanakramguda, Serilingampally,

Hyderabad, Rangareddi, 500032,

Telangana, India

Tel : +91 40 6716 2222/1-800-34-54001

Contact Person: Ganesh Chandra Patro

Email: einward.ris@kfintech.com

Investor Grievance Email: einward.ris@kfintech.com

Website: www.kfintech.com

SEBI Registration No.: INR000000221

URL of SEBI website listing out details of registrar and share transfer agent: www.sebi.gov.in

Statutory Auditors

M/s Walker Chandiook & Co. LLP, Chartered Accountants

21st Floor, DLF Square Jacaranda Marg,

DLF Phase II, Gurugram - 122 002

Haryana, India

ICAI Firm Registration Number: 001076N/N500013

Peer Review Number: 555339

Tel No.: +91 98738 28007

Email: tarun.gupta@walkerchandiook.in

Legal Advisors to our Company

Khaitan & Co

10th, 13th & 14th Floors, Tower 1C

One World Centre, 841, Senapati Bapat Marg

Mumbai 400 013 Maharashtra, India

Telephone: +91 22 6636 5000

Email: project.vedas@khaitanco.com

Financial Advisor

Citigroup Global Markets India Private Limited

1202, 12th Floor, First International Financial Center

Plot Nos, C-54 & C-55, G-Block Bandra Kurla Complex,

Bandra (East), Mumbai 400 098

Maharashtra, India

Tel: +91 22 6175 9999

Change in Auditors During the Last Three Financial Years

Except as stated below, there has been no change in the auditors of our Company during the three years preceding the date of this Information Memorandum:

Particulars	Date of Change	Reasons for Change
Walker Chandiok & Co LLP 21st Floor, DLF Square Jacaranda Marg, DLF Phase II, Gurugram - 122 002 Haryana, India Tel: +91 98738 28007 E-mail: tarun.gupta@walkerchandiok.in Firm Registration Number: 001076N/N500013 Peer Review Number: 555339	April 30, 2026	Appointment as Statutory Auditors
S. R. BATLIBOI & CO. LLP Address: 67, Institutional Area, Sector 44, Gurugram – 122003, Haryana, India Fax: +91 +91 22 6819 8000 Email: Amit.Jain@srb.in ; Firm Registration Number: 301003E/E300005 Peer Review Number: 017128	April 30, 2026	Completion of term in accordance with Section 139 of Companies Act, 2013.

Authority for Listing

The NCLT, Mumbai, by way of its order dated December 16, 2025 and January 9, 2026 sanctioned the Scheme with respect to the transfer of the Demerged Undertaking of VEDL to our Company. The Equity Shares of our Company issued pursuant to the Scheme shall be listed and admitted for trading on the Stock Exchanges. Such listing and admission for trading is not automatic and will be subject to fulfilment of listing criteria by the Company as permitted by the Stock Exchanges for such issues and such other terms and conditions as may be prescribed by the Stock Exchanges at the time of the application for listing by Company.

For the purposes of listing of our Equity Shares pursuant to the Scheme, BSE is the Designated Stock Exchange.

For more details relating to the Scheme, please refer to “*Objects and Rationale of the Scheme*” on page 49.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria in terms of the SEBI ICDR Regulations, is not applicable. SEBI has, by way of the SEBI Scheme Circular, permitted unlisted issuer companies to make an application for relaxation from the strict enforcement of Rule 19(2)(b) of SCRR, subject to certain conditions. Accordingly, the Company has made an application seeking relaxation from the applicability of Rule 19(2)(b) of SCRR, and SEBI has granted such relaxation vide its letter no. HO/49/12/(4)2026-CFD-RAC-DCR2 dated June 9, 2026.

The Information Memorandum, once finalised, shall be made publicly available through the respective websites of the Stock Exchanges (i.e., www.bseindia.com and www.nseindia.com) and through our website on www.vedantapower.com. Before commencement of trading, our Company will publish an advertisement in the newspapers containing its details in accordance with the SEBI Scheme Circular with the details required in accordance with sub – clause 5 of paragraph A of Part II of the SEBI Schemes Circular.

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisement to be published in terms of the SEBI Scheme Circular or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

CAPITAL STRUCTURE

Details of the share capital of our Company, as on the date of this Information Memorandum, are set forth below:

A. Equity Share Capital of our Company prior to the Scheme

The share capital of our Company, prior to the Effective Date is set out below:

	Particulars	Aggregate value (₹)
A	AUTHORISED SHARE CAPITAL	
	<i>Equity Shares comprising:</i>	
	400,00,00,000 Equity Shares of face value of ₹ 10 each	40,00,00,00,000
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
	3,20,66,09,692 Equity Shares of face value of ₹ 10 each*	32,06,60,96,920
C	SECURITIES PREMIUM	Nil

*Entire pre-scheme issued, subscribed and paid up capital is directly and through its nominees (100% legally and beneficially) held by VEDL. Prior to the Effective Date, VEDL was the promoter of the Company.

B. Equity Share Capital of our Company post implementation of the Scheme

The share capital of our Company, post the Effective Date and as on the date of this Information Memorandum is set out below:

	Particulars	Aggregate value (₹)
A	AUTHORISED SHARE CAPITAL	
	<i>Equity Shares comprising:</i>	
	400,00,00,000 Equity Shares of face value of ₹ 10 each	40,00,00,00,000
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
	3,91,06,86,689 Equity Shares of face value of ₹ 10 each*	39,10,68,66,890
C	SECURITIES PREMIUM	Nil

*This includes 2,98,632 shares under abeyance category, pending for allotment as they are sub judice.

Notes to the Capital Structure

1. Changes in Authorized Share Capital

Set out below are the changes in the authorized capital since the incorporation of our Company:

Date	Amendment to Authorized Share Capital
March 8, 2010	Increase in authorized capital of the company from ₹ 10,00,000 to ₹ 2500,00,00,000 approved by shareholders through special resolution dated March 8, 2010.
November 6, 2024	Increase in authorized capital of the company from ₹ 2500,00,00,000 to ₹ 4000,00,00,000 approved by shareholders through special resolution dated November 6, 2024

2. Share Capital History of our Company

(a) Equity Share Capital

The history of the equity share capital of our Company since its incorporation is set out below:

Date of allotment /fully paid up	No. of Equity Shares allotted	Face value (₹)	Issue price (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up share capital (₹)
September 1, 2008	50,000	10	10	-	-	50,000	5,00,000
March 31, 2010	40,00,00,000	10	10	-	-	40,00,50,000	4,00,05,00,000
March 21, 2014	2,09,99,50,000	10	10	Conversion of ICL into Equity	Rights Issue	2,50,00,0 0,000	25,00,00,00,000
December 4, 2014	70,66,09,692	10	10	Conversion of ICL into Equity	Rights Issue	3,20,66,09,692	32,06,60,96,920
May 4, 2026	3,91,03,88,057	10	([^])	Pursuant to the Scheme	Allotment pursuant to the Scheme	3,91,06,86,689 ^{^^}	39,10,68,66,890 ^{^^}

[^] Issue price for allotment in terms of the Scheme shall be in accordance with Clause 15.2 of Part III of the Scheme.

^{^^} Includes 2,98,632 shares under the abeyance category, pending allotment as they are sub judice.

(b) Preference Share Capital

Our Company does not have any preference share capital as on date of this Information Memorandum.

3. Details of Shareholders who subscribed to the Memorandum of Association on April 5, 2007

#	Subscriber Details (Name, Address, Description and Occupation)	DIN/PAN	No. of Equity Shares
1	Punjab State Electricity Board, The Mall, Patiala Through: Sh. Jatinder Kumar Goyal S/o Late Sh. Babu Ram Goyal R/o 126, Aekta Avenue, Partap Nagar, Patiala – 147001 Occupation – Services	AAFCP5120Q	7,500
2	Punjab State Electricity Board, The Mall, Patiala Through: Sh. Rakesh Mehta S/o Late Sh. Dharam Parkash Mehta R/o House No. 12, Power Colony No.1, Model Town, Patiala – 147001 Occupation – Service	AAFCP5120Q	7,500
3	Punjab State Electricity Board, The Mall, Patiala Through: Er. Krishan Bhagwan Kansal R/o 40, Type VI, Power Colony No.1, Model Town, Patiala – 147001 Occupation – Service	AAFCP5120Q	7,000
4	Punjab State Electricity Board, The Mall, Patiala Through: Er. Vinod Kumar Jain S/o Sh. Rikhab Dass Jain R/o 267, Sector-15, Panchkula – 134113 Occupation – Service	AAFCP5120Q	7,000
5	Punjab State Electricity Board, The Mall, Patiala Through: Er. Rajinder Kumar Gupta S/o Sh. Ram Sarop Gupta R/o 115-B, Ajit Nagar Nr. Bindi Nursing Home, Patiala – 147001 Occupation – Service	AAFCP5120Q	7,000
6	Punjab State Electricity Board, The Mall, Patiala Through: Er. Darshan Kumar Aggarwal S/o Sh. Rikhi Rani R/o H. No. 32, Power Colony No.1, Model Town, Patiala – 147001 Occupation – Service	AAFCP5120Q	7,000
7	Punjab State Electricity Board, The Mall, Patiala Through: Er. Surinder Kumar Aggarwal 26-B/2, Model Town, Patiala Occupation – Service	AAFCP5120Q	7,000
	Total		50,000

4. Equity Shares issued for consideration other than cash

Other than the Equity Shares allotted by our Company pursuant to and in accordance with the Scheme, our Company has not issued Equity Shares for consideration other than cash, as on the date of this Information Memorandum.

5. **Equity Shares issued out of revaluation of reserves**

Our Company has not issued any Equity Shares out of revaluation of reserves or unrealized profits.

6. **Issue of shares at a price lower than the issue price in the last one year**

Not Applicable.

7. **Employee Stock Option Schemes of the Company**

The Demerged Company has implemented the Vedanta ESOS Plan, originally approved by its shareholders on December 10, 2016. The Vedanta ESOS Plan is administered through the ESOS Trust. The performance condition for vesting of Stock Options under the Vedanta ESOS Plan is linked to the operational performance of the respective business unit of the relevant grantee, while the value realisation upon vesting and exercise has historically accrued to grantees by reference to the market valuation and share price of the Demerged Company as a consolidated group entity.

The details of outstanding Stock Options granted under the Vedanta ESOS Plan as on the date of this Information Memorandum are set out below:

#	Particulars	ESOS 2023	ESOS 2024	ESOS 2025
1	Date of Grant	November 04, 2023	November 05, 2024	October 31, 2025
2	Brief details of options granted	Grant of 1,84,14,252 Stock Options. (The options shall vest on completion of the performance period subject to achievement of performance conditions.	Grant of 1,06,48,659 Stock Options. (The options shall vest on completion of the performance period subject to achievement of performance conditions.	Grant of 97,80,400 Stock Options. The options shall vest on completion of the performance period subject to achievement of performance conditions.
3	Total number of equity shares covered	1,84,14,252 equity shares (each Stock Option being convertible into one equity share of the Demerged Company of face value of ₹1 each)	1,06,48,659 equity shares (each Stock Option being convertible into one equity share of the Demerged Company of face value of ₹1 each)	97,80,400 equity shares (each Stock Option being convertible into one equity share of the Demerged Company of face value of ₹1 each)
4	Pricing formula / exercise price	₹1 (par value)	₹1 (par value)	₹1 (par value)
5	Vesting schedule	36 months from the grant date	36 months from the grant date	36 months from the grant date
6	Period within which Stock Options may be exercised	8 months from the date of vesting	8 months from the date of vesting	8 months from the date of vesting

Treatment of outstanding Stock Options pursuant to the Scheme

The demerger of the Merchant Power Undertaking of the Demerged Company into our Company, together with the demerger of the other undertakings into the remaining Resulting Companies under the Scheme, would have the effect of separating the consolidated group value of the Demerged Company across multiple separately listed entities. Although the performance-linked vesting construct of the Vedanta ESOS Plan would continue to operate by reference to the relevant business unit, the realisable value to grantees would, in the absence of a corrective mechanism, no longer reflect the aggregate group value originally contemplated under the Vedanta ESOS Plan.

In order to ensure that grantees of outstanding Stock Options receive treatment that is no less favorable than that which would have prevailed had the demerger not occurred, the outstanding Stock Options under the Vedanta ESOS Plan shall be treated as a continuing scheme. All outstanding and unvested Stock Options shall be governed by a common adjustment framework on the following principles:

- (a) the performance conditions for vesting shall continue to be linked to the performance of the respective business of the grantee, in line with the original construct of the Vedanta ESOS Plan;
- (b) the vesting conditions and vesting timelines applicable to the outstanding Stock Options shall remain unchanged;
- (c) upon vesting and exercise, each grantee shall receive equity shares of each of the Resulting Companies (and equity shares of the Demerged Company, where applicable) in such proportion as reflects the equivalent of one equity share of the Demerged Company as held prior to the Effective Date; and

- (d) the aggregate value entitlement of each grantee shall accordingly continue to mirror the consolidated group value originally contemplated under the Vedanta ESOS Plan.

Adoption of the VPL ESOS Special Purpose Demerger Scheme

For the limited purpose of giving effect to the adjustment framework described above, and specifically to enable the equity shares of our Company to be acquired, held and transferred by the ESOS Trust in satisfaction of vested Stock Options, our Company has adopted the VPL ESOS Special Purpose Demerger Scheme with effect from the Effective Date. The VPL ESOS Special Purpose Demerger Scheme has been formulated in accordance with the SBEB & SE Regulations and shall continue to be governed by, and read with, the Vedanta ESOS Scheme 2016 as approved by the shareholders of the Demerged Company on December 10, 2016.

The VPL ESOS Special Purpose Demerger Scheme is being adopted solely for the purpose of facilitating the treatment of outstanding Stock Options granted by the Demerged Company under the Vedanta ESOS Plan. No fresh grants of options, restricted stock units or stock appreciation rights shall be made by our Company under the VPL ESOS Special Purpose Demerger Scheme. As on the date of this Information Memorandum, there are no outstanding options granted by our Company under the VPL ESOS Special Purpose Demerger Scheme.

Since no fresh grants are contemplated under the VPL ESOS Special Purpose Demerger Scheme and the Scheme is intended only to give effect to the existing entitlements of grantees under the Vedanta ESOS Plan, the disclosures otherwise required under Regulation 6(2) of the SBEB & SE Regulations and Section 67 of the Companies Act read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 form part of, and are subsumed within, the salient features of the original Vedanta ESOS Scheme 2016 as approved by the shareholders of the Demerged Company on December 10, 2016.

Authorisation of the ESOS Trust for secondary acquisition

Our Company has authorised the existing ESOS Trust to act as the vehicle for servicing the outstanding Stock Options granted under the Vedanta ESOS Plan. For this purpose, the ESOS Trust has been authorised to acquire equity shares of our Company, and equity-linked instruments and other securities of our Company that may give rise to the issue of equity shares (collectively, “Securities”), from the secondary market in one or more tranches. The aggregate holding of Securities by the ESOS Trust shall not exceed 5% (five percent) of the paid-up equity share capital of our Company, subject to such adjustment as may become necessary on account of any bonus issue, stock split, consolidation, merger or other reorganisation of the capital structure of our Company. The secondary acquisition of equity shares by the ESOS Trust in any Fiscal Year shall not exceed 2% (two percent) of the paid-up equity share capital of our Company as at the end of the immediately preceding Fiscal Year, or such other limit as may be prescribed under the SBEB & SE Regulations from time to time.

The VPL ESOS Special Purpose Demerger Scheme contemplates the provision of financial assistance by our Company to the ESOS Trust to enable the ESOS Trust to acquire and hold the Securities for the purpose of servicing outstanding Stock Options under the Vedanta ESOS Plan. Such financial assistance shall be provided in accordance with the applicable provisions of the Companies Act and the SBEB & SE Regulations and shall be repayable to and recoverable by our Company in accordance with the agreement to be executed between our Company and the trustee acting on behalf of the ESOS Trust.

For the purposes of disclosures to the stock exchanges, the shareholding of the ESOS Trust in our Company shall be classified as non-promoter and non-public shareholding.

Administration and superintendence

The Nomination and Remuneration Committee of the Board of Directors of our Company, constituted in accordance with Section 178 of the Companies Act and the rules made thereunder, has been designated as the committee responsible for the administration and superintendence of the VPL ESOS Special Purpose Demerger Scheme.

Approvals

The implementation of the VPL ESOS Special Purpose Demerger Scheme, the authorisation of the ESOS Trust for secondary acquisition of equity shares of our Company up to the limits set out above, and the provision of financial assistance by our Company to the ESOS Trust have been approved by the Board of Directors of our Company at its meeting held on April 20, 2026, and by the shareholders of our Company by way of a special resolution passed on April 30, 2026, in accordance with Section 62 and other applicable provisions of the Companies Act, LODR Regulations and the SBEB & SE Regulations.

8. Issue of Equity Shares pursuant to any scheme of arrangement.

Pursuant to the Scheme becoming effective from May 1, 2026, our Company issued Equity Shares to the shareholders of VEDL, in accordance with the provisions of the Scheme. For further details, please see “*History and Certain Corporate Matters*” and “*Objects and Rationale of the Scheme*” on pages 98 and 49, respectively, of this Information Memorandum.

9. Shareholding Pattern

A. The shareholding pattern of the Company, prior to allotment of Equity Shares under the Scheme is as under:

Category	Category of Shareholder	No. of Shareholders	No. of fully paid up Equity Shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of Locked in shares		No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialised form
								No of Voting Rights						No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: Equity	Class eg: y	Total	Total as a % of (A + B + C)							
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	1	3206609692	NIL	NIL	3206609692	100	3206609692	NIL	3206609692	100	NIL	100	NIL	NIL	NIL	NIL	3206609692
(B)	Public	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(C)	Non Promoter-Non Public	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(C1)	Shares Underlying DRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(C2)	Shares Held By Employee Trust	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total	1	3206609692	NIL	NIL	3206609692	100	3206609692	NIL	3206609692	100	NIL	100	NIL	NIL	NIL	NIL	3206609692

B. The shareholding pattern of the Company, post allotment of Equity Shares under the Scheme is as under:

Category	Category of Shareholder	No. of Shareholders	No. of fully paid up Equity Shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities	Shareholding, as a % assuming full conversion of	No. of Locked in shares		No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialised form
								No of Voting Rights						No. (a)	As a % of total	No. (a)	As a % of total	
								Class eg: X	Class eg: y	Total	Total as a %							

							SCRR, 1957)				of (A + B + C)	(including Warrants)	convertible securities (as a percentage of diluted share capital)		Shares held(b)		Shares held(b)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)		(XIV)	
(A)	Promoter & Promoter Group	9	2204867749	Nil	Nil	2204867749	56.38	2204867749	Nil	2204867749	56.38	Nil	56.38	0	0	0	0	2204867749
(B)	Public	2178537	1699287979	Nil	Nil	1699287979	43.46	1699287979	Nil	1699287979	43.46	Nil	43.46	0	0	0	0	1694838485
(C)	Non Promoter- Non Public			Nil	Nil				Nil			Nil		0	0	0	0	
(C1)	Shares Underlying DRs	0	0	Nil	Nil	0	NA	0	Nil	0	0.00	Nil	NA	0	0	0	0	0
(C2)	Shares Held By Employee Trust	1	6232329	Nil	Nil	6232329	0.16	6232329	Nil	6232329	0.16	Nil	0.16	0	0	0	0	6232329
	Total	2178537	3910388057	Nil	Nil	3910388057	100	3910388057	Nil	3910388057	100	Nil	100	0	0	0	0	3910388057

10. **Details of equity shareholding of major shareholders of the Company:**

- (a) The details of the shareholders of the Company (i) holding 1% or more of the paid-up equity share capital of the Company; and (ii) aggregating to 80% of the equity share capital of the Company as on the Record Date:

#	Name	Total No. of Shares	%
1	TWIN STAR HOLDINGS LIMITED	1,56,48,05,858.00	40.02
2	VEDANTA HOLDINGS MAURITIUS II LIMITED	49,28,20,420.00	12.60
3	LIFE INSURANCE CORPORATION OF INDIA	17,79,59,786.00	4.55
4	VEDANTA HOLDINGS MAURITIUS LIMITED	10,73,42,705.00	2.75
5	PTC CABLES PRIVATE LIMITED	7,46,39,083.00	1.91
6	ICICI PRUDENTIAL MULTICAP FUND	7,09,98,086.00	1.82
7	WELTER TRADING LIMITED	3,82,41,056.00	0.98
8	MIRAE ASSET LARGE & MIDCAP FUND	2,89,62,628.00	0.74
9	SBI LARGE CAP FUND	2,87,78,125.00	0.74
10	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA SMALL CAP FUND	2,72,34,368.00	0.70
11	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	2,37,85,021.00	0.61
12	BNP PARIBAS FINANCIAL MARKETS - ODI	2,34,77,927.00	0.60
13	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI	2,24,88,292.00	0.58
14	UTI-NIFTY NEXT 50 INDEX FUND	1,60,09,106.00	0.41
15	ISHARES CORE MSCI EMERGING MARKETS ETF	1,52,87,147.00	0.39
16	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C- ADITYA BIRLA SUN LIFE LARGE CAP FUND	1,47,07,966.00	0.38
17	SOCIETE GENERALE - ODI	1,38,33,455.00	0.35
18	VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOT	1,19,83,399.00	0.31
19	TATA MUTUAL FUND- TATA VALUE FUND	1,16,50,810.00	0.30
20	SAUDI CENTRAL BANK - EMERGING MARKET PORTFOLIO 15	1,16,23,685.00	0.30
21	GOLDMAN SACHS BANK EUROPE SE - ODI	1,09,58,400.00	0.28
22	BANDHAN VALUE FUND	97,37,113.00	0.25
23	PI OPPORTUNITIES AIF V LLP	91,41,654.00	0.23
24	KOTAK MAHINDRA TRUSTEE CO LTD A/C KOTAK MULTICAP FUND	89,26,417.00	0.23
25	FIDELITY SALEM STREET TRUST: FIDELITY SAI EMERGING	82,73,384.00	0.21
26	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	81,33,221.00	0.21
27	ABU DHABI INVESTMENT AUTHORITY - MONSOON	79,36,145.00	0.20
28	BLUE DAIMOND PROPERTIES PVT LTD	77,84,000.00	0.20
29	CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM	67,14,886.00	0.17
30	BOFA SECURITIES EUROPE SA	65,74,480.00	0.17
31	ISHARES MSCI INDIA ETF	63,80,081.00	0.16
32	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY M	62,49,083.00	0.16
33	VEDANTA LIMITED ESOS TRUST	62,32,329.00	0.16
34	NPS TRUST- A/C ICICI PRUDENTIAL PENSION FUND SCHEM	62,02,152.00	0.16
35	EMERGING MARKETS EQUITY INDEX MASTER FUND	60,18,307.00	0.15
36	WISDOMTREE EMERGING MARKETS HIGH DIVIDEND FUND	58,29,431.00	0.15
37	EMERGING MARKETS CORE EQUITY 2 PORTFOLIO OF DFA IN	58,27,878.00	0.15
38	TATA AIG GENERAL INSURANCE COMPANY LIMITED	53,97,017.00	0.14
39	ARTEMIS SMARTGARP GLOBAL EMERGING MARKETS EQUITY F	52,73,461.00	0.13
40	PEOPLE'S BANK OF CHINA	52,34,134.00	0.13
41	STATE STREET DAILY MSCI EMERGING MARKETS INDEX NON	52,26,240.00	0.13
42	HDFC LIFE INSURANCE COMPANY LIMITED	51,38,183.00	0.13
43	ISHARES IV PUBLIC LIMITED COMPANY- ISHARES MSCI IN	49,99,746.00	0.13
44	NATIONAL INSURANCE COMPANY LTD	48,52,848.00	0.12
45	THINK INDIA OPPORTUNITIES MASTER FUND LP	48,45,455.00	0.12
46	BAJAJ FINSERV FLEXI CAP FUND	48,16,003.00	0.12
47	CAISSE DE DEPOT ET PLACEMENT DU QUEBEC	45,65,863.00	0.12
48	MANULIFE PROVIDENT FUNDS UNIT TRUST SERIES- MANULI	45,46,283.00	0.12
49	COPTHALL MAURITIUS INVESTMENT LIMITED - NON ODI AC	45,19,281.00	0.12
50	PIMCO EQUITY SERIES: PIMCO RAE EMERGING MARKETS FU	43,40,163.00	0.11
51	GENERAL INSURANCE CORPORATION OF INDIA	42,90,701.00	0.11
52	ISHARES CORE MSCI EM IMI UCITS ETF	42,90,138.00	0.11
53	COLLEGE RETIREMENT EQUITIES FUND - STOCK ACCOUNT	42,90,003.00	0.11
54	GOLDMAN SACHS INVESTMENTS (MAURITIUS) I LTD	41,67,558.00	0.11
55	CAUSEWAY EMERGING MARKETS FUND	41,43,238.00	0.11

#	Name	Total No. of Shares	%
56	THRIFT SAVINGS PLAN	40,51,985.00	0.10
57	WISDOMTREE INDIA INVESTMENT PORTFOLIO, INC.	38,70,937.00	0.10
58	VANGUARD FTSE ALL-WORLD EX-US INDEX FUND, A SERIES	37,47,143.00	0.10
59	AL MEHWAR COMMERCIAL INVESTMENTS L.L.C. - (NOOSA)	37,38,798.00	0.10
60	BANK OF INDIA FLEXI CAP FUND	37,01,154.00	0.09
61	MSCI EQUITY INDEX FUND B - INDIA	37,00,205.00	0.09
62	THE ORIENTAL INSURANCE COMPANY LIMITED	35,90,000.00	0.09
63	ST. JAMES S PLACE INTERNATIONAL EQUITY UNIT TRUST	35,07,703.00	0.09
64	SCHWAB FUNDAMENTAL EMERGING MARKETS EQUITY ETF	34,39,294.00	0.09
65	BARODA BNP PARIBAS BALANCED ADVANTAGE FUND	34,23,000.00	0.09
66	ISHARES MSCI EMERGING MARKETS EX CHINA ETF	33,39,364.00	0.09
67	ISHARES MSCI EMERGING MARKETS ETF	32,55,840.00	0.08
68	NINETY ONE GLOBAL STRATEGY FUND - EMERGING MARKETS	30,03,337.00	0.08
69	NINETY ONE GLOBAL STRATEGY FUND - ASIAN EQUITY FUN	28,91,687.00	0.07
70	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS INDIA MANUFACTURING FUND	28,87,110.00	0.07
71	MORGAN STANLEY ASIA (SINGAPORE) PTE. - ODI	28,81,428.00	0.07
72	INTERNATIONALE KAPITALANLAGEGESELLSCHAFT MBH ACTIN	28,73,723.00	0.07
73	NATIONAL PENSION SERVICE MANAGED BY LEGAL & GENERA	27,64,896.00	0.07
74	HOSTPLUS POOLED SUPERANNUATION TRUST INVESTEC 4FAC	27,33,002.00	0.07
75	CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM - AQR	25,98,003.00	0.07
76	FIDELITY SALEM STREET TRUST FIDELITY SERIES GLOBAL	25,96,573.00	0.07
77	FRANKLIN TEMPLETON ETF TRUST - FRANKLIN FTSE INDIA	25,03,872.00	0.06
78	VOLRADO VENTURE PARTNERS FUND IV GAMMA	25,00,000.00	0.06
79	ZERODHA BROKING	24,94,751.00	0.06
80	KUWAIT INVESTMENT AUTHORITY F570	24,93,660.00	0.06
81	STATE STREET MSCI INDIA INDEX NON-LENDING COMMON T	24,88,896.00	0.06
82	PNB METLIFE INDIA INSURANCE COMPANY LIMITED	24,85,251.00	0.06
83	AUSTRALIANSUPER	24,84,970.00	0.06
84	NINETY ONE GLOBAL SELECT LLC - NINETY ONE EMERGING	24,54,972.00	0.06
85	TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED	24,50,000.00	0.06
86	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI	24,00,894.00	0.06
87	LSV EMERGING MARKETS EQUITY FUND LP	23,92,200.00	0.06
88	EDELWEISS TRUSTESHIP CO LTD AC- EDELWEISS MF AC- EDELWEISS BALANCED ADVANTAGE FUND	23,16,743.00	0.06
89	AQR EMERGING EQUITIES FUND, L.P.	22,96,812.00	0.06
90	ABAKKUS DIVERSIFIED ALPHA FUND	22,90,799.00	0.06
91	HDFC MUTUAL FUND - HDFC NIFTY NEXT 50 INDEX FUND	22,66,811.00	0.06
92	ITI SMALL CAP FUND	22,29,447.00	0.06
93	SUNDARAM MUTUAL FUND - SUNDARAM AGGRESSIVE HYBRIDFUND	22,14,721.00	0.06
94	WASHINGTON STATE INVESTMENT BOARD MANAGED BY LSV A	21,63,231.00	0.06
95	MAHINDRA MANULIFE MULTI CAP FUND	21,50,000.00	0.06
96	ASHOKA WHITEOAK ICAV - ASHOKA WHITEOAK INDIA OPPOR	21,35,118.00	0.05
97	BAJAJ LIFE INSURANCE LIMITED	20,98,240.00	0.05
98	FLORIDA RETIREMENT SYSTEM - NINETY ONE NORTH AMERI	20,91,165.00	0.05
99	EMERGING MARKETS INDEX NON-LENDABLE FUND	20,45,449.00	0.05
100	PROCHETA CONSULTANTS PRIVATE LIMITED	19,92,103.00	0.05
	TOTAL	3,11,25,19,486.00	79.60

- (b) The list of shareholders holding 1% or more of the issued and paid-up Equity Share capital of our Company as on 10 days prior to the date of this Information Memorandum is given below:

#	Name	Total No. of Shares	%
1	TWIN STAR HOLDINGS LIMITED	1,56,48,05,858.00	40.02
2	VEDANTA HOLDINGS MAURITIUS II LIMITED	49,28,20,420.00	12.60
3	LIFE INSURANCE CORPORATION OF INDIA	17,79,59,786.00	4.55
4	VEDANTA HOLDINGS MAURITIUS LIMITED	10,73,42,705.00	2.75
5	PTC CABLES PRIVATE LIMITED	7,46,39,083.00	1.91
6	ICICI PRUDENTIAL MULTICAP FUND	7,09,98,086.00	1.82

- (c) The list of shareholders holding 1% or more of the issued and paid-up Equity Share capital of our Company as on one year prior to the date of this Information Memorandum is given below:

Name of Shareholder	Number of Equity Shares	Percentage of Equity Share Capital (%)
VEDL (including shares held by 6 (six) nominee shareholders)	32,06,60,96,920	100%
Total	32,06,60,96,920	100%

- (d) The list of shareholders holding 1% or more of the issued and paid-up Equity Share capital of our Company as on two years prior to the date of this Information Memorandum is given below:

Name of Shareholder	Number of Equity Shares	Percentage of Equity Share Capital (%)
VEDL (including shares held by 6 (six) nominee shareholders)	32,06,60,96,920	100%
Total	32,06,60,96,920	100%

11. Shareholding of each of the Promoters and Build-up of Promoter's Shareholding in the Company:

As on the date of this Information Memorandum, both our Promoters i.e., Anil Agarwal and Finsider International Company Limited, do not hold any Equity Shares directly in our Company.

12. Build-up of our Promoters and Promoter Groups' Shareholding in our Company:

Name of Promoter and Promoter Group	Category	Date of allotment/ Transfer	Nature of Allotment	No. of Equity Shares	Nature of consideration	Face value per Equity Share	Issue price/ Transfer Price per Equity Share*	Pre-Scheme capital (%)	Post Scheme capital (%)	No. of Equity Shares pledged, if any.
Pravin Agarwal	Promoter Group	May 4, 2026	Allotment pursuant to the Scheme	1,000	Consideration other than cash	1.00	N.A.	N.A.	0.00	Nil
Suman Didwania	Promoter Group	May 4, 2026	Allotment pursuant to the Scheme	87,696	Consideration other than cash	1.00	N.A.	N.A.	0.00	Nil
Ankit Agarwal	Promoter Group	May 4, 2026	Allotment pursuant to the Scheme	36,300	Consideration other than cash	1.00	N.A.	N.A.	0.00	Nil
Sakshi Mody	Promoter Group	May 4, 2026	Allotment pursuant to the Scheme	18,000	Consideration other than cash	1.00	N.A.	N.A.	0.00	Nil
Welter Trading Limited	Promoter Group	May 4, 2026	Allotment pursuant to the Scheme	3,82,41,056	Consideration other than cash	1.00	N.A.	N.A.	0.98	Nil
Twin Star Holdings Ltd	Promoter Group	May 4, 2026	Allotment pursuant to the Scheme	156,48,05,858	Consideration other than cash	1.00	N.A.	N.A.	40.02	Nil
Vedanta Holdings Mauritius Limited	Promoter Group	May 4, 2026	Allotment pursuant to the Scheme	10,73,42,705	Consideration other than cash	1.00	N.A.	N.A.	2.75	Nil
Vedanta Holdings Mauritius II Limited	Promoter Group	May 4, 2026	Allotment pursuant to the Scheme	49,28,20,420	Consideration other than cash	1.00	N.A.	N.A.	12.60	Nil
Vedanta Netherlands Investments B.V.	Promoter Group	May 4, 2026	Allotment pursuant to the Scheme	15,14,714	Consideration other than cash	1.00	N.A.	N.A.	0.04	Nil
VEDL [and 6 Nominee Shareholders] **	Promoter	October 13, 2023	Subscription to MOA	1,00,000	Cash	1.00	1.00	100	Nil	Nil

**Issue price for allotment in terms of the Scheme shall be in accordance with clause 8.2. of Part II of the Scheme.*

***Cancelled in terms of Clauses 9.4 and 10 of Part II of the Scheme*

13. Details of acquisition of Equity Shares by the Promoter Group through secondary transactions: Not Applicable.
14. Except for the Equity Shares allotted under the Scheme, none of the members of our Promoter Group and/or our Promoters and/or our Directors and their relatives have purchased or sold Equity Shares of the Company during the six months immediately preceding the date of this Information Memorandum.
15. There are/have been no financing arrangements whereby our Promoter, any member of our Promoter Group, or our Directors and their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of this Information Memorandum.
16. In accordance with sub-paragraph I of paragraph A of Part II of the SEBI Scheme Circular, no additional lock-in is applicable to our Promoter and the shareholders of our Company in, since the shareholding of our Company post effectiveness of the Scheme is exactly similar to the shareholding pattern of VEDL.
17. Neither the Company nor the Directors have entered into any buy-back arrangements for the purchase of the Equity Shares of the Company.
18. The Equity Shares of the Company are fully paid up and there are no partly paid up Equity Shares as on the date of this Information Memorandum.
19. The Company presently does not intend or propose to alter its capital structure for a period of six months from the date of this Information Memorandum, in any manner whatsoever
20. There will be no further issue of Equity Shares of the Company, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of submission of the Information Memorandum with the Stock Exchanges until the Equity Shares of the Company have been listed on the Stock Exchanges.
21. The issuance of Equity Shares by the Company since incorporation until the date of this Information Memorandum has been undertaken in accordance with the provisions of the Companies Act, 2013, as applicable.
22. As on the date of this Information Memorandum, all Equity Shares held by our Promoters are held in dematerialized form.
23. The Company has only one denomination of Equity Shares.
24. The Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
25. Except for the Equity Shares to be issued pursuant to the ESOP scheme, there are no outstanding warrants or convertible securities, including any outstanding warrant or right to convert debentures, loans, or other instruments into Equity Shares.

OBJECTS AND RATIONALE OF THE SCHEME

Details of the Scheme of Arrangement

The Composite Scheme of Arrangement involving VEDL, VAML, TSPL (now VPL), VISL and MEL under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Act”) (“Scheme”) was approved the Board of Directors of the respective entities on the dates set out below:

- (i) VEDL – September 29, 2023;
- (ii) VAML – October 13, 2023;
- (iii) TSPL (now VPL) – October 10, 2023;
- (iv) MEL – October 13, 2023; and
- (v) VISL – October 13, 2023.

The Scheme, *inter alia*, provides for the demerger of the Merchant Power Business Undertaking of VEDL into our Company and consequent issuance of 391,06,86,689 (Three hundred ninety-one crore six lakh eighty-six thousand six hundred eighty-nine Only) Equity Shares of the Company to the Eligible Shareholders of VEDL.

The NCLT vide its order October 17, 2025, passed in Company Application No. C.A.(CAA)/220(MB)2024 (“Order”), *inter alia*, directed VEDL to issue of notices for convening meetings of equity shareholders, secured creditors and unsecured creditors. Further, the meeting of the equity shareholders, secured creditors and unsecured creditors of VEDL was convened on November 21, 2025, and the Scheme was approved with requisite majority at said meetings.

Rationale for the Scheme of Arrangement:

- (i) *VEDL has interests in multiple businesses including metals, mining, and exploration of natural resources (zinc-lead-silver, iron ore, steel, copper, aluminium, nickel, and oil and gas) and power generation.*
- (ii) *Each of the varied businesses carried on by VEDL by itself or through strategic investments in subsidiaries or through affiliate companies (including the Aluminium Undertaking, the Merchant Power Undertaking, the Oil and Gas Undertaking, and the Iron Ore Undertaking) have significant potential for growth and profitability.*
- (iii) *The nature of risk and competition involved in each of these businesses, financial profiles and return ratios are distinct from others and consequently each of the abovementioned business undertakings is capable of attracting a different set of investors, lenders, strategic partners, and other stakeholders. The manner of handling and management of each of the abovementioned businesses is also distinct.*
- (iv) *In order to lend enhanced focus to the operation of identified businesses, VEDL proposes to segregate and organize these businesses as separate entities, through demergers of each of the Aluminium Undertaking, the Merchant Power Undertaking, the Oil and Gas Undertaking, and the Iron Ore Undertaking.*
- (v) *The following benefits shall accrue on demergers of the Aluminium Business (as defined hereinafter), the Merchant Power Business (as defined hereinafter), the Oil and Gas Business (as defined hereinafter), and the Iron Ore Business (as defined hereinafter):*
 - (a) *creation of independent global scale companies focusing exclusively on mining, production and/or supply of aluminium, iron-ore, copper, oil & gas and on generation and distribution of power and exploring new opportunities and taking advantage of the growth potential in the said respective sectors;*
 - (b) *enabling greater focus of management in the relevant businesses thereby allowing new opportunities to be explored for each business efficiently and allowing a focused strategy in operations;*
 - (c) *each of the independent companies can attract different sets of investors, strategic partners, lenders, and other stakeholders enabling independent collaboration and expansion in these specific companies without committing the existing organization in its entirety;*
 - (d) *enabling investors to separately hold investments in businesses with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles;*
 - (e) *enabling focused and sharper capital market access (debt and equity) and thereby unlocking the value of the Aluminium Undertaking, the Merchant Power Undertaking, the Oil and Gas Undertaking, and the Iron Ore Undertaking and creating enhanced value for shareholders.*

The Scheme is in the interests of all stakeholders of VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4.

Appointed Date and Effective Date

In terms of the Scheme, the “Appointed Date” in respect of any Parts II to V of the Scheme, shall mean the Effective Date in respect of such Part of the Scheme, and the Appointed Date for each of the Parts II to V of the Scheme may be a different date.

In terms of Clause 1.1 of the Scheme, the “**Effective Date**” means, in respect of:

- (i) Part II of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 39.1 and Clause 39.2 are fulfilled, obtained or waived, as applicable in accordance with this Scheme;
- (ii) Part III of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 39.1 and Clause 39.3 are fulfilled, obtained or waived, as applicable in accordance with this Scheme;
- (iii) Part IV of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 39.1 and Clause 39.4 are fulfilled, obtained or waived, as applicable in accordance with this Scheme; and
- (iv) Part V of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 39.1 and Clause 39.5 are fulfilled, obtained or waived, as applicable in accordance with this Scheme.

The NCLT vide its order dated December 16, 2025 and January 9, 2026 has sanctioned the Scheme (“**Final Order**”). The certified copy of the Final Order was received on January 21, 2026. The relevant conditions precedent specified in Clause 39 of the Scheme have been completed on February 9, 2026.

Accordingly, the Appointed Date for demerger of the Merchant Power Business Undertaking is the Effective Date of the Scheme i.e. May 1, 2026.

Salient features of the Scheme of Arrangement

Record Date

In terms of Clause 1.1 of the Scheme, “**Record Date**” means the date to be fixed by the Boards of Resulting Company 1, Resulting Company 2, Resulting Company 3 and Resulting Company 4 respectively in consultation with the Board of the Demerged Company for the purpose of determining the shareholders of the Demerged Company for issue of the Resulting Company 1 New Equity Shares, Resulting Company 2 New Equity Shares, Resulting Company 3 New Equity Shares and Resulting Company 4 New Equity Shares respectively and the Record Date for each of the Parts II to V of the Scheme may be different dates;

Consideration

As consideration for the demerger of the Merchant Power Undertaking, our Company has issued and allotted its 391,06,86,689 Equity Shares to the eligible shareholders of VEDL holding fully paid-up equity shares of VEDL as on the Record Date, in the following ratio:

“The consideration for the demerger of the Merchant Power Undertaking shall be the issue by the Resulting Company 2 of 1 (One) fully paid-up equity share of the Resulting Company 2 having face value of INR 10 (Indian Rupees Ten) each for every 1 (one) fully paid-up equity share of INR 1 (Indian Rupee One) each of the Demerged Company.”

Reduction and cancellation of share capital of TSPL (now VPL)

Pursuant to the Scheme and prior to allotment of Resulting Company 2 New Equity Shares, the entire paid share capital of TSPL (now VPL) as on the Effective Date stands cancelled and reduced without any consideration.

Demerger and vesting of the Merchant Power Business Undertaking

Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income-tax Act, 1961, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Merchant Power Business Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in our Company on a *going concern* basis, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the our Company by virtue of operation of law, and in the manner provided in the Scheme.

Conditions Precedent to the Scheme

“39.1 The Scheme is conditional upon and subject to the following general conditions precedent:

- 39.1.1 *Receipt of no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulations 11 and 37 of the SEBI LODR Regulations read with the SEBI Circular.*
 - 39.1.2 *Approval of the Scheme by the requisite majority in number and value of each class of shareholders and creditors of the Parties as applicable or as may be required under the Act and Applicable Law and as may be directed by the Tribunal.*
 - 39.1.3 *VEDL complying with the provisions of the SEBI Circular, including seeking approval of its shareholders through e-voting.*
 - 39.1.4 *Sanction of the Scheme by the Tribunal under Sections 230 to 232 of the Act;*
 - 39.1.5 *Certified copies of the orders of the Tribunal sanctioning this Scheme being filed with the RoC; and*
 - 39.1.6 *The Boards of the VEDL and the respective Resulting Company having passed a resolution confirming the effectiveness of the Scheme or any Parts thereof, with respect to such Resulting Company.*
- 39.2 *In addition to the satisfaction of the conditions precedent set out in Clause 39.1 above, Part II of the Scheme is also conditional upon and subject to receipt of necessary approvals or deemed approvals from (a) Central and State Governments for the transfer of the coal mines and (b) State Government for the transfer of the bauxite mine(s)."*

For details of shareholding of our Company pursuant to the allotment in terms of the Scheme please refer to "Capital Structure" on page 38.

STATEMENT OF TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS, UNDER THE APPLICABLE TAX LAWS IN INDIA

The Board of Directors

Vedanta Power Limited (formerly Talwandi Sabo Power Limited)

C-103 Atul Projects,
Corporate Avenue New Link,
Chakala Midc, Mumbai,
Maharashtra - 400093

Dear Sir/Madam,

1. We have been requested by the Company to issue a report on the special tax benefits available to the Company and its shareholders attached for inclusion in the Information Memorandum in connection with the proposed listing of Equity Shares of Vedanta Power Limited (formerly Talwandi Sabo Power Limited). We hereby confirm that the enclosed Annexure I to II (together the “**Annexures**”) prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company and its material subsidiaries under: -

- The Income Tax Act 2025 (The “Act”) as amended by Finance Act, 2026 applicable for the Tax Year 2026-27, presently in force in India; and the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 (“GST Acts”) as amended from time to time, the Customs Act, 1962 (“Custom Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) as amended from time to time, rules, regulations, circulars and notifications issued thereunder and Foreign Trade Policy 2015-20 as extended till 31.03.2023 vide Notification No. 37/2015-20 dated 29.09.2022 (unless otherwise specified), presently in force in India. Further, the Government has notified The Foreign Trade Policy, 2023 Vide Notification No 01/2023 that has come into force from 01 April 2023.

The Act, the GST Acts, Customs Act and Tariff Act as defined above, are collectively referred to as Acts.

2. Several of these benefits are dependent on the company, material subsidiaries or its shareholders fulfilling the conditions prescribed under the relevant provisions of the relevant Acts. Hence, the ability of the Company to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in Annexures is the responsibility of the management of the Company. We are informed that these Annexures are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of the proposed listing of Equity shares of the company pursuant to the scheme of arrangement between Vedanta Power Limited (formerly Talwandi Sabo Power Limited) and its shareholders and creditors and Vedanta Limited and its shareholders and creditors by the Company which has been approved by the NCLT vide order dated 16th December 2025. Neither we are suggesting nor advising the investors to invest money based on this Statement.
4. We do not express any opinion or provide any assurance as to whether:
- a. the Company or its shareholders will continue to obtain these benefits in future.
 - b. the conditions prescribed for availing the benefits have been / would be met with; and
 - c. the revenue authorities/courts will concur with the views expressed herein.
5. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company and its material subsidiaries.

6. Further, we give no assurance that the revenue authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.
7. We hereby give consent to include this Statement in the Information Memorandum and in any other material used in connection with the Proposed Listing of Equity shares of the Company and submission of this Statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed and the Registrar of Company of Maharashtra at Mumbai in connection with the Proposed Listing, as the case may be, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

For V.P.Garg and Company

Chartered Accountants

CA. Atul Garg

M. No. 094915

FRN

Place: Bathinda

Date: April 30, 2026

UDIN: 26094915VBQGGM4005

ANNEXURE I

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES UNDER THE APPLICABLE DIRECT TAX LAW IN INDIA

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY & ITS MATERIAL INDIAN SUBSIDIARIES UNDER THE INCOME TAX ACT, 2025 AS AMENDED BY THE FINANCE ACT, 2026 READ WITH INCOME TAX RULES, 2026 (hereinafter referred to as "ACT")

There are no special tax benefits available to the Company & its material subsidiaries under the Act.

2. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY & ITS MATERIAL INDIAN SUBSIDIARIES (REFERRED UNDER ANNEXURE-2) UNDER THE ACT

2.1. Lower Corporate Tax Rate under Section 200 of the Act

Section 200 grants an option to domestic companies to compute tax at reduced rates. If the company opts to taxation under section 200, it can pay tax at a rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives [e.g. deduction under Section 33(8), 45(2), 45(3)(a)/(b)/(c), 46, 49, 138, 144, etc.] and subject to other conditions as laid down under the relevant provisions.

If the domestic company opts for taxation under section 200, the provisions of section 206 i.e Minimum Alternate Tax ("MAT") would not be applicable. A corporate taxpayer is required to exercise its option to be taxed under concessional tax regime of section 200, as per applicable rules on or before the due date of filing of its tax return. Once exercised, the option cannot be withdrawn and is applicable to all subsequent tax years. The Company has evaluated and exercised this option in financial year 2019-20. The Indian material subsidiary of the Company, Meenakshi Energy Limited, is presently in old tax regime.

2.2. The Company is inter alia entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 33 of the Act. The depreciation rates in respect of Motor Cars, Plant and Machinery and Office Equipment are 15%, furniture & fittings and electrical equipment is 10%, Intangible assets is 25% (does not include goodwill of business or profession), Computers 40%, Buildings (Residential) is 5% and Buildings (Others) is 10%. Allowance for depreciation is in general available and hence may not be treated as a special tax benefit.

With regard to block of assets received pursuant to demerger, as per section 41(4) of the Act, the actual cost of block of assets in the case of the resulting company shall be the written down value of the transferred assets transferred from demerged company immediately before such demerger.

2.3. Deduction for Inter Corporate Dividends under Section 148 of the Act

Section 148 of the Act provides for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 263(1) of the Act.

Where the company including any Indian material subsidiary receives any such dividend during a Tax Year and also, distributes dividend to its shareholders before the aforesaid date, it shall be entitled to the deduction under Section 148 of the Act.

2.4. Deduction for expenditure incurred in relation to Demerger under section 52 of the Act

In accordance with the provisions of Section 52(1) (Table Sl.No.1) of the Act, where a company incurs any expenditure wholly and exclusively for the purposes of amalgamation or demerger of an undertaking, the company shall be allowed a deduction of an amount equal to one-fifth of such expenditure for each of the five successive tax years beginning with the tax year in which amalgamation or demerger takes place.

The above general direct tax benefits are captured to the extent the same are relevant to the Company and its material subsidiaries.

3. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS UNDER THE ACT

There are no special tax benefits available to the shareholders of the Company.

4. GENERAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS UNDER THE ACT

4.1. As per section 70(1)(k) of the Act, any transfer or issue of shares by the Resulting Company, in the scheme of demerger to the shareholders of Demerged company in consideration for demerger of the undertaking, shall not be regarded as transfer and therefore shall not be subject to any capital gains tax under the Act.

Subject to satisfaction of prescribed underlying conditions (as provided under Section 2(35) of the Act in context of ongoing demerger, there may not be any income tax implications in hands of the Company or corresponding implications in the hands of its shareholders under section 92(2)(m) of the Act.

4.2. Further, as per the provisions of section 73(1) - Table Sl. No. 14 of the Act, cost of acquisition of shares of the resulting Company is to be computed by applying the proportion of net book value of assets transferred in demerger to net worth of demerged company immediately before demerger, to the cost of acquisition of the original shares held by the shareholders in demerged entity.

4.3. As per the provisions of section 2(101)(c)(B)(III) of the Act, the period for which the shares of demerged company were held by the shareholders shall be included to determine the period of holding of the shares of the resulting Company.

4.4. Resident shareholders (general provisions):

a. Income arising from transfer of shares of the company held for more than 12 months and subject to securities transaction tax ('STT'), shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 198 of the Act provides for concessional rate of 12.5% (plus applicable surcharge and cess) on long-term capital gains (exceeding ₹ 1,25,000) from transfer of long term listed equity shares including the equity shares of the company if STT has been paid on both, acquisition and transfer of equity shares. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where consideration for such transactions is payable in foreign currency.

As per section 198(5) of the Act read with Notification No. 60/2018 dated 1 October 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

- i. share acquisitions undertaken prior to October 1, 2004
- ii. share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions including shares received on demerger.

The benefit of indexation under section 72(2) of the Act shall not be applicable for computing long term capital gains taxable under section 198 of the Act.

b. Short-term capital gains arising on transfer of the shares of the company will be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) as per the provisions of section 196 of the Act, if such transaction is chargeable to STT. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre and where the consideration for such transactions is payable in foreign currency.

Please note there may be other general benefits available to resident shareholders.

4.5. Non-resident shareholders (general provisions):

In respect of non-residents shareholders, applicable tax rates and consequential taxation will be subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile or residence.

Please note there may be other general benefits available to non-resident shareholders.

Notes:

- The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership or disposal of shares.
- The above statement covers only certain special direct tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
- The above statement of special tax benefits is as per the prevailing direct tax laws relevant tax year 2026-27 and onwards, to the extent not amended by future amendments to the Act. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2 - LIST OF MATERIAL SUBSIDIARIES

A. Indian Material Subsidiaries

- i. Meenakshi Energy Limited

ANNEXURE II STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, TO MATERIAL SUBSIDIARY AND TO SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA

Under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 relevant State Goods and Services Tax Act (SGST) read with rules, circulars, and notifications (“GST law”), the Customs Act, 1962, Customs Tariff Act, 1975 (“Customs law”), related Rules & Regulations and Foreign Trade Policy 2023 (“FTP”), presently in force in India (herein collectively referred as “indirect tax laws”).

Special indirect tax benefits available to the Company and its material Indian subsidiary

1. Special tax benefits available to the Company and its material Indian subsidiary under GST Law

Benefits under the GST Law-

Under the GST regime, supplies of goods or services which qualify as ‘export’ of goods or services are zero-rated which can be supplied either with or without payment of Integrated Goods and Services Tax (IGST) subject to fulfilment of conditions prescribed. The exporter has the option to either undertake exports under cover of a Bond/ Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated input tax credit subject to fulfilment of conditions prescribed for export or the exporter may export with payment of IGST and claim refund of IGST paid on such exports as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017. Thus, the Integrated Goods and Service Tax Act, 2017 permits a supplier undertaking zero rated supplies (which will include the supplier making supplies to SEZ) to claim refund of tax paid on exports as IGST (by undertaking exports on payment of tax using ITC) or export without payment of tax by executing a Bond/ LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

2. Tax benefits available to the Company and its material Indian subsidiary under Customs Law

No benefit of Duty Drawback scheme under Section 75 of Customs Act, 1962 is available.

3. Benefits under Export Promotion Capital Goods Scheme (EPCG)

Chapter 3 of The Foreign Trade Policy, 2023 contains provision of this scheme. The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance manufacturing competitiveness. EPCG Scheme allows import of capital goods that are used in pre-production, production and post-production without payment of customs duty. The benefit under the scheme is subject to an export value equivalent to 6 times the duty saved on the importation of such capital goods within 6 years from the date of issuance of the authorization. EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers.

4. Benefits of Remission of Duties and Taxes on Export Products (“RoDTEP”) Scheme

No benefit of RoDTEP Scheme available under The Foreign Trade (Development and Regulation) Act, 1992.

5. Benefits under Advance Authorisation

Chapter 3 of The Foreign Trade Policy, 2023 contain provision of this scheme. Advance Authorisation Scheme allows duty free import of inputs, which are physically incorporated in an export product. In addition to any inputs, packaging material, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, is also be allowed.

No benefit of Advance Authorization available under The Foreign Trade Policy.

6. Exemption from Customs Duties

The Government under section 25 (1) of the Customs Act, 1962 is empowered to exempt either absolutely or subject to such conditions as may be specified in the notification, goods of any specified description from the whole or any part of duty of customs leviable thereon.

Import of machinery for new power plant is available Under Project Import.

7. **Special tax benefits available to Shareholders**

The Shareholders of the Company and its material subsidiaries are not entitled to any special tax benefits under indirect tax laws.

SECTION V – ABOUT THE COMPANY

The following summary should be read together with the section “Risk Factors” on page 19 of this Information Memorandum, the more detailed information included elsewhere in this Information Memorandum and our financial results included at page 19 in this Information Memorandum. The information presented in this section has been obtained from various publicly available sources, including industry websites and publicly available industry reports. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness, and underlying assumptions are not guaranteed, and their reliability cannot be assured.

Accordingly, neither our Company nor any person or advisor associated with our Company, has independently verified this information or takes any responsibility for the data, projections, forecasts, conclusions, or any other information contained in this section. Industry sources and publications are also prepared on information as on specific dates and may no longer be current or reflect market trends. Accordingly, any investment decisions should not be based on this information.

INDUSTRY OVERVIEW

Disclaimer

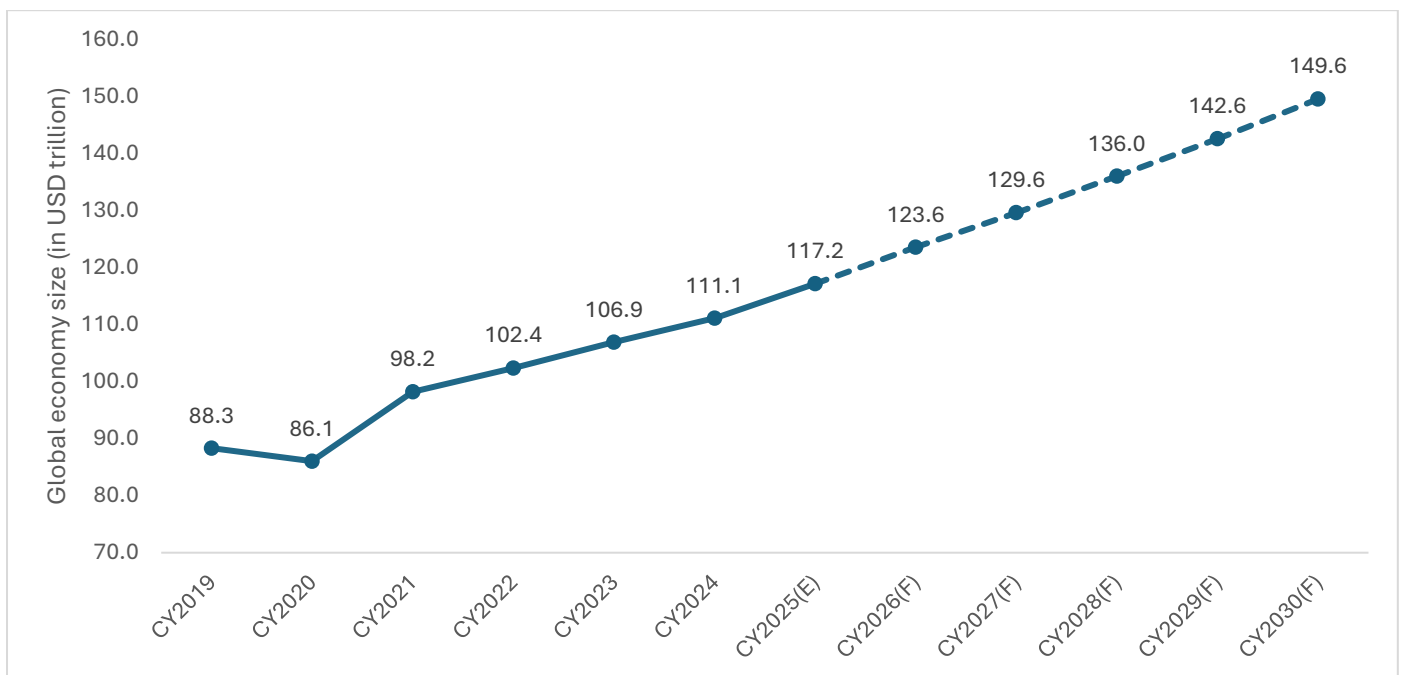
The information relating to the industry and market in which the Company operates, as set out in this chapter, has been sourced primarily from a report prepared by ICRA Analytics Limited (“**ICRA Analytics**”), engaged in the business of Industry research and analytics among other things, dated March 11, 2026 (the “**ICRA Report**”). The ICRA Report was commissioned exclusively by and prepared for the Company and has not been prepared or issued for general circulation. Basis publicly available sources, government publications, regulatory filings, and industry databases, the Company has subsequently reviewed and updated certain portions of the ICRA Report, by incorporating data, statistics, and information to reflect developments occurring after the date of the ICRA Report.

Investors should note that: (i) the ICRA Report reflects independent analysis and views of ICRA Analytics as of March 11, 2026 and ICRA Analytics has not reviewed, validated, or endorsed any updates or additions made by our Company to this chapter; (ii) industry data and projections are inherently subject to uncertainty and may differ materially from actual outcomes; and (iii) neither our Company, our directors, our promoters, nor any of our legal, financial, or other advisors accepts any responsibility for the accuracy or completeness of updated or supplemented information in this section that falls outside the scope of the ICRA Report.

Global overview:

According to the International Monetary Fund (IMF), the global economy is expected to reach a nominal value of USD 117.2 trillion in CY2025 (in nominal terms) and further grow to USD 149.6 trillion by CY2030 (in nominal terms). This represents a CAGR of approximately 5%. Despite various global challenges, economic activity has shown remarkable resilience. Key drivers of this growth include rising employment, stable income levels, favourable shifts in demand and supply, and the strategic deployment of savings accumulated during the pandemic. Robust household consumption has also played a significant role in sustaining growth across major economies. Sectors such as healthcare, technology, logistics, and services have been instrumental in generating employment and boosting wages. With inflation nearing target levels in many advanced economies, central banks are beginning to adopt a more accommodative approach, indicating a shift toward easing monetary policy.

Chart: Global economy growth and prediction till CY2030 (in USD trillion- nominal terms)



Source: IMF (WEO October 2025), ICRA Analytics

Note: E-Estimated for CY2025, F-Forecasted; data from CY2026-CY2030 are forecasted

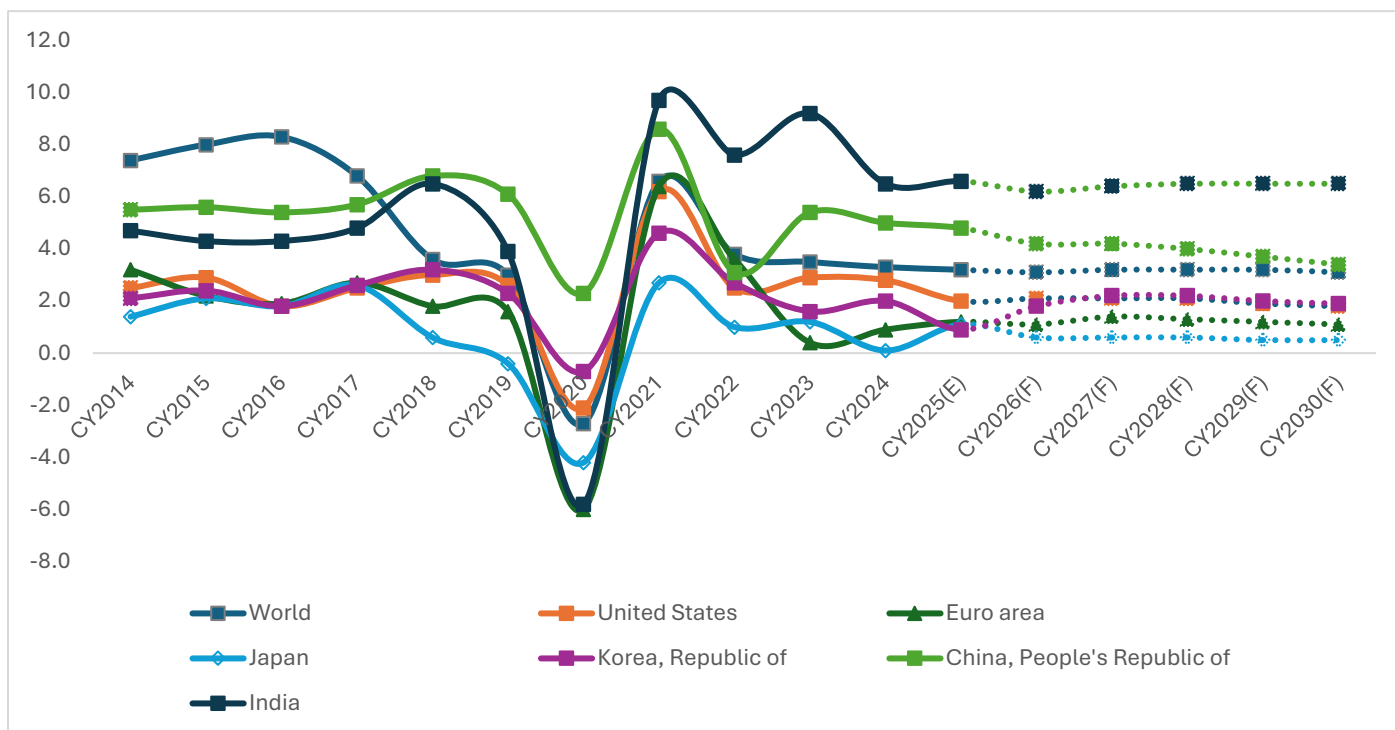
According to the IMF’s World Economic Outlook published in October 2025, global growth is projected to ease slightly from an estimated 3.3% in 2024 to 3.2% in 2025 before picking up modestly to 3.1% in 2026. This recovery is expected as inflation continues to decline, real incomes improve, and financial conditions gradually normalize.

These figures remain below the forecasts presented in the April 2025 WEO Update, despite upward revisions of 0.4% for 2025 and 0.1% for 2026 across most countries. While this marks an improvement compared to the July update, overall projections are still about 0.2% lower than those made prior to the policy changes outlined in the October 2024 WEO. The slowdown largely reflects lingering uncertainty and protectionist pressures, even though the tariff impact has been smaller than initially anticipated.

Risks to the outlook continue to lean to the downside, as noted in previous reports. Extended policy uncertainty could weigh on consumption and investment, while further escalation of protectionist measures including non-tariff barriers may hinder investment, disrupt supply chains and constrain productivity growth.

1.1 Top Global Economies and Growth Trend:

Chart: Real GDP growth rate of top metal consumers of the world



Source: IMF, ICRA Analytics

Note: E- Estimated for CY2025, F-Forecasted; data from CY2026-2030 are forecasted

Table: India v/s Other Economies (Real GDP, Y-o-Y % change)

Real GDP growth (Annual percent change)	2018	2019	2020	2021	2022	2023	2024	2025(E)	2026(F)	2027(F)	2028(F)	2029(F)	2030(F)
World	3.6	3.0	-2.7	6.6	3.8	3.5	3.3	3.2	3.1	3.2	3.2	3.2	3.1
United States	3.0	2.6	-2.1	6.2	2.5	2.9	2.8	2.0	2.1	2.1	2.1	1.9	1.8
Euro area	1.8	1.6	-6.0	6.4	3.6	0.4	0.9	1.2	1.1	1.4	1.3	1.2	1.1
Japan	0.6	-0.4	-4.2	2.7	1.0	1.2	0.1	1.1	0.6	0.6	0.6	0.5	0.5
Korea	3.2	2.3	-0.7	4.6	2.7	1.6	2.0	0.9	1.8	2.2	2.2	2.0	1.9
China	6.8	6.1	2.3	8.6	3.1	5.4	5.0	4.8	4.2	4.2	4.0	3.7	3.4
India	6.5	3.9	-5.8	9.7	7.6	9.2	6.5	6.6	6.2	6.4	6.5	6.5	6.5

Source: IMF, ICRA Analytics

Notes: E- Estimated; F- Forecasted; 2025 data is estimated, data from 2026-2030 are forecasted

India remains the world’s fastest-growing major economy, with real GDP growth accelerating from around 7.6% in CY 2022 to approximately 9.2% in CY 2023. Growth then eased to about 6.5% in CY 2024, as post-pandemic pent-up demand subsided and the economy aligned with its potential. In its October 2025 World Economic Outlook, the IMF raised its CY 2025 growth forecast for India to 6.6%, up from earlier estimates, due to strong Q1 momentum and sustained domestic demand even amid US tariff pressures.

The medium-term outlook is more tempered: growth is projected to moderate to 6.2% in CY 2026, acknowledging the fading of one-off momentum and lingering global headwinds. These forecasts, slightly above recent trend rates, reflect the underlying resilience of India's economy including robust private consumption, expanding manufacturing and services sectors, and elevated public and private investment. Still, risks stemming from persistent global uncertainties and trade tensions continue to temper the outlook.

Looking ahead, growth is expected to stabilize around 6.5% annually through CY 2030, underpinned by ongoing structural reforms, infrastructure build-out, and demographic benefits although elevated global risks may cap upside potential.

1.2 Upside trends impacting Global Economy:

1. **Declining Inflation in Advanced Economies:** In advanced economies, inflation is steadily declining and nearing central bank targets, which is paving the way for more supportive monetary policies. The IMF's January 2026 Outlook forecasts global inflation to fall further in 2026, with advanced economy inflation nearing ~2% targets. However, U.S. inflation is moderating more gradually. This easing inflation boosts real incomes by reducing the cost of living, thereby enhancing consumer purchasing power and stimulating demand. This cooling inflation is improving real household incomes, supporting demand and reducing financial stress.
2. **Resilient Consumer Demand:** Resilient consumer demand continues to be a key driver of global economic growth, particularly in major economies. Strong household consumption is being fuelled by improved real incomes, easing inflation, and stable labour markets. Additionally, pent-up demand from the pandemic period is still unfolding, as consumers resume spending on goods and services that were previously deferred. This sustained demand is helping to support business revenues, investment activity, and overall economic momentum, even amid broader macroeconomic uncertainties.
3. **Infrastructure and Development Spending:** Governments across the globe, particularly in emerging markets like India, are ramping up infrastructure and development spending to stimulate long-term economic growth. Asia is set to capture close to two-thirds of all global outlays between 2026 and 2040, led by China, India, and the ASEAN economies. These investments span transportation, energy, digital connectivity, and urban development, creating a multiplier effect on the economy. By improving productivity, enabling smoother logistics, and attracting private investment, infrastructure projects not only enhance economic efficiency but also generate substantial employment opportunities. This strategic focus on development is helping countries build more resilient and inclusive economies, laying the foundation for sustained growth over the coming years.
4. **Technological breakthroughs:** The global transition to renewable energy and breakthroughs in technologies like batteries and critical minerals are opening new avenues for growth. At the same time, rapid advancements in Artificial Intelligence especially large language models and generative transformers are pushing technological boundaries. While these innovations promise higher productivity and advanced capabilities, they may cause short-term labour market disruptions, particularly in emerging economies, giving advanced economies a competitive edge.

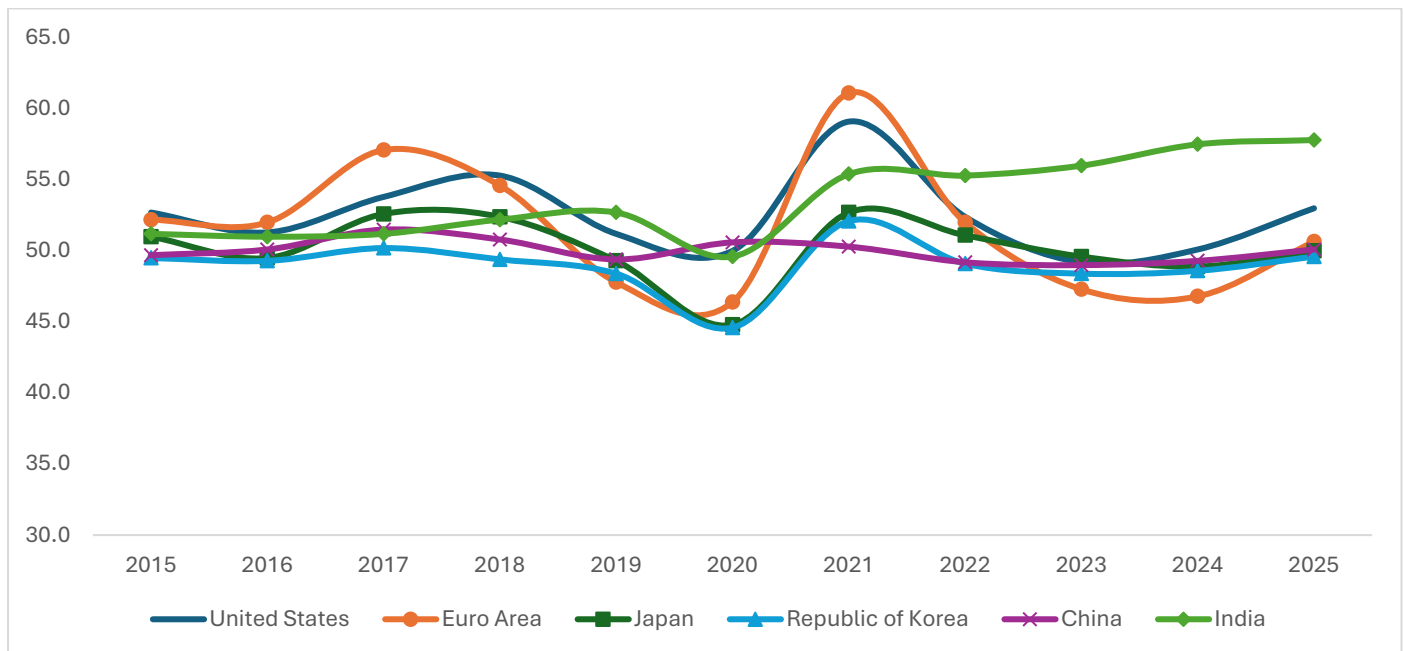
1.3 Key Macro-Economic challenges impacting global economy:

1. **Geopolitical Tensions and Trade Disruptions:** Global geopolitics in 2026 has become increasingly volatile, reshaping the global trade and supply-chain landscape through overlapping economic, security, and policy shocks. Rising protectionism, tariff-oriented policy shifts, and escalating geopolitical tensions have collectively reduced the predictability of cross-border commerce. These pressures are evident in slowing global trade growth, intensifying protectionist actions, and heightened tariff uncertainty across major markets. The situation has been further aggravated by renewed tensions in the Middle East, which led to a major disruption at the Strait of Hormuz, a critical global chokepoint, temporarily halting maritime traffic, leaving an estimated 200 oil tankers stranded, and causing sharp increases in freight and energy costs that heightened inflation risks worldwide. Taken together, these developments point toward a more fragmented and unpredictable trading environment, where geopolitical flashpoints and policy volatility have turned logistical chokepoints and trade disruptions into persistent structural risks rather than isolated events.
2. **Persistent Core inflation:** Core inflation in several major economies has remained stubbornly high, contrary to expectations. This persistent inflation raises the risk of further interest rate hikes, which could lead to a decline in asset prices and tighter financial conditions, potentially slowing economic growth.
3. **Elevated Debt Levels:** Elevated debt levels remain a critical vulnerability for the global economy in 2026, with both advanced and emerging markets experiencing record-high public and private borrowing. In the U.S., national debt has reached record levels, adding pressure on future budgets and raising concerns about long-term financial sustainability. IMF

data shows global public debt hovering close to 94% of world GDP, reflecting persistent deficits and rising interest burdens. These debt dynamics pose risks to economic stability, especially if borrowing costs remain elevated or global growth slows further.

4. **Weakening in China:** China’s economic slowdown, largely driven by a weakened real estate sector, is likely to reduce domestic demand and intensify disinflationary pressures. This decline in demand could spill over to its major trading partners, potentially impacting global trade flows and economic growth, making it a significant macroeconomic challenge for the global economy.

Chart: Manufacturing PMI trends across these 5 consuming regions including India:



Source: Trading Economics, ICRA Analytics

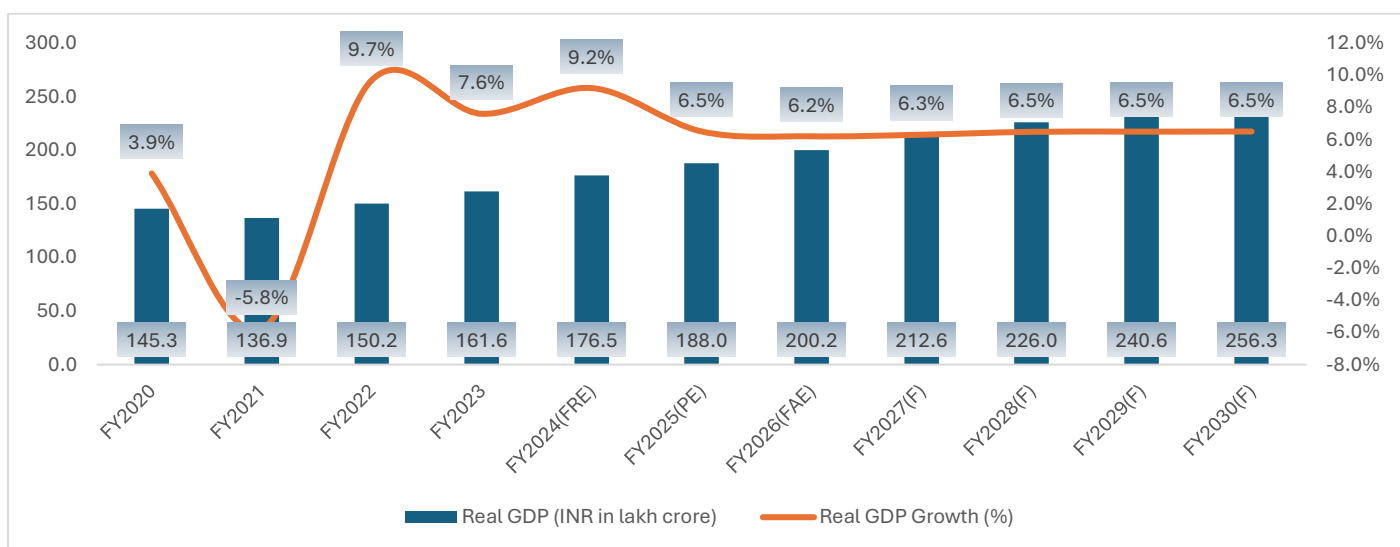
India remains the bright spot in terms of manufacturing trends across the globe, with an average manufacturing PMI of 57.5 and 57.8 points for CY2024 and CY2025 (yearly average) respectively, as against near 50 point or below 50 points levels reported by other key economies. As per Trading Economics, PMI will reach 58.0 points by the end of this quarter and is forecasted to be around 53.0 points in 2027.

1.4 Macro-economic Overview:

1.4.1 GDP Trend & outlook:

India’s real Gross Domestic Product (GDP) for FY2025 is estimated to grow by 6.5%, as per the Provisional Estimates (PE) released in May 2025 by the National Statistical Office (NSO) under the Ministry of Statistics and Programme Implementation (MoSPI). This marks a slight upward revision from the 6.4% forecast published in January 2025. The real GDP is projected to reach approximately 188 trillion. In comparison, India registered a robust 9.2% growth in FY2024, following 7.6% in FY2023, making it the third consecutive year of growth above 7%. This strong performance has been driven by resilient domestic demand, favorable demographics and ongoing structural reforms. Furthermore, India’s increasing role in global trade, investment and innovation, coupled with the government’s continued emphasis on infrastructure and economic development, has reinforced this momentum. Looking ahead, the International Monetary Fund (IMF) expects India to remain the fastest-growing major economy, with annual growth projected at around 6.5% between FY2028 and FY2031.

Chart: Historical trend and projection of Real GDP of India (INR lakh crore)- Base year (2011-12)



Source: RBI, IMF, ICRA Analytics

Note: F-Forecasted; E- Estimated

Data from FY2026-2031F are forecasted from IMF

FY2025(E) is the provisional Estimates released by the National Statistical Office (NSO)

The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) has revised its forecast for India's real GDP growth to 7.4% for FY2026, as announced by Governor Sanjay Malhotra on Friday, January 6. This upward adjustment, though modest, reflects strengthened confidence in domestic demand despite persistent global trade headwinds and financial market uncertainties.

While the RBI continues to acknowledge signs of softening economic momentum toward the latter part of the fiscal year, the updated forecast remains higher than earlier projections. Correspondingly, the quarterly outlook has also been revised upward, with growth now expected at 6.9% in Q1 and 7.0% in Q2, compared to the prior estimates of 6.7% and 6.8%, respectively. These revisions signal the central bank's optimism about sustained economic resilience supported by steady consumption and improving investment conditions.

Table: Real GDP growth forecasted by Reserve Bank of India

Real GDP Growth (at constant 2011-12 prices)	FY2025 E	FY2026 F			FY2027 F	
% change	(E)	Q3 (F)	Q4 (F)	(F)	Q1 (F)	Q2 (F)
GDP at market prices	6.5*	7.0	6.5	7.4	6.9	7.0

F- Forecasted; E- Estimated

Source: RBI, ICRA Analytics

1.4.2 Growth drivers:

1.4.2.1 Rise in per capita income:

Per capita domestic GDP measures the country's economic output per person while per capita Gross National Income (GNI) stands for the final income of the country in a year per person. In FY2025 the per capita GDP (at 2011-2012 prices) increased by 5.5% from Rs 1.26 lakh in FY2024 to Rs 1.33 in FY2025. For the same period, the per capita GDP at current prices increased by 8.8% from Rs 2.15 in FY2024 to Rs 2.34 lakh in FY2025. Similarly at 2011-2012 prices per capita GNI, NNI and PFCE all increased by 5.4%, 5.4% and 6.2% respectively while at current prices the increase was recorded at 8.7%, 8.7% and 10.9% respectively.

Table: Per capita GDP, GNI, NNI and PFCE

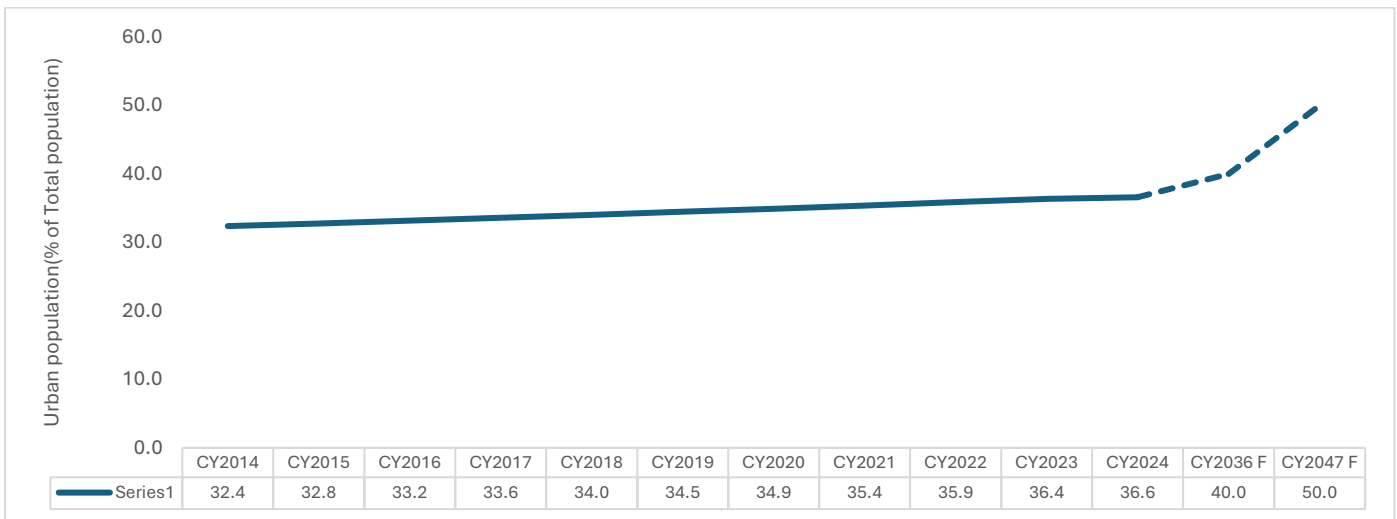
Per Capita Income, National Product and Final Consumption (at 2011- 12 Prices)					
Item	2023-24 (FRE)	2024-25 (PE)	2025-26 (FAE)	2024-25 (% change)	2025-26 (% change)
Per Capita GDP (₹)	1,26,528	1,33,501	1,42,119	5.5	6.5

Per Capita Income, National Product and Final Consumption (at 2011- 12 Prices)					
Item	2023-24 (FRE)	2024-25 (PE)	2025-26 (FAE)	2024-25 (% change)	2025-26 (% change)
Per Capita GNI (₹)	1,24,764	1,31,556	1,39,890	5.4	6.3
Per Capita NNI (₹)	1,08,786	1,14,710	1,21,968	5.4	6.3
Per Capita PFCE (₹)	71,016	75,423	80,017	6.2	6.1
Per Capita Income, National Product and Final Consumption (at current Prices)					
Item	2023-24 (FRE)	2024-25 (PE)	2025-26 (FAE)	2024-25 (% change)	2025-26 (% change)
Per Capita GDP (₹)	2,15,935	2,34,859	2,51,393	8.8	7.0
Per Capita GNI (₹)	2,12,981	2,31,462	2,47,487	8.7	6.9
Per Capita NNI (₹)	1,88,892	2,05,324	2,19,575	8.7	6.9
Per Capita PFCE (₹)	1,29,967	1,44,165	1,54,606	10.9	7.2

Source: MoSPI's First Advance Estimates (FAE), ICRA Analytics

1.4.2.2 Rapid urbanisation:

Chart: Urban population of India (as % of Total population)



Source: World Bank, ICRA Analytics

India's urban population percentage out of total population has seen an uptick from 28.9% in CY2004 (~31.9 crore) to 36.6% in CY2024 (reaching around 51.2 Crores). Over the past two decades, India has seen a steady growth in urban population. Furthermore, rural areas are gradually transitioning themselves and adapting urban characteristics in recent years.

India is urbanizing rapidly and by 2036, an estimated 60 crore people will be residing in town and cities. This figure is equivalent to 40% of the total population, increasing from the ~36% recorded in 2023. Almost 70% of the contribution in GDP will come from urban areas.

Urbanisation till 2047, will depend how well India is fulfilling its role in becoming a developed country. However, 70% of the urban infrastructure required by 2047 is yet to be constructed, thereby requiring more investments. India will require \$840 billion in infrastructure- an average of \$55 billion or 1.2% of GDP per annum. As per estimates, the total capital expenditure averaged at 0.6% of GDP, thus highlighting that the country lacks half the required quantum for capital expenditure. Hence private financing would play a major role decreasing reliance on government funding. The percentage of central and state government financing stands at 72%, which is much higher than commercial financing, forming only 5%.

1.4.2.3 Government policy boost:

India's fiscal policy ensures that the domestic economy is more resilient to exogenous shocks and demonstrates the ability to mitigate the risks of global economic downturn without compromising the overall macroeconomic balances. The FY2026 fiscal strategy of the government is based on the following broad aims:

- Prioritizing infrastructure expansion and fiscal consolidation by reducing the fiscal deficit and increasing capital expenditure. The fiscal deficit is projected to decline from 4.8% of GDP in FY2025 to 4.3% in FY2026. The government

is also shifting its fiscal consolidation strategy from focusing solely on deficit reduction to managing the debt-to-GDP ratio more effectively.

- Promoting a more inclusive, sustainable, and resilient domestic economy capable of absorbing unforeseen shocks. To maintain momentum in infrastructure development, additional resources are being directed toward capital investments. The medium-term plan prioritizes reducing the central government debt-to-GDP ratio to 50% by March 2031, from 55.6% currently.
- Enhancing public infrastructure through a comprehensive approach to fiscal federalism, actively supporting state-level capital expenditure initiatives.
- Adopting the principles of PM Gati Shakti, with a focus on integrated and coordinated planning and execution of infrastructure projects across sectors.
- Budget prioritizes infrastructure in large and mid-sized cities, including Tier-2 and Tier-3 centres, to boost employment, logistics efficiency, and private investment.
- Prioritizing key development sectors such as drinking water, housing, sanitation, green energy, healthcare, education, agriculture, and rural development to foster sustainable and inclusive improvements in citizens' quality of life.
- Improving cash management efficiency through just-in-time resource allocation using mechanisms like the Single Nodal Agency and Treasury Single Account systems.

1.4.3 Gross Value Added (GVA) growth trends:

The value addition by the supply side to the economy is primarily measured by the GVA parameter. This GVA (at 2011-12 Prices) witnessed an aggregate growth of 7.2% in FY2024 from 6.7% in FY2023. Industrial growth GVA witnessed growth of 9.7% in FY2024 after it dipped by 0.6% in FY2023.

Table: Real Growth in Gross Value Added in the past 5 years, Base year (2011-12)

Real GVA Growth (in %)	FY 2021	FY 2022	FY 2023	FY 2024 (FRE)	FY 2025 (PE)
Agriculture, Forestry and Fishing	4.0	4.6	6.3	2.7	4.6
Industry	1.1	9.6	(0.0)	11.0	4.5
Mining and Quarrying	(8.2)	6.3	3.4	3.2	2.7
Manufacturing	3.1	10.0	(1.7)	12.3	4.5
Electricity, Gas, Water Supply and Other Utility Services	(4.2)	10.3	10.8	8.6	5.9
Services	(7.9)	10.6	10.2	9.2	7.9
Construction	(4.6)	19.9	9.1	10.4	9.4
Trade, Hotels, Transport, Communication and Services Related to Broadcasting	(19.9)	15.2	12.3	7.5	6.1
Financial, Real Estate and Professional Services	1.9	5.7	10.8	10.3	7.2
Public Administration, Defence and Other Services	(7.6)	7.5	6.6	8.8	8.9
GVA at Basic Prices	(4.1)	9.4	7.2	8.6	6.4

Source: RBI, ICRA Analytics

FRE: First Revised Estimates

PE: Provisional Estimates

India's real Gross Value Added (GVA) growth for the fiscal year 2024–25 (FY2025) is estimated at 6.4%, according to provisional estimates released by the National Statistical Office (NSO) on 30th May 2025. This marks a moderation from the 8.6% growth recorded in FY2024.

The agriculture and allied sector have become a key contributor to economic growth, with real Gross Value Added (GVA) projected to increase by 4.6% in FY2025, up from 2.7% in FY2024. At the same time, the construction sector is expected to register a robust 9.4% growth, driven by accelerated infrastructure development. Likewise, the financial, real estate, and professional services sector is projected to grow by 7.9%, reflecting strong momentum in business and real estate activities. These sectoral trends suggest that while overall GVA growth has moderated, agriculture showed strong growth momentum while construction and services continue to exhibit strong performance, contributing positively to the economy's resilience.

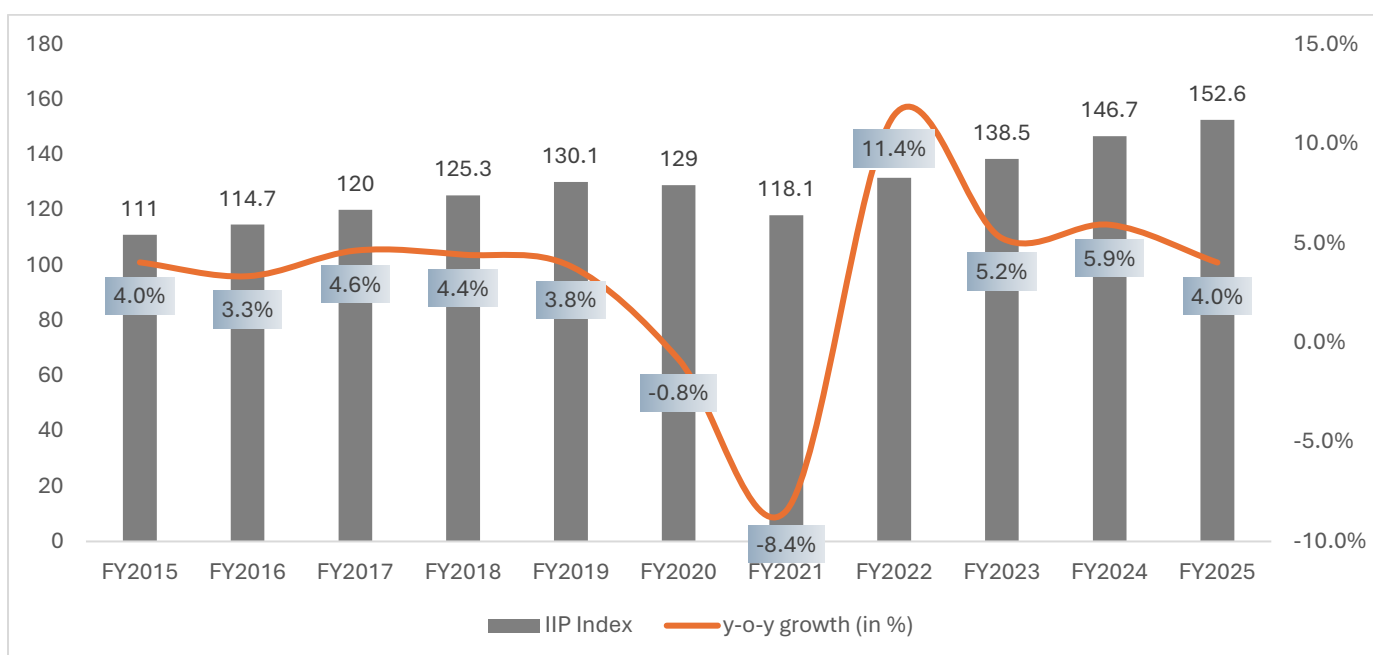
1.4.4 Inflation trends:

Over the past year, retail inflation, headline inflation, inflation across the miscellaneous grouping and core inflation all experienced a steady decline. India's gross fiscal deficit (GFD) dropped to Rs 15.8 lakh crore in FY 2024–25, surpassing the budget estimate of Rs 16.1 lakh crore. As a result, the fiscal deficit narrowed to 4.8 % of GDP, compared to 5.6 % in FY 2023–24 a feat achieved through disciplined spending, robust revenue generation, enhanced tax compliance and strong GST collections. Meanwhile, foreign exchange reserves reached historic highs, climbing to USD 688.1 billion by end-April 2025.

1.4.5 Industrial Growth:

India's industrial sector recorded healthy growth in FY2025, supported by robust corporate earnings driven by lower input costs and proactive government initiatives such as Make in India, Startup India, and Digital India. The Index of Industrial Production (IIP) grew by 4.0% in FY2025, compared to 5.9% in FY2024. The manufacturing sector showed year-on-year growth in 17 out of 23 industry groups, with significant contributions from electrical equipment, transport equipment, furniture, and basic metals. Additionally, all user-based categories registered annual growth. Looking ahead, India's manufacturing sector is projected to reach USD 1 trillion by FY2025-26, primarily fuelled by investments in automobiles, textiles, and electronics.

Chart: IIP growth trend (on year, in %)



Source: MOSPI, ICRA Analytics

1.5 Concluding remarks:

The Indian economy witnessed significant growth in FY2025 and continues to maintain strong economic momentum in FY2026, driven by strong performance across various high-frequency indicators (HFIs) of domestic activity. Resilient and healthy macroeconomic fundamentals played a crucial role in propelling the economy forward, despite facing both domestic and global challenges. A robust demand environment in both consumption and investment segments served as a key growth driver, supported by substantial capital expenditure by the government. Throughout FY2026, the government continues to sustain strong capital expenditure momentum, public capital expenditure is proposed to be increased by ~9% from FY2025-26 (Budget Estimates) to ₹12.2 lakh crore in FY 2026-27. Public capex has increased manifold from ₹2 lakh crore in FY 2014-15, with now supporting ongoing expansion in manufacturing, construction, and industrial activity.

Year-on-year inflation rate based on All India Consumer Price Index (CPI) with base year 2024 for the month of January 2026 over January 2025 is 2.75% (Provisional). The CPI inflation projection for FY26 was pegged at 2.1 percent from 2 percent earlier. The slight upward revision in the inflation outlook is primarily due to increase in prices of precious metals, which contribute about 60-70 basis points. The underlying inflation continues to be low. On the fiscal front, by February 2026, gross GST revenue stood at ₹1.83 lakh crore, marking an 8.1% year-on-year increase, while cumulative GST collections for FY26 had reached ₹20.27 lakh crore, up 8.3% from the previous year, reflecting sustained consumption, improved compliance, and a maturing GST ecosystem.

This growth was supported by ongoing efforts to streamline the tax system through lower rates, digitization of tax filing, and rationalization of tariff structures. These reforms are expected to enhance tax buoyancy, further enabling the government to sustain its capital expenditure momentum.

The industry and services sectors continued to perform strongly, acting as the primary engines of growth in FY2026. India also maintained its position as the fastest-growing major economy during this period, outperforming both advanced and emerging market peers. According to the International Monetary Fund (IMF), India is on track to become the third-largest economy by calendar year 2027.

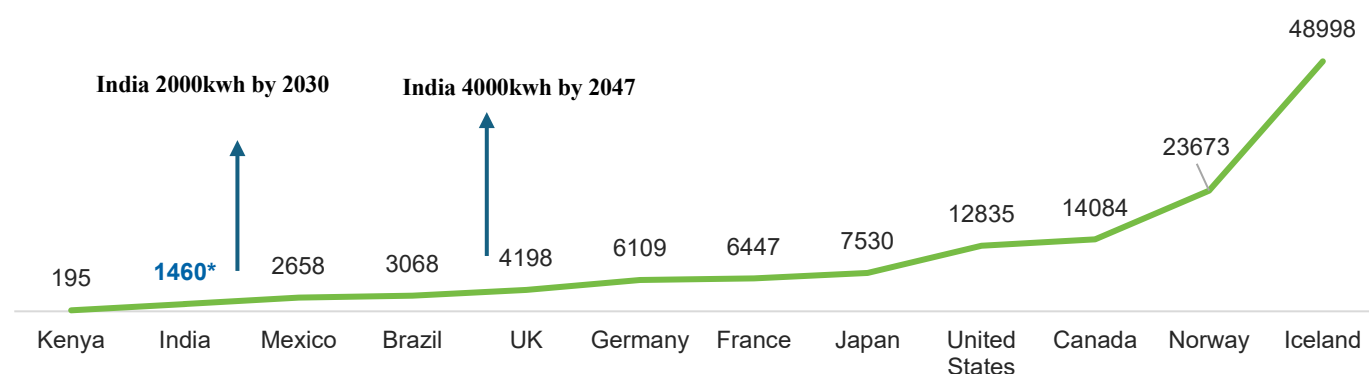
During FY2026, India’s external position strengthened significantly, supported by record-high foreign exchange reserves rather than explicit rupee stability. Forex reserves climbed to an all-time high of USD 728.5 billion in the week ending February 27, 2026, driven by increases in foreign currency assets and gold holdings. Indian Rupee (INR) has faced significant downward pressure, due to continuous trade deficit, largely due to high crude oil imports, electronics, and gold, has created a long-term demand for foreign exchange, placing sustained pressure on the rupee. Despite global geopolitical tensions and volatile commodity markets, India remained among the fastest-growing major economies, India stands out with a strong real GDP growth outlook and a resilient economic foundation heading into FY2027.

2. Power

2.1 Global overview:

According to IEA’s (International Energy Agency) mid-year update 2025, global electricity demand is forecast to grow by 3.3% in 2025 and 3.7% in 2026, moderating from 4.4% in 2024 but still among the highest growth rates in the past decade. This marks a slight downgrade from the February 2025 forecast (4% for 2025 and 3.8% for 2026), largely due to the IMF’s weaker global GDP outlook amid trade tariff and economic uncertainties. Despite these risks, rising demand from industries, air conditioning, data centres, and electrification will drive consumption to a record 29,000 TWh in 2026.

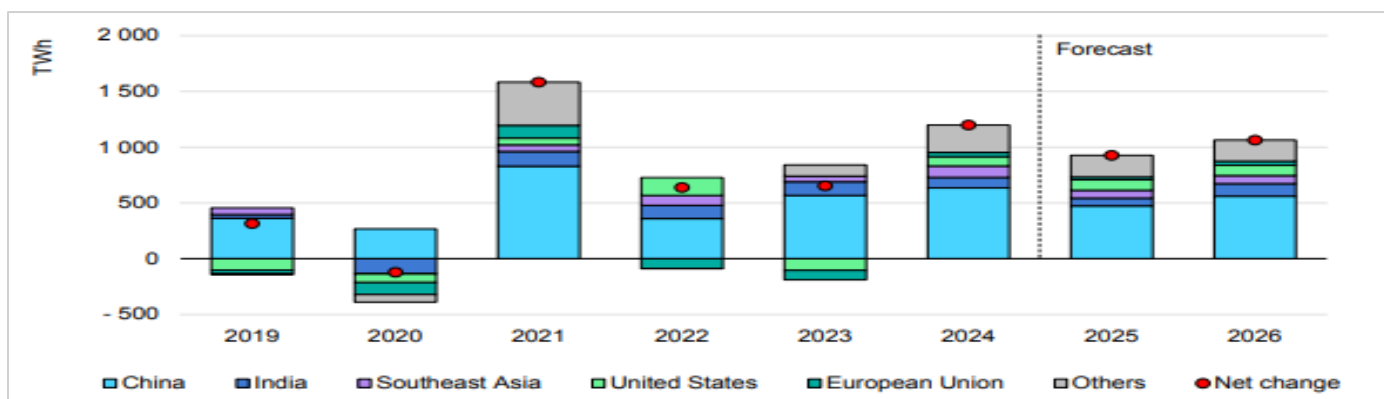
2024 Power Consumption (kwh/capita)



*FY25 data PIB (Govt of India) <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2215187®=3&lang=2>
Source: World Bank Group

China and India, after strong surges in 2024 driven by heatwaves and industrial activity, are expected to post more moderate demand growth in 2025. In contrast, the US will see faster growth, fueled by expanding data centers. The EU, meanwhile, will continue its modest recovery, as industrial demand remains below pre-decline levels.

Chart: Year-on-year change in electricity demand in selected regions, 2019-2026



Source: IEA, ICRA Analytics

Note: Data for 2025 and 2026 are forecast values.

Data from the U.S. Energy Information Administration showed that in 2023, China was the largest electricity consumer with 8,928 TWh, followed by the United States (4,085 TWh) and India (1,500 TWh)

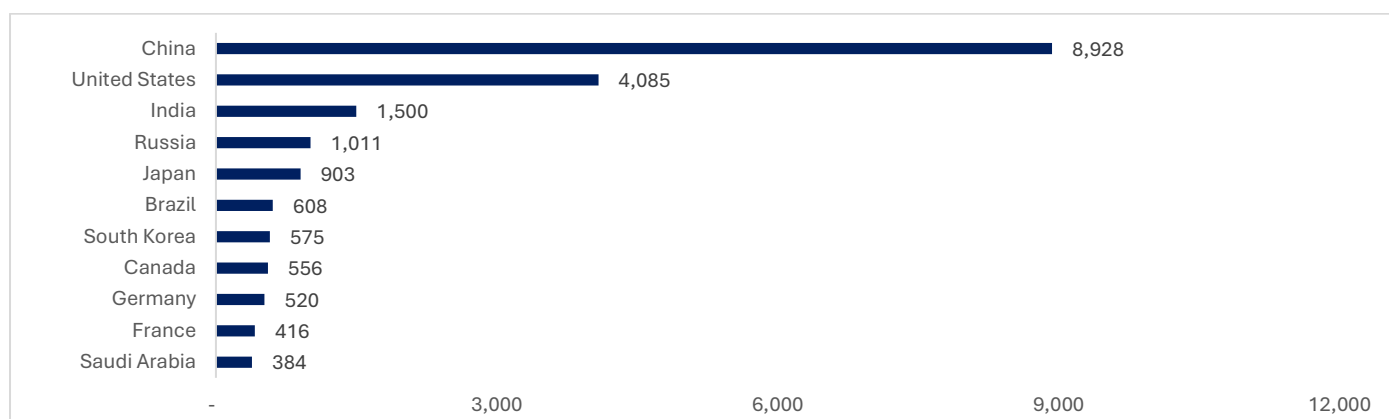


Chart: Electricity Net Consumption (billion kWh) for 2023

Source: U.S. Energy Information Administration, ICRA Analytics

2.2 Domestic overview:

2.2.1 Evolution of the Indian Power Sector:

The Indian power sector has witnessed significant transformation over the past decade. Major strides have been made in enhancing the country's power generation capacity, improving electricity access, expanding renewable energy and implementing several policy initiatives aimed at strengthening energy security and sustainability. Some of the key achievements and initiatives that have propelled India's power sector forward are as follows:

- Expansion in generation capacity:** India's power sector has transitioned from a power-deficit to a power-surplus situation through the addition of substantial generation capacity over the past decade. Total installed power capacity increased from around **305 GW in 2015–16 to about 476 GW as of June 2025**. Electricity shortages have also reduced sharply from **4.2% in FY2013-14 to about 0.1% in FY2024-25**. Recent capacity additions have been driven largely by renewable energy, and the country's installed capacity **crossed ~520 GW by January 2026**. As on Jul'25 (*NITI Aayog, ICRA*) installed capacity for Fossil 52% and Non Fossil 48% with key players in fossil being Vedanta Power, NTPC, Adani Power, Tata Power, JSW Energy while non-fossil key players include NPCIL, Adani Green and NTPC Green
- Nuclear Power Generation:** The Shanti Act, 2025 provides opportunities for Private companies to take part in Nuclear Power Generation. This Act will help India's aim to achieve 100GW Nuclear Capacity by 2047. Nuclear Power Corporation of India Limited ("NPCIL") currently operates ~9GW of Nuclear Power Generation capacity.
- Energy Storage Systems:** As per the National Electricity Plan (2023) published by the Central Electricity Authority (CEA), a requirement of 208 GWh of Battery Energy Storage Systems (BESS) has been projected by 2030. In this regard, VGF scheme of 30 GWh, funded through ₹5,400 crore from the power system development fund (PSDF) at VGF of Rs 18 lakhs/MWh was approved on Jun'25 by Govt. of India.

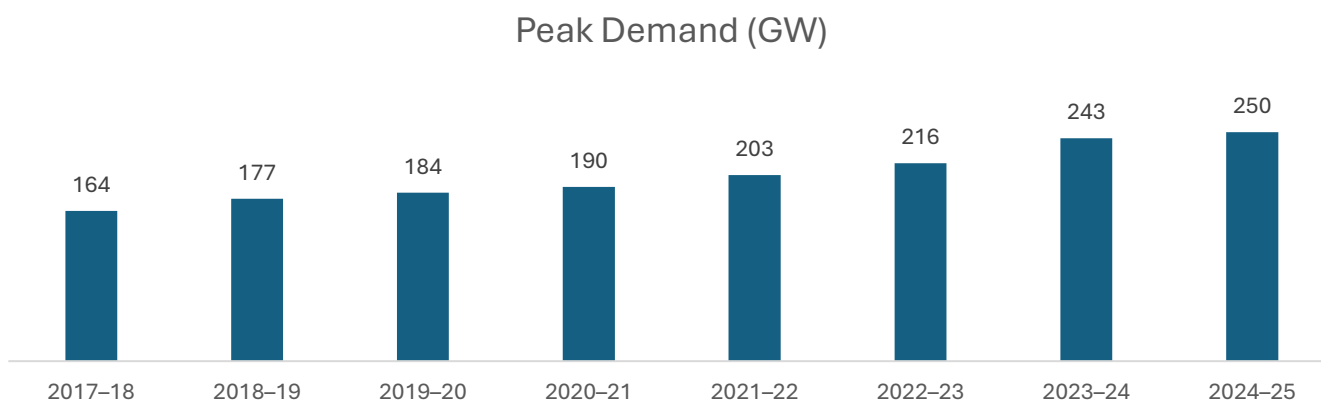
(Source: https://powermin.gov.in/sites/default/files/VGF_PSDF_order_dated_9June2025.pdf, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2246898®=3&lang=2>)

4. **Expansion of electricity access:** Around **2.8 crore households in rural and urban areas were electrified under the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya)**. According to the International Energy Agency (IEA), this represents one of the fastest expansions of electricity access globally. During the same period, **per capita electricity consumption increased to about 1,395 kWh in FY2023-24 from 957 kWh in FY2013-14**, reflecting rising energy demand from households and industry.
5. **Village electrification:** The **Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)**, launched in 2014, achieved **100% village electrification on April 28, 2018**, with electrification of **18,374 previously un-electrified villages**, significantly strengthening rural power infrastructure.
6. **Energy efficiency initiatives:** The **Unnat Jyoti by Affordable LEDs for All (UJALA)** scheme played a key role in promoting energy efficiency. The procurement price of LED bulbs declined by nearly **90% between 2014 and 2019**, from about **Rs 310 to Rs 39.90**, while **over 36 crore LED bulbs** have been distributed under the scheme, leading to significant reductions in electricity consumption and consumer electricity bills.
7. **Distribution sector reforms:** The **Revamped Distribution Sector Scheme (RDSS)** focuses on improving financial and operational efficiency of distribution companies through smart metering, loss reduction and infrastructure modernization, helping to reduce aggregate technical and commercial (AT&C) losses across several states. In addition, Delhi, Odisha, Maharashtra, Gujarat, West Bengal are leading the way in shifting the focus from state-owned to private power distribution.
8. **Growth of renewable energy programmes:** Recent initiatives such as **PM-Surya Ghar: Muft Bijli Yojana** (rooftop solar for households), **PM-KUSUM** (solarisation of agricultural pumps), and **production-linked incentive (PLI) schemes for solar PV modules** are accelerating renewable deployment and strengthening domestic manufacturing in the solar value chain.
9. **Evolving energy mix:** While renewable and non-fossil sources have expanded rapidly, now accounting for **nearly half of India's installed power capacity** wherein thermal power continues to play a dominant role in meeting base-load demand. **Thermal capacity stands at around 240 GW (about 50.5% of installed capacity)**, with coal contributing more than **90% of thermal generation capacity**.

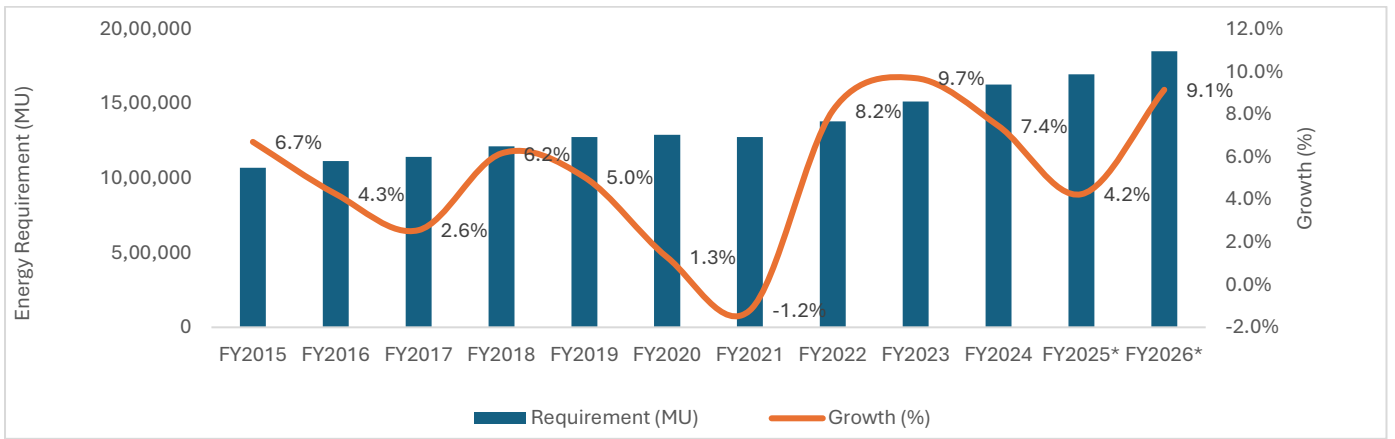
2.2.2 Domestic Electricity Demand & Generation:

As per the Central Electricity Authority (CEA), all-India electricity demand rose by 7.4% year-on-year in FY2024, reaching 16,26,132 MU. This growth was largely driven by the delayed onset of monsoons, uneven rainfall across the country, and resilient economic activity. In FY2025, electricity demand is estimated at 16,95,188 MU, marking a growth of 4.2% over the previous year. Looking ahead, demand is projected to accelerate further, with requirements expected to reach 18,50,211 MU in FY2026, reflecting a strong 9.1% increase over FY2025.

Chart: All India Energy Requirement



Source: CEA 2024-25 Annual Report

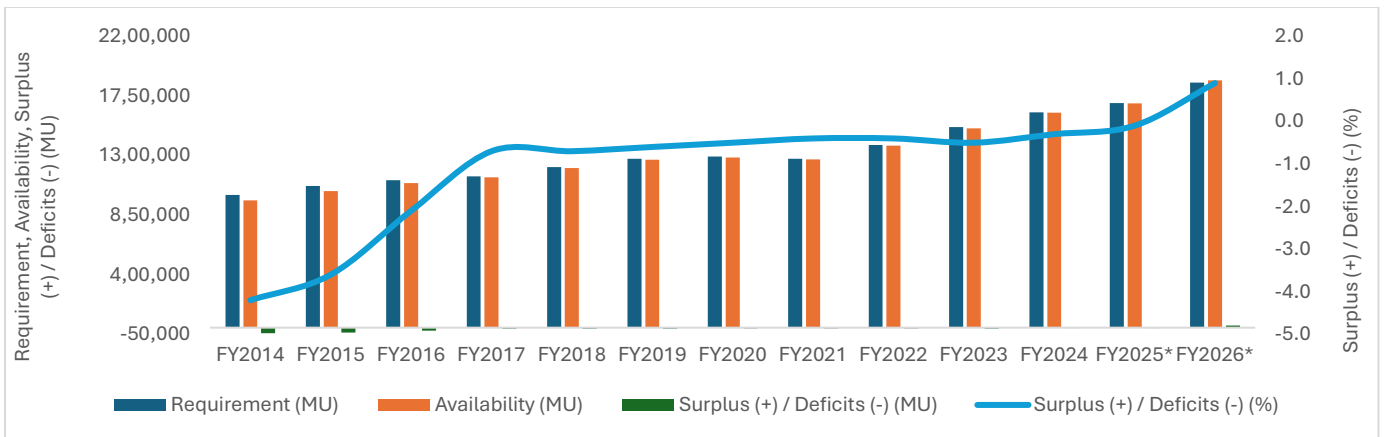


Source: CEA, ICRA Analytics

Note: *Data for March 2025 is provisional and anticipated for 2025-26

The power supply position of the country also remained favorable as availability of power was almost in line with power requirement for the last eight years. Deficit level of the country came down to 0.1% in FY2025 as compared to 4.2% in FY2014.

Chart: India's Power Supply Position



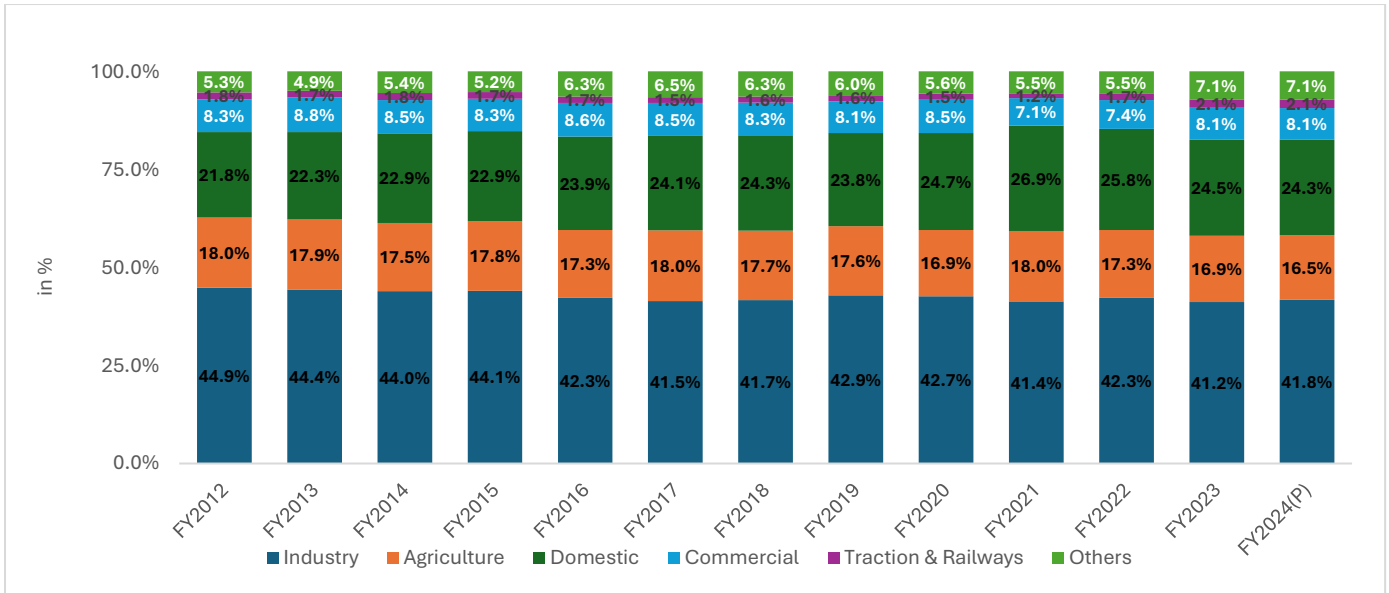
Source: CEA, ICRA Analytics

Note: *Data for March 2025 is provisional and anticipated for 2025-26

2.2.2.1 Consumption of Electricity by Sectors:

Out of the total consumption of electricity across the years, the industry sector accounted for the largest share followed by domestic and agriculture. These three accounted for more than 80% of the total electricity consumption.

Chart: Consumption of Electricity – Sector wise



Source: Central Electricity Authority. MoSPI Report on Energy Statistics India 2025, ICRA Analytics P - Provisional

2.2.2.2 Energy Requirement Region Wise:

According to CEA, energy requirement is expected to be the most for Northern region followed by Western region and Southern region in FY2027 and FY2032.

Table: Region-wise electricity demand projection

Region	Energy Requirement (in MU)		Peak Demand (in MW)	
	FY2027 (E)	FY2032 (E)	FY2027 (E)	FY2032 (E)
Northern	592,312	773,545	97,898	127,553
Western	596,793	763,198	89,457	114,766
Southern	460,853	596,557	80,864	107,259
Eastern	232,971	308,103	37,265	50,420
North Eastern	24,904	32,373	4,855	6,519
All India	1,907,835	2,473,776	277,201	366,393

Source: CEA, ICRA Analytics, E - Estimate

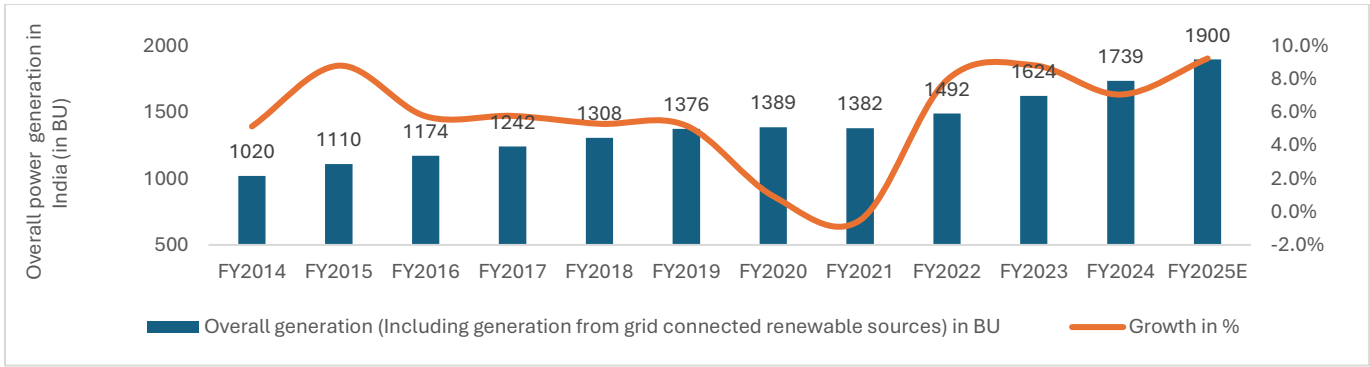
2.2.2.3 Healthy growth in peak demand:

The peak demand reached an all-time high of 250 GW in FY2025 as against 153 GW in FY2016. The peak demand went up on account of a sharp rise in demand during the summer season, caused by severe heat waves in different parts of the country. Demand growth in Karnataka also contributed to the same following the implementation of the free power scheme of up to 200 units. As per CEA, peak demand requirement for FY2027 is estimated at 2,77,201 MU with a CAGR growth in peak demand projected at 6.4% between FY2022-27.

2.2.2.4 Growth in total power generation:

According to the Ministry of Power, India's overall power generation, including renewables, rose from 1110.4 BU in FY2015 to 1739.8 BU in FY2024 at a CAGR of 5%. For FY2024-25, the target was 1900 BU, with actual generation reaching 1378.4 BU up to December 2024, compared to 1308.9 BU during the corresponding period last year, marking a 5.31% growth.

Chart: Overall generation (Including generation from grid connected renewable sources) in BU



Source: Ministry of Power Annual Report 2024-25, ICRA Analytics

The performance of Category wise generation during FY2025 is depicted below:

Table: Performance of Category wise generation during the year FY2025

Category wise	Growth	Quantum of Growth
Thermal	Increased by	2.8%
Nuclear	Increased by	18.4%
Large Hydro	Increased by	10.8%
Solar Wind & Other RES	Increased by	11.4%
Overall Generation	Increased by	4.9%

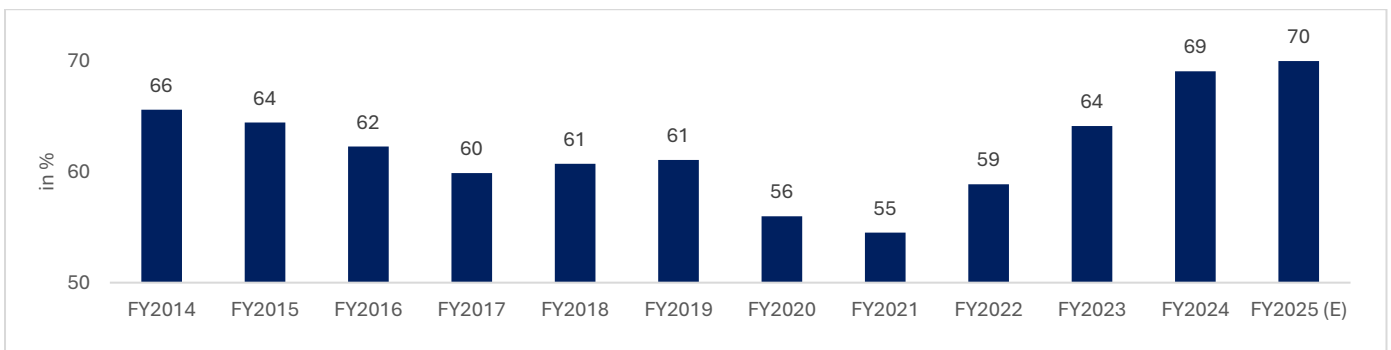
Source: Centre for Research on Energy and Clean Air, ICRA Analytics

2.2.2.5 Improved PLFs driven by healthy demand growth:

The all-India thermal PLF rose to 69.07% in FY2024 from 64.15% in FY2023 and 58.87% in FY2022. The improvement was driven by healthy demand growth, limited thermal capacity addition and decline in hydro power generation.

According to ICRA Ratings report, the PLF would remain above 69.0% in FY2025 in line with the demand expectation of 6% and limited thermal capacities getting added during the year. While sustained demand growth may improve the visibility on new PPAs for thermal projects, the growing share of renewable energy in the generation mix may keep the thermal PLFs under pressure over the long term.

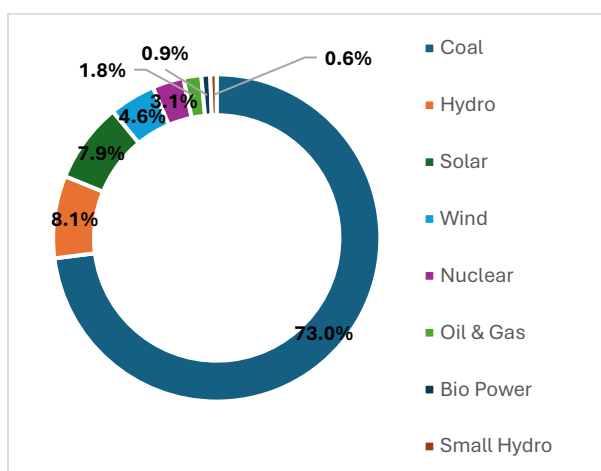
Chart: All India PLF (%)



Source: CEA, ICRA, ICRA Analytics E - Estimated

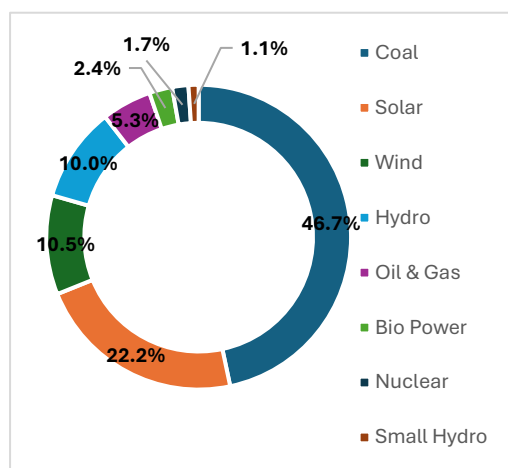
2.2.3 Capacity Addition trends:

Chart: Power Sources Mix – Generation FY25 (in %)



Source: NITI Aayog, Data as on July 2025 ICRA Analytics

Chart: Power Sources Mix – Installed Capacity (in %)



Source: NITI Aayog, Data as on July 2025, ICRA

India continues to depend heavily on coal for power generation, with 73% of the electricity generated from coal in FY25, amounting to 1,331,867 MU. Solar energy contributed 7.9% (144,150 MU), while hydro accounted for 8.1% (148,634 MU). Wind and nuclear sources followed with respective shares of 4.6% (83,347 MU) and 3.1% (56,681 MU), alongside smaller contributions from oil & gas (1.8%), bio power (0.9%), and small hydro (0.6%).

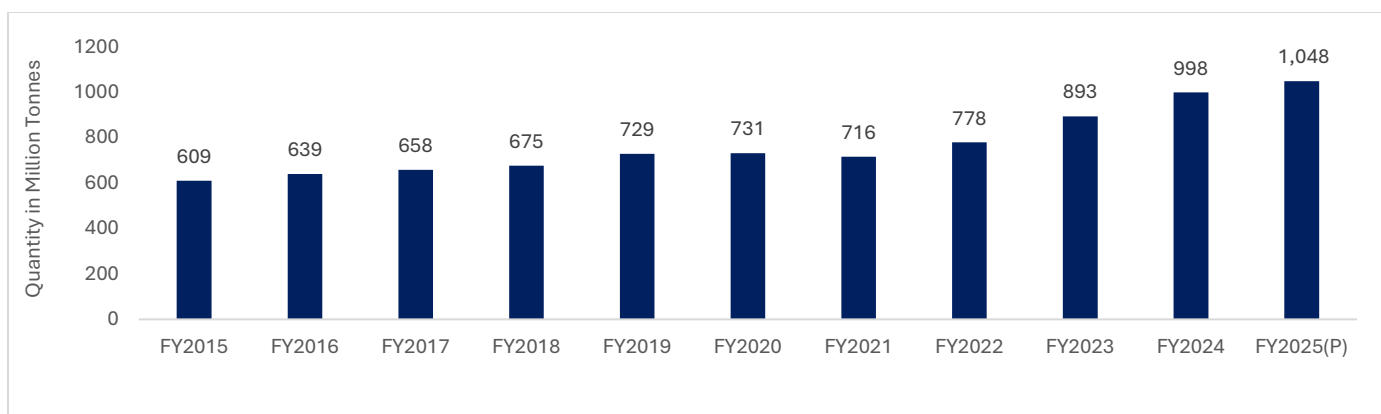
In terms of installed capacity as of FY25, coal’s share stood at 46.7%, marking a continued decline below the halfway mark. Solar energy has become the second-largest contributor with 22.2% of total capacity, followed by wind at 10.5% and hydro at 10.0%. Oil & gas contributed 5.3%, bio power 2.4%, nuclear 1.7%, and small hydro 1.1%.

2.2.4 Coal Supply trends:

The all-India domestic coal production during 2024-25 stood at 1,047.67 million Tons (MT) (Provisional), marking a growth of about 4.99% compared to 997.83 MT in 2023-24. Out of this, Coal India Limited (CIL) contributed 781.07 MT (Provisional), slightly higher than 773.81 MT in the previous year, recording a growth of 0.94%.

Coal production in the country has already crossed the 1 billion Tonne (BT) mark in FY2024-25. To further strengthen supply security, a production roadmap has been drawn up, with a target of 1 BT coal production from CIL alone by FY2026-27.

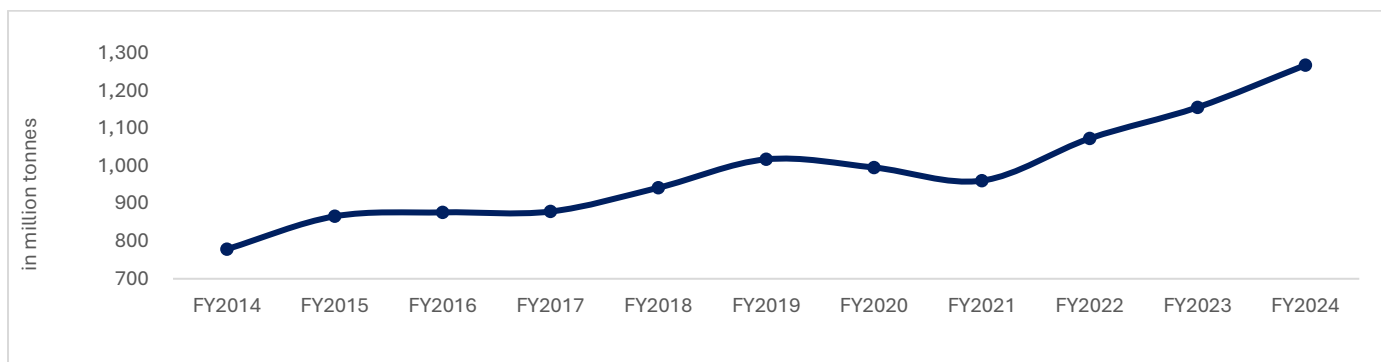
Chart: Coal Production during last ten years



Source: Ministry of Coal, ICRA Analytics, (P) - Provisional

Coal consumption in India has risen steadily over the past decade, barring the COVID-19 slowdown. It dipped to 996 MT in FY2020 and 961 MT in FY2021, but rebounded to 1,073 MT in FY2022 and further to 1,156 MT in FY2023. In FY2024, consumption touched a record 1,268 MT, reaffirming India’s position as one of the world’s largest coal producers and consumers.

Chart: Coal Consumption during last ten years



Source: NITI Aayog, Ministry of Coal, ICRA Analytics

The coal sector remains a crucial contributor to India’s energy mix, powering over 74% of the country’s electricity and sustaining key industries like steel and cement.

2.2.5 Market Drivers:

1. Growing Population

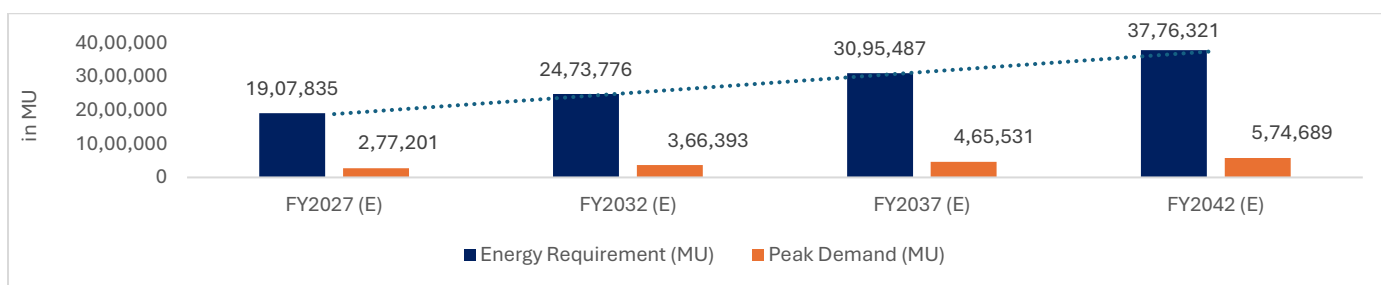
The Indian power sector is poised to benefit significantly from the country’s large and growing population along with sustained economic growth. India remains the most populous country in the world, accounting for around 17–18% of the global population. According to United Nations estimates, India’s population reached about 1,425,775,850 people in April 2023, surpassing China to become the world’s most populous nation. Recent UNFPA estimates indicate that India’s population has continued to grow and reached around 1.46 billion in 2025, maintaining its position as the largest population globally. Rapid urbanisation, expansion of housing and infrastructure, and rising disposable incomes are expected to drive higher demand for electricity across both urban and rural areas. Additionally, India has a relatively young demographic profile, with around 68% of the population in the working-age group (15–64 years), which supports strong economic growth and increased consumption of electricity. The expansion of the middle class and rising penetration of energy-intensive appliances such as air conditioners, refrigerators, and electric vehicles are also expected to further boost electricity consumption in the coming years.

2. Increasing Electric Demand and Consumption

Increasing electrification and per-capita usage is expected to provide further impetus to the Indian power sector. Per capita electricity consumption in the country stood at 1,161 kWh in FY2021, 1,255 kWh in FY2022, and further increased to 1,331 kWh in FY2023, reflecting a steady growth trend.

Summary of electricity demand projection shows that electrical energy requirement and peak electricity demand is expected to go up from the year FY2022 to FY2042 on all-India basis.

Chart 90: Electricity Demand Projection in India



Source: CEA, ICRA Analytics, E-Estimated

3. Improving Economic Activity

According to the International Monetary Fund (IMF), India is expected to remain the fastest-growing major economy over the next two years, with GDP projected to expand by 6.6% in 2025 and 6.2% in 2026. Although the April 2025 World Economic Outlook revised the 2025 forecast slightly downward due to global trade tensions and rising uncertainty, India's outlook remains robust, supported by strong domestic demand and a growing working-age population. This resilience underlines the strength of India's macroeconomic fundamentals and its increasing role as a key driver of global growth. Rising economic activity is also expected to directly fuel higher electricity demand from industrial, commercial, and residential segments, further boosting the Indian power sector.

4. Increasing Investment

The Indian power sector has been witnessing robust capital inflows, underlining its growing attractiveness to domestic and global investors. Foreign Direct Investment (FDI) equity inflows into the power sector have shown strong growth in recent years, rising from Rs 3,904 crore in FY2022 to Rs 5,483 crore in FY2023 and further to Rs 14,141 crore in FY2024, according to the Department for Promotion of Industry and Internal Trade (DPIIT). Investment momentum has continued into FY2025, particularly in the renewable energy segment, which attracted around US\$3.4 billion in FDI during FY2025, reflecting strong global investor interest in India's clean energy transition.

India has consequently emerged as one of the world's fastest-growing clean energy markets. Industry assessments indicate that the country attracts about US\$10–12 billion annually in renewable energy investments, with increasing focus on emerging segments such as green hydrogen, electric mobility, and battery storage.

Further, the National Electricity Plan (NEP) 2022-32 highlights a projected investment requirement of Rs 33.6 lakh crore in power generation capacity alone to meet electricity demand through 2032, underscoring the scale of capital deployment required across the sector. Investment momentum is also evident in large-scale projects. For instance, in April 2025, Avaada Group signed an agreement with the Maharashtra government to develop two pumped-storage projects, the 2,400 MW Pawana Falyan project and the 1,200 MW Sirsala project with a combined investment of about Rs 15,100 crore (US\$1.77 billion). Such investments are expected to expand India's power capacity, strengthen grid reliability through energy storage, and accelerate the country's transition toward cleaner and more sustainable energy systems.

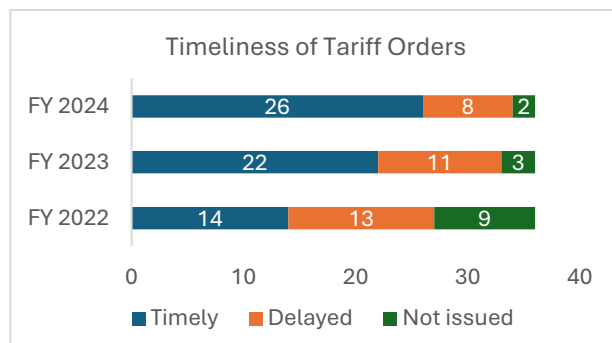
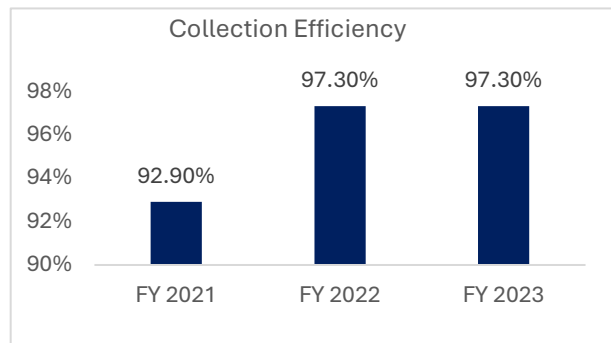
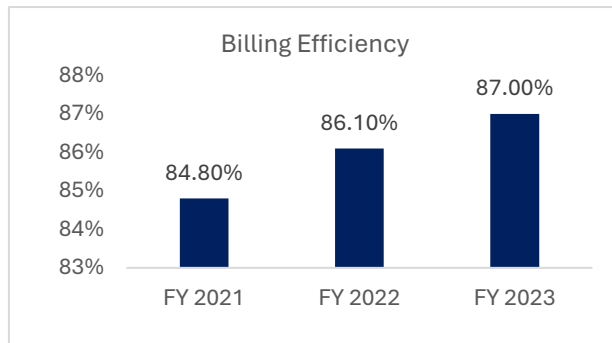
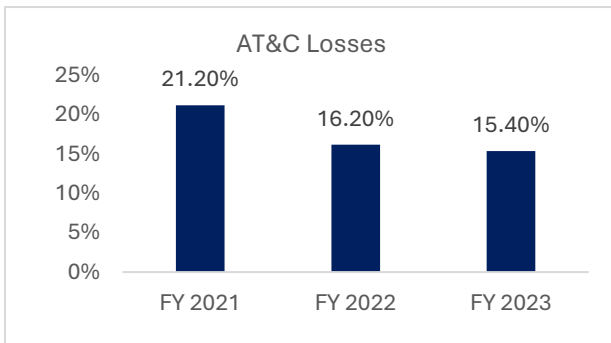
5. Improving efficiency of distribution companies

AT&C losses stood at 16.3% in FY2024, slightly higher than 15.3% in FY2023, and remain above the national goal of 12–15%. Billing efficiency improved to 86.9% in FY2024 from 86.8% in FY2023, supported by the replacement of defective meters, stronger vigilance against theft, and segregation of agricultural feeders. Collection efficiency moderated to 96.4% in FY2024 from 97.6% in FY2023, though it continues to reflect strong customer payments aided by digital channels and rural awareness drives.

Timeliness of Tariff Orders improved in FY2024 as compared to FY2022. Regulatory support in terms of timely tariff orders, automatic pass-through in some states and general increase in tariffs through the regulatory process were some of the factors, which resulted in an increase the National Average Revenue Realized (ARR) per unit energy.

Chart 91: Trends in AT&C losses, Billing efficiency and Collection efficiency for FY22 to FY24 (%)

Improving efficiency of distribution companies



Source: Ministry of Power. ICRA Analytics

6. Higher Loan Sanctions and Disbursements

Higher loan sanctions and disbursements for the Indian power sector indicates increasing power sector financing in India. The same is expected to go up due to rising demand for power, need for investments to augment its power generating capacities and growing influence of the country as a renewable energy producer.

2.2.6 Policy Support:

Policy support for India’s power sector is given as follows:

1. According to the Economic Survey 2024-25, the Government of India has invested about Rs 1.85 trillion in power distribution strengthening through schemes such as Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), the Integrated Power Development Scheme (IPDS), and the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya). The Revamped Distribution Sector Scheme (RDSS), launched in July 2021 with a total outlay of Rs 3.03 trillion (including Rs 97,631 crore of budgetary support), focuses on reducing AT&C losses, improving billing efficiency, and implementing large-scale smart metering across the country.
2. Budgetary allocations for the Ministry of Power (MoP) – Rs 29,997 crore (Budget Estimate 2026–27), a ~39% increase from Rs 21,588 crore (Revised Estimate 2025–26). This reflects an intensified focus on electricity distribution reforms and grid upgrades. The MoP’s share includes the Reform-Linked Distribution Scheme (RDSS) at Rs 18,000 crore, supporting turnaround of state discoms
3. Budgetary allocations for the Ministry of New and Renewable Energy (MNRE) have increased significantly in the Union Budget 2026-27 to about Rs 32,915 crore, compared with Rs 26,549 crore in FY2025-26, reflecting the government’s continued push toward renewable energy expansion and energy transition.

The allocation supports rooftop solar, battery storage, domestic manufacturing of solar components, and other clean-energy initiatives.

4. A major highlight is the Nuclear Energy Mission, which aims to augment research and development in small modular reactors (SMRs). A sum of ₹ 200 billion has been allocated for this initiative. The mission targets 100 GW of nuclear capacity by 2047 and plans to operationalise at least five indigenous SMRs by 2033. To support its implementation,

amendments to the Atomic Energy Act and the Civil Liability for Nuclear Damage Act are to be taken up in Parliament. As of January 2025, India's nuclear capacity stood at 8,180 MW.

5. The PM Surya Ghar: Muft Bijli Yojana, launched on 15 February 2024, aims to promote rooftop solar adoption by providing households with up to 300 units of free electricity per month through grid-connected rooftop solar installations. The scheme offers central financial assistance of up to Rs 78,000 for residential rooftop solar systems, helping reduce electricity bills for poor and middle-income households. In the Union Budget 2026-27, the government further strengthened the programme with an allocation of about Rs 22,000 crore to accelerate rooftop solar deployment under the scheme. As of early 2026, more than 28 lakh households across India have already installed rooftop solar systems under the programme, reflecting strong uptake of the initiative. The scheme aims to solarise around 1 crore households by FY2026-27, making it one of the world's largest residential rooftop solar initiatives.
6. The National Policy on Biofuels encourages biodiesel production from non-edible oilseeds, used cooking oil, and short-gestation crops.
7. The Ultra Mega Power Projects initiative promotes higher thermal efficiency and lower greenhouse gas emissions through supercritical technology.
8. The National Bio-Energy Programme aims to utilise surplus biomass for power generation.
9. The Production Linked Incentive (PLI) Scheme for High-Efficiency Solar PV Modules, with a total outlay of Rs 24,000 crore, aims to promote domestic manufacturing of high-efficiency solar photovoltaic modules and reduce reliance on imports. The scheme supports the establishment of integrated manufacturing capacities across the solar value chain, including polysilicon, wafers, cells and modules, thereby strengthening India's renewable energy supply chain and supporting the government's target of achieving 500 GW of non-fossil fuel capacity by 2030.
10. The Restructured Accelerated Power Development and Reforms Programme (R-APDRP) supports accurate baseline data collection through automated systems and IT adoption in energy accounting.
11. The government is considering enhancing priority sector lending limits for the power sector.
12. The Central Electricity Authority (CEA) notified the National Electricity Plan (2022-32), which projects the share of non-fossil-based capacity rising to 57.4% by FY2027. India has already achieved 50% of its installed electricity capacity from non-fossil fuel sources — five years ahead of its Paris Agreement target.
13. The Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM) empowers farmers by providing solar-powered pumps, enabling energy-secure and sustainable agriculture. The scheme also promotes agrovoltatics and feeder-level solarisation.
14. The government has supported distribution reforms by funding meter installations on unmetered connections and deploying covered wires in loss-prone areas to reduce theft.
15. Rs 8,500 crore was allocated to Solar Power (Grid) in the Union Budget 2024-25, aimed at expanding grid-connected solar power capacity and strengthening renewable energy deployment. Subsequent budgets have continued to prioritise solar power expansion, with increased allocations to the Ministry of New and Renewable Energy (MNRE), including about Rs 32,915 crore in the Union Budget 2026-27 to support renewable energy programmes, rooftop solar initiatives, and domestic solar manufacturing.
16. Rs. 600 crore was allocated to the National Green Hydrogen Mission in the Union Budget 2024-25. The allocation has been maintained at Rs 600 crore in the Union Budget 2026-27, supporting pilot projects, electrolyser manufacturing incentives and development of the green hydrogen ecosystem. The mission has a total outlay of Rs 19,744 crore and targets 5 million tonnes of green hydrogen production annually by 2030.
17. The Smart Meter National Programme (SMNP) aims to improve billing and collection efficiencies of distribution companies.
18. The government introduced new renewable energy products in power exchanges, such as the Green Day Ahead Market and the Green Term Ahead Market.

19. Green Energy Corridors and 13 Renewable Energy Management Centres have been established to strengthen renewable energy integration.
20. The **Asian Development Bank** has committed support to India's power sector to assist its transition to clean and renewable energy.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 11 for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” on page 19 for a discussion of the risks that may affect our business, financial condition, or results of operations, and “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 141 and 324, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. See also “Definitions and Abbreviations” on page 1 for certain terms used in this section. We have included several operational and financial performance indicators in this Information Memorandum. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. The industry information contained in this section is derived from the ICRA Report. Neither we, nor any of our affiliates or advisors, nor any other person connected with the Information Memorandum has independently verified this information. References to merchant power business segments in this section are in accordance with the presentation in the ICRA Report.

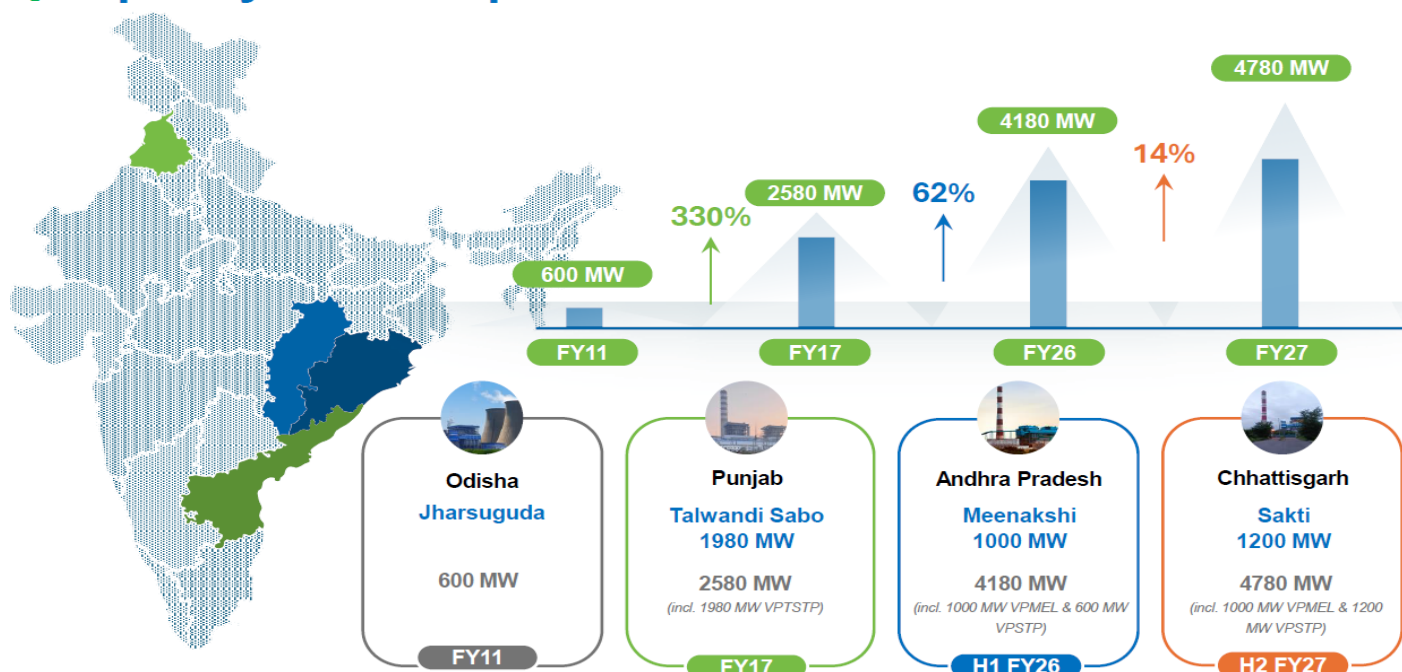
Unless otherwise stated, references in this section to “we”, “our” or “us” (including in the context of any financial information) are to the Power Business / the Company, as applicable. In this section, unless the context otherwise requires, a reference to “our Company” or to “we”, “us” and “our” refers to VPL. The financial figures used in this section, unless otherwise stated have been derived from the Company’s Financial Statements.

Overview

Our Company was incorporated as a Special Purpose Vehicle (SPV) by Punjab State Power Corporation Limited (PSPCL) to develop a 1,980 (3×660) MW thermal power project and was subsequently acquired by VEDL through auction. Our Company has current installed capacity of 4.2GW (additional 0.6GW Sakti Unit2 in Project phase), making it the 5th Largest Private Thermal Company in India as on Dec’25 (Adani Power 18.2GW, TATA Power 8.9GW, Reliance Power 5.2GW, JSW Energy 5.7GW). Our Company has secured PPA (Longterm + Midterm) for 74% Capacity which is 3.1GW. Power supply through PPAs are currently with GRIDCO, PSPCL, TNPDCL. Linkage fuel is also secured for PPA quantum to ensure uninterrupted power supply. Our Company has 4.2GW operating capacity of which 29% capacity is in close proximity to coal mines. The share of operational capacity in close proximity to coal mines is expected to increase to 38% after the commissioning of Sakti Unit 2 (600MW). In addition, Meenakshi received CRISIL AA-long term rating and AA long term CRISIL rating and AA- ICRA rating for VPL.

Post the demerger of Vedanta Limited, our Company is housing the below independent power producing projects of Vedanta group along with a 1,000 MW power subsidiary. The brief details of the Projects have been provided below:

Vedanta Power Capacity Roadmap



Company Name/Undertaking	Technology	Capacity	State	Status	Fuel Type
Talwandi Sabo Thermal Plant	Super Critical	1,980 MW	Punjab	Operational	Coal based
Jharsuguda Thermal Plant	Sub Critical	600 MW	Odisha	Operational	Coal based
Sakti Thermal Plant	Sub Critical	1,200 MW	Chhattisgarh	600 MW operational 600 MW Under construction	Coal Based
Meenakshi Energy Limited	Sub Critical	1,000 MW	Andhra Pradesh	Operational	Coal Based

Talwandi Sabo Thermal Plant: 1,980 MW thermal project

Our Company which was originally incorporated by PSPCL erstwhile Punjab State electricity Board (PSEB) to develop a 1980 (660x3) MW coal based thermal power project in Punjab. The power produced from the project would be purchased by PSPCL. Our Company became a wholly owned subsidiary of Vedanta Limited post a competitive tariff bidding process held by PSPCL. The Share Purchase Agreement (SPA) for the SPV was signed on September 2008 and the PPA between the 1980 MW project and PSPCL was executed on Sept 2008 for a tenure of 25 years from COD. The three units of 660 MW each for the project were commissioned in July 2014, November 2015, and August 2016. Thus, as on January 2026, residual tenure of the PPA for the three units are ~14,15 and 16 years. The plant is established on ~2100 acres.

The project comprises three supercritical coal-fired generating units of 660 MW each, offering higher efficiency than subcritical technology. Coal requirements are met through long-term supply agreements, with our Company having a dedicated 1,600 km rail corridor, coal is received via rakes and unloaded at the plant using wagon tipplers. Water requirements are met through an assured linkage from the Jagga Canal, sourced from the Bhakra Dam, supported by efficient water management systems. Auxiliary power is supplied internally, and power evacuation is carried out through six dedicated transmission lines.

The PPA executed between PSPCL and our Company for the 1980 MW thermal project consists of a two-part tariff structure comprising of availability-linked capacity charges (escalable and non-escalable) and energy charges or variable charges which is a pass-through subject to meeting the operating efficiency norms. On achieving a Plant Availability Factor of 80% the entire quoted capacity charges are payable by Punjab discom.

As on date, our Company only has 1980 MW thermal power project on its balance sheet and its long-term facilities are rated AA (CE) by Crisil (report dated October 2025) and ICRA A+ (report dated January 2026). The short-term facilities are rated A1+ (CE) by Crisil and A1 by ICRA

Brief financials of Talwandi Sabo Thermal Plant

(INR Cr)

Particulars	FY 24	FY25	FY26
Operating Revenue	5293	5241	5486
EBITDA	1089	1071	1078

The PLF of the 1980 MW and the Plant availability factor of the plant is provided below: -

Financial Year	Availability (%)	PLF (%)
FY-24	82%	64%
FY'25	81%	63%
FY'26	83%	61%

Jharsuguda Thermal Plant: 600 MW thermal project

Vedanta Limited on its books has a 600 MW coal based thermal power project in Jharsuguda district Odisha as an Independent Power Producer (IPP). The power plant achieved COD on FY 2011.

The PLF and PAF achieved by the 600 MW plant is provided in the below table: -

Particulars	FY 24	FY 25	FY 26
PLF	57%	47%	53%
PAF	78%	65%	70%

Sakti Thermal Plant: 1200 MW thermal power plant in Chhattisgarh

In June 2022, we acquired Athena Chhattisgarh Power Limited now renamed as Sakti Thermal Plant which owns a 1,200 MW coal-based thermal power plant located at Raigarh district of Chhattisgarh. It is a sub-critical project with two units of 600 MW each. Sakti successfully secured project financing from Power Finance Corporation in 2024. The Unit-1 of 600 MW has successfully completed its 72 hours trial run on July 19, 2025 & declared COD on July 23, 2025. The 2nd unit of 600 MW is expected to be synchronized in H2FY27 and thereby commence full project in Fiscal Year 2027. Sakti plant is located in proximity to coal mines (both SECL and MCL at a distance of ~100KMS) and is expected to benefit from railway connectivity and resulting railway siding in nearby vicinity. This railway siding, once operationalized, will reduce coal cost. Further, VLCTPP close proximity to railway connectivity will result in operationalizing railway siding for coal handling which will support in cost optimization efforts. Sakti currently has 2.7 MTPA linkage coal (mid-term + long-term) and remaining coal requirement is met through CIL spot auction and additional CIL coal sourcing opportunities.

The Plant is well connected to national highways, railway station and airport and is also located in close proximity to its water source, Mahanadi River. The company has acquired a total land area of ~950 acres, most of which is leased for a period of 99 years.

Our current intention is to add 7.2GW Thermal Capacity in Sakti, given the strategic location and access to nearby coal mines. Thermal Capacity addition in Sakti has business aspects, given the low cost of generation and land availability. In addition, Sakti is connected to CTU Grid which provides opportunities to supply anywhere within India. Current plans for Thermal Capacity addition will be a blend of DBFOO & Merchant power sale, and DBFOO capacity addition is subjected to positive outcome in upcoming tenders.

Meenakshi Energy Limited: 1000 MW thermal power plant

Meenakshi Energy Limited (“MEL”) operates a 1,000 MW coal-based thermal power plant in the Nellore district of Andhra Pradesh, acquired in August 2023 for ₹1,440 crore. The plant comprises Phase I (2×150 MW) with CFBC boilers by Thermax, TG sets from Nanjing, ABB switchyard systems, CHP by Tecpro and AHP by MBL, along with a Thermax DM plant, and Phase II (2×350 MW) with Cethar pulverized boilers, Harbin Electric TG sets, Siemens switchyard systems, CHP by MBL and AHP by BSBK, supported by a Doshion Veolia DM plant.

Phase I became operational in FY25 and Phase II in Q2 FY26. MEL’s primary business is power generation. The company sources coal through a mix of domestic supply—including a 25 – year long term FSA and 5-year medium-term FSA from MCL for 10,00,000 tons and 16,40,000 tonnes respectively and spot auction purchases under the SHAKTI scheme—and imported coal, MEL relies entirely on seawater drawn from the Kandaleru Lake intake point 2 km away. The company produces electricity for state utilities,

discoms, marketed through competitive bidding, power exchanges, and open access mechanisms. MEL is connected to CTU Grid which enables power supply anywhere in India. MEL plant is established on ~1000 acres of land.

MEL is strategically located near to Krishnapatnam Port and is designed to operate with a blend of imported and domestic coal. In recent times, due to fluctuating imported coal cost and supply uncertainty, MEL is transitioning to accommodate higher domestic coal consumption with minimum technical modifications. This transition to domestic coal will ensure that MEL benefits from both domestic and imported coal based on optimal costing. To achieve higher domestic coal consumption in MEL, there is capex investment based on internal and expert study.

MEL is exploring and operating alternate logistic modes to achieve higher domestic coal movement. In FY27, MEL targets 65% domestic coal consumption and ultimately aims to achieve 100% domestic coal consumption soon.

With regards to MEL transition to domestic coal, parallel efforts through new railway siding and other logistic optimization to further reduce coal cost. On rating terms, MEL secured AA- long term rating from CRISIL.

Our Strengths and Strategies

Our Company offers a compelling combination of secure fuel linkages, improving fuel quality, structural cost reduction, long-term revenue visibility and scalable growth optionality, underpinned by proactive energy-transition initiatives. The integrated approach across fuel, operations, digitalization and sustainability positions the platform for resilient cash flows and long-term value creation.

Robust & Optimized Fuel Security

Our Company has built a diversified, secure and increasingly cost-efficient fuel sourcing framework across its portfolio:

- Fuel Quality Optimization at our Company, Mansa: Strategic transition of coal linkage from MCL to higher-grade SECL sources to improve fuel quality, targeting an incremental ~100 kcal/kg improvement in GCV, resulting in higher plant efficiency and lower heat rate.
- Secured & Flexible Coal Supply: Coal procurement is strengthened through PSPCL's Flexi Allocation mechanism, supplemented by active pursuit of higher-grade supplies from Pachhwarra mines, ensuring a balanced mix of reliability, cost competitiveness and operational flexibility.
- Chhattisgarh – Localized Fuel Advantage: Plants benefit from 100% domestic coal sourcing from SECL and MCL mines located within a 100 km radius, significantly reducing logistics costs, transit risk and supply disruptions. This is further supported by a long-term SECL- Korba & Raigarh linkage of 1.5 Mn MT, ensuring assured fuel security.
- Meenakshi Energy (Nellore) – Shift to Domestic Coal: Strategic transition from an import-dependent model to domestic coal sourcing reduces exposure to global price volatility. A secured 2.64 Mn MT linkage from MCL ensures long-term fuel availability and operating stability.
- Port-Led Optionality at Nellore: Proximity (~10 km) to Krishnapatnam Port provides logistical flexibility, enabling optional coal blending or import handling if required, without compromising base cost economics.
- Coal block: Our Company currently source coal from CIL and other domestic/import options. In case such a situation arises where coal block acquisition makes business sense, then same will be evaluated.

Cost Leadership & Operational Efficiency

Our Company continues to focus on driving down operating costs through structural interventions:

- End-to-End O&M Outsourcing: At our Company, a comprehensive O&M outsourcing model enhances operating efficiency, predictability and scalability while continuously reducing non-coal cost per unit.
- Digital Procurement Transformation: Deployment of digital procurement platforms such as Moglix enables end-to-end procurement visibility, faster cycle times and improved price discovery, contributing to sustained cost optimization across the supply chain.

Strong Revenue Visibility & Cash Flow Stability

We currently operate four (4) Thermal Power Plants and PPA (Midterm + Longterm) with three (3) State Discoms.

The portfolio benefits from long-term contracted revenues and non-power monetization streams:

- Mid-Term PPAs:
 - Shakti asset secured with a 200 MW mid-term PPA till 2031, providing earnings stability.
 - Meenakshi Energy backed by a 300 MW mid-term PPA till 2031, enhancing revenue predictability.
 - Talwandi Sabo Thermal Plant is supported by 25-years long term PPA with PSPCL thereby providing secured margins.
 - JSG IPP 600MW asset has 25-years PPA with GRIDCO which ensures continuous income.
- Sustainable Ancillary Revenue: A 16-year long-term ash sales agreement with Adani Cements at our Company ensures stable, annuity-like revenue visibility while supporting circular economy objectives.

Near-Term Capacity Growth & Long-Term Expansion Pipeline

- Chhattisgarh – Near-Term Expansion: Commissioning of Unit 2 (600 MW) planned by Q3 FY27, driving immediate growth in generation capacity and operational leverage.
- Chhattisgarh – We are currently evaluating a 7.2GW Thermal Capacity addition plan in Chhattisgarh Asset. This capacity is planned for Merchant and DBFOO power supply for which the DBFOO capacity addition is subjected to positive bidding in upcoming tenders.

Energy Transition & Regulatory Readiness

- Biomass Co-Firing Compliance: Development of 1,000 TPD torrefied biomass plants near our Company to ensure a reliable biomass supply chain and full compliance with the mandated 5% biomass co-firing norms, while supporting India's decarbonization agenda.
- Nuclear Power Capacity: The Shanti Act, 2025 provide opportunities for Private companies to take part in Nuclear Power Generation business. This Act will help India's aim to achieve 100GW Nuclear Capacity by 2047. We are currently evaluating opportunities in Nuclear Power Generation business for growth opportunity.

Environmental, Social and Governance

Transforming Communities:

- Aim1: Keep communities at the core of business decisions
- Aim2: Empowering over 12,100 families with enhanced skillsets by FY30
- Aim3: Uplifting over 2,39,000 women and children through education, nutrition, healthcare and welfare by FY30

Transforming Planet:

- Aim 4 – GHG intensity target of 0.82 tCO₂e/MWh by FY30
- Aim 5: Achieving net water positivity by FY30
- Aim 6: Innovating for a greener business model

Transforming Workplace

- Aim 7: Prioritizing safety and health of all employees
- Aim 8 – Promoting diversity and inclusion at workplace
- Aim 9 – Align with Global Business Standards of Corporate Governance

Capacity and Capacity Utilisation

Sr. No.	Product	Installed Capacity	Utilisation of Capacity for FY 2023-24	Utilisation of Capacity for FY 2024-25	Utilisation of Capacity for FY 2025-26	Utilisation of Capacity for FY 2026-27
1.	Talwandi Sabo Thermal Plant	1980	1980	1980	1980	1980
2.	Jharsuguda Thermal Plant	600	600	600	600	600
3.	Sakti Thermal Plant	1200	0	0	600	1200
4.	Meenakshi Energy Limited	1000	0	300	1000	1000

Sales and Distribution

We are a merchant power generator with thermal generation assets across multiple states in India. We serve a diversified buyer base comprising state distribution companies and cross-border customers through both long-term bilateral contracts — Power Purchase Agreements (PPAs) — and short-term transactions through the Discovery of Efficient Energy Price (DEEP) portal and Power Exchanges.

Our key customers include established state utilities such as Punjab State Power Corporation Limited (PSPCL), Tamil Nadu Power Distribution Corporation Limited (TNPDC), and Grid Corporation of Odisha Limited (GRIDCO), alongside cross-border buyers including Nepal Electricity Authority, under the regulatory frameworks governing international power trade.

Our commercial strategy is anchored on three priorities: maximising plant availability and generation volumes to ensure consistent supply commitments; optimising our sales mix across long-term PPA and short-term channels — including DEEP and Power Exchanges — to achieve the highest net sales realisation; and building a resilient long-term contracted portfolio that reduces dependence on spot market volatility.

Marketing

Our marketing approach is anchored in product quality, portfolio differentiation, and customer-centricity. We are focused on zero product defects and enhanced customer satisfaction, while continuously strengthening our value-added product portfolio to meet evolving customer requirements. We serve a sizeable OEM base domestically that consumes our value-added products, and our product and sustainability initiatives are designed to support long-term customer relationships across our domestic and export markets.

Information Technology & Digital

We leverage advanced technologies across our operations to drive productivity, efficiency, and safety. Our merchant power business uses real-time data and AI-driven insights for predictive maintenance and process optimization, reducing downtime and operational leakages. Advanced analytics, process controllers, and digital twins yield improvements in throughput, cost, quality, and safety. We are focused on cybersecurity through mandatory employee training, periodic external penetration testing, and IT General Controls assessments under SOx/ICOFR frameworks.

Insurance

We maintain insurance policies for our business which are customary for our industry. These include policies in relation to fire, theft, accidents, earthquakes, flood and other force majeure events, transportation, etc. We believe that the insurance coverage currently maintained by us represents an appropriate level of coverage required to insure our business and operations. For risks related to our insurance coverage, see “*Risk Factors — Our insurance coverage may prove inadequate to satisfy future claims against it*” on page 19.

Competition

The Private Thermal Power Generation market in India consists of top players like us, Adani Power, JSW Energy, Reliance Power, Tata Power. We are currently the 5th Largest Private Thermal company with current 4 operating assets commanding an installed capacity of 4.2GW which is expected to reach 4.8GW by FY27.

As per ICRA report (as of Jul'25), installed capacity of coal-based plant was 46.7% which signifies the importance of thermal power

in our energy mix. Thermal Power Generation supports in RTC power supply which ensures reliable source of energy.

Employees

As of the date of this Information Memorandum, we have 222 permanent employees. The following table sets forth the number of our permanent employees by function:

Function	Number of Employees
Factory (Managers, engineers, deputy managers, foreman, etc.)	75
Marketing and Sales (Customer Development)	11
Finance	40
Others (HR, IT, Legal, Secretarial, Corporate Communications etc.)	96
Total	222

We are committed to fostering a workplace culture that values operational excellence, diversity, and continuous development. We provide equal employment opportunities to all individuals. We offer compensation packages that include salary, allowances, and benefits, and invest in the continuous learning and development of our employees through in-house and external training programmes.

Intellectual Property Rights

Our Company does not hold any intellectual properties, other than which were assigned to us pursuant to the Scheme.

Properties

Our Registered and Corporate Office is located at C-103 Atul Projects, Corporate Avenue New Link, Chakala MIDC, Mumbai, Maharashtra, India 400093.

Financial Performance

Please see, “*Management’s Discussion and Analysis of Financial Condition And Results Of Operations*” on page 324 of this Information Memorandum.

Certain Indebtedness

Certain credit facilities originally availed by VEDL remain secured by security interests that continue to encumber assets of our Company and its affiliates. The facilities sanctioned by Power Finance Corporation (in amounts of ₹7,400 crores, ₹250 crores and ₹3,918 crores) and Aditya Birla Capital Limited (in the amount of ₹100 crores), together with other facilities, if any, availed at our Company, continue to be supported by VEDL through Guarantee/other support letters. India Infra debt Limited had sanctioned a total amount of ₹800 crores to VEDL (now at MEL, with an outstanding amount of ₹768 crores as on March 31, 2026), which is secured by, among other things, (i) a second charge over the fixed assets of VAML; (ii) a charge over the right of use, subletting and other rights granted by VAML to our Company in respect of the 600 MW IPP; (iii) a charge over certain assets of our Company; and (iv) a charge over a specified account and the monies lying therein (including the debt service reserve account) at MEL. Separately, the loan at Bloom Fountain Limited availed from Victory XII PTE Ltd. in the amount of USD 200 million, which is secured against certain group assets and corporate guarantees from VEDL and Cairn India Holdings Limited, is scheduled to be repaid in June 2026. In addition, VEDL has provided corporate guarantees in respect of the loans availed by MEL from Aditya Birla Capital Limited (in the amount of ₹100 crores), Kotak Mahindra Investments Limited (in the amount of ₹150 crores) and IDFC First Bank (in the amount of ₹100 crores), together with other facilities, if any.

Post Scheme Arrangements

Post the Scheme coming into the effect, the following key arrangements have been implemented on an arm’s length basis and in compliance with applicable laws, pursuant to the Demerger under the Scheme:

Migration Services Agreement

VEDL shall provide certain services to our Company vide a migration services agreement dated April 30, 2026 (“MSA”), from the Effective Date till conclusion of migration of the Central Contracts with third party service providers, that currently exist with VEDL, to our Company. Such services of third-party service providers pertain to information technology services, legal and compliance services, finance and accounting services, procurement services, human resources services, etc. under VEDL shall facilitate the availment of the services from the third party service providers under the central contracts and assist with the migration

of these Central Contracts to our Company to the extent required by us. Further, VEDL and our Company shall set up a steering Committee to co-ordinate the work under the MSA and shall develop a migration plan for each Central Contract, which shall set out the timeline for the migration of the relevant Central Contracts, resources and third party arrangements, task allocations, knowledge transfer and data handover activities, to ensure sufficiency and accessibility of each migrated service under the Central Contracts to our Company. Such migration costs shall be borne by our Company. The MSA will provide an interim framework for continuity of services under the Central Contracts until such contracts are novated, transferred, independently executed or otherwise made directly available to our Company, and will also enable recovery by VEDL of related costs on a pass-through basis together with agreed ancillary actual costs. The MSA is being entered into jointly amongst VEDL and all Resulting Companies under the Scheme, including our Company.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India that are applicable to our business. The information detailed below has been obtained from various legislations, including rules, regulations and bylaws that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The following description is a summary of certain sector specific laws and regulations in India that are applicable to our business. The information detailed below has been obtained from various legislations, including rules, regulations and bylaws that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

A. ENVIRONMENTAL LAWS

1. **The Environment (Protection) Act, 1986, Environment (Protection) Rules, 1986 and Environment Impact Assessment Notification S.O. 1533(E), 2006**

The Environment (Protection) Act, 1986 is an umbrella legislation designed to provide a framework for the government to coordinate the activities of various central and state authorities established under various laws, such as the Water (Prevention and Control of Pollution) Act, 1974 (“**Water Act**”), the Air (Prevention and Control of Pollution) Act, 1981 (“**Air Act**”), etc. The Environment (Protection) Act, 1986 vests with the Government the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for laying down the quality of environment, standards for emission or discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution.

Further, the Environment (Protection) Rules, 1986 (“**EP Rules**”) specifies, inter alia, the standards for emission or discharge of environmental pollutants, prohibitions and restrictions on the location of industries as well as on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

The Environment Impact Assessment Notification S.O. 1533(E), 2006 as amended from time to time (“**EIA Notification**”) issued under the Environment Protection Act, 1986 and the Environment (Protection) Rules, 1986, provides that the prior approval of the MoEF or state level environment impact assessment authority (“**SEIAA**”), as the case may be, is required for the establishment of new projects and for the expansion or modernisation of existing projects as specified in the EIA Notification, including thermal power plants, airports, SEZ, ports, highways and other construction projects. After the identification of prospective site(s) for the project or activities, or both, the EIA Notification requires four stages, i.e., screening, scoping, public consultation and appraisal, before clearance can be granted for commencing any construction activity or preparation of land at the site by the applicant.

The MoEF has issued a draft of the Environment Impact Assessment Notification, 2020, which is yet to be brought into effect.

2. **The Air (Prevention and Control of Pollution) Act, 1981**

The Air (Prevention and Control of Pollution) Act, 1981 provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of four months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

3. **Water (Prevention and Control of Pollution) Act, 1974**

The Water Act is enacted to prevent and control water pollution and to maintain or restore the wholesomeness of water in the country. This Act established the Central Pollution Control Board and State Pollution Control Boards, empowering them with functions such as laying down standards for streams and wells, conducting inspections, and granting or refusing consent for the discharge of sewage or trade effluents into water bodies. It mandates industries and local authorities to obtain consent from the respective Pollution Control Boards for their operations that may lead to water pollution and prescribes penalties for non-compliance, thereby providing a comprehensive legal framework for regulating water quality and managing water pollution.

4. **Hazardous Wastes (Management and Transboundary Movement) Rules, 2016**

The Hazardous Wastes (Management and Transboundary Movement) Rules, 2016 (“**Hazardous Waste Rules**”) regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to obtain an approval from the relevant state pollution control board and to dispose of such waste without harming the environment. Pursuant to the amendment to the Hazardous Waste Rules in 2019, an occupier of a facility generating hazardous shall not be required obtain an authorisation under the Hazardous Waste Rules, from the state pollution control board, in case the consent to establish or consent to operate, is not required from the state pollution control board under the Water Act and Air Act, provided that the hazardous and other wastes generated by the occupier shall be given to the actual user, waste collector or operator of the disposal facility, in accordance with the Central Pollution Control Board guidelines.

5. **Forest (Conservation) Act, 1980**

The Forest (Conservation) Act, 1980, along with the Forest (Conservation) Rules, 2003, constitutes the primary legal framework in India for the protection and conservation of forests. The central objective of this legislation is to prevent the diversion of forest land for non-forest purposes without the prior approval of the Central Government. It mandates that any proposal for de-reserving a forest, using forest land for non-forest activities, assigning forest land to a non-government entity, or clearing naturally grown trees for reforestation, requires a rigorous approval process. The Rules, in turn, lay down the detailed procedures for submitting such proposals, conducting site inspections, assessing environmental impact, and ensuring compensatory afforestation and other mitigation measures, thereby regulating developmental activities that impact forest ecosystems.

There are also subject to other central, state, local and municipal law and regulations under which we may need approvals from time to time including license to store and use explosives, approval for ground water extraction and permission for mining.

6. **Public Liability Insurance Act, 1991 (“Public Liability Act”)**

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of ‘hazardous substances’ covered by the Public Liability Act has been enumerated by the Government pursuant to a notification. The owner or handler is also required to take out an insurance policy insuring against liability under this legislation.

7. **Energy Conservation Act, 2001**

The Energy Conservation Act, 2001 is a pivotal piece of legislation in India aimed at promoting the efficient use of energy and its conservation. The Act provides for the establishment of the Bureau of Energy Efficiency (BEE) to facilitate and coordinate energy conservation activities. It empowers the central government to specify energy consumption standards for equipment and appliances, mandate energy auditing for designated consumers (large energy-intensive industries), and prescribe energy conservation building codes for commercial buildings. The primary objective of this Act is to reduce energy intensity in the economy, enhance energy security, and mitigate environmental impact by fostering a culture of energy efficiency across various sectors.

B. **ENERGY LAWS**

1. **Electricity Act, 2003**

The Electricity Act, 2003 (“**Electricity Act**”) is the central legislation which covers, among others, generation, transmission, distribution, trading and use of electricity. Under the Electricity Act, the transmission, distribution and trade of electricity

are regulated activities that require licenses from the Central Electricity Regulatory Commission (“CERC”), the State Electricity Regulatory Commissions (“SERCs”) or a joint commission (constituted by an agreement entered into by two or more state governments or the Central Government in relation to one or more state governments, as the case may be). In accordance with Section 7 of the Electricity Act, a generating company may establish, operate and maintain a generating station without obtaining a license under the Electricity Act if it complies with the technical standards relating to connectivity with the grid prescribed under clause (b) of Section 73 of the Electricity Act.

As per the Electricity Act, a generating company is required to establish, operate and maintain generating stations, tie lines, sub-stations and dedicated transmission lines. Further, the generating company may supply electricity to any licensee or even directly to consumers and have a right to open access, for the purpose of carrying electricity subject to availability of adequate transmission and distribution systems and payment of transmission charges, including wheeling charges and open access charges, as may be determined by the appropriate electricity regulatory commission.

In terms of the Electricity Act, ‘open access’ means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system, by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the appropriate electricity regulatory commission.

Under the Electricity Act, the appropriate commission shall specify the terms and conditions for the determination of tariff. Pursuant to the powers granted under the Electricity Act, various regulations and guidelines have been framed by the CERC and SERCs for determination of tariff for generation, distribution, transmission, allowing open access, among others. The Ministry of Power introduced the Electricity Act (Amendment) Bill, 2021 (“**Amendment Bill**”) to amend the Electricity Act to promote the generation of electricity from renewable sources of energy. The Amendment Bill intends to improve the enforcement of contracts involving the sale and purchase of electricity by establishing an Electricity Contract Enforcement Authority and have a payment security mechanism for scheduling of electricity. Further, the Bill also intends to address the issues in relation to tariff for retail sale of electricity without any subsidies; and grant open access to consumers on the payment of surcharge and wheeling charges as determined by the relevant state electricity commission

2. Electricity Rules, 2005 (“Electricity Rules”)

The Electricity Rules were issued pursuant to the Electricity Act. The Electricity Rules, among others, provide that for a generating station to qualify as a captive power plant not less than 26% of the ownership should be held by the captive user and not less than 51% of the aggregate electricity generated in such plant, determined on an annual basis, should be consumed for captive use.

The Electricity Rules further provide that the tariff determined by the central commission for generating companies under Section 79 of the Electricity Act shall not be subject to re-determination by the State Commission in exercise of functions under clauses (a) or (b) of sub-section (1) of section 86 of the Electricity Act and subject to the same the state commission may determine whether a distribution licensee in the State should enter into PPA or procurement process with such generating companies based on the tariff determined by the central commission.

3. National Electricity Policy, 2005

The Government of India approved the NEP on February 12, 2005, in accordance with the provisions of the Electricity Act. The NEP lays down the guidelines for development of the power sector and aims to accelerate the development of power sector by providing supply of electricity to all areas and protecting interests of consumers and other stakeholders, keeping in view availability of energy resources, technology available to exploit these resources, economics of generation using different resources and energy security issues.

The NEP recognizes coal as the primary fuel for meeting future electricity demand of India, and provides for certain measures such as long-term FSAs, especially with respect to imported fuel, to give boost to companies generating electricity through coal or other sources of fuel. Further, the NEP also emphasizes the need to promote generation of electricity based on non-conventional sources of energy.

4. National Tariff Policy, 2016

The Government of India notified the revised National Tariff Policy effective from January 28, 2016. Among others, the NTP 2016 seeks to ensure availability of electricity to different categories of consumers at reasonable and competitive rates, ensure financial viability of the sector and attract adequate investments and ensure creation of adequate capacity including reserves in generation, transmission and distribution in advance, for reliability of supply of electricity to consumers.

As per the National Tariff Policy (NTP) 2016, significant clarifications were provided regarding Renewable Purchase Obligations (RPO). The NTP 2016 explicitly stated that cogeneration from sources other than renewable energy shall not be excluded from the applicability of RPO obligations. Furthermore, to facilitate compliance, the policy specifies that renewable energy produced by any generator may be bundled with its thermal generation for sale.

5. Central Electricity Authority (Measures Relating to Safety and Security of Supply of Electricity) 2010 (“CEA Safety and Security of Supply of Electricity Rules”)

The CEA Safety and Security of Supply of Electricity Rules as amended by Central Electricity Authority (Measures relating to Safety and Electric Supply) Amendment Regulations, 2018 lay down the safety measures for the safety and operation of electric plants, transmission and distribution systems, safety requirements pertaining to construction, installation, operation and maintenance of electricity supply lines, overhead lines, underground cables and generating stations. The CEA Safety and Security of Supply of Electricity Rules also mandate periodic testing and inspection of electrical installations.

6. Central Electricity Regulatory Commission (Power Market) Regulations, 2021 (“CERC Power Market Regulations”)

The Electricity Act provides that the appropriate commission shall endeavour to promote the development of a market (including trading) in power. CERC notified the CERC Power Market Regulations which provide the regulatory framework for power trading in the country. These regulations apply to all market participants including power exchanges, grid connected entities, trading licencees, market coupling operators, members of power exchanges, over the counter markets etc.

7. Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2024

The CERC issued the CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2024 for setting up the method for tariff determination from renewable energy effective within the control period from July 1, 2024 to March 31, 2027. These regulations are designed to establish the specific methodologies, principles, and conditions for determining the tariffs applicable to electricity generated from various renewable energy sources. They play a pivotal role in incentivizing investment in the renewable energy sector, ensuring fair returns for generators, and promoting the procurement of green power by distribution licensees, thereby supporting the broader objectives of the Electricity Act, 2003, and national renewable energy targets.

8. Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022

These Regulations establish the regulatory framework for the issuance, trading, and redemption of Renewable Energy Certificates (RECs) in India. These regulations are designed to promote renewable energy generation by creating a market-based mechanism where the environmental attributes of renewable power can be traded separately from the electricity itself. This allows obligated entities, such as distribution licensees and large consumers, to meet their Renewable Purchase Obligations (RPOs) by purchasing RECs, while renewable energy generators can monetize the ‘green’ component of their electricity, thereby incentivizing further investment and development in the renewable energy sector across the country. . The REC Regulations, as amended from time to time, aim at the development of market for power from non-conventional energy sources by issuance of transferable and saleable credit certificates. The REC mechanism provides a market-based instrument which can be traded freely and provides means for fulfilment of renewable purchase obligations by the obligated entities.

C. SEZ BUSINESS

1. Special Economic Zones Act, 2005 (“SEZ Act”) and Special Economic Zone Rules, 2006 (“SEZ Rules)

SEZs in India are regulated and governed by the SEZ Act. The SEZ Act has been enacted for the establishment, development and management of SEZs. An SEZ is a specifically delineated duty-free enclave, deemed to be a foreign territory for the purposes of trade as well as duties and tariffs. SEZs may be established under the SEZ Act, either jointly or severally by the Central Government, state government or any other person. A board of approval has been set up under the SEZ Act, which is responsible for promoting SEZ and ensuring its orderly development. Such board has a number of powers including the authority to approve proposals for the establishment of the SEZ, the operations to be carried out in the SEZ by the developer, changes in shareholding, the foreign collaborations and FDIs for the development, operation and maintenance of the SEZs. SEZ Rules provide for simplified procedures for development, operation, and maintenance of the SEZs and for setting up units and conducting business in SEZs, single window clearance for setting up of an SEZ, single window clearance for

setting up a unit in a SEZ, single window clearance on matters relating to Central Government as well as state governments and simplified compliance procedures and documentation with an emphasis on self-certification.

D. PROPERTY LAWS

1. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (“**Land Acquisition Act**”). The Land Acquisition Act has replaced the Land Acquisition Act, 1894 and aims at establishing a participative, informed and transparent process for land acquisition for industrialization, development of essential infrastructural facilities and urbanisation. While aiming to cause least disturbance to landowners and other affected families, it contains provisions aimed at ensuring just and fair compensation to the affected families whose land has been acquired or is proposed to be acquired. It provides for rehabilitation and resettlement of such affected persons. Under the Land Acquisition Act, various state rules have been notified which frame rules in relation to, among others, the consent process, the compensation mechanism and rehabilitation and resettlement.

2. The Land Acquisition Act, 1894

The Land Acquisition Act, 1894 provided the legal framework for the compulsory acquisition of private land by the government for various public purposes, which included infrastructure projects, industrial development, and urban planning. The process typically commenced with a preliminary indicating the government’s intention to acquire land, followed by an inquiry into objections. Once objections were considered, a declaration of intended acquisition was issued. Subsequently, the Collector would conduct an inquiry into the land’s measurements, value, and claims for compensation, culminating in an award that determined the compensation payable. This compensation was primarily based on the market value of the land at the time of the preliminary notification, often with an additional solatium for compulsory acquisition. This Act was eventually replaced by the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013; but the older cases which were filed before 2013 are still governed by this law.

3. Indian Easements Act, 1882

An easement is a right which the owner or occupier of land possesses for the beneficial enjoyment of that land, and which permits him to do or to prevent something from being done, in or upon, land not his own. Under the Easements Act, 1882, a license is defined as a right to use property, which use in the absence of such right would be unlawful. The period and incident upon which a license may be revoked may be provided in the license agreement entered between the licensee and the licensor.

4. The Real Estate (Regulation and Development) Act, 2016

The Real Estate (Regulation and Development) Act, 2016 (“**RERA**”) seeks to regulate and promote real estate sector by establishing a specialised forum known as the Real Estate Regulatory Authority and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal. The application for registration must disclose details of the promoter, brief details of the projects launched by the promoter, an authenticated copy of the approval and commencement certificate received from the competent authority, the sanctioned plan, layout plan, specifications of the project, proforma of the allotment letter, number, type and carpet area of the apartments, the names and addresses of the promoter’s real estate agent and a declaration by the promoter stating that he has a legal title to the land and the time period within which he undertakes to complete the project.

5. The Transfer of Property Act, 1882

The Transfer of Property Act, 1882 (“**TP Act**”) establishes the general principles relating to transfer of property in India. It deals with the various methods in which transfer of property including transfer of immovable property or any interest in relation to that property, between individuals, firms and companies takes place. The TP Act stipulates the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The TP Act also provides for the rights and liabilities of the vendor and purchaser, and the lessor and lessee in a transaction of sale or lease of land, as the case may be. The TP Act also covers provisions with respect to mortgage of property.

6. Registration Act, 1908

The Registration Act, 1908 (“**Registration Act**”) details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, inter alia, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of ₹ 100/- or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration. Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance of a contract under the TP Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

7. Indian Stamp Act, 1899

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state. Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all.

E. LABOUR AND INDUSTRIAL LAWS

The following is an indicative list of labour laws applicable to the business and operations of Indian companies as may be applicable in each state (if any):

- 1) Contract Labour (Regulation and Abolition) Act, 1970.
- 2) Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.
- 3) Factories Act, 1948.
- 4) Employees’ State Insurance Act, 1948.
- 5) Minimum Wages Act, 1948.
- 6) Payment of Bonus Act, 1965.
- 7) Payment of Gratuity Act, 1972.
- 8) Payment of Wages Act, 1936;
- 9) Maternity Benefit Act, 1961.
- 10) Industrial Disputes Act, 1947.
- 11) Employees’ Compensation Act, 1923.
- 12) The Code on Wages, 2019*.
- 13) The Occupational Safety, Health and Working Conditions Code, 2020**.
- 14) The Industrial Relations Code, 2020***.
- 15) The Code on Social Security, 2020****.

**The Government of India enacted ‘The Code on Wages, 2019’ which received the assent of the President of India on August 8, 2019. The date of commencement of the provisions of this code is November 21, 2025. It subsumes four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of the Code on Wages, 2019, mainly in relation to the constitution of the advisory board. Additionally, the Central Government has also notified the Code on Wages (Central Advisory Board) Rules, 2021, which provide for the constitution of a central advisory board to advise the Central Government on, inter alia, fixation of minimum wages for certain kinds of employees.*

***The Government of India enacted ‘The Occupational Safety, Health and Working Conditions Code, 2020’ which received the assent of the President of India on September 28, 2020. The date of commencement of the provisions of this code is November 21, 2025. It subsumes several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*

****The Government of India enacted ‘The Industrial Relations Code, 2020’ which received the assent of the President of India on September 28, 2020. The date of commencement of the provisions of this code is November 21, 2025. It subsumes three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

****The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The date of commencement of the provisions of this code is November 21, 2025. It subsumes several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.

F. INTELLECTUAL PROPERTY LAWS

1. The Trademarks Act, 1999

The Trademarks Act, 1999 ("**Trademarks Act**") provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also prohibits any registration of deceptively similar trademarks, infringing trademarks or chemical compounds among others. It also provides for infringement, falsifying and falsely applying for trademarks. Under the provisions of the Trademarks Act, an application for trademark registration may be made with the registry of trade marks by any person or persons claiming to be the proprietor of the trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once a mark is registered, it is valid in India only for a period of 10 years and can be renewed from time to time in perpetuity. The Trademarks Act also prohibits any registration of deceptively similar trademarks or compounds, among others.

2. The Copyright Act, 1957

The Copyrights Act, 1957 ("**Copyright Act**") governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyrights Act acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyrights Act prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

3. The Patents Act, 1970

The Patents Act, 1970 ("**Patents Act**") provides for the application and registration of new inventions of products or processes for granting exclusive rights to the holder of such a patent and obtaining relief in case of infringement. Under the Patents Act, the registration is granted for a fixed period and after the expiry of the term of the patent, it becomes available in the public domain for use without having to pay any fee / royalty to the inventor of the product or process.

4. The Design Act, 2000

The Design Act, 2000 ("**Design Act**") in India, is a legislation that protects industrial designs. Its primary objective is to promote and protect the aesthetic aspect of industrial products, encouraging innovation and creativity in design. The Design Act grants exclusive rights to the registered proprietor of a design for a specific period, preventing others from copying or imitating the design without permission. To be registrable, a design must be new or original, not previously published in any country, and distinguishable from existing designs. The Design Act covers features of shape, configuration, pattern, ornament, or composition of lines or colours applied to any article, whether by industrial process or means, which in the finished article appeal to and are judged solely by the eye.

G. TAX LAWS

1. Income Tax Act, 2025 and Income Tax Rules, 2026

The Income Tax Act, 2025 (Act 30 of 2025), effective from 1 April 2026, serves as the foundational and principal legislation governing income tax in India, replacing the Income Tax Act, 1961. It comprehensively covers all aspects related to the levy, administration, collection, and recovery of income tax from various entities, including individuals, companies, firms, and other associations. The Act defines what constitutes 'income', specifies the heads of income (salaries, house property, profits and gains of business or profession, capital gains, and income from other sources), outlines permissible deductions, exemptions, and allowances, introduces the unified 'Tax Year' concept in place of the earlier 'Previous Year' and 'Assessment Year', and establishes the framework for assessment, appeals, penalties, and recovery. It is the primary legal instrument that dictates the tax liability of every taxable person or entity operating within India. Complementing the Act, the Income Tax Rules, 2026, framed by the Central Board of Direct Taxes under Section 533 of the Income Tax Act, 2025, replace the Income Tax Rules, 1962 with effect from 1 April 2026 and provide detailed procedural mechanisms, forms, valuation methodologies, and specific calculations compliance requirements necessary for

the effective implementation of the Act. provisions, including depreciation rates, perquisite valuation, threshold limits, maintenance of accounts, and other administrative and compliance requirements.

2. Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

3. Profession Tax

The profession tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective profession tax criteria and is also required to collect funds through profession tax. The profession taxes are charged on the incomes of individuals, profits of business or gains in vocations. The profession tax is charged as per the List II of the Constitution. The profession taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

H. GENERAL CORPORATE AND SECURITIES RELATED LAWS

1. The Companies Act, 2013

Our Company and its subsidiary is incorporated in India are companies and are therefore, subject to the provisions of the Companies Act, 2013. It provides a comprehensive framework for corporate governance, financial management, and the rights and responsibilities of directors, shareholders and key managerial personnel and the procedure for undertaking various corporate actions by a company. The Act introduced significant reforms aimed at enhancing corporate transparency, accountability, and investor protection, incorporating provisions related to corporate social responsibility (CSR), independent directors, e-governance initiatives, and stricter penalties for non-compliance.

2. Securities and Exchange Board of India Act, 1992

SEBI Act was enacted to provide for the establishment of SEBI whose function is to protect the interest of investors and to promote the development of, and to regulate the securities market, and for matters connected therewith and incidental thereto. The SEBI Act regulates the functioning of SEBI and enumerates its powers. It also provides for the registration and regulation of the function of various market intermediaries such as stock brokers, merchant bankers, portfolio managers etc. In terms of the provisions under the SEBI Act, SEBI has the power to and has formulated various rules and regulations to govern the functions and working of these intermediaries. SEBI also issues various circulars, notifications and guidelines from time to time in accordance with the powers vested with it under the SEBI Act.

3. Securities Contracts (Regulations) Act, 1956

SCRA seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides for grant of recognition for stock exchanges and clearing corporations by the Central Government (which has been delegated to SEBI). Every recognized stock exchange and clearing corporation is required to have in place a set of rules relating to its constitution and bye-laws for the regulation and control of contracts. It also deals with recognition, de-recognition, regulation/ control on the stock exchanges and clearing corporations and empowers the stock exchanges for making its own bye laws, rules and the provisions pertaining to listing of securities, delisting of securities and dealing in securities.

4. The Foreign Trade (Development and Regulation) Act, 1992 and the Rules framed thereunder

The Foreign Trade (Development and Regulation) Act, 1992 and the rules framed thereunder (“FTA”) The FTA is the main legislation concerning foreign trade in India. The FTA, read along with the Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given wide power to prohibit, restrict and regulate exports and imports in general as well as specified cases of foreign trade. The FTA read with the Foreign Trade Policy, 2023, prohibits anybody from undertaking any import or export except under an importer-exporter code (“IEC”) number granted by the Director General of Foreign Trade. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An IEC number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.²

I. OTHER LAWS

1. The Competition Act, 2002

The Competition Act, 2002 is the primary legislation in India designed to prevent practices having an adverse effect on competition, promote and sustain competition in markets, protect the interests of consumers, and ensure freedom of trade carried on by other participants in markets in India. The Act broadly addresses three key areas: prohibiting anti-competitive agreements (such as cartels, bid-rigging, and market allocation), preventing the abuse of a dominant position by enterprises (including predatory pricing, denial of market access, and imposing unfair conditions), and regulating combinations (mergers, acquisitions, and amalgamations) that could cause or are likely to cause an appreciable adverse effect on competition within India. The Competition Commission of India (CCI) is the statutory body responsible for enforcing the provisions of this Act.

2. Bureau of Indian Standards Act, 2016 and Bureau of Indian Standards Rules, 2018

The Bureau of Indian Standards Act, 2016 (“**Bureau of Indian Standards Act**”) establishes, publishes and regulates national standards to ensure conformity 128 assessment, standardization, and quality assurance of goods, articles, processes, systems and services. It provides for the establishment of a bureau for the standardization, marking and quality certification of goods and provides for the functions of the bureau which include (a) adopting as Indian standard, any standard established for any goods, article, process, system or service by any other institution in India or elsewhere; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) making such inspection and taking such samples of any material or substance as may be necessary to see whether any goods, article, process, system or service in relation to which the standard mark has been used conforms to the relevant standard or whether the standard mark has been properly used in relation to any goods, article, process, system or service with or without a license. Further, the Bureau of Indian Standards Act sets out, inter alia, liability for use of standard mark on products that do not conform to the relevant Indian Standard.

Under the Bureau of Indian Standards Rules, 2018 (“**Bureau of Indian Standards Rules**”), the bureau is required to establish Indian standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian standards so established as may be necessary.

3. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms ‘sexual harassment’ and ‘workplace’ are both defined in the act. Every employer should also constitute an ‘Internal Committee’ and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

4. Motor Vehicles Act, 1988

The Motor Vehicles Act, 1988 is the principal legislation in India that governs all aspects related to motor vehicles. Its primary objective is to regulate the use of motor vehicles in public places, ensuring road safety and order. The Act comprehensively covers various provisions including the licensing of drivers, registration of motor vehicles, control of motor vehicle standards, traffic regulations, liability for accidents, and penalties for violations. It also mandates compulsory third-party insurance for all vehicles, providing a framework for compensation to victims of motor vehicle accidents, and establishes authorities for its enforcement across the country.

5. The Rights of Persons with Disabilities Act, 2016

The Rights of Persons with Disabilities Act, 2016 is a comprehensive legislation enacted to give effect to the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD), which India ratified. This Act significantly expands the definition of “persons with disabilities” to include a wider range of conditions and aims to ensure the full and effective participation and inclusion of persons with disabilities in society. It mandates various provisions for their rights, including non-discrimination, accessibility (in physical infrastructure, transportation, information, and communication technology), education, employment, health, social security, and protection from abuse and violence. The Act also establishes mechanisms for the enforcement of these rights, including the appointment of Commissioners for Persons with Disabilities at both central and state levels, and sets out penalties for contraventions of its provisions.

6. The Boilers Act, 2025

The Boilers Act, 2025 aims to ensure the safety of boilers and pressure vessels, preventing accidents and protecting life and property. Such acts generally cover aspects like the registration and certification of boilers, mandatory periodic inspections by authorized inspectors, prescribing standards for design, construction, and maintenance, and outlining penalties for non-compliance.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Brief History of our Company

Our Company was originally incorporated in Punjab on April 5, 2007, by the name “Talwandi Sabo Power Limited” with the Registrar of Companies, Punjab in accordance with the Companies Act, 1956 as a “public limited company. Pursuant to Clauses 17A.1 and 17A.2 of the Scheme of demerger, the name of Talwandi Sabo Power Limited was changed to “Vedanta Power Limited” and a certificate of incorporation pursuant to change of name dated June 3, 2026 was issued by the Registrar of Companies (“ROC”), Central Processing Centre.

Pursuant to the Scheme effective from May 1, 2026, the Merchant Power Business Undertaking was demerged from Vedanta Limited on a going concern basis and in consideration, our Company issued New Equity Shares to the shareholders of Vedanta Limited, in accordance with the provisions of the Scheme and on the basis of the Share Entitlement Ratio set out therein.

Changes in Registered Office our Company

The Registered Office of our Company is situated at C-103 Atul Projects, Corporate Avenue New Link, Chakala MIDC, Mumbai, Maharashtra, India - 400093. The company has shifted its registered office from Village Banwala, Mansa - Talwandi Sabo Road, Mansa, Punjab, India, 151302 to C-103 Atul Projects, Corporate Avenue, New Link, Chakala MIDC, Mumbai – 400093, vide order of the Regional Director (Northern Region), Ministry of Corporate Affairs dated September 30, 2024.

Change in the Name of our Company

Pursuant to Clauses 17A.1 and 17A.2 of the Scheme of demerger, the name of Talwandi Sabo Power Limited was changed to “Vedanta Power Limited” and a certificate of incorporation pursuant to change of name dated June 3, 2026 was issued by the Registrar of Companies (“ROC”), Central Processing Centre.

Main objects as set out in the Memorandum of Association of our Company

The main object of our Company, as contained in our Memorandum of Association, are as set forth below:

<p><i>“1. To Construct, Operate and maintain "electricity system" as defined under Section 2(25) of the Electricity Act, 2003 and captive coal</i></p>	<p><i>To plan; promote; develop, design, engineer. construct, operate and maintain "electricity system" as defined under Section 2(25) of the Electricity Act. 2003 and integrated fuel system in all its aspects including design and engineer; prepare preliminary feasibility, detailed project and appraisal reports; establish; own; construct; operate and maintain electricity system and captive coal mines for generation evacuation; transmission and distribution of power for supply to the State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, State Governments. Licensees, statutory bodies, other organisations (including private, public and Joint sector undertakings) and bulk consumers of power in accordance with the applicable laws, rules regulations, policies, procedures, guidelines and objectives prescribed by the Govt. of India from time to time.</i></p>
<p><i>2. To act as Consultants/ Technical Advisers of public/private sector enterprises etc.</i></p>	<p><i>To act as consultants, technical advisors, surveyors and providers of technical and other services to Public or Private Sector enterprises engaged in power generation, transmission and distribution and for financial institutions, banks, Central Government and State Governments and agencies engaged in research design, engineering of all form of power, both conventional and non-conventional.</i></p>
<p><i>3 To carry on the business of Trading, Import– Export & Machinery Equipment Business</i></p>	<p><i>To carry on business as agents, importers, exporters, dealers, traders, stockists, brokers, buyers, sellers, repairers, assemblers or hirers of plant, machinery, equipment, machine tools, apparatus, component parts, fittings, implements, accessories or raw materials required by industries, workshops, transporters, railways or for agricultural, plantation, handling, excavation, domestic, fabrication or irrigation purposes and to acquire, construct, hire, decorate, maintain or own land, workshops, factories, shops, showrooms, offices, rights or agencies required for or in connection with any such business.</i></p>
<p><i>4.To establish Infrastructure Development, Special Economic Zones & Integrated Industrial Business Parks.</i></p>	<p><i>To establish and develop Special Economic Zones and Industrial Estates/Parks and to carry on the business of property developers, builders, creators, operators, owners and contractors of infrastructure facilities and services including cities, towns, roads, seaports, airports, hotels, airways,</i></p>

	<p><i>railways, tramways, mass rapid transport systems, cargo movement and handling systems including mechanised handling systems and equipment, shipyards, land development, water desalination plants, water treatment and recycling facilities, water supply and distribution systems, solid waste management, effluent treatment facilities, power generation, transmission and distribution, power trading, generation and supply of gas or any other form of energy, environmental protection and pollution control, public utilities, security services, municipal services, clearing house and stevedoring services and other similar infrastructure facilities and services including telecommunication networks, data transmission networks, information technology networks, industrial parks, warehouses, container depots, container freight stations, research centres, educational institutions, hospitals, residential and commercial complexes and social infrastructure, and to purchase, acquire, lease or otherwise deal in land, buildings and structures for promoting industrial and commercial activity for inland and foreign trade, and to carry on allied import, export, liaison and related activities."</i></p>
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Amendments to the Memorandum of Association of our Company

Date of shareholders' meeting	Particulars
April 20, 2026	To carry on business as agents, importers, exporters, dealers, traders, stockists, brokers, buyers, sellers, repairers, assemblers or hirers of plant, machinery, equipment, machine tools, apparatus, component parts, fittings, implements, accessories or raw materials required by industries, workshops, transporters, railways or for agricultural, plantation, handling, excavation, domestic, fabrication or irrigation purposes and to acquire, construct, hire, decorate, maintain or own land, workshops, factories, shops, showrooms, offices, rights or agencies required for or in connection with any such business.
April 20, 2026	To establish and develop Special Economic Zones and Industrial Estates/Parks and to carry on the business of property developers, builders, creators, operators, owners and contractors of infrastructure facilities and services including cities, towns, roads, seaports, airports, hotels, airways, railways, tramways, mass rapid transport systems, cargo movement and handling systems including mechanised handling systems and equipment, shipyards, land development, water desalination plants, water treatment and recycling facilities, water supply and distribution systems, solid waste management, effluent treatment facilities, power generation, transmission and distribution, power trading, generation and supply of gas or any other form of energy, environmental protection and pollution control, public utilities, security services, municipal services, clearing house and stevedoring services and other similar infrastructure facilities and services including telecommunication networks, data transmission networks, information technology networks, industrial parks, warehouses, container depots, container freight stations, research centres, educational institutions, hospitals, residential and commercial complexes and social infrastructure, and to purchase, acquire, lease or otherwise deal in land, buildings and structures for promoting industrial and commercial activity for inland and foreign trade, and to carry on allied import, export, liaison and related activities.
April 20, 2026	To carry on the business of acquiring, establishing, commissioning, setting up, operating and maintaining thermal, hydro, nuclear and all kinds of conventional and non-conventional power plants, power transmission systems, power systems, generation stations based on conventional/non-conventional resources for evacuation, generation, transmission and distribution of power through establishing or using stations, tie-lines, sub-stations and transmission lines on commercial basis including Build, Own and Transfer (BOT), Build, Own and Operate (BOO), Build, Own Lease and Transfer (BOLT) and/or Build, Own, Operate and Transfer (BOOT) basis and to carry on the business of acquiring, operating, managing and maintaining and entering into any agreement, contract or arrangement for the implementation of power transmission systems, power generation stations, tie-lines, sub-stations and transmission lines, either newly set up or acquired from State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, State Governments, licensees, statutory bodies, other organizations and bulk consumers of power and, for any or all of the aforesaid purposes, to undertake trading and all necessary or ancillary activities as may be considered necessary, beneficial or desirable.
April 20, 2026	To guarantee the payment of money, whether unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture stocks, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority, supreme, municipal, local or otherwise, or of any person whomsoever, whether incorporated or not, and to lend money against property or against a bank guarantee and to make future supplies of goods and services on such terms as the Directors may consider necessary and to invest the monies of the Company in such manner as the Directors may think fit and to sell, transfer or otherwise deal with the same, and generally to guarantee or become sureties for the performance of any contracts or obligations.
April 20, 2026	To negotiate and enter into any agreement, memorandum of understanding, arrangement, contract, bidding, consortium or collaboration with foreign and Indian enterprises including companies, firms, persons, banks, institutions or other organizations, whether governmental or private, in relation to the business of the Company including acquiring or offering technical know-how, import, export, purchase or sale of plant and machinery, equipments, tools, accessories, consumables, to employ local or foreign technicians, experts or advisers on a contract basis or otherwise, including deputing the Company's technicians, experts, equipment and other assets or

Date of shareholders' meeting	Particulars
	properties whether to entities in India or abroad, and to provide related services on a joint venture basis or otherwise, as also to provide financial or any other assistance for carrying out all or any of the objects of the Company.
April 20, 2026	To employ experts to investigate and examine the conditions, prospects, value, character and circumstances of any business, concern or undertaking and generally of any assets, property or rights. To take part in the supervision and control of the business of any company or undertaking and to appoint and remunerate any directors, accountants, experts or other agents.
April 20, 2026	To apply for and become a member of any trade association, society, company, management association or other association or professional body, anywhere in the world, and to communicate with various Chambers of Commerce and other mercantile or public bodies to promote measures for the protection and/or promotion of trade, industry or business or of persons engaged therein.

Major events and milestones of our Company

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Year	Events
2008	Execution of a long-term Power Purchase Agreement with Punjab State Power Corporation Limited
2013	Signing of Fuel Supply Agreement with MCL for supply of coal aggregating to 7.72 MTPA.
2013	Establishment of dedicated railway connectivity through the rail corridor from Sadda Singh Wala Railway Station.
2016	Achievement of Commercial Operation Date (COD) of the power station.
2017	End-to-end Operations and Maintenance (O&M) outsourcing
2022	Declared winner for outstanding achievements in Green Belt Development
2022	Recognized as "Energy Efficient Unit" at National Awards for excellence in Energy Management
2023	Execution of agreement with Ashtech India for 100% end-to-end ash management.
2024	Rationalization of coal linkage from MCL to SECL and NCL for 6.15 MTPA
2024	Initiation of co-firing of Torrefied Biomass pellets along with coal.
2024	Certified as Single use Plastic Free Plant
2024	Registered office changed from State of Punjab to Maharashtra (Mumbai)
2024	Refinancing of existing rupee term loan with SBI, Canara Bank and ICICI Bank by drawdown of RTL from PFC for ₹ 2,400 Cr.
2024	Installation of automatic sample preparation unit for coal sampling
2024	Secured Silver prize at 1st FICCI Awards for Excellence in Maintenance
2024	Awarded with International British Safety Award from British Safety Council
2025	Designated as a Prohibited Area by the Department of Home Affairs, Government of India.
	Certified for ISO 9001:2015, 14001:2015, 45001:2018, 50001:2018, 39001:2012
2025	Awarded for Efficient Management of Fly Ash (≥ 1500 MW) in the Private Sector - Northern Region by the Mission Energy Foundation
2025	Execution of a long-term ash sales agreement with Adani Cements for a tenure of 16 years
2025	Awarded NABL Accreditation for ISO/IEC 17025:2017 in the field of testing
2026*	Transfer and vesting of Merchant Power Business (Demerged Undertaking) from VEDL to Company pursuant to the Scheme.

*The Scheme was approved by NCLT by way of its order dated December 16, 2025 and January 9, 2026.

Details of the Scheme of Arrangement

The composite scheme of arrangement involving VEDL, VAML, TSPL (now VPL), MEL, VISL, VBML and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act ("Erstwhile Scheme") was approved the Board of Directors of the respective entities on the dates set out below:

- (i) VEDL – September 29, 2023;
- (ii) VAML – October 13, 2023;
- (iii) TSPL (now VPL) – October 10, 2023;
- (iv) MEL – October 13, 2023;
- (v) VBML – October 13, 2023; and
- (vi) VISL – October 13, 2023.

NCLT vide its order dated November 21, 2024, passed in Company Application No. (CAA)/MB/171/2024 ("Order"), *inter alia*, directed VEDL to issue of notices for convening meetings of equity shareholders, secured creditors and unsecured creditors. Subsequent to the Order and pursuant to VEDL's discussions and deliberation with its stakeholders (including lenders) with respect to the Erstwhile Scheme, the Board of Directors of VEDL and VBML, vide their respective resolutions dated December 20, 2024, and December 23, 2024 respectively, decided to not proceed with implementation of Part V of the Erstwhile Scheme (demerger of

the Base Metals Undertaking). Accordingly, the Board of the VEDL and our Company have approved the Scheme (with modifications to exclude Part V of the Erstwhile Scheme). Further, the meeting of the equity shareholders, secured creditors and unsecured creditors of VEDL was convened on February 18, 2025, and the Scheme was approved with requisite majority at said meetings.

Capacity/Facility Creation, Location of Plants

Please refer to the section titled “*Our Business*” on page 80 of this Information Memorandum.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

As on the date of this Information Memorandum, there are no defaults or re-scheduling / restructuring in relation to borrowings availed by the Company from any financial institutions or banks.

Significant financial or strategic partners

Other than as set out in this section, our Company does not have any strategic/financial partners, as on the date of filing of this Information Memorandum.

Details regarding material acquisitions or divestments of business/undertakings/mergers and amalgamations, any revaluation of assets

As on the date of this Information Memorandum, other than pursuant to the Scheme, there have been no or divestments acquisition of business, undertakings, mergers, amalgamations or revaluation of assets involving the Company.

Holding Company, Subsidiary Company and Joint Ventures of our Company

Holding Company:

- (a) **Name of the Holding company:** Vedanta Resources Limited (“VRL”)
- (b) **Nature of business:** Other mining and quarrying not elsewhere classified.
- (c) **Capital Structure:** As at March 31, 2025, the issued share capital of VRL comprised of 285,246,698 ordinary shares of USD 0.10 each and 50,000 deferred shares of GBP 1 each.
- (d) **Shareholding:** The shares of VRL are held by Vedanta Incorporated (Erstwhile Volcan Investments Limited) and its wholly owned subsidiary, Volcan Investments Cyprus Limited as follows:
 - (i) Vedanta Incorporated (Erstwhile Volcan Investments Limited) – 187,488,092 shares – 65.73%
 - (ii) Volcan Investments Cyprus Limited – 97,758,606 shares – 34.27%
- (e) **Amount of accumulated profits or losses of the subsidiary(ies) not accounted for by the company:** All profits/ or losses of the subsidiary(ies) required to be accounted under relevant financial framework have been accounted by VRL in its consolidated financial statements.

Subsidiary Company:

- (a) **Name of the Subsidiary company:** Meenakshi Energy Limited
- (b) **Nature of business:** The Company is primarily engaged in the business of power generation.
- (c) **Capital structure:**

Particulars	Number of Equity Shares	Nominal value per share (in INR)	Total amount of equity shares (in INR)
Authorised Capital	52,00,00,00,00	10	52,00,00,00,000
Issued capital	10,00,000	10	1,00,00,000

Subscribed Capital	10,00,000	10	1,00,00,000
Paid Up capital	10,00,000	10	1,00,00,000

(d) **Shareholding:**

100% shareholding is held by our Company.

(e) **Amount of accumulated profits or losses of the subsidiary(ies) not accounted for by the company:**

VEDL (earlier parent company) is accounting for profit or loss from our subsidiary(ies) as per the relevant accounting standards.

Please see section titled “*Capital Structure*” for shareholding pattern of the Company on page 38 of this Information Memorandum.

Associates

As on the date of this Information Memorandum, our Company has no associates.

Joint Ventures

As on the date of this Information Memorandum, our Company has no joint venture.

Common Pursuits with Our Subsidiary

As on the date of this Information Memorandum, this is not applicable to our Company.

Summary of Material Agreements

Details of subsisting Shareholders’ Agreements

So far as the Company is aware, the shareholders of the Company have not entered into any shareholders agreements as on the date of the Information Memorandum.

Other Material Agreements:

Relationship Agreement with VRL

VRL, either directly or indirectly through its group entities, currently holds 56.38% of the paid-up equity share capital of our Company and is classified as a “Promoter Group” entity of our Company. In order to formalize the rights and obligations of the Promoter in a transparent and regulated manner, our Company and VRL have agreed to enter into a relationship agreement (“**Agreement**”) with effect from May 1, 2026. The Agreement records the governance framework governing the relationship between VRL and our Company, which are in compliance with SEBI Listing Regulations, particularly Regulation 31B.

The Agreement seeks to codify VRL’s rights in a transparent and regulated manner, ensure continued compliance with SEBI Listing Regulations and corporate governance best practices and balance promoter rights with independence of the Board and protection of public shareholders’ interests. The Agreement not only enhances transparency and predictability in promoter-company relations but also aligns our Company’s governance structure with SEBI mandated requirements for listed companies and further provides clarity to shareholders and proxy advisors regarding promoter rights. The Agreement strengthens institutional governance while preserving Board independence. Some of the salient terms of the Agreement are as follows:

- (i) ***Board Independence & Fiduciary Primacy:*** Our Company shall be managed by an independent Board acting in accordance with its fiduciary duties and in the best interests of all shareholders, irrespective of promoter rights.
- (ii) ***Subordination to Law & Regulation:*** All rights and obligations under the Agreement are expressly subject to the Companies Act, SEBI regulations including SEBI Listing Regulations and stock exchange requirements, as amended from time to time.
- (iii) ***Proportionality Linked to Shareholding:*** Promoter rights are clearly calibrated to minimum shareholding thresholds and diminish or terminate automatically upon dilution below prescribed levels.

- (iv) *Minority Shareholder Protection*: Promoter rights must be embedded in the Articles and are subject to periodic approval of public shareholders by special resolution, ensuring ongoing minority oversight.
- (v) *Defined & Finite Reserved Matters*: Affirmative Vote Matters (AVMs) are limited, enumerated and trigger based, covering only fundamental corporate actions and not routine business decisions.
- (vi) *Arm's Length Dealings*: All transactions and interactions between the Group and our Company must be conducted at arm's length, with appropriate approvals, including Audit Committee and Independent Director oversight where required.
- (vii) *Information Sharing with Safeguards*: Any information (including UPSI) shared with the promoter is strictly for legitimate governance and regulatory purposes, subject to confidentiality obligations and SEBI Insider Trading Regulations.
- (viii) *Periodic Regulatory Review*: The Agreement is subject to annual review to ensure continued alignment with applicable laws and evolving regulatory expectations.
- (ix) *Sunset Based Continuity*: The Agreement remains in force only while the promoter maintains a minimum 10% shareholding, ensuring no perpetual or disproportionate rights.
- (x) *No Restriction on Strategic Management*: The Agreement does not inhibit our Company's ability to pursue growth, restructuring or capital decisions, except to the extent expressly covered by AVMs and applicable law.
- (xi) *Transparency & Predictability*: The framework aims to provide clarity, stability and predictability to shareholders, regulators and the Board regarding promoter involvement.

Migration Services Agreement with VEDL

Pursuant to the demerger of the Merchant Power Business Undertaking of VEDL into our Company, our Company has entered into the MSA dated April 30, 2026 with VEDL and the other Resulting Companies, under which VEDL shall provide certain corporate services to our Company, and shall facilitate the availment of services under the Central Contracts, from the Effective Date until completion of migration of the Central Contracts to our Company. The services covered by the MSA include information technology, legal and compliance, finance and accounting, procurement, human resources and other similar corporate services. The costs of services availed under the Central Contracts during the interim period are recoverable from our Company on a pass-through basis, together with agreed ancillary costs actually incurred.

Brand License and Strategic Services Agreement with VRL and VRIL

Our Company has entered into a brand license and strategic services agreement dated March 18, 2023 (as amended and restated on January 25, 2024) with VRL and VRIL (the "**Agreement**"). Pursuant to the Agreement, VRIL has granted a non-exclusive, non-assignable and non-transferable license to our Company to use the 'Vedanta' name, logo and trademarks in accordance with the terms of the Agreement. The Agreement is valid for a period of 15 years until March 31, 2038. Upon expiry or termination of the Agreement, the sub-license will automatically convert into a direct license between VRL and our Company. For more information, see "*Risk Factors - We do not own the 'Vedanta' trademark or logo and have a license to use the brand name, trademark and logo for our operations. An inability to maintain or renew our license agreement could adversely affect our reputation, business, financial condition, results of operations and cash flows*" on page 19 of this Information Memorandum.

Agreements with Key Managerial Personnel, Senior Management, Directors, Promoters, or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings in the securities of our Company.

Guarantees Given by Our Promoters

Our Promoters are not offering any Equity Shares, and accordingly, the confirmation pertaining to guarantees extended in favour of third parties is not applicable.

OUR MANAGEMENT

In accordance with the provisions of the Companies Act, and our Articles of Association, our Company is required to have not less than three (3) and not more than fifteen (15) Directors. As on the date of this Information Memorandum, our Board comprises of six (6) Directors, out of which three (3) are Independent Directors (including one woman Director). The composition of the Board of Directors is in compliance with the Companies Act and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors as on the date of Information Memorandum:

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
1.	<p>Anil Kumar Agarwal DIN: 00010883 Designation: Chairman and Non-Executive Director Address: Flat 2, 42 Hill Street, London, United Kingdom W1J 5NU Occupation: Industrialist Date of birth: September 7, 1952 Current term: One year from May 1, 2026 till April 30, 2027 Period of Directorship: Since May 1, 2026</p>	73	<p>Indian Companies: 1. Vedanta Limited 2. Sterlite Technologies Limited 3. Anil Agarwal Foundation 4. Vedanta Iron and Steel Limited 5. Vedanata Aluminium Metal Limited 6. Malco Energy Limited (now Vedanta Oil and Gas Limited)</p> <p>Foreign Companies: 1. Vedanta Resources Limited, UK 2. Conclave PTC Limited 3. Black Mountain Mining (Proprietary) Limited 4. Anil Agarwal Riverside Studios Trust</p>
2.	<p>Tarun Jain DIN: 00006843 Designation: Non-Executive Director Address: Flat No.1201, 12th Floor, Yoga Co-op Hsg Soc. Ltd. CTS 195/172, Gulmohar XRD-12 JVPD Scheme, Mumbai – 400 049 Occupation: Service Date of birth: March 6, 1960 Current term: One year from May 1, 2026 till April 30, 2027 Period of Directorship: Since May 1, 2026</p>	66	<p>Indian Companies: 1. Bharat Aluminium Co. Ltd. 2. Aart Corporate Advisors Private Limited 3. Vedanta Medical Research Foundation 4. Rajtaru Charity Foundation 5. Rushabh Nath Digamber Jain Foundation 6. Jain International Trade Organisation 7. Shree Khandelwal Digamber Jain Samaj Foundation</p> <p>Foreign Companies: NIL</p>
3.	<p>Suresh Balasubramaniam DIN: 00424602 Designation: Non-Executive Independent Director Address: 20, Sea Glimpse, Worli Hill Rd, Worli, Mumbai- 400018, Maharashtra Occupation: Professional Date of birth: January 21, 1963 Current term: One year from May 1, 2026 till April 30, 2027 Period of Directorship: Since May 1, 2026</p>	63	<p>Indian Companies: 1. Quartet Financial Services Private Limited 2. Uniphos Enterprises Limited</p> <p>Foreign Companies: NIL</p>
4.	<p>Rahul A. Shetty DIN: 08733159 Designation: Non-Executive Independent Director Address: Flat 200, Block 4, Park West Place, W2 2QL, London, United Kingdom Occupation: Professional Date of Birth: August 24, 1983 Current term: One year from May 1, 2026 till April 30, 2027 Period of Directorship: Since May 1, 2026</p>	42	<p>Indian Companies: Pangeaar India Private Limited</p> <p>Foreign Companies: 1. Optimus Investments Private Limited 2. Aares Enterprise Limited 3. Brave Private Limited 4. Samarpan UK Private Limited 5. Wellnexx Limited</p>
5.	<p>Roma Ashok Balwani DIN: 00112756 Designation: Non-Executive Independent Woman Director Address: 2, Paliputra, 16th Road, Opp Khar Gymkhana, Khar West, Mumbai, Khar Delivery, Maharashtra, 400052 Occupation: Professional</p>	73	<p>Indian Companies: Godawari Power and Ispat Limited</p> <p>Foreign Companies: NIL</p>

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	<p>Date of Birth: August 8, 1952 Current term: One year from May 1, 2026 till April 30, 2027 Period of Directorship: Since May 1, 2026</p>		
6.	<p>Rajinder Singh Ahuja DIN: 11047070 Designation: Whole time Director and Chief Executive Officer Address: TC9/2, Vedanta Vihar, Mahenduriya, Rajsamand, Rajpura, Rajasthan, 313211 Occupation: Service Date of Birth: September 5, 1976 Current term: One year from May 1, 2026 till April 30, 2027 Period of Directorship: Since May 1, 2026</p>	49	<p>Indian Companies: Meenakshi Energy Limited</p> <p>Foreign Companies: NIL</p>

Brief profiles of our Directors

Anil Kumar Agarwal is the Non-Executive Chairman on the Board of our Company. He is the Non-Executive Chairman of Vedanta Limited and has been the Executive Chairman of Vedanta Resources since March 2005. He founded the Vedanta Group in 1976 and has over four decades of entrepreneurial experience. He has helped shape the strategic vision of the Company to contribute to the larger purpose of uplifting communities. Under his leadership, Vedanta has grown from an Indian domestic miner to a global natural resources group, with a world-class portfolio of large, diversified assets in oil & gas, zinc, silver, aluminium, copper, nickel, iron & steel and power that are capable of generating strong cash flows. His vision is to empower the nation by achieving self-sufficiency in the natural resources sector. Over the years, he has invested over US\$35 billion for the development of the natural resources sector in India. He has also been a strong advocate for the growth of the MSME sector and startups in India. He believes that businesses must give back to the society and help them prosper. He has pledged 75% of his wealth for social good. He has signed The Giving Pledge, a movement of global philanthropists who have committed to giving away the majority of their wealth towards philanthropic and charitable causes. He is committed to promoting the well-being of the communities with a focus on women and child development. His dream project, Nand Ghar, is developing model anganwadis across India that are focused on eradicating child malnutrition, providing education, healthcare, and empowering women with skill development. He is also committed to nurturing the youth through the promotion of sports and grassroots talent by developing state of the art sports infrastructure in India. The Anil Agarwal Foundation is committed towards empowering communities, transforming lives and facilitating nation building through sustainable and inclusive growth. The Foundation has teamed up with the Bill & Melinda Gates Foundation to improve health and nutritional outcomes. He completed his schooling from Miller High School, Patna.

Tarun Jain is the Non-Executive Director on the Board of our Company. He has been associated with Vedanta Group since 2001. With over 40 years of extensive experience in corporate finance, audit and accounting, tax and secretarial practice, and strategic financial matters, he has built expertise in corporate finance, corporate strategy, business development, and mergers and acquisitions. He is a fellow member of both the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India and is a graduate of the Institute of Cost and Works Accountants of India. He also serves on the Board of Vedanta Medical Research Foundation, Aart Ventures Private Limited, and Aart Corporate Advisors Private Limited. Additionally, he has previously served on the Boards of Vedanta Limited, Cairn India Limited, Sterlite Opportunities and Ventures Limited, and Vedanta Aluminium Limited.

Suresh Balasubramaniam is a Non-Executive Independent Director on the Board of our Company. He is a Chartered Accountant, by profession and has over three decades of experience. Suresh Balasubramaniam is the Founder-CEO of Capital Express. He has been an investment banker for over 35 years and has advised on numerous transactions in equity, debt, M&A, international fund raising and structured finance. He was previously the Managing Director and CEO of American Orient Capital Partners, India (previously AIA Capital), a pan-Asian financial advisory services joint venture owned by AIG, UFJ Bank of Japan and others, with offices in Hong Kong, Singapore, Philippines, and India. Earlier, he was in a leadership position with Credit Lyonnais Bank in India and headed merchant banking, capital markets, project and structured finance and correspondent banking. He has also served on all the bank's apex committees, viz, management, credit, personnel, audit, and risk management committees. He has also served on the Board of Directors of Great Offshore Limited, one of the largest O&G offshore services companies, Dhanalakshmi Bank Limited, one of the oldest banks in India, Asianet Communications Limited, then south India's leading TV Media company. He brings decades of experience and relationships across companies, banks, funds, and financial institutions.

Rahul A. Shetty is a Non-Executive Independent Director on the Board of our Company. He is an alumnus of Duke University and holds a degree in Computer Engineering. He is a United Kingdom-based investment professional and entrepreneur, currently serving

as Founder & Director of Optimus Investments, a London-headquartered firm focused on real estate investment, asset management, and capital raising. Rahul has over 14 years of experience in investment banking and real estate. Prior to Optimus, Rahul was an investment banker with bulge bracket banks such as Lehman Brothers, Nomura, and Barclays. He has raised £30m of investments from the United Kingdom for investments into Indian real estate. He previously managed a commercial real estate portfolio in the UK for a family office. At Optimus, he focuses on UK real estate investments, structuring opportunities for international investors and managing development and asset portfolios. The firm operates out of London and has been active since 2019.

Roma Ashok Balwani is the Non-Executive Independent Woman Director on the Board of our Company. is currently Director & Chief Mentor, Strategic Resources which provides management advisory on Leadership Development, ESG, Brand & Reputational Risk Management. She is an Independent Director of Godawari Power & Ispat Ltd. The company has dominant presence in the steel sector, part of the Hira Group, she is Chairperson of NRC & CSR committees. She is the former Independent Director, John Cockerill, India for a decade, JCIL is the Indian hub of John Cockerill, headquartered in Belgium. She is also a member of Team Lease Edtech Advisory board for 5 years, the company specialises in providing Enterprise Learning Solutions. Her recent venture RB Foundation focuses on purpose driven brands and ESG Maturity models. Previously she was President, Vedanta Group, Brand & Communications. Roma has over four decades of experience in manufacturing companies such as L&T, Mahindra Group & Vedanta Group in various aspects of strategic business in her previous roles. She personally believes in giving back. She is actively associated with disability cricket as the pro bono CEO & Brand Custodian, IDCA and promotes deaf cricket for the hearing-impaired youth with sporting talent. She speaks at several summits in India & globally on Brand, ESG & Communications. Her story had been chronicled in 2 recent publications, 'Sheroes Amongst Us, Real Women, Real stories' and 'Surge' as a thought leader in corporate communications. Her leadership journey has now been featured in an academic research paper, published by the International Journal of Critical Accounting (Inderscience), an ABDC-listed, category B journal as a case study, part of a PhD thesis titled "Breaking Barriers- Enablers and Challenges for Women to be on Corporate Boards as Independent Directors".

Rajinder Singh Ahuja is the Whole-time Director and Chief Executive Officer on the Board of our Company. He completed his graduation in electrical engineering from MANIT Bhopal. He brings over 27 years of leadership experience across Safety, ESG, and Power projects. He began his career with the Aditya Birla Group and joined Vedanta in 2003. A homegrown leader within the Vedanta Group, Rajinder has helmed diverse functions spanning project execution, commissioning, operations, business strategy, and HSE (Health, Safety & Environment). At Vedanta, he has played a pivotal role in the commissioning and operation of captive thermal, solar, and wind power plants at Hindustan Zinc Ltd., and later led HSE and Sustainability for Vedanta Limited, driving best-in-class standards across businesses. In his current role as Chief Executive Officer, Rajinder is spearheading our Company's strategic transition as a demerged entity, driving the expansion of its 4.78 GW IPP (Independent Power Producer) portfolio, unlocking value through growth, efficiency, and cost optimisation, while setting new benchmarks in sustainability and HSE excellence.

Confirmations

None of the Directors of our Company are related to each other or to any of the Key Managerial Personnel or Senior Management.

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Information Memorandum, whose shares have been/ were suspended from being traded on any of the stock exchanges during their directorship in such companies.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful defaulters or fraudulent borrowers issued by the RBI.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in their company.

There is no conflict of interest between suppliers of our raw materials and third-party service providers of our Company (crucial for operations of our Company) and other Directors and Key Managerial Personnel.

There is no conflict of interest between the lessors of the immovable properties of our Company (crucial for operations of our Company) and the other Directors and Key Managerial Personnel.

Arrangement or understanding with major Shareholders, customers, suppliers or others pursuant to which our Directors were selected as a Director

None of our Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers, or others.

Terms of appointment of the Executive Director of our Company

Rajinder Singh Ahuja is currently the Whole-time Director and Chief Executive Officer of our Company. He has been appointed as Whole-time Director and Chief Executive Officer of our Company for a period of one year with effect from May 1, 2026, pursuant to resolution passed by our Board on April 29, 2026.

The details of remuneration Rajinder Singh Ahuja, as approved by our Board, in its meeting held on April 29, 2026 is ₹ 249.83 lakhs.

Remuneration to our Executive Directors

The details of the remuneration and commission paid to our Directors in Fiscal 2026 is as follows:

Remuneration paid to Pankaj Kumar Sharma, Whole time Director for FY26 was INR 2.49 cr.

Terms of appointment of our Non-Executive Directors including Independent Directors

Non-Executive Directors including Independent Directors shall be eligible for sitting fees and profit-related commission in addition to reimbursement of expenses for attending the meetings of the Board and its Committees.

- a. Profit-related commission: Profit-related commission may be paid within the monetary limit approved by the shareholders subject to the limit not exceeding 1% of the net profits of the Company as per the Applicable Laws. The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.
- b. Sitting Fees: Non-Executive Directors may receive remuneration by way of fees for attending the meetings of the Board or Committee thereof provided that the amount of such fees shall not exceed rupees one lakh per meeting of the Board or Committee or any such amount as may be prescribed under the Applicable Laws from time to time.
- c. Stock Options: An Independent Director shall not be entitled to any stock option(s) of the Company.

Their roles, responsibilities and duties shall be as per Companies Act, 2013 and SEBI Listing Regulations.

For FY 26

<i>(in INR ₹)</i>				
S.no	Name of Director	Designation	Sitting Fees	Commission
1	Baldev Krishan Sharma	Non-Executive Director	5,95,000	8,40,000
2	Agnivesh Aggarwal	Non-Executive Director	50,000	9,24,000

For FY 25

<i>(in INR ₹)</i>				
S.no	Name of Director	Designation	Sitting Fees	Commission
1	Kannan Ramamirtham	Non-Executive Independent Director	-	3,10,000
2	Baldev Krishan Sharma	Non-Executive Director	4,45,000	8,10,000
3	Mahendra Singh Mehta	Non-Executive Independent Director	4,45,000	8,40,000
4	Agnivesh Aggarwal	Non-Executive Director	1,00,000	12,00,000

For FY 24

<i>(in INR ₹)</i>				
S.no	Name of Director	Designation	Sitting Fees	Commission
1	Kannan Ramamirtham	Non-Executive Independent Director	1,10,000	8,10,000
2	Baldev Krishan Sharma	Non-Executive Director	1,10,000	8,10,000

S.no	Name of Director	Designation	Sitting Fees	Commission
3	Mahendra Singh Mehta	Non-Executive Independent Director	75,000	8,85,000
4	Agnivesh Aggarwal	Non-Executive Director	40,000	12,10,000

Contingent or deferred compensation paid to Directors by our Company

There is no contingent or deferred compensation accrued which is payable to any of our Directors, which does not form part of their remuneration.

Service Contracts with Directors

Our Company has not entered into any service contracts with any of our Directors, which provide for benefits upon termination of employment, except entitlements payable under applicable laws.

Payment or Benefit to Directors (non-salary related)

No amount or benefit has been paid or given, from the date of incorporation of our Company until the date of this Information Memorandum, or is intended to be paid or given, to any of the officers of our Company, other than in the ordinary course of their employment or engagement with our Company.

Bonus or profit-sharing plan for our Directors

None of our Directors is entitled to any bonus (excluding performance linked incentive which is part of their remuneration) or profit sharing of our Company.

Shareholding of our Directors in our Company.

The details of shareholding of our Directors in our Company are provided in “*Capital Structure – Details of Equity Shares held by our Directors, Key Managerial Personnel and Senior Management*” on page 38.

Our Articles of Association do not require that our Directors hold any qualification shares.

Interest of Directors

All our Directors may be deemed to be interested to the extent of commission, if any, and fees payable to them for attending meetings of the Board or a Committee thereof, and other remuneration and reimbursement of expenses, if any, payable to them by our Company. For further details, please see “*Terms of appointment of our Executive Directors of our Company*”, “*Terms of appointment of our Non-Executive Directors, including Independent Directors*” and “*Payment or Benefit to Directors*” above.

Some of our Directors may also be regarded as interested in the Equity Shares of the Company held by them or by their relatives, and/or the entities with which they are associated as promoters, directors, partners, proprietors or trustees and/or to the companies, firms and trust, in which they are interested as directors, promoters, members, partners and trustees, and to the extent of any dividend payable to them and other distributions in respect of Equity Shares that may be held by them in our Company like any other shareholders. For details regarding shareholding of our Directors in our Company, see “*Capital Structure – Details of Equity Shares held by our Directors, Key Managerial Personnel and Senior Management*” on page 38.

None of our Directors have any interest in promotion or formation of the Company (in terms of the SEBI ICDR Regulations) as on the date of this Information Memorandum.

Except in the ordinary course of business, our Directors do not have any other business interest in our Company.

Our Directors have no interest in any property acquired by our Company or proposed to be acquired by our Company or in any transaction in the acquisition of land, construction of buildings, and supply of machinery, etc. in relation to our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as members, by any person, either to induce such Director to become or to help such Director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

No loans have been availed by our Directors from our Company.

Changes in our Board in the last three years

Following are the changes in Directors of our Company during last three years:

Name	DIN	Date of appointment/cessation	Reason
Anil Kumar Agarwal	00010883	May 1, 2026	Appointed as Chairman and Non-Executive Director
Tarun Jain	00006843	May 1, 2026	Appointed as Non-Executive Director
Suresh Balasubramaniam	00424602	May 1, 2026	Appointed as Non-Executive Independent Director
Rahul A. Shetty	08733159	May 1, 2026	Appointed as Non-Executive Independent Director
Roma Ashok Balwani	00112756	May 1, 2026	Appointed as Non-Executive Independent Woman Director
Rajinder Singh Ahuja	11047070	May 1, 2026	Appointed as Whole Time Director & Chief Executive Officer
Baldev Krishan Sharma	02332983	May 1, 2026	Resigned from the position of Non-Executive Director pursuant to restructuring of the Board
Sonal Choithani	9527528	May 1, 2026	Resigned from the position of Non-Executive Director pursuant to restructuring of the Board
Pankaj Kumar Sharma	10277510	May 1, 2026	Resigned from the position of Non-Executive Director pursuant to restructuring of the Board
Agnivesh Agarwal	00038950	January 7, 2026	Cessation of Directorship pursuant to Death of the Director.
Mahendra Singh Mehta	00019566	March 30, 2025	Cessation of directorship on completion of second and final tenure as Independent Director
R Kannan	00227980	August 19, 2023	Resignation owing to personal reasons.
Vibhav Agarwal	03174271	August 19, 2023	Resignation as Whole Time Director owing to various commitments within group
Pankaj Kumar Sharma	10277510	August 19, 2023	Appointment as Whole Time Director

Borrowing Powers of the Board

In accordance with our Articles of Association and subject to the provisions of the Companies Act, 2013 the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow any sum of money for the purpose of our Company and the Board may secure repayment of such money in such manner and upon such terms and conditions in all respects as it thinks fit.

The Board of Directors of the Company in its meeting held on March 7, 2026 approved the increase in borrowing powers of the Company from existing limits of ₹ 12,500 Crore to ₹ 60,000 Crores.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations shall be applicable to our Company immediately upon listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the rules framed thereunder, in respect of corporate governance including constitution of our Board and committees thereof, as required under law.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions. The scope and function of our audit and risk management committee, nomination and remuneration committee, corporate social responsibility committee, stakeholders' relationship committee and ESG committee are in accordance with the provisions of the Companies Act and the SEBI Listing Regulations, as amended from time to time. Our executive management provides our Board detailed reports on its performance periodically

Committees of the Board

1. Audit and Risk Management Committee:

Our Audit and Risk Management Committee was re-constituted vide a resolution of our Board dated April 29, 2026. The current members of the Committee as under:

- (a) Suresh Balasubramaniam, Chairman

- (b) Rahul A. Shetty, Member
- (c) Roma Ashok Balwani, Member

Scope and terms of reference

1. Oversight of Financial reporting

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are true, fair, sufficient and credible;
- Discuss and review, with the management and auditors, the annual /quarterly financial statements before submission to the Board;
- Review of key significant issues, tax and legal reports and management's report;
- Review of management's analysis of significant issues in financial reporting and judgments made in preparing the financial statements;
- Discuss with the Management regarding pending technical and regulatory matters that could affect the financial statements, and updates on management's plans to implement new technical or regulatory guidelines;
- Review of off-balance-sheet structures, if any; and
- Review of Draft limited review/audit reports and qualifications, if any, therein.

2. Internal Audit and Internal Financial Control

- Review of internal audit observations and monitoring of implementation of any corrective actions identified;
- Reviewing the internal financial control framework;
- Review of the performance of the internal audit function and internal audit plan;
- Consideration of statutory audit findings and review of significant issues raised;
- Reviewing Related Party Transactions; and
- Management discussion and analysis of financial condition and results of operations.

3. Risk Management and Cyber Security

- Review of the risk management framework, risk profile, significant risks, risk matrix and resulting action plans;
- Review of the significant audit risks with the statutory auditor during interim review and year-end audit;
- Oversight over the effective implementation of the risk management framework across various businesses;
- Assurance of appropriate measures in the organization to achieve prudent balance between risk and reward in both ongoing and new business activities;
- Annual review of the risk appetite and risk management policy including cyber security procedures adopted in the Group;
- Analytic validation and recommendation of necessary changes in the risk management policies and frameworks to the Audit Committee/Board, if any; and
- Evaluation of significant and critical risk exposures for assessing management's action to mitigate or manage the exposures in a timely manner.

4. Auditors

- Appointment of Statutory, Internal, Secretarial, Cost and Tax auditors, recommending their fees and reviewing their audit reports;
- Review of the independence of the statutory auditor and the provision of audit/non-audit services including audit/non-audit fees paid to the statutory auditor; and
- Independent meetings with statutory auditors.

5. Governance

- Reviewing minutes, summary reports of subsidiary companies audit committees;
- Reviewing intercorporate loans, advances, guarantees;
- Reviewing ethics (whistle blower, sexual harassment, insider trading) and statutory compliances;
- Review of its own charter and processes;
- Notices received from statutory authorities and the management's response;
- Regulatory updates; and
- Reviewing feedback from the Audit & Risk Management Committee's performance evaluation.

2. **Nomination & Remuneration Committee:**

Our Nomination & Remuneration Committee was re-constituted vide a resolution of our Board dated April 29, 2026. The current members of the Committee as under:

- (a) Roma Ashok Balwani, Chairperson
- (b) Suresh Balasubramaniam, Member
- (c) Anil Kumar Agarwal, Member

Scope and terms of reference

1. **Board Composition and Nomination**

- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its Committees;
- Formulate the criteria / policy for appointment of Directors, Key Managerial Personnel (KMP) and Senior Management (as defined by the NRC) in accordance with identified criteria;
- Review and appoint shortlisted candidates as Directors, KMPs and Senior Management (including evaluation of incumbent directors for potential re-nomination) and make recommendations to the Board;
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities, required for an appointment; and
- Formulate and recommend to the Board, the criteria for determining qualifications, positive attributes and independence of a Director.

2. **Compensation**

- Recommend to the Board a policy relating to the remuneration of directors (both Executive and Non-Executive Directors), KMP and SMP;
- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;
- Ensuring relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Ensuring remuneration to Directors, KMP and SMP involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Determine remuneration based on the Company's financial position, trends and practices on remuneration prevailing in the industry as considered appropriate by the NRC; and
- Review of the Company's Share Based Employee Benefit Scheme(s), if any, including overseeing the administration of the Scheme(s), formulating the necessary terms and conditions for such Scheme(s) like quantum of options/rights to be granted, terms of vesting, grant options/rights to eligible employees, in consultation with management; and allotment of shares/other securities when options/rights are exercised etc. and recommend changes as may be necessary.

3. **Evaluation of the Board, its Committees and Individual Directors**

- To develop, subject to approval of the Board, a process for an annual self-evaluation of the performance of the Board, its committees and the Individual Directors in the governance of the Company and to coordinate and oversee this annual self-evaluation;
- To formulate a criterion for evaluation of Independent Directors and the Board and carry out evaluation of every Director's performance and present the results to the Board;
- To review the performance of all the Executive Directors, on the basis of detailed performance parameters set for each of the executive Directors at the beginning of the year and present the results to the Board;
- Action report on suggestions made on evaluation; and
- To maintain regular contact with the leadership of the Company. This should include interaction with the Company's Leadership Institute, review of data from the employee survey and regular review of the results of the annual leadership evaluation process.

4. **Succession Planning & Governance**

- Review of succession planning for Executive and Non-Executive Directors and other SMP;

- Establishing policies and procedures to assess the requirements for induction of new members to the Board;
- To maintain regular interaction and collaborate with the leadership including the HR team to review the overall HR vision and people development strategy of the Company;
- To review and reassess the adequacy of the NRC's charter as required and recommend changes to the Board; and
- To develop and recommend a policy on Board Diversity.

3. **Corporate Social Responsibility and ESG Committee:**

Our Corporate Social Responsibility and ESG Committee was re-constituted vide a resolution of our Board dated April 29, 2026. The current members of the Committee as under:

- (a) Roma Ashok Balwani, Chairperson
- (b) Rajinder Singh Ahuja, Member
- (c) Rahul A. Shetty, Member

Scope and terms of reference

1. **CSR Policy**

- Formulate and recommend to the Board, the CSR Policy and the activities to be undertaken; and
- Review the CSR Policy and associated frameworks, processes and practices.

2. **CSR Activities**

- Identify the areas of CSR activities and projects and to ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully;
- Assess the performance and impact of CSR Activities of the Company;
- Evaluate CSR communication plans;
- Set path for implementation and monitoring mechanism and the progress status to ensure achievement; and
- Ensure the value, ethics and principles are upheld in all its activities.

3. **CSR Budget**

- Decide and recommend to the Board, the amount of expenditure to be incurred on CSR activities;
- Formulation of Annual Action Plan
- Evaluate and monitor expenditure towards CSR Activities in compliance with the Act; and
- Evaluation of need and impact assessment of the projects undertaken by the Company.

4. **ESG Performance Safety**

- Oversight on fatality investigations & learning dissemination across the organization;
- Senior leadership involvement in driving safe work culture;
- Leveraging technology for prediction/prevention of fatalities; and
- Critical focus on implementing a Critical Risk Management program for Business Partners.

5. **Climate & Decarbonization**

- Oversight on decarbonization roadmap for the business, including long-term projections and scenario-planning;
- Review of semi-annual GHG performance;
- Budgetary allocation for decarbonization pathway;
- Inclusion of Scope 3 emission calculations for business; and
- Review on Business partners/supplier w.r.t key climate and carbon commitments.

6. **ESG Governance**

- Review of progress on all nine aims and select KPIs;
- Review of annualized roadmap for all nine aims;
- Oversight and guidance on future plans to deliver on Vedanta's ESG roadmap;
- Review of progress on Vedanta's ESG ratings; and

- Suggestions to enhance stakeholder engagement and communication.

4. Stakeholders' Relationship Committee:

Our Stakeholders' Relationship Committee was re-constituted vide a resolution of our Board dated April 29, 2026. The current members of the Committee as under:

- (a) Rahul A. Shetty, Chairperson
- (b) Suresh Balasubramaniam, Member
- (c) Rajinder Singh Ahuja, Member
- (d) Roma Ashok Balwani, Member

Scope and terms of reference

1. Shareholder Grievances

- Review and timely resolution of the grievances of Security holders related to issue, allotment, transfer/transmission, dematerialization, rematerialization etc. of shares and /or other securities of the Company;
- Review and timely redressal of all the Security holders grievances related to non- receipt of information demanded if any, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate share certificates, general meeting etc.;
- Review from time to time, the shares and dividend that are required to be transferred to the Investor Education and Protection Fund ("IEPF") Authority; and
- Review and closure of all Investor cases.

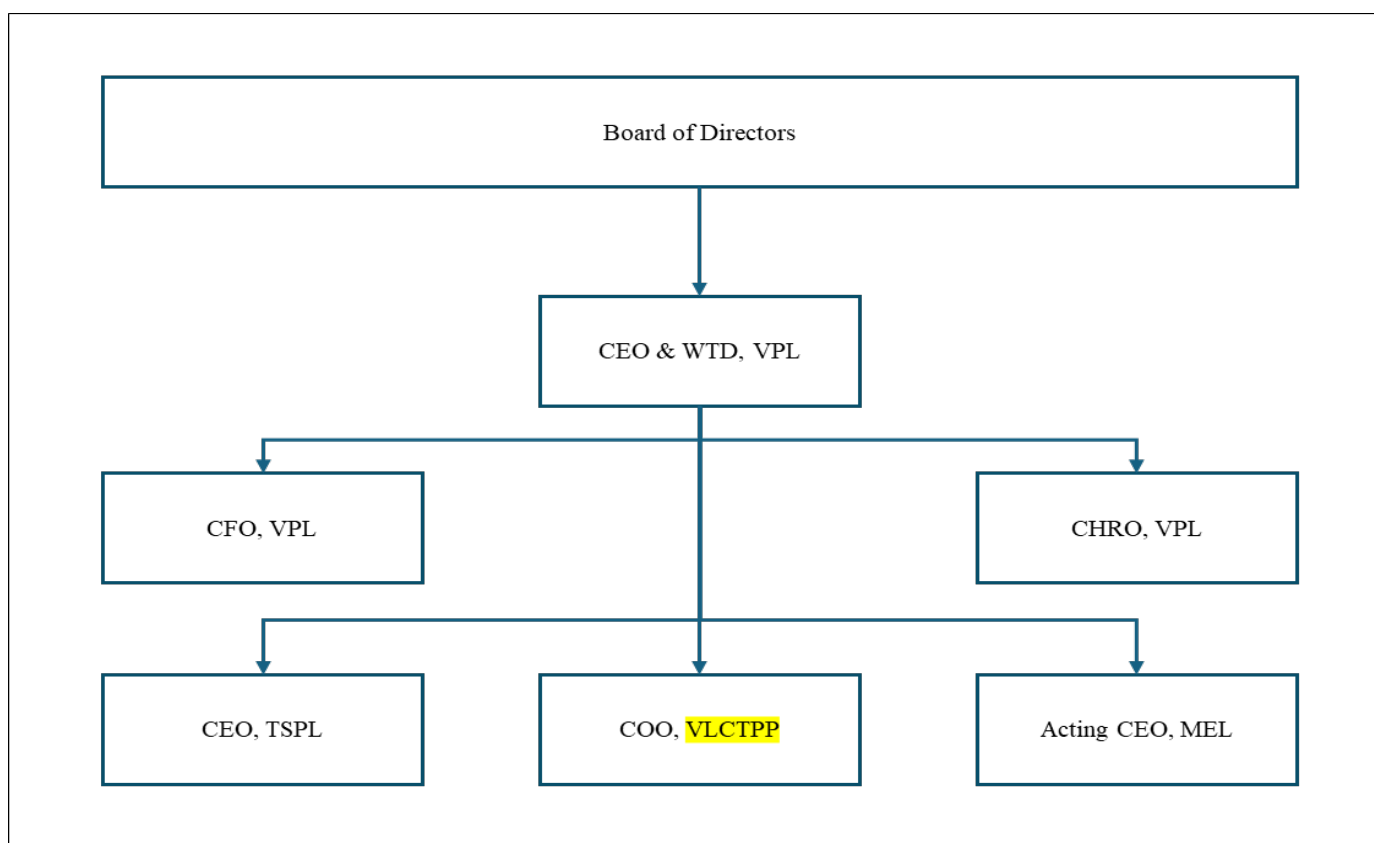
2. Enhancing Investor Relations/ Shareholder Experience/Services

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- Initiatives for registration of email IDs, PAN and Bank Mandates and demat of shares;
- Review reports on shareholder satisfaction surveys, if any;
- Oversight of the performance and services standards of various services being rendered of/by RTA of the Company; and
- To frame IR Strategy, perceptions, actively engaging and communicating with major shareholders of the Company.

3. Shareholding Pattern

- Review shareholding distribution;
- Review movement in shareholding pattern; and
- Comparative details on demat and physical holding

Organizational Structure



KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Brief profiles of our Key Managerial Personnel

In addition to Rajinder Singh Ahuja, our Whole-time Director and Chief Executive Officer whose details is provided in “*Brief profiles of our Directors*” the details of our other Key Managerial Personnel are provided below:

Pankaj Jha is the Chief Financial Officer of our Company. He joined our Company in July 22, 2025. He is a qualified and a ranked Chartered Accountant and Cost Accountant. He was the Chief Financial Officer of Jharsuguda division of Vedanta Limited having turnover of more than ₹ 35000 crore per annum. He led the business having the world largest single location Smelter and India's only aluminium manufacturing unit in 1 million Tonne club. He has fostered a culture of innovation, leading to strategic financial gains and operational efficiencies across the business. He also spearheads Digital and IT portfolio and supports various start-up companies to showcase their ability in Vedanta and build future. A growth-oriented finance professional with over 16 years of global experience in strategy formulation, finance controller, budgeting, business planning, risk management, accounting and consolidation, whistleblower investigations, protective intelligence and internal audits. Adaptable to change and flexible. He was previously in the assurance function to CFO role. Benchmarking of the practices with objective of identifying newer areas in line with emerging risks, global practices and organizations vision & mission, technology enablement and use of data analytics. He brings over 18 years of expertise in finance and management. Since joining Vedanta Limited in 2008, he has held leadership roles at BALCO, in the Management & Assurance team, and most recently as CFO of Vedanta Ltd Jharsuguda, where he drove financial strategy, delivered significant cost optimization, and strengthened governance frameworks. As CFO of the Power Business, he focuses on financial optimization, governance, and long-term value creation, while driving digital transformation to enhance visibility, data-driven decisions, and operational efficiency across thermal assets.

Bhagya Hasija is the Company Secretary and Compliance Officer of our Company with effect from May 1, 2026. He brings over a decade of rich and diverse experience across reputed listed organizations, including Saatvik Green Energy Limited, Heidelberg Cement India Limited, and Dalmia Bharat Limited. Over the course of his career, he has developed deep expertise in end-to-end IPO management, including due diligence, drafting of offer documents, and coordination with regulators and intermediaries. He has extensive experience in regulatory compliance and liaising with Stock Exchanges and other authorities, ensuring adherence to listing regulations and corporate laws. His skill set also encompasses insider trading regulations, takeover code disclosures, investor relations management, and effective Board and committee management, including conducting meetings in compliance with statutory

requirements. Additionally, he has been actively involved in the preparation and finalization of annual reports and other key corporate disclosures. Known for his strong attention to detail and commitment to best practices, he brings a robust focus on corporate governance, transparency and compliance excellence, contributing to the overall strengthening of the Company's governance framework.

Brief profiles of our Senior Management, other than Key Managerial Personnel

Details of our Senior Management are provided below:

Sunayana Pathak is the Chief Human Resources Officer (CHRO) of our Company from May 1, 2026. She joined Vedanta Limited on July 1, 2006. She has done her MBA in HR from Sri Sringeri Sharada Institute of Management. She has over twenty years of experience in human resources. She was previously the Head for Group Talent Acquisition and has worked extensively with Cairn Oil & Gas. She has expertise in talent acquisition, business partnering, succession planning and employee benefits. She is responsible for ensuring best-in-class policies and people practices for the business

Pankaj Sharma is the CEO of Talwandi Sabo Thermal Plant from May 1, 2026. He joined Vedanta Limited on September 1, 1997. He is qualified in BE - Mechanical Engineering and Diploma in Management. He brings with him more than 25 years of experience in management of Large-Scale Industries and has worked in the areas of planning, implementing business strategies, Standardization of practices and procedures, and setting comprehensive goals for business growth and success. Since joining Vedanta in 1997, he has worked at Madras Aluminium Co. Ltd (MALCO), Bharat Aluminium Company Limited (BALCO), Vedanta Limited Jharsuguda (VLJ) and is associated with our Company since 2019.

Status of Key Managerial Personnel and Senior Management

As on the date of this Information Memorandum, all our Key Managerial Personnel and members of the Senior Management are permanent employees of our Company.

Relationship of Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel or members of Senior Management are related to each other.

Arrangement or understanding with major Shareholders, customers, suppliers or others pursuant to which our Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel or members of Senior Management have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Shareholding of the Key Managerial Personnel and Senior Management

Except as disclosed below, none of our Key Managerial Personnel and members of Senior Management hold any Equity Shares in the Company:

S no.	Key Managerial Personnel / Senior Management	No. of Equity Shares
1	Rajinder Singh Ahuja	41,817
2	Pankaj Jha	32,324
3	Pankaj Kumar Sharma	33,118
4	Sunayana Pathak	11,289

Service contracts with Key Managerial Personnel or Senior Management

Our Company has not entered into any service contracts with any Key Managerial Personnel or Senior Management, which provide for benefits upon termination of employment or retirement, except entitlements payable under applicable laws.

Bonus or profit-sharing plan for our Key Managerial Personnel

Our Key Managerial Personnel and Senior Management are entitled to performance bonus, as determined by the Annual Performance Bonus scheme guidelines. The final performance bonus payout is finalized and recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. None of our Key Managerial Personnel or Senior Management are party to any profit-sharing plan of the Company.

Changes in our Key Managerial Personnel and Senior Management in the last three years

The changes in our Key Managerial Personnel since incorporation as on the date of this Information Memorandum are as follows.

Name of the Key Managerial Personnel	Designation	Date of Appointment / Cessation	Reason
Bhagya Hasija	Company Secretary	May 01, 2026	Appointment
Rajinder Singh Ahuja	Whole Time Director & Chief Executive Officer	May 01, 2026	Appointment
Shivangi Dhanuka	Company Secretary	January 23, 2026	Resignation
Pankaj Jha	Chief Financial Officer	July 22, 2025	Appointment
Nitesh Malani	Chief Financial Officer	July 21, 2025	Resignation
Rajinder Singh Ahuja	Chief Executive Officer	February 09, 2025	Appointment
Vibhav Agarwal	Chief Executive Officer	February 08, 2025	Resignation
Nitesh Malani	Chief Financial Officer	July 20, 2023	Appointment
Vibhav Agarwal	Chief Executive Officer	August 18, 2023	Appointment
Vibhav Agarwal	Whole Time Director	August 18, 2023	Resignation

Except as disclosed above, as on the date of this Information Memorandum, there has been no attrition in the Key Managerial Personnel and Senior Management of our Company.

Employee Stock Options

Please refer to the section titled “*Capital Structure*” on page 38 of this Information Memorandum above for details of the Options granted to the eligible employees.

Our Key Managerial Personnel and Senior Management have not been covered in the Employee Stock Option Scheme for our Company. However, they had been covered in the stock option scheme of Vedanta Limited (prior to demerger) and currently have outstanding options for ESOS scheme of 2023, 2024 & 2025. The outstanding options of the said schemes shall be governed with the below principles:

- Performance evaluation linked to the business performance, as per the scheme construct of Vedanta Limited.
- Vesting conditions and timelines as per the scheme construct of Vedanta Limited and shall remain unchanged.
- At the time of vesting, they shall receive shares of all Resulting companies, in such proportion as reflects the equivalent of one share of pre-demerger Vedanta Limited.

Interests of Key Managerial Personnel and Senior Management

The Key Managerial Personnel and Senior Management do not have any interest in our Company other than to the extent of the remuneration and other employment benefits to which they are entitled to as per their terms of employment for service rendered as officers or employees of our Company. The Key Managerial Personnel or Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares that may be held by them in our Company like any other shareholders.

Contingent or deferred compensation payable to our Key Managerial Personnel and Senior Management

There is no contingent or deferred compensation accrued payable to the Key Managerial Personnel or Senior Management of the Company, which does not form part of their remuneration.

Payment or Benefit to Key Managerial Personnel and Senior Management of the Company

No non-salary amount or benefit has been paid or given within the two preceding years of this Information Memorandum or is intended to be paid or given to any of the officers of our Company, including the Key Managerial Personnel and Senior Management, other than in the ordinary course of their employment or engagement with our Company.

Other confirmations

There is no conflict of interest between the suppliers of raw materials and third-party service providers which are crucial for the operations of our Company and our Directors and Key Managerial Personnel.

There is no conflict of interest between the lessors of immovable properties which are crucial for the operations of our Company and our Directors and Key Managerial Personnel.

OUR PROMOTER AND PROMOTER GROUP

The Promoters of our Company are:


1. Anil Agarwal
2. Finsider International Company Limited

As on the date of this Information Memorandum, both our Individual Promoter and Corporate Promoter do not hold any Equity Share in our Company. The shareholders named/stated in the section “*Capital Structure*” starting on page 38, have acquired shareholding in the Company pursuant to and in terms of the Scheme. Prior to the effectiveness of the Scheme, VEDL was the original promoter of our Company. For details, see section “*Changes in Promoters*” at page 118 below.

Details of Promoters

Individual Promoter

Anil Agarwal

	<p>Age: 73 (seventy-three) years</p> <p>Date of Birth: September 7, 1952.</p> <p>Personal address: Flat No 2, 42 Hill Street, United Kingdom W1J 5NU</p> <p>Educational qualifications: Studied at Miller High School, Patna</p> <p>Experience in the business or employment/ Positions and posts held in the past / Directorships held in / Other Ventures: Anil Agarwal is the Non-Executive Chairman of Vedanta Limited. He has been the Executive Chairman of Vedanta Resources since March 2005. He founded the Vedanta Group in 1976 and has over four decades of entrepreneurial experience. He has helped shape the strategic vision of the Company to contribute to the larger purpose of uplifting communities. Under his leadership, Vedanta has grown from an Indian domestic miner to a global natural resources group with a world-class portfolio of large diversified assets in oil & gas, zinc, silver, aluminium, copper, nickel, iron & steel and power that are capable of generating strong cash flows. His vision is to empower the nation by achieving self-sufficiency in the natural resources sector. Over the years, he has invested over US\$35 billion for the development of the natural resources sector in India. He has also been a strong advocate for the growth of the MSME sector and startups in India. He believes that businesses must give back to the society and help them prosper. He has pledged 75% of his wealth for social good. He has signed The Giving Pledge, a movement of global philanthropists who have committed to giving away the majority of their wealth towards philanthropic and charitable causes. He is committed to promoting the well-being of the communities with a focus on women and child development. His dream project Nand Ghar, is developing model anganwadis across India that are focused on eradicating child malnutrition, providing education, healthcare and empowering women with skill development. He is also committed to nurturing the youth through the promotion of sports and grassroot talent by developing state of the art sports infrastructure in India. The Anil Agarwal Foundation is committed towards empowering communities, transforming lives and facilitating nation building through sustainable and inclusive growth. The Foundation has teamed up with the Bill & Melinda Gates Foundation to improve health and nutritional outcomes.. Further details on his other directorships can be accessed at: www.vedantalimited.com/eng/investor-relations-corporate-governance.php#BoardOfDirectors</p>
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Our Company confirms that the permanent account number, bank account number(s), Aadhaar Card, driving license number and passport number of the Individual promoter, shall be submitted to the Stock Exchanges at the time of filing of the Information Memorandum.

Corporate Promoter

Finsider International Company Limited

Corporate Information

Our Corporate promoter was incorporated on June 3, 1985, as a private company under the applicable Companies Act in the United Kingdom with its company registration number as 01918775 and its name as ‘Comindeco – Commercial Metal and Industrial Development Company Limited’. The name of our Corporate Promoter was changed to ‘Finsider International Company Limited’ on January 13, 1988, and its current registered office address is C/O CSC CLS (UK) Limited, 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU.

As on the date of this Information Memorandum, the principal activity of our Corporate Promoter is the holding of investments. There has been no change in the activities of our Corporate Promoter since its incorporation.

Board of Directors

The Board of Directors of Finsider International Company Limited as on the date of this Information Memorandum is as follows:

- Charlotte Anne Murray Lueken;
- Wenda Margaretha Adriaanse; and
- Pushpender Singla

Changes In Promoters

Punjab State Electricity Board was the original promoter and our Company was subsequently acquired by VEDL through auction. Thereafter other than pursuant to the Scheme, there has been no change in our Promoters. For further details, please see “*Capital Structure – Build-up of our Promoters and Promoter Groups’ Shareholding in our Company*” on page 118.

Interest of Our Promoters

The Promoters are interested in our Company to the extent they are Promoters of our Company and to the extent of their respective direct or indirect shareholding in our Company and dividend payable, if any and any other distributions in respect of their direct or indirect shareholding in our Company.

For further details, see sections titled “*Capital Structure*” on page 38 and “*Details of Remuneration of our Directors*” on page 118 of this Information Memorandum.

Disassociation by our Promoters in the last three years

Our Promoters have not disassociated themselves from any companies or firms during the three years preceding the date of filing of this Information Memorandum.

Payment or benefit to Promoters or Promoter Group of our Company

Except as disclosed in “*Financial Information – Related Party Disclosures*” on page 139, there is no amount paid or benefits granted by our Company to our Promoters or any member of the Promoter Group, since its incorporation on April 5, 2007, or is intended to be paid to any of our Promoters or members of the Promoter Group as on the date of this Information Memorandum, other than in the ordinary course of business.

Material Guarantees

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

Promoter Group

The following are the individuals and entities that form part of our Promoter Group in accordance with the SEBI ICDR Regulations:

Natural persons forming part of promoter group:

- 1) Pravin Agarwal
- 2) Suman Didwania
- 3) Ankit Agarwal
- 4) Sakshi Mody
- 5) Anil Agarwal
- 6) Navin Agarwal
- 7) Kiran Agarwal
- 8) Priya Agarwal
- 9) Pratik Agarwal

Entities forming part of promoter group:

- 1) Hare Krishna Packaging Private Limited
- 2) Welter Trading Limited
- 3) Finsider International Company Limited
- 4) Twin Star Holdings Ltd
- 5) Vedanta Holdings Mauritius Limited
- 6) Vedanta Holdings Mauritius II Limited
- 7) Vedanta Netherlands Investments B.V.
- 8) Vedanta UK Investments Limited
- 9) Westglobe Limited
- 10) Richter Holding Limited, Cyprus
- 11) Vedanta Resources Cyprus Limited (VRCL, Cyprus)
- 12) Vedanta Resources Holdings Limited (VRHL, UK)
- 13) Vedanta Finance UK Limited (VFUL)
- 14) Vedanta Resources Limited, UK
- 15) Vedanta Holdings Jersey Limited
- 16) Volcan Investments Cyprus Limited
- 17) Vedanta Resources Finance Limited
- 18) Vedanta Resources Finance II PLC
- 19) Anil Agarwal Discretionary Trust
- 20) Conclave PTC Limited
- 21) Vedanta Incorporated (erstwhile Volcan Investments Limited)

OUR GROUP COMPANIES

In terms of Regulation 2(t) of the SEBI ICDR Regulations and for the purpose of identification and disclosures in this Information Memorandum, ‘group companies’ of our Company shall include: (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed in the financial statements (as also set out in this Information Memorandum below), as covered under applicable accounting standards; and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies with which our Company had related party transactions during the period for which financial information is disclosed in this Memorandum have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Based on the above, following are the Group Companies of our Company as determined in accordance with the Materiality Policy:

1. Vedanta Limited
2. Hindustan Zinc Limited
3. Sterlite Technologies Limited
4. Bharat Aluminium Company Limited
5. ESL Steel Limited
6. Vedanta Resources Limited
7. Sterlite Electric Limited
8. Resonia Limited
9. STL Digital Limited
10. Runaya Refining LLP
11. Vedanta Foundation
12. Vedanta Resources Investments Limited

In accordance with the SEBI ICDR Regulations, financial information in relation to the top 5 Group Companies for the previous three financial years, derived from their respective financial statements (as applicable) are available on the website of the Company.

The top five group companies based on market capitalization for listed companies and based on turnover in case of unlisted companies are as follows:

1. Vedanta Limited
2. Hindustan Zinc Limited
3. Sterlite Technologies Limited
4. Bharat Aluminium Company Limited
5. ESL Steel Limited

Details of all Group Companies

Vedanta Limited

Corporate Information

Vedanta Limited (“VEDL”) is a public listed company incorporated on June 25, 1965, under the provisions of the Companies Act, 1956 and deemed to exist within the purview of the Act, with Corporate Identification Number L13209MH1965PLC291394. Its registered office is situated at 1st floor, C Wing, Unit 103, Corporate Avenue Atul Projects, Chakala Andheri (East) Mumbai – 400093. VEDL is engaged in the business of extraction, refining, manufacture and sale of various metals and minerals, generation and sale of power and other businesses including semiconductor manufacturing, display glass manufacturing, etc.

The authorized equity share capital of VEDL is INR 44,02,01,00,000 divided into 44,02,01,00,000 equity shares of INR 1 each. The issued, subscribed and paid-up equity share capital is INR 3,91,06,86,689 divided into 3,91,06,86,689 shares of INR 1 each.

Nature and extent of interest of Group Company

In the promotion of our Company

Our Company was incorporated on April 5, 2007 under the Companies Act, 1956 as a Special Purpose Vehicle (SPV) by Punjab State Power Corporation Limited (PSPCL) to develop a 1,980 (3×660) MW thermal power project and was subsequently acquired by VEDL through auction and became a wholly owned subsidiary of VEDL but has ceased to be a shareholder with effect from the

Effective Date. Save as disclosed above and in “*Financial Information – Related Party Disclosures*” on page 139, VEDL does not have any other interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Information Memorandum or proposed to be acquired by our Company

From the date of acquisition on September 1, 2008 and since the Scheme becoming effective, VEDL is not interested in the properties acquired or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

From the date of acquisition on September 1, 2008 and since the Scheme becoming effective, VEDL is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

There are no common pursuits between VEDL and our Company.

Related business transactions with our Group Company and significance on the financial performance of our Company

Except as disclosed in “*Financial Information – Related Party Disclosures*” on page 139, there are no related business transactions with VEDL that impact the financial performance of our Company.

Litigation

As on the date of this Information Memorandum, there is no pending litigation involving VEDL which will have a material impact on our Company.

Business interest of Group Company

Except in the ordinary course of business and as stated in “*Financial Information – Related Party Disclosures*” on page 139, VEDL does not have any business interest in our Company.

Other Confirmations

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and VEDL (including its respective directors).

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of our Company) and VEDL (including its respective directors).

The equity shares of VEDL are listed on BSE and NSE.

Interest of our Promoters

As on the date of this Information Memorandum, the Promoter Group holds 56.38% of the equity share capital of VEDL.

Capital Issues in the three years preceding the date of this Information Memorandum.

VEDL completed a Qualified Institutions Placement (“**QIP**”) of equity shares aggregating to ₹8,500 crore in Fiscal Year 2025. For further details, please refer to the disclosures made by VEDL to BSE and NSE and its annual report for Fiscal Year 2024-25, available on its website at www.vedantalimited.com.

Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and Net Asset Value, derived from the financial statements of VEDL is available on the website at www.vedantalimited.com/eng/.

Particulars	Fiscal Year 2025-26	Fiscal Year 2024-25	Fiscal Year 2023-24*
Equity Capital (INR Crore)	391	391	372
Reserves and surplus (INR Crore) [<i>Refer Note 1 below</i>]	76,521	71,964	62,469
Sales (INR Crore) [<i>Refer Note 2 below</i>]	85,982	72,805	69,663
Profit after tax (INR Crore)	17,726	17,928	6,623
Earnings per share (INR)	45.34	46.53	17.80
Diluted earnings per share (INR)	45.34	46.53	17.80
Net Asset Value (INR Crore) [<i>Refer Note 3 below</i>]	78,049	75,399	65,536

Note 1: Items of Other Comprehensive Income are not included.

Note 2: Sales include revenue from operations. Other Operating Income has not been included.

Note 3: Net Asset Value has been calculated as the difference between Total Assets and Total Liabilities.

Hindustan Zinc Limited

Corporate Information

Hindustan Zinc Limited (“HZZ”) is a public listed company incorporated on January 10, 1966 under the provisions of the Companies Act, 1956 and deemed to exist within the purview of the Act, with Corporate Identification Number L27204RJ1966PLC001208. Its registered office is situated at Yashad Bhavan, Yashadgarh, Udaipur, Rajasthan, India, 313004 is engaged in fully integrated mining and metal production business. Its operations start with exploration and mining of zinc-lead ore from key mines like Rampura Agucha Mine, followed by ore beneficiation to produce concentrates.

The authorized equity share capital of Hindustan Zinc Limited is INR 10,00,00,00,000 with 5,00,00,00,000 equity shares of INR 2 each. The issued, subscribed and paid-up equity share capital of INR 8,45,06,38,000 divided into 4,22,53,19,000 shares of INR 2 each.

Nature and extent of interest of Group Company

In the promotion of our Company

Our Company was incorporated on April 5, 2007 under the Companies Act, 1956 as a Special Purpose Vehicle (SPV) by Punjab State Power Corporation Limited (PSPCL) to develop a 1,980 (3×660) MW thermal power project. The Company was subsequently acquired by VEDL through auction and became a wholly owned subsidiary of VEDL but has ceased to be a shareholder with effect from the Effective Date. HZZ, being a subsidiary of VEDL, is a fellow subsidiary of our Company, and accordingly, the two companies are related as sister concerns. Save as disclosed above and in “*Financial Information – Related Party Disclosures*” on page 139, HZZ does not have any other interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Information Memorandum or proposed to be acquired by our Company

From the date of acquisition on September 1, 2008 and since the Scheme has become effective, HZZ is not interested in the properties acquired or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

From the date of acquisition on September 1, 2008, and since the Scheme becoming effective, HZZ is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

There are no common pursuits between HZZ and our Company.

Related business transactions with our Group Company and significance on the financial performance of our Company

Except as disclosed in “*Financial Information – Related Party Disclosures*” on page 139, there are no related business transactions with HZZ that impact the financial performance of our Company.

Litigation

As on the date of this Information Memorandum, there is no pending litigation involving HZL which will have a material impact on our Company.

Business interest of Group Company

Except in the ordinary course of business and as stated in “*Financial Information – Related Party Disclosures*” on page 139, HZL does not have any business interest in our Company.

Other Confirmations

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and HZL (including its respective directors).

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of our Company) and HZL (including its respective directors).

The equity shares of HZL are listed on BSE and NSE.

Interest of our Promoters

As on the date of this Information Memorandum, our Promoters do not hold any equity share capital of the Hindustan Zinc Limited.

Capital Issues in the three years preceding the date of this Information Memorandum.

There has been no capital issue in the three years preceding the date of this Information Memorandum.

Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and Net Asset Value, derived from the financial statements of HZL is available on the website at <https://www.hzlindia.com/investors/results-and-reports>.

Particulars	Fiscal Year 2025-26	Fiscal Year 2024-25	Fiscal Year 2023-24
Equity Capital (INR Crore)	845	845	845
Reserves and surplus (INR Crore) [Refer Note 1 below]	21,390	12,445	14,416
Sales (INR Crore) [Refer Note 2 below]	39,009	32,927	24,084
Profit after tax (INR Crore)	13,712	10,279	7,787
Earnings per share (INR)	32.45	24.33	18.43
Diluted earnings per share (INR)	32.45	24.33	18.43
Net Asset Value (INR Crore) [Refer Note 3 below]	22,475	13,290	15,233

Note 1: Items of Other Comprehensive Income are not included.

Note 2: Sales include revenue from operations. Other Operating Income has not been included.

Note 3: Net Asset Value has been calculated as the difference between Total Assets and Total Liabilities.

Sterlite Technologies Limited

Corporate Information

Sterlite Technologies Limited (“STL”) is a public listed company incorporated on March 24, 2000 under the provisions of the Companies Act, 1956 and deemed to exist within the purview of the Companies Act, with Corporate Identification Number L31300PN2000PLC202408. Its registered office is situated at 4th Floor, Godrej Millennium 9 Koregaon Road, Pune, Maharashtra, India, 411001 is engaged in Designs, manufactures, and delivers end-to-end digital network solutions with a strong focus on optical communications and connectivity infrastructure. Its core products include optical fibres, fibre-optic cables, structured data cables, and power conductors, which are used to build high-capacity broadband and data networks. STL also provides network design, integration, software, and managed services for telecom operators, cloud companies, enterprises, and data centres.

The authorized equity share capital of Sterlite Technologies Limited is INR 1,50,00,00,000 with 75,00,00,000 equity shares of INR 2 each. The issued, subscribed and paid-up equity share capital of INR 97,62,08,170 divided into 48,81,04,085 shares of INR 2 each

Nature and extent of interest of Group Company

In the promotion of our Company

Our Company was incorporated on April 5, 2007 under the Companies Act, 1956 as a Special Purpose Vehicle (SPV) by Punjab State Power Corporation Limited (PSPCL) to develop a 1,980 (3×660) MW thermal power project. The Company was subsequently acquired by VEDL through auction and became a wholly owned subsidiary of VEDL but has ceased to be a shareholder with effect from the Effective Date. STL, being a subsidiary of VEDL, is a fellow subsidiary of our Company, and accordingly, the two companies are related as sister concerns. Save as disclosed above and in “*Financial Information – Related Party Disclosures*” on page 139, STL does not have any other interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Information Memorandum or proposed to be acquired by our Company

From the date of acquisition on September 1, 2008, and since the Scheme becoming effective, STL is not interested in the properties acquired or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

From the date of acquisition on September 1, 2008, and since the Scheme becoming effective, STL is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

There are no common pursuits between STL and our Company.

Related business transactions with our Group Company and significance on the financial performance of our Company

Except as disclosed in “*Financial Information – Related Party Disclosures*” on page 139, there are no related business transactions with STL that impact the financial performance of our Company.

Litigation

As on the date of this Information Memorandum, there is no pending litigation involving STL which will have a material impact on our Company.

Business interest of Group Company

Except in the ordinary course of business and as stated in “*Financial Information – Related Party Disclosures*” on page 139, STL does not have any business interest in our Company.

Other Confirmations

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and STL (including its respective directors).

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of our Company) and STL (including its respective directors).

The equity shares of STL are listed on BSE and NSE.

Interest of our Promoters

As on the date of this Information Memorandum, our Promoters do not hold any equity share capital of the STL.

Capital Issues in the three years preceding the date of this Information Memorandum.

STL completed a Qualified Institutions Placement (“QIP”) of equity shares aggregating to ₹1,000 crore in Fiscal Year 2025. For further details, please refer to the disclosures made by STL to BSE and NSE and its annual report for Fiscal Year 2024-25, available on its website

Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and Net Asset Value, derived from the financial statements of STL is available on the website at https://stl.tech/download/#annual_report.

Particulars	Fiscal Year 2025-26	Fiscal Year 2024-25	Fiscal Year 2023-24
Equity Capital (INR Crore)	98	98	80
Reserves and surplus (INR Crore) [Refer Note 1 below]	1,457	1,320	1,641
Sales (INR Crore) [Refer Note 2 below]	2,446	2,215	3,952
Profit after tax (INR Crore)	2	(115)	(127)
Earnings per share (INR)	0.04	(2.38)	(3.17)
Diluted earnings per share (INR)	0.04	(2.38)	(3.17)
Net Asset Value (INR Crore) [Refer Note 3 below]	1,418	1,721	1,884

Note 1: Items of Other Comprehensive Income are not included.

Note 2: Sales include revenue from operations. Other Operating Income has not been included.

Note 3: Net Asset Value has been calculated as the difference between Total Assets and Total Liabilities.

Bharat Aluminium Company Limited

Corporate Information

Bharat Aluminium Company Limited (“BALCO”) is a public unlisted company incorporated on Nov 27, 1965 under the provisions of the Companies Act, 1956 and deemed to exist within the purview of the Companies Act, with Corporate Identification Number U74899DL1965PLC004518. Its registered office is situated at Aluminium Sadan Core -6 Scope Office Complex 7 Lodhi Road, New Delhi, Delhi, India, 110003 is engaged in aluminium manufacturing & production, Captive Power Generation and Mining.

The authorized equity share capital of Bharat Aluminium Company Limited is INR 5,00,00,00,000 with 50,00,00,000 equity shares of INR 10 each. The issued, subscribed and paid-up equity share capital of INR 2,20,62,45,000 divided into 22,06,24,500 shares of INR 10 each.

Nature and extent of interest of Group Company

Our Company was incorporated on April 5, 2007 under the Companies Act, 1956 as a Special Purpose Vehicle (SPV) by Punjab State Power Corporation Limited (PSPCL) to develop a 1,980 (3×660) MW thermal power project. The Company was subsequently acquired by VEDL through auction and became a wholly owned subsidiary of VEDL but has ceased to be a shareholder with effect from the Effective Date. BALCO, being a subsidiary of VEDL, is a fellow subsidiary of our Company, and accordingly, the two companies are related as sister concerns. Save as disclosed above and in “Financial Information – Related Party Disclosures” on page 139, BALCO does not have any other interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Information Memorandum or proposed to be acquired by our Company

From the date of acquisition on September 1, 2008, and since the Scheme becoming effective, BALCO is not interested in the properties acquired or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

From the date of acquisition on September 1, 2008, and since the Scheme becoming effective, BALCO is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

There are no common pursuits between BALCO and our Company.

Related business transactions with our Group Company and significance on the financial performance of our Company

Except as disclosed in “*Financial Information – Related Party Disclosures*” on page 139, there are no related business transactions with BALCO that impact the financial performance of our Company.

Litigation

As on the date of this Information Memorandum, there is no pending litigation involving BALCO which will have a material impact on our Company.

Business interest of Group Company

Except in the ordinary course of business and as stated in “*Financial Information – Related Party Disclosures*” on page 139, BALCO does not have any business interest in our Company.

Other Confirmations

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and BALCO (including its respective directors).

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of our Company) and BALCO (including its respective directors).

The equity shares of BALCO are not listed on any stock exchange.

Interest of our Promoters

As on the date of this Information Memorandum, our Promoters do not hold any equity share capital of BALCO.

Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and Net Asset Value, derived from the financial statements of BALCO is available on the website at <https://www.vedantapower.com/investor-relations/shareholder-information/>.

Particulars	Fiscal Year 2025-26	Fiscal Year 2024-25	Fiscal Year 2023-24
Equity Capital (INR Crore)	221	221	221
Reserves and surplus (INR Crore) [Refer Note 1 below]	16,654	11,876.25	8,914.83
Sales (INR Crore) [Refer Note 2 below]	17,379	15,808	13,141
Profit after tax (INR Crore)	4825	2,969	1,385
Earnings per share (INR)	218.68	134.57	62.77
Diluted earnings per share (INR)	218.68	134.57	62.77
Net Asset Value (INR Crore) [Refer Note 3 below]	12,156	9,129	7,747

Note 1: Items of Other Comprehensive Income are not included.

Note 2: Sales include revenue from operations. Other Operating Income has not been included.

Note 3: Net Asset Value has been calculated as the difference between Total Assets and Total Liabilities.

ESL Steel Limited

Corporate Information

ESL Steel Limited (“**ESL**”) is a public unlisted company incorporated on December 20, 2006 under the provisions of the Companies Act, 1956 and deemed to exist within the purview of the Companies Act, with Corporate Identification Number U27310JH2006PLC012663. Its registered office is situated at Village -Siyaljori, Post – Jogidih, O.P. – Bangaria, PS- Chandankyari, Bokaro, Bokaro Steel City, Jharkhand, India, 828303 and is engaged in business operations covering the entire steel-making value chain—from raw material processing to finished steel products.

The authorized equity share capital of ESL Steel Limited is INR 1,00,20,00,00,000 with 10,02,00,00,000 equity shares of INR 10 each. The issued, subscribed and paid-up equity share capital of INR 18,49,03,02,240 divided into 1,84,90,30,224 shares of INR 10 each.

Nature and extent of interest of Group Company

In the promotion of our Company

Our Company was incorporated on April 5, 2007 under the Companies Act, 1956 as a Special Purpose Vehicle (SPV) by Punjab State Power Corporation Limited (PSPCL) to develop a 1,980 (3×660) MW thermal power project. The Company was subsequently acquired by VEDL through auction and became a wholly owned subsidiary of VEDL but has ceased to be a shareholder with effect from the Effective Date. ESL, being a subsidiary of VEDL, is a fellow subsidiary of our Company, and accordingly, the two companies are related as sister concerns. Save as disclosed above and in “*Financial Information – Related Party Disclosures*” on page 139, STL does not have any other interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Information Memorandum or proposed to be acquired by our Company

From the date of acquisition on September 1, 2008, and since the Scheme becoming effective, ESL is not interested in the properties acquired or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

From the date of acquisition on September 1, 2008, and since the Scheme becoming effective, ESL is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

There are no common pursuits between ESL and our Company.

Related business transactions with our Group Company and significance on the financial performance of our Company

Except as disclosed in “*Financial Information – Related Party Disclosures*” on page 139, there are no related business transactions with ESL that impact the financial performance of our Company.

Litigation

As on the date of this Information Memorandum, there is no pending litigation involving ESL which will have a material impact on our Company.

Business interest of Group Company

Except in the ordinary course of business and as stated in “*Financial Information – Related Party Disclosures*” on page 139, ESL does not have any business interest in our Company.

Other Confirmations

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and ESL (including its respective directors).

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of our Company) and ESL (including its respective directors).

The equity shares of ESL are not listed on any stock exchange.

Interest of our Promoters

As on the date of this Information Memorandum, our Promoters do not hold any equity share capital of ESL.

Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and Net Asset Value, derived from the financial statements of ESL is available on the website at <https://www.vedantapower.com/investor-relations/shareholder-information/>.

Particulars	Fiscal Year 2025-26	Fiscal Year 2024-25	Fiscal Year 2023-24
Equity Capital (INR Crore)	1,849	1,849	1,849
Reserves and surplus (INR Crore) [Refer Note 1 below]	1,311	2,482	2,750
Sales (INR Crore) [Refer Note 2 below]	7,304	8,147	8,578
Profit after tax (INR Crore)	(1,168)	(266)	(968)
Earnings per share (INR)	(6.32)	(1.44)	(5.23)
Diluted earnings per share (INR)	(6.32)	(1.44)	(5.23)
Net Asset Value (INR Crore) [Refer Note 3 below]	3,160	4,331	4,599

Note 1: Items of Other Comprehensive Income are not included.

Note 2: Sales include revenue from operations. Other Operating Income has not been included.

Note 3: Net Asset Value has been calculated as the difference between Total Assets and Total Liabilities.

Vedanta Resources Limited

Corporate Information

Vedanta Resources Limited is a company limited by shares and incorporated and domiciled in the United Kingdom. Registered address of the Company is C/O Csc Cls (Uk) Limited 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU.

It engaged in business of diversified natural resource specifically engaged in exploring, extracting and processing minerals and oil and gas and has a presence across India, South Africa, Zambia, Namibia, Ireland, Australia, Liberia and UAE.

The issued, subscribed and paid-up equity share capital of Vedanta Resources Limited is USD 29 Million divided into 28,52,46,698 ordinary shares of face value 0.1 ¢ each.

Nature and extent of interest of Group Company

In the promotion of our Company

Save as disclosed above and in “Financial Information – Related Party Disclosures” on page 139, Sterlite Electric Limited does not have any other interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Information Memorandum or proposed to be acquired by our Company

From the date of acquisition on September 1, 2008, and since the Scheme becoming effective, Vedanta Resources Limited is not interested in the properties acquired or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

From the date of acquisition on September 1, 2008, and since the Scheme becoming effective, Vedanta Resources Limited is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

There are no common pursuits between Vedanta Resources Limited and our Company.

Related business transactions with our Group Company and significance on the financial performance of our Company

Except as disclosed in “Financial Information – Related Party Disclosures” on page 139, there are no related business transactions with Vedanta Resources Limited that impact the financial performance of our Company.

Litigation

As on the date of this Information Memorandum, there is no pending litigation involving Vedanta Resources Limited which will have a material impact on our Company.

Business interest of Group Company

Except in the ordinary course of business and as stated in “*Financial Information – Related Party Disclosures*” on page 139, Vedanta Resources Limited does not have any business interest in our Company.

Other Confirmations

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and Vedanta Resources Limited (including its respective directors).

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of our Company) and Vedanta Resources Limited (including its respective directors).

The equity shares of Vedanta Resources Limited are not listed on any stock exchange.

Interest of our Promoters

As on the date of this Information Memorandum, our Promoters do not hold any equity share capital of Vedanta Resources Limited.

Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and Net Asset Value, derived from the financial statements of Vedanta Resources Limited are available on the website at <https://www.vedantaresources.com/>.

Particulars	Fiscal Year 2025-26	Fiscal Year 2024-25	Fiscal Year 2023-24
Equity Capital (USD million)	-	29	29
Reserves and surplus (USD million)	-	624	813
Sales (USD million)	-	-	-
Profit after tax (USD million)	-	(174)	136
Earnings per share (USD)	-	(0.61)	0.48
Diluted earnings per share (USD)	-	(0.61)	0.48
Net Asset Value (USD million)	-	653	842

Sterlite Electric Limited

Corporate Information

Sterlite Electric Limited is a public limited company incorporated in India on May 5, 2015, and is registered with the Registrar of Companies, Pune with Corporate Identification Number (CIN) is U74120PN2015PLC156643. Its registered office is situated at 4th Floor, Godrej Millennium, Koregaon Park, Pune, Maharashtra, India.

Sterlite Electric Limited is primarily engaged in manufacturing power products and solutions mainly include manufacturing of power transmission conductors, optical ground wire cables and power cables.

The authorized equity share capital of Sterlite Electric Limited is ₹ 20,20,00,00,000, divided into equity shares of face value as approved under the Memorandum of Association. The issued, subscribed and paid-up equity share capital of the Company is ₹ 40,51,02,764, fully paid-up.

Nature and extent of interest of Group Company

In the promotion of our Company

Save as disclosed above and in in “*Financial Information – Related Party Disclosures*” on page 139, Sterlite Electric Limited does not have any other interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Information Memorandum or proposed to be acquired by our Company

From the date of acquisition on September 1, 2008 and since the Scheme becoming effective, Sterlite Electric Limited is not interested in the properties acquired or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

From the date of acquisition on September 1, 2008 and since the Scheme becoming effective, Sterlite Electric Limited is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

There are no common pursuits between Sterlite Electric Limited and our Company.

Related business transactions with our Group Company and significance on the financial performance of our Company

Except as disclosed in in “*Financial Information – Related Party Disclosures*” on page 139, there are no related business transactions with Sterlite Electric Limited that impact the financial performance of our Company.

Litigation

As on the date of this Information Memorandum, there is no pending litigation involving Sterlite Electric Limited which will have a material impact on our Company.

Business interest of Group Company

Except in the ordinary course of business and as stated in “in “*Financial Information – Related Party Disclosures*” on page 139, Sterlite Electric Limited does not have any business interest in our Company.

Other Confirmations

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and Sterlite Electric Limited (including its respective directors).

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of our Company) and Sterlite Electric Limited (including its respective directors).

Interest of our Promoters

As on the date of this Information Memorandum, our promoters do not hold any equity share capital of the Sterlite Electric Limited.

Capital Issues in the three years preceding the date of this Information Memorandum.

The issued, subscribed, and paid-up share capital of Sterlite Electric Limited increased on account of the following events:

- a. issue and allotment of 1,50,464 Equity Shares under ‘Restricted Stock Unit Scheme 2022’ (‘RSU Plan – 2022’).
- b. issue and allotment of 31,69,103 Equity Shares of INR 2/- each in lieu of full and final satisfaction of the principal amount of the loan of INR 150,00,00,000/- availed.
- c. issue and allotment of 200 Equity Shares of INR 2/- each on Preferential Allotment basis by way of Private Placement.

Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and Net Asset Value, derived from the financial statements of Sterlite Electric Limited is available on the website at <https://www.vedantapower.com/investor-relations/shareholder-information/>.

Particulars	Fiscal Year 2025-26	Fiscal Year 2024-25	Fiscal Year 2023-24
Equity Capital (INR Cr)	-	25	24
Reserves and surplus (INR Cr)	-	1,687	2,062
Sales (INR Cr)	-	4,924	4,906
Profit after tax (INR Cr)	-	316	295
Earnings per share (INR)	-	24.62	24.10
Diluted earnings per share (INR)	-	24.47	23.95

Net asset value (INR Cr)	-	1,728	2,087
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Resonia Limited

Corporate Information

Resonia Limited is a public unlisted company incorporated under the provisions of the Indian Companies Act, 2013, with Corporate Identification Number is U40106HR2022PLC103798. Its registered address is RMZ Infinity, 5th Floor, Plot No. 15, Phase IV, Udyog Vihar, Gurugram, Palam Road, Gurgaon, Palam Road, Haryana, India, 122015 and is engaged in developing, owning, and operating electricity transmission networks and related grid projects.

The authorised equity share capital of Resonia Limited is ₹4,53,61,00,000, divided into equity shares of face value as approved under the Memorandum of Association. The issued, subscribed and paid-up equity share capital of the Company is ₹1,83,97,60,700, fully paid-up.

Nature and extent of interest of Group Company

In the promotion of our Company

Save as disclosed above and in “*Financial Information – Related Party Disclosures*” on page 139, Resonia Limited does not have any other interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Information Memorandum or proposed to be acquired by our Company

From the date of acquisition on September 1, 2008 and since the Scheme becoming effective, Resonia Limited is not interested in the properties acquired or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

From the date of acquisition on September 1, 2008 and since the Scheme becoming effective, Resonia Limited is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

There are no common pursuits between Resonia Limited and our Company

Related business transactions with our Group Company and significance on the financial performance of our Company

Except as disclosed in “*Financial Information – Related Party Disclosures*” on page 139, there are no related business transactions with Resonia Limited that impact the financial performance of our Company.

Litigation

As on the date of this Information Memorandum, there is no pending litigation involving Resonia Limited which will have a material impact on our Company.

Business interest of Group Company

Except in the ordinary course of business and as stated in “*Financial Information – Related Party Disclosures*” on page 139, Resonia Limited does not have any business interest in our Company.

Other Confirmations

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and Resonia Limited (including its respective directors).

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of our Company) and Resonia Limited (including its respective directors).

Interest of our Promoters

As on the date of this Information Memorandum, our promoters do not hold any equity share capital of the Resonia Limited.

Capital Issues in the three years preceding the date of this Information Memorandum.

During the financial year ended 2025, the Company has converted 5,00,00,000 Compulsorily convertible preference shares of face value Rs.10 each Series II held by Sterlite Grid 5 Limited into equity shares of the Company in the conversion ratio of 1:0.6 and issued 3,00,00,000 equity shares of face value Rs.10 each. Further, the Company has also converted 1,56,81,634 Compulsorily convertible preference share of face value Rs.10 each Series I held by Sterlite Grid 5 Limited (demerged entity of Sterlite Power Transmission Limited ‘SPTL’) into equity shares of the Company in the conversion ratio of 1:1 and issued 1,56,81,634 equity shares of face value Rs.10 each

Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and Net Asset Value, derived from the financial statements of Resonia Limited is available on the website at <https://www.vedantapower.com/investor-relations/shareholder-information/>.

Particulars	Fiscal Year 2025-26	Fiscal Year 2024-25	Fiscal Year 2023-24
Equity Capital (INR Cr)	-	162	53
Reserves and surplus (INR Cr)	-	184	54
Sales (INR Cr)	-	2,283	298
Profit after tax (INR Cr)	-	(199)	(45)
Earnings per share (INR)	-	(4.09)	(66.31)
Diluted earnings per share (INR)	-	(4.09)	(66.31)
Net asset value (INR Cr)	-	915	271

STL Digital Limited

Corporate Information

STL Digital Limited is a public limited company incorporated in India on December 20, 2018, and is registered with the Registrar of Companies, Ahmedabad with Corporate Identification Number U72100DN2018PLC005557. Its registered office is situated at Plot No. 33/1/1, Waghadara Road, Dadra, Silvasa, Dadra & Nagar Haveli – 396230, India.

STL Digital Limited is primarily engaged in the business of hardware consultancy and information and digital technology services, which includes consultancy on the type and configuration of hardware with or without associated software applications. It operates as part of the Sterlite Group ecosystem, supporting digital and technology-oriented operations.

The authorised equity share capital of STL Digital Limited is ₹ 9,00,00,000/-, divided into equity shares of ₹ 10/- each. The issued, subscribed and paid-up equity share capital of STL Digital Limited is ₹ 5,00,000/- divided into equity shares of ₹ 10/- each.

Nature and extent of interest of Group Company

In the promotion of our Company

Save as disclosed above and in “*Financial Information – Related Party Disclosures*” on page 139, STL Digital Limited does not have any other interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Information Memorandum or proposed to be acquired by our Company

From the date of acquisition on September 1, 2008 and since the Scheme becoming effective, STL Digital Limited is not interested in the properties acquired or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

STL Digital Limited is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

There are no common pursuits between STL Digital Limited and our Company.

Related business transactions with our Group Company and significance on the financial performance of our Company

Except as disclosed in “*Financial Information – Related Party Disclosures*” on page 139, there are no related business transactions with STL Digital Limited that impact the financial performance of our Company.

Litigation

As on the date of this Information Memorandum, there is no pending litigation involving STL Digital Limited which will have a material impact on our Company.

Business interest of Group Company

Except in the ordinary course of business and as stated in “*Financial Information – Related Party Disclosures*” on page 139, STL Digital Limited does not have any business interest in our Company.

Other Confirmations

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and STL Digital Limited (including its respective directors).

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of our Company) and STL Digital Limited (including its respective directors).

The equity shares of STL Digital Limited are unlisted.

Interest of our Promoters

As on the date of this Information Memorandum, our Promoters do not hold any equity share capital of STL Digital Limited.

Capital Issues in the three years preceding the date of this Information Memorandum.

There has been no capital issue in the three years preceding the date of this Information Memorandum.

Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and Net Asset Value, derived from the financial statements of STL Digital Limited is available on the website at <https://www.vedantapower.com/investor-relations/shareholder-information/>.

Particulars	Fiscal Year 2025-26	Fiscal Year 2024-25	Fiscal Year 2023-24
Equity Capital (INR Cr)	0.05	0.05	0.05
Reserves and surplus (INR Cr)	(220)	(149)	(107)
Sales (INR Cr)	235	235	235
Profit after tax (INR Cr)	(71)	(42)	(81)
Earnings per share (INR)	(14,186.04)	(8,486.30)	(16,245.49)
Diluted earnings per share (INR)	(14,186.04)	(8,486.30)	(16,245.49)
Net asset value (INR Cr)	(220)	(149)	(107)

Runaya Refining LLP

Corporate Information

Runaya Refining LLP is a limited liability partnership incorporated under the provisions of the Limited Liability Partnership Act, 2008, with LLP Identification Number is AAI-6720. Its registered address is Unit-501 Windsor House, Bhd. B.k.c., Off Cst Road, Vidyanagari Marg, Santacruz (east) Mumbai, Vidyanagari, Mumbai, Maharashtra, India, 400098 and is engaged in Runaya Refining LLP.

The total obligation of contribution of Runaya Refining LLP is ₹10,10,000 (Rupees Ten lakhs ten thousand only).

Nature and extent of interest of Group Company

In the promotion of our Company

Save as disclosed above and in “*Financial Information – Related Party Disclosures*” on page 139, Runaya Refining LLP does not have any other interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Information Memorandum or proposed to be acquired by our Company

From the date of acquisition on September 1, 2008 and since the Scheme becoming effective, Runaya Refining LLP is not interested in the properties acquired or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

Runaya Refining LLP is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

There are no common pursuits between Runaya Refining LLP and our Company.

Related business transactions with our Group Company and significance on the financial performance of our Company

Except as disclosed in “*Financial Information – Related Party Disclosures*” on page 139, there are no related business transactions with Runaya Refining LLP that impact the financial performance of our Company.

Litigation

As on the date of this Information Memorandum, there is no pending litigation involving Runaya Refining LLP which will have a material impact on our Company.

Business interest of Group Company

Except in the ordinary course of business and as stated in “*Financial Information – Related Party Disclosures*” on page 139, Runaya Refining LLP does not have any business interest in our Company.

Other Confirmations

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and Runaya Refining LLP (including its respective directors).

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of our Company) and Runaya Refining LLP (including its respective partners/designated partner).

Interest of our Promoters

As on the date of this Information Memorandum, our promoters do not hold any equity share capital of the Runaya Refining LLP.

Capital Issues in the three years preceding the date of this Information Memorandum.

There has been no capital issue in the three years preceding the date of this Information Memorandum.

Financial Information

Information with respect to equity share capital, sales, profit after tax, and Net Asset Value, derived from the financial statements of Runaya Refining LLP is available on the website at <https://www.vedantapower.com/investor-relations/shareholder-information/>.

Particulars	Fiscal Year 2025-26	Fiscal Year 2024-25	Fiscal Year 2023-24
Equity Capital (INR Cr)	-	0.10	0.10
Reserves and surplus (INR Cr)	-	-	-
Sales (INR Cr)	-	92	134
Profit after tax (INR Cr)	-	32	22
Net asset value (INR Cr)	-	17	14

Vedanta Foundation

Corporate Information

Vedanta Foundation is a public charitable trust and not-for-profit organisation, being the philanthropic arm of the Vedanta group, established in the year 1992. It is registered as a public trust under the Maharashtra Public Trust Act, 1950 (formerly the Bombay Public Trusts Act, 1950), bearing Registration No. E-14045 (Mumbai), and is also registered under the Foreign Contribution (Regulation) Act, 2010. Its registered office is situated at Office No. G-1, Ground Floor, 28/30, Morvi House, Dr. Sunderlal Bahl Marg, Goa Street, Ballard Estate, Mumbai, Maharashtra, India – 400001. Vedanta Foundation is engaged in philanthropic and charitable activities, primarily in the areas of affordable education (through its colleges, schools and the Vedanta Shiksha initiative), employment-linked skill development and livelihood generation (through its Vedanta Rojgaar initiative and vocational training centres) and healthcare for underprivileged and marginalised communities, including the operation of educational institutions, the Ringus Hospital and Anganwadi (Nand Ghar) projects.

As part of its mission and in line with India’s growing digital economy, Vedanta Foundation is extending its livelihood and skilling initiatives through JobCliff.com, an integrated job and skill-training platform. JobCliff.com is designed to connect job seekers, employers, trainers and educational institutions, providing access to verified job opportunities, industry-relevant training, career guidance and placement support.

Being a public charitable trust, Vedanta Foundation does not have any share capital. Its activities are funded through corpus funds, donations, grants and contributions received from its settlor, trustees and other contributors, applied solely towards its charitable objects in accordance with its trust deed and applicable law.

Nature and extent of interest of Group Company

In the promotion of our Company

Save as disclosed above and in “*Financial Information – Related Party Disclosures*” on page 139, Vedanta Foundation does not have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Information Memorandum or proposed to be acquired by our Company

From the date of acquisition on September 1, 2008, and since the Scheme becoming effective, Vedanta Foundation is not interested in the properties acquired or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

From the date of acquisition on September 1, 2008, and since the Scheme becoming effective, Vedanta Foundation is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

There are no common pursuits between Vedanta Foundation and our Company.

Related business transactions with our Group Company and significance on the financial performance of our Company

Except as disclosed in “*Financial Information – Related Party Disclosures*” on page 139, there are no related business transactions with Vedanta Foundation that impact the financial performance of our Company.

Litigation

As on the date of this Information Memorandum, there is no pending litigation involving Vedanta Foundation which will have a material impact on our Company.

Business interest of Group Company

Except in the ordinary course of business and as stated in “*Financial Information – Related Party Disclosures*” on page 139, Vedanta Foundation does not have any business interest in our Company.

Other Confirmations

There is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and Vedanta Foundation (including its respective trustees).

There is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of our Company) and Vedanta Foundation (including its respective trustees).

Being a public charitable trust, Vedanta Foundation does not have any equity shares or other securities listed on any stock exchange.

Interest of our Promoters

Vedanta Foundation is a public charitable trust and does not have any share capital. Accordingly, our Promoters do not hold any equity share capital of Vedanta Foundation.

Capital Issues in the three years preceding the date of this Information Memorandum.

Vedanta Foundation does not have any share capital and, accordingly, there has been no capital issue in the three years preceding the date of this Information Memorandum.

Financial Information

Information with respect to the trust funds / corpus, earmarked funds, income, surplus / (deficit) and Net Asset Value, derived from the financial statements of Vedanta Foundation are available on the website at <https://www.vedantapower.com/investor-relations/shareholder-information/>.

Particulars	Fiscal Year 2025-26	Fiscal Year 2024-25	Fiscal Year 2023-24
Trust Funds / Corpus (INR Crore)	-	63	63
Other Earmarked Funds and Income & Expenditure Account balance (INR Crore)	-	50	54
Income / Total Receipts (INR Crore)	-	36	51
Surplus / (Deficit) for the year (INR Crore)	-	(4)	5
Net Asset Value (INR Crore)	-	113	117

Vedanta Resources Investments Limited

Corporate Information

Vedanta Resources Investments Limited (“VRIL”) is a company, limited by shares, incorporated on July 28, 2023, under the provisions of the Companies Act, 2006 applicable in England and Wales, and deemed to exist within the purview of the Companies Act, 2006, with Company Number 15035695. Its registered office is situated at C/O CSC CLS (UK) Limited, 5 Churchill Place, 10th Floor, London, United Kingdom, E14 5HU. VRIL is engaged in the business and principal activity of holding investments.

The authorized, called up, allotted and fully paid share capital of VRIL is USD 1,000 (US Dollars One Thousand only) with 1,000 (One Thousand) ordinary shares of USD 1 (US Dollar One) each.

Nature and extent of interest of Group Company

In the promotion of our Company

Pursuant to the Scheme becoming effective, VRIL does not have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Information Memorandum or proposed to be acquired by our Company

From the date of acquisition on September 1, 2008 and since the Scheme becoming effective, VRIL is not interested in the properties acquired or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

From the date of acquisition on September 1, 2008 and since the Scheme becoming effective, VRIL is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

There are no common pursuits between VRIL and our Company.

Related business transactions with our Group Company and significance on the financial performance of our Company

Except as disclosed in “Financial Information – Related Party Disclosures” on page 139, there are no related business transactions with VRIL that impact the financial performance of our Company. Please see “Brand License and Strategic Services Agreement with VRL and VRIL” under “Our History and Certain Other Corporate Matters” on page 98 for further information.

Litigation

As on the date of this Information Memorandum, there is no pending litigation involving VRIL, which will have a material impact on our Company.

Business interest of Group Company

Except as disclosed in “*Financial Information – Related Party Disclosures*” on page 139, there are no related business transactions with VRIL that impact the financial performance of our Company. Please see “*Brand License and Strategic Services Agreement with VRL and VRIL*” under “*Our History and Certain Other Corporate Matters*” on page 98 for further information.

Other Confirmations

VRIL is a company incorporated under the Companies Act, 2006 in England and Wales and its shares are not listed on any stock exchange.

Interest of our Promoters

As on the date of this Information Memorandum, our Promoters do not hold any equity share capital of VRIL.

Capital Issues in the three years preceding the date of this Information Memorandum.

VRIL has not made any share capital issue during last 3 years, except for 1,000 ordinary shares of USD 1 each issued at the time of its incorporation in July 2023 to Vedanta UK Investments Limited (VUIL). In September 2023, the shareholding of VUIL in VRIL was transferred to Vedanta UK Holdings Limited.

Financial Information

Financial Information of VRIL is available on the website of Companies House (United Kingdom) at <https://www.gov.uk/get-information-about-a-company>

Particulars	Amounts in USD		
	Fiscal Year 2025-26	Fiscal Year 2024-25	Fiscal Year 2023-24
Equity Capital	1000	1,000	1,000
Reserves and surplus	3,926,029	(18,907,910)	(9,194,263)
Sales	Nil	Nil	Nil
Profit/(Loss) after tax	22,833,938	(9,713,647)	(9,194,263)
Earnings per share	22,834	(9,714)	(9,194)
Diluted earnings per share	22,834	(9,714)	(9,194)
Net Asset Value	3,927,029	(18,906,910)	(9,193,263)

*VRIL was incorporated on July 28, 2023.

RELATED PARTY TRANSACTIONS

For details of related party transactions of our Company, see “*Financial Information*” on page 141 of this Information Memorandum.

DIVIDEND POLICY

As on the date of this Information Memorandum, our Company has a formal dividend policy named as ‘Dividend Distribution Policy’ (“**Dividend Policy**”) approved by our Board at its meeting held on April 29, 2026.

The Dividend policy has been formulated in terms of Regulation 43A of the SEBI Listing Regulations. The Dividend Policy aims to provide our shareholders with a clear understanding of the framework governing dividend distribution by our Company.

The said Policy is summarized below:

Dividend Payout

In every financial year, the Board shall aim to distribute to the Company’s equity shareholders’ an appropriate amount of dividend from:

- Dividend income (net of taxes) that the Company receives from its subsidiaries, at the discretion of the Board; and
- Distributable Profit after Tax of the Company (excluding dividend income covered above). Such profits will be net of dividend payout to preference shareholders, if any.

While considering a dividend, the following financial parameters, and internal and external factors shall also be evaluated by the Board:

- Current financial year’s profits and retained earnings;
- Liquidity Position, Capital Structure and Financial Flexibility;
- Deleveraging plans of the Company;
- Capital expenditures and organic/inorganic plans of the Company;
- Contingency plans;
- Company’s future prospects including its continued ability to sustain its profits; and
- External factors like uncertain or recessionary economic and business conditions, regulatory environment, prevailing and expected commodity prices in the market etc.

The Dividend Policy (as amended from time to time) will be available on our Company’s website and in the annual report. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend upon the aforementioned parameters and other factors that the Board deems relevant.

Our Company has not declared or paid any dividends since the date of incorporation till the date of this Information Memorandum.

SECTION VI – FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

PARTICULARS	PAGE NO.
Financial statements for the period from April 1, 2023 to March 31, 2024	142
Financial statements for the period from April 1, 2024 to March 31, 2025	200
Financial statements for the period from April 1, 2025 to March 31, 2026	259

Proforma Financial Statements

PARTICULARS	PAGE NO.
Independent Practitioner’s Assurance report on the compilation of Proforma Financial Information included in the Information Memorandum	315
Proforma Financial Statements for the period from April 1, 2024 to March 31, 2025	318
Proforma Financial Statements for the period from April 1, 2025 to March 31, 2026	320
Notes to Unaudited Pro Forma Financial Information as at and for the year ended 31 March 2026 and 31 March 2025	322

Other Financial Information

Particulars	Unit of Measurement	For the year April 1, 2025 to March 31, 2026	For the year April 1, 2024 to March 31, 2025	For the year April 1, 2023 to March 31, 2024
Earnings per share (Basic and Diluted)	INR	(5.34)	0.10	1.88
Return on net worth	%	(88.44%)	0.87%	16.62%
Net Asset Value per share	INR	6.04	11.40	11.30
EBITDA	INR Cr	1078	1071	1089

Capitalisation Statement

#	Particulars	Amount as at March 31, 2026
1	Total borrowings	
2	Current borrowings	139500
3	Non-current borrowings (including current maturity) *	443645
4	Total equity	
5	Equity share capital*	320661
6	Other equity*	(126945)
7	Total Capital¹	193716
8	Ratio: Non-current borrowings/ Total equity	2.29

(₹ in lakh)

¹ Total Capital = Total Borrowings + Total Equity

INDEPENDENT AUDITOR'S REPORT

To the Members of Talwandi Sabo Power Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Talwandi Sabo Power Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, 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 Ind AS 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 Ind AS 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, 2024, its loss 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Ind AS financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ 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 Ind As financial statements, including the disclosures, and whether the Ind As 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 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 i(vi) 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 Ind As 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 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;
- (h) 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):
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind As financial statements - Refer Note 33 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were 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, other than as disclosed in the note 15 to the Ind As 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, other than as disclosed in the note 15 to the Ind As 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.



S.R. BATLIBOI & CO. LLP

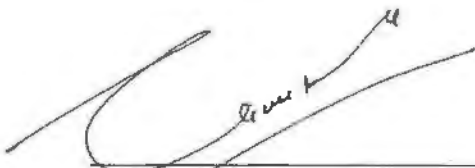
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- vi. Based on our examination which included test checks, the Company has used accounting software(s) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data in certain tables when using system administrator access rights, 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 accounting software(s).

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Ajay Bansal

Partner

Membership Number: 502243

UDIN: 24502243BKCEWN7312

Place of Signature: Gurugram

Date: April 19, 2024



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

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

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- I) 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.
- c) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- d) Title deeds in respect of freehold land having gross and net book value of Rs. 390 crores. and building having gross book value of Rs. 265 crores and net book value of Rs. 130 crores included in plant, property and equipment are in the name of the company but are not physically available with the Company. Same has been pledged with Vistra ITCL (India) Limited.
- e) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- f) 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.
- 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 advance in the nature of loan 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 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 section 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	Commissioner of Income Tax (Appeals)
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	0.00	Assessment year 2015-2016	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	0.01	Assessment year 2018-2019	Commissioner of Income Tax (Appeals)
Goods and Services Act	Indirect tax	3.63	Assessment Year 17-18, Assessment Year 18-19	N.A.

During the previous years, the Company has deposited Rs 1.84 Crore under protest in connection with a dispute with Income tax authorities for the assessment year 2012-13, 2014-15 and 2017-18, 2019-20.

- 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 willful 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) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, 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 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), (b) and (c) of the Order is not applicable to the Company.
- XIII) Transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in note number 37, in notes to the 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 the audit report, for the period under audit have been considered by us.
- XV) 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.
- XVI) a) The provisions of section 45-1A 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 has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- 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 Core Investment Companies as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- XVII) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- 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.



S.R. BATLIBOI & CO. LLP

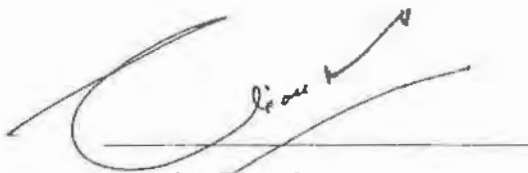
Chartered Accountants

- 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 Ajay Bansal

Partner

Membership Number: 502243

UDIN: 24502243BKCEWN7312

Place of Signature: Gurugram Date: April 19, 2024



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, 2024, 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 these Financial Statements

A company's internal financial controls with reference to these 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 detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance



that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

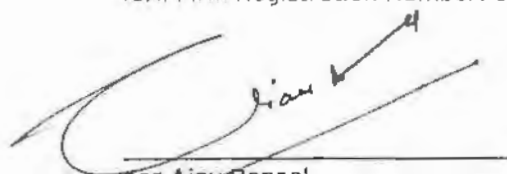
Inherent Limitations of Internal Financial Controls with Reference to these Financial Statements

Because of the inherent limitations of internal financial controls with reference to these 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 these financial statements to future periods are subject to the risk that the internal financial control with reference to these 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, 2024, 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 Ajay Bansal
Partner
Membership Number: 502243
UDIN: 24502243BKCEWN7312



Place of Signature: Gurugram
Date: April 19, 2024

Balance Sheet as at March 31, 2024

(₹ in Crore)

	Particulars	Notes	As at	As at
			March 31, 2024	March 31, 2023
I	ASSETS			
1	Non-current assets			
	(a) Property, plant and Equipment	3	7,489.23	8,383.37
	(b) Capital work-in-progress	3	3.05	1.62
	(c) Intangible assets	3	2.76	0.50
	(d) Financial assets			
	(i) Trade receivables	4	1,619.79	1,476.43
	(ii) Other financial assets	5	7.59	45.86
	(e) Deferred tax assets (Net)	43	106.57	260.30
	(f) Other non-current assets	6	1.77	2.40
	(g) Income tax assets		2.45	1.48
	Total non-current assets		9,233.21	10,171.96
2	Current assets			
	(a) Inventories	7	292.49	224.69
	(b) Financial Assets			
	(i) Trade receivables	8	547.10	812.02
	(ii) Cash and cash equivalents	9	168.01	39.90
	(iii) Bank balances	10	38.27	0.01
	(iv) Other financial assets	11	0.65	0.36
	(c) Other current assets	12	15.41	37.00
	(d) Income tax assets		5.03	22.44
	Total current assets		1,066.96	1,136.42
	Total Assets		10,300.17	11,308.38
II	EQUITY AND LIABILITIES			
A	Equity			
	(a) Equity share capital	13	3,206.61	3,206.61
	(b) Other equity	14	416.15	(186.27)
	Total Equity		3,622.76	3,020.34
B	LIABILITIES			
1	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	4,871.57	5,496.12
	(ii) Other financial liabilities	16	2.14	1,245.18
	(b) Provisions	17	1.06	1.26
	Total non-current liabilities		4,874.77	6,742.56
2	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18	1,178.75	881.99
	(ii) Trade finance	19	375.13	411.26
	(iii) Trade payables	20		
	(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		1.56	3.99
	(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		39.93	47.33
	(iv) Other financial liabilities	21	201.02	193.89
	(b) Other current liabilities	22	6.14	6.91
	(c) Provisions	23	0.11	0.11
	Total current liabilities		1,802.64	1,545.48
	Total Liabilities		6,677.41	8,288.04
	Total Equity and Liabilities		10,300.17	11,308.38

See accompanying notes forming part of financial statements

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

per Ajay Bansal
Partner
Membership No.: 502243

Place : Gurugram
Date : April 19, 2024



For and on behalf of Board of Directors

Agnivesh Agarwal
Chairman
DIN : 00038950
Place : Fujairah

Nitesh Mahani
Chief Financial Officer
Place : Mansa
Date: April 19, 2024

Vibhav Agarwal
Chief Executive Officer
Place : New Delhi

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



Statement of Profit and Loss for the period ended March 31, 2024

(₹ In Crore)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
I Revenue from operations	24	5,266.93	5,745.69
II Other Operating Income	25	36.81	54.92
III Other Income	26	16.14	6.00
IV Total Income (I+II+III)		5,319.88	5,806.61
V Expenses:			
Power and fuel charges		3,886.16	4,374.07
Employee benefits expense	27	25.51	25.71
Finance costs	28	667.70	711.94
Depreciation and amortisation expense	29	456.46	460.32
Other expenses	30	322.52	327.72
Total expenses		5,358.35	5,899.76
VI Profit/(loss) before tax		(38.47)	(93.15)
VII Exceptional Items	50	794.26	-
VIII Profit/(loss) before tax (VI+VII)		755.79	(93.15)
IX Tax expense/(benefit):			
On other than exceptional items			
Deferred tax	43	(46.26)	(22.87)
On Exceptional items			
Deferred tax	43	199.90	-
Net Tax expense/(benefit):		153.64	(22.87)
X Net Profit/(Loss) for the year (VIII-IX)		602.15	(70.28)
XI Other Comprehensive Income/(Loss) (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)		0.27	(0.49)
XII Total Comprehensive Income/(Loss) for the period (X+XI)		602.42	(70.77)
XIII Earnings/(Loss) per equity share (in ₹):	35		
- Basic and Diluted		1.88	(0.22)

See accompanying notes forming part of financial statements

In terms of our report attached
For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. : 3010036/E300005
Chartered Accountants

per Ajay Bapal
Partner
Membership No.: 502243

Place : Gurugram
Date : April 19, 2024



For and on behalf of Board of Directors

Agnivesh Agarwal
Chairman
DIN : 00038950
Place : Fujairah

Vibhav Agarwal
Chief Executive Officer
Place : New Delhi

Nitesh Malani
Chief Financial Officer
Place : Mansa
Date : April 19, 2024

Shivangi
Company Secretary
ICSI Mem No. A70586
Place : Mansa



Cash Flow Statement for the year ended March 31, 2024

(₹ in Crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A Cash flows from operating activities		
Net Profit / (Loss) before tax	755.79	(93.15)
Adjusted for :		
Unrealised exchange (gain) / loss	4.38	8.63
Depreciation and amortisation expense	456.46	460.32
Interest Expenses	667.70	711.94
Exceptional (Gain)/ Loss	(794.26)	-
Income on lease modification	(0.81)	-
Interest and Dividend Income	(3.02)	(3.66)
Exceptional Interest income (Refer Note 26)	(0.25)	(0.35)
(Profit)/ Loss on sale of property, plant and equipment	0.00	(0.02)
Other provisions	-	(33.71)
Sundry Balances written back	(0.84)	(1.38)
Operating profit before working capital changes	1,085.15	1,048.62
Adjustments for change in assets and liabilities		
(Increase) / Decrease in inventories	(67.80)	(62.78)
(Increase) / Decrease in trade receivables	121.56	51.98
(Increase) / Decrease in other financial and other assets	21.93	183.26
Increase / (Decrease) in payables and provisions	(56.76)	167.85
Cash generated from operations	1,104.08	1,388.93
Income taxes (net)	16.79	(1.30)
Net cash from operating activities (i)	1,120.87	1,387.63
B Cash flows from investing activities		
Purchases of property, plant and equipment (including intangibles)	(22.87)	(19.63)
Sale of property, plant and equipment (including intangibles)	0.05	0.07
Proceeds from maturity / redemption of short term deposits	0.02	153.95
Purchases of short term deposits	(0.01)	(152.93)
Purchase of short term Investment (Mutual Funds)	(515.97)	(357.98)
Proceeds from sale of short term Investments (Mutual Funds)	516.23	358.33
Interest received	2.67	1.75
Net cash used in investing activities (ii)	(19.88)	(16.44)
C Cash flows from financing activities		
Net (Repayment) / Proceeds from short term loan	224.00	(306.18)
Repayment of current borrowings	-	(75.00)
Proceeds from Long Term borrowings	1,498.91	-
Repayment of Long Term borrowings	(2,059.25)	(326.22)
Repayment of lease liability	(0.10)	(4.12)
Interest Paid	(636.44)	(670.33)
Net cash used in financing activities (iii)	(972.88)	(1,381.85)
Net (decrease) / increase in cash and cash equivalents (i+ii+iii)	128.11	(10.66)
Cash and cash equivalents at beginning of the year	39.90	50.56
Cash and cash equivalents at close of the year	168.01	39.90

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.

See accompanying notes forming part of the financial statements

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

per Ajay Bansal
Partner
Membership No. : 502243

Place : Gurugram
Date : April 19, 2024



For and on behalf of Board of Directors

Agnivesh Agarwal
Chairman
DIN / 00038950
Place : Fujairah

Vishav Agarwal
Chief Executive Officer
Place : New Delhi

Nitesh Malani
Chief Financial Officer
Place : Mansa
Date : April 19, 2024

Shivangi
Company Secretary
ICSI Mem No. A70586
Place : Mansa



Statement of Changes In Equity for the year ended March 31, 2024

a. Equity share capital

Equity shares of ₹ 10 each Issued, subscribed and fully paid	No. of Shares	Amount (₹ in Crore)
As at March 31, 2024 and March 31, 2023	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

Particulars	Reserves and Surplus		Total
	Retained earnings	Debenture Redemption Reserve	
Opening balance	(186.27)	-	(186.27)
Profit/(Loss) for the year	602.15	-	602.15
Other Comprehensive Income	0.27	-	0.27
Closing balance	416.15	-	416.15

See accompanying notes forming part of the financial statements

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



per **Ajay Bansal**
Partner
Membership No.: 502243



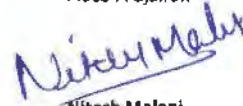
Place : Gurugram
Date : April 19, 2024



For and on behalf of Board of Directors


Agnivesh Agarwal
Chairman
DIN : 00038950
Place : Fujairah

Vibhav Agarwal
Chief Executive Officer
Place : New Delhi


Nitesh Malani
Chief Financial Officer
Place : Mansa
Date: April 19, 2024


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

Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

1 Company's Overview :

Talwandi Sabo Power Limited (herein after referred as "TSPL") 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 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 19, 2024.

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 consolidated 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 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.



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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 financial 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.



Tahwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(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 life.

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 units	3-6 years
• Laboratory equipment	10 years

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.

(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:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realised within twelve months after the reporting period, or
- d. 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:

- a. Expected to be settled in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Due to be settled within twelve months after the reporting period, or
- d. 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:

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



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Notes forming part of the financial statements as at and for the year ended March 31, 2024

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.

(ii) Debt Instruments at fair value through other comprehensive income (FVOCI)

A 'debt instrument' is classified as FVOCI 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 FVOCI 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 FVOCI 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.



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Notes forming part of the financial statements as at and for the year ended March 31, 2024

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 FVOCI:** 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.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and 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 Company's 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 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 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.

(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.

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).

(j) **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, 2024 and concluded that no impairment indicators exist for the current year reporting.

(k) **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.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(l) 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 and on carry forward of unutilised tax credits.

- 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.

(m) Retirement Benefit Schemes

The Company operates or participates in a number of defined benefits and defined contribution schemes, the assets of which (where funded) are held in separately administered funds. For defined benefit pension schemes, the cost of providing benefits under the plans is determined by actuarial valuation separately for each plan using the projected unit credit method by independent qualified actuaries as at the year end.

Re-measurements including, effects of asset ceiling and return on plan assets (excluding amounts included in interest on the net defined benefit liability) and actuarial gains and losses arising in the year are recognised in full in other comprehensive income and are not recycled to the profit or loss. For defined contribution schemes, the amount charged to the Statement of Profit and Loss in respect of provident fund, pension costs and other post-retirement benefits are the contributions payable in the year, recognised as and when the employee renders related services and the Company has no further obligations other than the contributions made

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

- The date of the planned 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 Statement of Profit and Loss:

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

(n) 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.



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(o) 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 read together with Rule 7 of the Companies (Accounts) Rules 2014. 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 insertion of Appendix B of Ind AS 21 provides clarification on recording foreign currency transactions when consideration is paid or received in advance. The Appendix B would apply when a Company:

- Pays or receives consideration denominated or priced in a foreign currency, and
- Recognises a non-monetary prepayment asset or deferred income liability.

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.

(p) 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.

(q) 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.

(r) 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.



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(s) 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.

(t) 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 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.



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Notes forming part of the financial statements as at and for the year ended March 31, 2024

• 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 that will be 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.
- 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 2023-24 test of Impairment.

Application of New and amended standards:

The Company has adopted, with effect from 01 April 2023, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

- (i) Ind AS 1 Presentation of financial statements: The amendment requires disclosure of material accounting policies rather than significant accounting policies.
- (ii) Ind AS 12 Income Taxes: The amendment clarifies application of initial recognition exemption to transactions such as leases and decommissioning obligations.
- (iii) Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors: The amendment replaces definition of 'change in accounting estimates' with the definition of 'accounting estimates'

Standards notified but not yet effective :

No new standards have been notified during the year ended 31 March 2024.



Note 3 Property Plant and Equipment
For the year ended March 31, 2024

(₹ in Crores)

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, 2023	Depreciation charge	Deductions	Balance as at March 31, 2024
a) Tangible Assets								
Freehold Land	390.60	-	-	-	390.60	-	-	390.60
ROU Land (Refer note 2.B(ii))	32.00	0.54	11.88	-	4.00	0.18	4.00	0.68
Buildings	265.34	0.08	-	-	121.85	13.51	-	135.36
Plant and Machinery*	10,995.91	20.58	452.41	-	3,369.73	415.11	0.00	6,784.84
Furniture and Fixings	2.82	0.03	0.01	-	1.87	0.19	0.01	2.15
Motor Vehicles	1.11	-	-	-	0.20	0.21	-	0.41
Railway Siding and Locomotives	418.16	-	-	-	214.07	23.78	-	237.85
Office and Equipment	8.56	0.06	0.01	-	7.40	0.24	0.01	7.63
Computers and Data Processing	7.37	0.58	0.05	-	5.87	0.51	0.03	6.35
Laboratory Equipment	28.29	-	-	-	22.70	2.17	-	24.87
Total	12,131.17	21.87	464.16	-	3,747.79	485.90	4.05	4,199.54
							b) Capital work in progress	
							Total	7,492.28
b) Intangible Assets								
Computer software	3.79	0.09	-	-	3.88	0.20	-	3.49
Shop Rise ROU	-	2.73	-	-	-	0.36	-	2.37
Total	3.79	2.82	-	-	6.61	0.56	-	3.85

*Refer Note 50

Previous year ended March 31, 2023

Particulars	Gross Block			Accumulated depreciation and amortisation			Net Block	
	Balance as at March 31, 2022	Additions	Disposals/ Adjustments	Foreign exchange difference	Balance as at March 31, 2022	Depreciation charge	Deductions	Balance as at March 31, 2023
a) Tangible Assets								
Freehold Land	390.60	-	-	-	390.60	-	-	390.60
ROU Land (Refer note 2.B(ii))	10.18	12.00	10.18	-	9.91	4.27	10.18	4.00
Buildings	265.01	0.33	-	-	107.86	13.99	-	121.85
Plant and Machinery	10,940.01	22.16	-	34.74	2,984.94	414.79	-	3,369.73
Furniture and Fixings	2.83	-	0.01	-	1.77	0.20	0.00	1.97
Motor Vehicles	0.66	0.36	0.11	-	0.13	0.16	0.09	0.20
Railway Siding and Locomotives	418.16	-	-	-	190.29	23.78	-	214.07
Office and Equipment	8.24	0.33	0.01	-	8.56	0.41	0.00	7.40
Computers and Data Processing	7.00	0.42	0.05	-	5.53	0.33	0.04	5.87
Laboratory Equipment	28.29	-	-	-	20.53	2.17	-	22.70
Total	12,070.98	35.80	10.36	34.74	3,297.95	460.15	10.31	3,747.79
							b) Capital work in progress	
							Total	1.62
b) Intangible Assets								
Computer software	3.79	-	-	-	3.79	0.17	-	3.29
Total	3.79	-	-	-	3.79	0.17	-	3.29

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 Crores and building having gross book value of ₹. 265.42 Crores and net book value of ₹. 130.06 Crores 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 Viera ITC (India) Limited working as trustee appointed by Bank/ Financial Institutions against charge created on borrowings taken from Banks and Financial Institutions. Although, there is no such property wherein there is an issue with the title.

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

Particulars	Year ended March 31, 2024			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	3.05	-	-	-
Projects temporarily suspended	-	-	-	3.05
Total	3.05	-	-	3.05

Particulars	Previous year ended March 31, 2023			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	0.46	-	-	-
Projects temporarily suspended	-	1.16	-	-
Total	0.46	1.16	-	1.62



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(₹ in Crore)

Note 4

Trade receivables - Non-current

Particulars	As at March 31, 2024	As at March 31, 2023
Considered good - Unsecured (Refer Note 42)	1,619.79	1,476.43
Trade Receivables - Credit impaired	0.05	0.05
Less: Provision for Trade Receivables - Credit impaired (Refer Note 40)	(0.05)	(0.05)
Total	1,619.79	1,476.43

Note 5

Other financial assets - Non-current

Particulars	As at March 31, 2024	As at March 31, 2023
Bank Deposits with remaining maturity of more than 12 months (including interest accrued thereon) (Refer note below)		38.27
Security deposits (Unsecured, considered good)	7.59	7.59
Total	7.59	45.86

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 March 31, 2024	As at March 31, 2023
Prepaid Expenses	1.77	2.40
Total	1.77	2.40

Note 7

Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Fuel Stock	149.92	115.81
Goods-in transit	71.97	52.16
Stores and Spares	70.45	56.54
Goods-in transit	0.15	0.18
Total	292.49	224.69

Note: For method of valuation of inventories, refer note 2.8(k)

Note 8

Trade receivables - Current

Particulars	As at March 31, 2024	As at March 31, 2023
Considered good - Unsecured (Refer note 42)	547.10	812.02
Total	547.10	812.02

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



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(₹ In Crore)

Note 9

Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks - on cash credit account	168.01	39.90
Total	168.01	39.90

Note 10

Financial Assets- Current : Other Bank Balances

Particulars	As at March 31, 2024	As at March 31, 2023
Bank deposits with original maturity for more than 3 months but less than 12 months (including interest accrued thereon)	-	0.01
Bank deposits with original maturity for more than 12 months but remaining maturity of less than 12 months (including interest accrued thereon)	38.27	-
Total	38.27	0.01

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

Note 11

Other financial assets - Current

Particulars	As at March 31, 2024	As at March 31, 2023
Receivables from related parties (Refer note 37)	0.14	0.35
Claims and other receivables	0.51	0.01
Total	0.65	0.36

Note 12

Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Advance to suppliers	0.47	17.87
Prepaid expenses	14.94	19.13
Total	15.41	37.00



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 13

Equity Share Capital :

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount (₹ in Crore)	Number of shares	Amount (₹ in Crore)
Authorised Equity Share Capital				
Equity Shares of ₹ 10 each, with voting rights	400,00,00,000	4,000.00	400,00,00,000	4,000.00
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10 each, with voting rights	320,66,09,692	3,206.61	320,66,09,692	3,206.61
Total	320,66,09,692	3,206.61	320,66,09,692	3,206.61

(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 March 31, 2024		Equity Shares as at March 31, 2023	
	Number of shares	Amount (₹ in Crore)	Number of shares	Amount (₹ in Crore)
Shares outstanding at the beginning of the year	320,66,09,692	3,206.61	320,66,09,692	3,206.61
Movement during the year				
Shares outstanding at the end of the year	320,66,09,692	3,206.61	320,66,09,692	3,206.61

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

320,66,09,692 (previous year: 320,66,09,692) 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 March 31, 2024		As at March 31, 2023	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Vedanta Limited and its nominees	320,66,09,692	100	320,66,09,692	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 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.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 14

Other equity (Refer Statement of changes in Equity)

(₹ In Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Balance at the beginning of the year	(184.92)	(114.64)
Add: Profit/ (Loss) for the period	602.15	(70.28)
Transfer from debenture redemption reserve	-	-
Less: Transfer to Re-measurement Reserve	-	-
Closing Balance	417.23	(184.92)
Other Comprehensive Income		
Remeasurement Reserve		
Balance at the beginning of the year	(1.35)	(0.86)
Add: Remeasurement gain/(loss) on defined benefit obligation	0.27	(0.49)
Closing Balance	(1.08)	(1.35)
Total other equity	416.15	(186.27)



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 15

Non current financial liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured : At amortised cost		
(a) Term Loan		
(i) From banks:		
Indian currency loans		2,438.17
(ii) From Other than Banks (Indian currency loan) (Refer note (iii) below)	5,616.32	3,730.17
Total Borrowings	5,616.32	6,168.34
Less : Current maturities of long-term borrowings (Refer note 18)	(744.75)	(672.22)
Total	4,871.57	5,496.12

Notes:

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

(ii) 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 year, the company has entered into a Loan refinancing arrangement with Power Finance Corporation Limited under which loan amount of all other existing lenders have been fully repaid and entire loan refinanced with Power Finance Corporation Limited. The refinanced loan carries an interest rate of 9.45%.

Note: 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;

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.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2023

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

(₹ in Crore)

Particulars	Issued on	Security	As at March 31, 2024	As at March 31, 2023
(a) From Banks:				
Indian currency loans				
State Bank of India	December 2015	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.	-	1,520.94
Canara Bank	September 2017	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.	-	228.95
ICICI Bank Limited	March 2019	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.	-	461.33
ICICI Bank Limited	September 2017	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.	-	220.01
ICICI Bank Limited	May 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.	-	6.94
Total			-	2,438.17
(b) From other than banks:				
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.	3,250.82	3,730.17
Power Finance Corporation Limited (Refin.)	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.	2,365.50	-
Total			5,616.32	3,730.17
Total Term Loan			5,616.32	6,168.34

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

Particulars	Weighted Average 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)
Total		5,616.32	744.75	1,076.52	694.12	3,122.01	(21.08)

Note:

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

(iv) Movement of borrowings during the year:

Particulars	Borrowings due within one year	Borrowings due after one year	Total
As at March 31, 2023	672.22	5,496.12	6,168.34
Cash flow	(560.34)	-	(560.34)
Other non cash changes	632.87	(624.55)	8.32
As at March 31, 2024	744.75	4,871.57	5,616.32

Other non-cash changes comprises of amortisation of borrowing costs and reclassification between borrowings due within one year and borrowings due after one year.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(₹ in Crore)

Note 16

Other financial liabilities - Non current

Particulars	As at March 31, 2024	As at March 31, 2023
Liability for capital expenditure (Refer note 50)	-	1,240.90
Lease liability (Refer note below)	2.14	4.28
Total	2.14	1,245.18

(i) **Note:**

The movement in lease liabilities is as follows:

Opening balance	8.69
Additions	3.42
Reversal	(8.68)
Repayments	(0.10)
Interest	0.17
Closing balance	3.50

Lease liabilities carry an average interest rate at 9.52% p.a.

During the year, the company has modified its lease with Northern Railways basis the revised land rates as per confirmation received from Northern Railways vide letter dated 08.03.2024. Therefore, the company has modified its lease liability considering annual charges of Rs. 0.18 Cr. instead of Rs. 4.41 Cr. considered earlier (subject to an annual increment of 7%). The said modification has resulted in reversal of lease liability to the extent of Rs. 8.68 Cr.

Note 17

Provisions - Non-current

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
- Gratuity (Refer Note 36)	0.15	0.46
- Compensated absences	0.91	0.80
Total	1.06	1.26

Note 18

Borrowings - Current

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Secured		
- Short-term loan (Refer note (i) below)	434.00	110.00
- Current maturities of long-term borrowings (Refer note 15)	744.75	672.22
Unsecured		
Short Term Borrowings	-	99.77
Total	1,178.75	881.99

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 Company has been sanctioned working capital limits from banks and/or financial institutions 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 and financial institutions are in agreement with the books of accounts of the Company.

The above outstanding short term loan carry interest rate of 9.05% p.a. (previous year 8.68% p.a.).

Note 19

Trade Finance

Particulars	As at March 31, 2024	As at March 31, 2023
Trade finance with banks - Secured (Refer note below)	375.13	411.26
Total	375.13	411.26

Note: Trade finance represents bills discounted by vendors under bill discounting facility availed by the Company from the bank settled within 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.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(₹ In Crore)

Note 20

Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer note (b) below)	1.56	3.99
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	39.93	47.33
Total	41.49	51.32

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 March 31, 2024	As at March 31, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.56	3.99
(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 March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	34.17	35.63
Lease liability (Refer note 16)	1.36	4.41
Other Payables		
Project creditors	-	1.72
Retention money	8.81	20.78
Due to related parties (Refer note 37)	146.25	121.88
Earnest money deposit	10.43	9.44
Other Liabilities	-	0.03
Total	201.02	193.89

Note 22

Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers*	1.72	1.54
Other Payables:		
Statutory liabilities	3.55	4.61
Other liabilities	0.87	0.76
Total	6.14	6.91

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

Note 23

Provisions - Current

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
- Compensated absences	0.11	0.11
Total	0.11	0.11



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(₹ in Crore)

Note 24

Revenue from operations

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from Operations		
Energy Sales (Refer note below)	5,266.93	5,745.69
Total	5,266.93	5,745.69

Note: Energy sales includes contingent rentals of ₹ 1,423.27 Crore (previous year ₹ 1,542.63 Crore). The balance revenue of ₹ 3,843.66 Crore (previous year ₹ 4,203.06 Crore) relates to sale of power w.r.t. 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 March 31, 2024	Year ended March 31, 2023
Scrap Sales	1.65	2.56
Sale of fly ash	26.35	17.91
Miscellaneous income	8.81	34.45
Total	36.81	54.92

Note 26

Other income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income from financial assets at amortised cost		
- Bank Deposits	2.47	1.30
- Others	0.20	0.35
Realised Gains from investments measured at FVTPL	0.25	0.35
Interest on outstanding income tax refunds	0.35	2.01
Miscellaneous income	12.87	1.99
Total	16.14	6.00

Note 27

Employee benefits expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and Bonus	23.69	24.23
Contribution to provident fund	0.70	0.62
Staff welfare expenses	0.35	0.17
Gratuity expenses (Refer note 36)	0.20	0.19
Contribution to super annuation	0.57	0.50
Total	25.51	25.71

Note 28

Finance cost

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expenses	635.34	682.84
Other finance costs	32.36	29.10
Total	667.70	711.94



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(₹ in Crore)

Note 29

Depreciation and amortisation expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of tangible assets (Refer note 3)	455.90	460.15
Amortisation of intangible assets (Refer note 3)	0.56	0.17
Total	456.46	460.32

Note 30

Other expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spare parts	56.76	45.02
Plant running and maintenance expenses	170.29	159.74
CSR expenses (Refer note 32)	1.45	2.31
Legal and professional fees (Refer note 34)	10.91	9.78
Electronic data processing expenses	2.97	2.08
Insurance	20.78	32.31
Rates and taxes	1.10	1.18
Security expenses	0.16	0.08
Travelling	2.84	2.83
Books and periodicals	0.13	0.13
Director sitting fees (Refer note 37)	0.66	0.58
Net loss on foreign currency transactions and translation	4.42	17.76
Loss on Asset Written off	0.00	-
Brand Fees (Refer note 37)	46.94	51.04
Miscellaneous expenses	3.11	2.88
Total	322.52	327.72

Note 31

Commitments

(i) Commitments:

Estimated amounts of contracts remaining to be executed on capital account not provided for (net of advances) amount to ₹ 0.38 Crore (previous year ₹ 0.94 Crore).

(ii) Other Commitments:

The Company entered into Power Purchase Agreement ("PPA") with Punjab State Power Corporation Limited ("PSPCL") for twenty five year PPA 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 ₹ 1,423.27 Crore (previous year ₹ 1,542.63 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.

c) Other bank guarantee amounting to ₹ NIL (previous year ₹ 0.20 Crore) given to 'National Stock Exchange of India' against any possible occurrence of any default in any of the listed debt securities and other obligations as per SEBI Circular.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 32

(₹ In Crore)

Corporate Social responsibility

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	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	0.25	0.09	0.08	0.60
ii) General expenses (Refer table below)	0.84	0.21	0.73	0.43
iii) Salaries and wages	0.06	0.00	0.04	0.01
Total Amount of expenditure incurred	1.15	0.30	0.85	1.04

As per the provisions of Companies Act, 2013, the Company is required to spend an amount of ₹ NIL (previous year ₹ 0.47 Crore) towards CSR expenditure. However company has voluntarily spent ₹ 1.45 Crores (previous year ₹ 1.41 Crores) towards CSR expenditure and will be carrying forward the same to subsequent years for adjustment.

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Balance	1.04	1.13
Provision made during the year	1.45	1.89
Payments made during the year	2.19	1.98
Closing Balance	0.30	1.04

Closing balance of ₹ 0.30 Crore with respect to additional expenses incurred during the year over and above the statutory limit for FY 23-24 which will be paid during FY 24-25.

Nature of amount - General Expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Health care	0.30	0.34
Agriculture & Animal Husbandry	0.31	0.36
Children's Wellbeing & Education	0.02	0.17
Women Empowerment	0.28	0.29
Rural Development	0.14	-
Others	0.00	-
Total	1.05	1.16



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

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 TSPL.

In November 2017, TSPL 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, TSPL filed an appeal before Appellate Tribunal for Electricity ("APTEL"). Pleadings are complete in the matter. The matter is in the "List of Finals" and would be taken up on its turn. The next date of hearing is yet to be notified.

The Company has also filed a Writ Petition before the Punjab and Haryana High Court challenging the validity of the regulation on grounds of being arbitrary and disproportionate which is yet to be listed. On the basis of merits of the case and backed by the legal opinion, no provision has been considered necessary at this stage.

(₹ In Crore)

Note 34

Auditors' Remuneration included under Legal & Professional Services

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Audit Fees	0.25	0.23
Limited Review	0.16	0.14
Reporting for Parent Company consolidation	0.08	0.07
Other Services	0.04	0.02
Out of Pocket Expenses	0.03	0.01
Total	0.56	0.47

Note 35

Earnings/(Loss) Per Share (EPS)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net profit/(loss) after tax attributable to equity shareholders for basic and diluted EPS (₹ in Crore)	602.15	(70.28)
Weighted average number of Equity shares for Basic and Diluted EPS	3,206,609,692	3,206,609,692
Basic and Diluted Earnings/(Loss) Per Share (₹)	1.88	(0.22)
Nominal Value Per share (₹)	10.00	10.00

Note 36

Employee Benefits

a) Defined contribution plan

The Company contributed a total of ₹ 1.27 Crore for the year ended March 31, 2024 (previous year ₹ 1.12 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 2024 and 2023) 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.

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:



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(₹ In Crore)

Note 36

Employee Benefits (Contd.)

Actuarial assumptions

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salary growth (p.a.)	5.50%	5.50%
Expected rate of Return on Plan Assets (p.a.)	7.38%	7.14%
Discount rate (p.a.)	7.39%	7.39%
Mortality rate	100% IALM(2012-14)	100% IALM(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 period

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	0.20	0.19
Interest cost	0.03	0.00
Total	0.23	0.19

Amount recognized in Other Comprehensive Income during the period

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Remeasurement of the net defined benefit obligation:-		
Actuarial losses / (gains) arising from changes in financial assumptions	0.05	(0.05)
Actuarial losses / (gains) arising from experience adjustments	(0.41)	0.71
Actuarial losses/ (gains) on assets	-	-
Total	(0.36)	0.66

Movement in present value of defined benefit obligation

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Obligation at the beginning of the year	1.86	1.67
Current service cost	0.20	0.17
Interest cost	0.13	0.12
Actuarial (gains)/losses	(0.36)	0.66
Benefits paid	(0.06)	(0.76)
Obligation at the end of the year	1.77	1.86

Movement in present value of plan assets

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Fair value at the beginning of the year	1.40	1.65
Actual return on plan assets	0.10	0.12
Contribution	0.18	0.39
Benefits paid	(0.06)	(0.76)
Fair value at the end of the year*	1.62	1.40

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

Amount Recognized in the Balance Sheet

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Present value of obligation at the end of the year	1.77	1.86
Less: Fair value of plan assets at the end of the year	(1.62)	(1.40)
Net liability recognized in the Balance Sheet	0.15	0.46

The contribution expected to be made by the Company during the financial year 2024-25 as ascertained by the management is ₹ 0.24 Crore (previous Year ₹ 0.26 Crore)

Sensitivity analysis	March 31, 2024	March 31, 2023
Increase / (Decrease) in defined benefit obligation		
Discount rate		
Increase by 0.50%	(0.09)	(0.09)
Decrease by 0.50%	0.10	0.10
Expected rate of Increase in compensation level of covered employees		
Increase by 0.50%	0.10	0.10
Decrease by 0.50%	(0.10)	(0.09)



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

(₹ in Crore)

Note 36

Employee Benefits (Contd.)

Maturity profile of defined benefit obligation

Year	March 31, 2024	March 31, 2023
0-1 Years	0.03	0.04
1 - 2 Years	0.03	0.03
2 - 3 Years	0.30	0.03
3 - 4 Years	0.03	0.26
4 - 5 Years	0.02	0.03
5 - 6 Years	0.02	0.10
More than 6 years	1.34	1.36
Total	1.77	1.85

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.)
Ultimate:	Volcan Investments Limited *

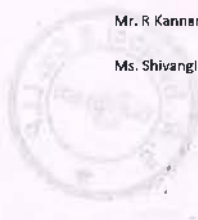
(b) Fellow subsidiaries with whom transactions have taken place:

Fellow Subsidiaries:	Bharat Aluminium Company Limited
	Electrosteel Steels Limited
	Hindustan Zinc Limited
	Sterlite Power Grid Ventures Limited/
	Sterlite Power Transmissions Limited (Post Merger)
	Runaya Refining LLP
	STL Digital Limited
	Vedanta Foundation

(c) Key Managerial Personnel:

Mr. Vibhav Agarwal	: Chief Executive Officer & Whole Time Director (WTD till close of business hours of 18th August 2023)
Mr. Swapnesh Bansal	: Chief Financial Officer (till close of business hours of 20th July 2023)
Mr. Nitesh Malani	: Chief Financial Officer (w.e.f. 21st July 2023)
Mr. Agnivesh Agarwal	: Chairman, Non Executive Director
Mr. Pankaj Kumar Sharma	: Additional Director (w.e.f. 19th August 2023)
Ms. Sonal Choitani	: Non-Executive Director
Mr. Baldev Krishan Sharma	: Non-Executive Director
Mr. Mahendra Singh Mehta	: Independent Director
Mr. R Kannan	: Independent Director (till close of business hours of 18th August 2023)
Ms. Shivangi Dhanuka	: Company Secretary

* No transaction with parties during the year.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 37

Related Party Disclosures (Contd.)

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, 2024 and 2023 are noted below.

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

(₹ In Crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
1] Net Recovery from / (Reimbursement) of employee cost and other expenses		
(i) Vedanta Limited	(9.84)	(9.65)
(ii) Hindustan Zinc Limited	0.25	0.34
(iii) Bharat Aluminium Company Limited	0.19	0.12
(iv) Sterlite Power Grid Ventures Limited/ Sterlite Power Transmissions Limited (Post Merger)	0.01	0.02
(v) Electrosteel Steels Limited	0.01	0.17
(vi) Runaya Refining LLP	0.05	-
(vii) STL Digital Limited	(0.78)	-
(viii) Vedanta Foundation	(0.01)	-
2] Net Sale / (Purchase) of Consumables and Capex Items		
(i) Vedanta Limited	(0.05)	0.18
(ii) Bharat Aluminium Company Limited	-	0.09
(iii) Hindustan Zinc Limited	0.05	0.01
3] Management and Brand Fees paid (excluding GST)		
(i) Vedanta Resources Limited	(39.78)	(43.25)
4] Interest and Guarantee Commission		
(i) Vedanta Limited	(23.95)	(24.76)
5] Loans repaid during the year		
(i) Vedanta Limited	-	75.00

b. Details of balances with related parties :

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
1] Balance Receivable as at the end of the year		
(i) Sterlite Power Grid Ventures Limited/Sterlite Power Transmissions Limited (Post Merger)	0.01	-
2] Balance Payable as at the end of the year		
(i) Vedanta Limited	140.77	116.95
(ii) Hindustan Zinc Limited	0.00	-
(iii) Bharat Aluminium Company Limited	-	0.01
(iv) Vedanta Resources Limited	5.34	4.57
3] Bank Guarantees/Corporate Guarantee Issued on our behalf and outstanding as at the end of the year		
(i) Vedanta Limited	5,637.41	6,293.44

c. Remuneration of key management personnel (KMP)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits	4.86	4.37
Post-employment benefits	0.37	0.27
Share based payments	0.41	1.53
Total	5.64	6.17

Note:

a. The company has paid ₹ 0.14 Crore (previous year ₹ 0.20 Crore) as sitting fees & has also accrued ₹ 0.51 Crore (previous year ₹ 0.38 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, 2024.

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 shareholders 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 following table summarizes the capital of the Company:

(₹ in Crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Equity Share Capital	3,206.61	3,206.61
Other Equity	416.15	(186.27)
Total Equity (a)	3,622.76	3,020.34
Cash and cash equivalents	168.01	39.90
Other Bank Balances	-	0.01
Current investments	38.27	38.27
Total cash (b)	206.28	78.18
Short-term borrowings (Including current maturities)	1,178.75	881.99
Long-term borrowings	4,871.57	5,496.12
Total debt (c)	6,050.32	6,378.11
Net debt (d=(c-b))	5,844.04	6,299.93
Net debt to equity ratio (d/a)	1.61	2.09



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 39

Financial Instruments

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, 2024				(₹ in Crore)
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
Total	-	2,381.41	2,381.41	2,381.41

March 31, 2023				(₹ in Crore)
Financial assets	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Trade receivables - Current	-	812.02	812.02	812.02
Trade receivables - Non Current	-	1,476.43	1,476.43	1,476.43
Other non-current financial assets	-	45.86	45.86	45.86
Other current financial assets	-	0.36	0.36	0.36
Cash and cash equivalents	-	39.90	39.90	39.90
Other bank balances	-	0.01	0.01	0.01
Total	-	2,374.58	2,374.58	2,374.58

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	-	41.49	41.49	41.49
Other non-current financial liabilities	-	2.14	2.14	2.14
Derivative liability	-	-	-	-
Other current financial liabilities	-	201.02	201.02	201.02
Total	-	6,670.10	6,670.10	6,670.10

March 31, 2023				
Financial liabilities	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Long-term borrowings	-	5,496.12	5,496.12	5,496.12
Short-term borrowings	-	881.99	881.99	881.99
Trade finance	-	411.26	411.26	411.26
Trade payables	-	51.32	51.32	51.32
Other non-current financial liabilities	-	1,245.18	1,245.18	1,245.18
Derivative liability	-	-	-	-
Other current financial liabilities	-	193.89	193.89	193.89
Total	-	8,279.76	8,279.76	8,279.76



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 39

Financial instruments (Contd.)

- Short-term marketable securities traded in active markets are determined by reference to quotes from the financial institutions; for example: Net Asset Value (NAV) for investments in mutual funds declared by mutual fund house. Other short term marketable securities are valued on the basis of market trades, pool and primary issuances for securities issued by the same or similar issuer and for similar maturities or based on the applicable spread movement for the security derived based on the aforementioned factor(s).

- 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.

- 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 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, 2024

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.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 40

Risk management (Contd.)

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.

(₹ 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	41.49	-	-	-	41.49
Other financial liabilities	199.66	-	-	-	199.66
Lease Liability	1.36	1.17	0.69	0.28	3.50

Financial liabilities	As on March 31, 2023				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Borrowings	881.99	1,450.96	1,020.46	3,042.82	6,396.23
Interest on borrowings	571.02	914.97	689.30	996.40	3,171.69
Trade finance	411.26	-	-	-	411.26
Trade payables	51.32	-	-	-	51.32
Other financial liabilities	189.48	1,240.90	-	-	1,430.38
Lease Liability	4.41	4.28	-	-	8.69



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 40

Risk management (Contd.)

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, 2024				
Particulars	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Financial assets-non current				
Trade Receivables*	-	-	1,619.79	1,619.79
Other financial assets	4.72	-	2.87	7.59
Total financial assets-non current	4.72	-	1,622.66	1,627.38
Financial assets-current				
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
Total financial assets-current	-	38.27	715.76	754.03
Total financial assets	4.72	38.27	2,338.42	2,381.41

(₹ in Crore)

As at March 31, 2023				
Particulars	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Financial assets-non current				
Trade Receivables*	-	-	1,476.43	1,476.43
Other financial assets	4.72	38.27	2.87	45.86
Financial Instruments-Derivatives	-	-	-	-
Total financial assets-non current	4.72	38.27	1,479.30	1,522.29
Financial assets-current				
Trade receivables*	-	-	812.02	812.02
Cash and cash equivalents	-	-	39.90	39.90
Bank Balances	-	0.01	-	0.01
Other financial assets	-	-	0.36	0.36
Total financial assets-current	-	0.01	852.28	852.29
Total financial assets	4.72	38.28	2,331.58	2,374.58

*The Company is entitled to Interest @ 2% in excess of the applicable State Bank Lending Rate (SBLR) per annum beyond normal credit. The weighted average interest rate on the fixed rate financial assets is 6.46% p.a. (previous year 3.41% p.a.) and the weighted average period for which the rate is fixed is 0.48 years (previous year 1.48 years).



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 40

Risk management (Contd.)

(₹ in Crore)				
As at March 31, 2024				
Particulars	Floating rate financial liabilities	Fixed rate financial liabilities	Non interest bearing financial liabilities	Total financial liabilities
Financial liabilities-non current				
Borrowings	4,871.57	-	-	4,871.57
Other Financial liabilities	-	2.14	-	2.14
Total financial liabilities-non current	4,871.57	2.14	-	4,873.71
Financial liabilities-current				
Borrowings	1,178.75	-	-	1,178.75
Trade finance	-	375.13	-	375.13
Trade payables	-	-	41.49	41.49
Other financial liabilities	-	1.36	199.66	201.02
Total financial liabilities-current	1,178.75	376.49	241.15	1,796.39
Total financial liabilities	6,050.32	378.63	241.15	6,670.10

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.

As at March 31, 2023				
Particulars	Floating rate financial liabilities	Fixed rate financial liabilities	Non interest bearing financial liabilities	Total financial liabilities
Financial liabilities-non current				
Borrowings	5,496.12	-	-	5,496.12
Other Financial liabilities	-	4.28	1,240.90	1,245.18
Total financial liabilities-non current	5,496.12	4.28	1,240.90	6,741.30
Financial liabilities-current				
Borrowings	881.99	-	-	881.99
Trade finance	-	411.26	-	411.26
Trade payables	-	-	51.32	51.32
Other financial liabilities	-	4.41	189.48	193.89
Total financial liabilities-current	881.99	415.67	240.80	1,538.46
Total financial liabilities	6,378.11	419.95	1,481.70	8,279.76

The weighted average interest rate on the fixed rate financial liabilities is 7.27% p.a. and the weighted average period for which the rate is fixed is 0.17 years.

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, 2024. 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, in particular foreign currency rates, remain constant.

Movement in interest rates	Effect on profit before tax	
	FY 2023-24	FY 2022-23
0.50%	30.25	31.89
1.00%	60.50	63.78
2.00%	121.01	127.56



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 40

Risk management (Contd.)

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 for receivables, cash and cash equivalents and short-term investments.

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. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty.

The carrying value of the financial assets other than cash and current investments represents the maximum credit exposure. The Company's maximum exposure to credit risk at March 31, 2024 is ₹ 2,175.13 Crore (previous year ₹ 2,296.40 Crore) of which ₹ 2,166.89 Crore (previous year ₹ 2,288.45 Crore) was from a single trade receivable.

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, 2024, that defaults in payment obligations will occur.

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.

(₹ In Crore)

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, 2023	-	0.05	0.05
Allowances made during the year	-	-	-
Reversal/Write off during the year	-	-	-
As at March 31, 2024	-	0.05	0.05

As on March 31, 2024					
Particulars	Not past due	Due less than 1 month	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 Asset - Non Current	7.59	-	-	-	-
Other Financial Asset - Current	0.14	-	-	0.51	-
Total	578.52	12.46	24.35	114.30	1,445.50

*Refer Note 6

As on March 31, 2023					
Particulars	Not past due	Due less than 1 month	Due between 1-3 months	Due between 3-12 months	Due greater than 12 months
Trade receivables - Non Current*	29.05	14.14	55.55	94.55	1,283.15
Trade receivables - Current*	812.02	-	-	-	-
Other Financial Asset - Non Current	7.59	-	-	-	38.27
Other Financial Asset - Current	0.35	-	-	0.01	-
Total	849.02	14.14	55.55	94.56	1,321.42

*Refer Note 42



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 40

Risk management (Contd.)

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.

The Company uses forward exchange contract to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies as well as financing transactions and loans denominated in foreign currencies. The policy of the Company is to determine on a regular basis what portion of the foreign exchange risk on financing transactions and loans are to be hedged through forward exchange contracts and other instruments. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns. However all new long-term borrowing exposures are being hedged. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the statements of profit or loss and statements of comprehensive income.

TSPL had entered in a contract with SEPCO for set up of power plant for 1980 MW. During the current year, the company has terminated the contract with the project vendor and consequently adjusted the entire liability including the forex liability of USD 137.24 Mn against the claim for damages. Since, the company do not have any foreign currency exposure on the Balance sheet date i.e. 31st March 2024 and therefore, no impact due to fluctuation in foreign exchange rates will arise against the project vendor.

Financial liabilities

	As at March 31, 2024	As at March 31, 2023
USD		1,127.59

The Company's exposure to foreign currency arises where a Company entity holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity, with US dollar being the major non-functional currency. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, liquidity and other market changes.

The results of Company's operations may be affected largely by fluctuations in the exchange rates between the Indian Rupee against the US dollar. The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 10% against the functional currency of the Company.

During the current year, the company has terminated its contract with its capital contractor and adjusted the standing amount against both onshore and offshore contracts. Accordingly, there is no foreign exchange exposure as on 31st March 2024.

A 10% appreciation/depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in net decrease/increase in the Company's profit or loss and equity for the year ended March 31, 2024 by ₹ NIL (previous year ₹ 112.76 crore).

Note 41

As per revised Ministry of Environment norms, company had to implement FGD technology by December 31, 2019. In May 2020, CPCB imposed environmental compensation penalty of ₹ 0.18 Crore per month per non-compliant unit w.e.f. January 01, 2020 and added that the compliance status shall be reviewed periodically. Subsequently company received a notice on October 16, 2020 and a corrigendum on November 04, 2020 wherein CPCB extended the timeline for installing the FGD to February 28, 2021 for Unit 1, December 31, 2020 for Unit 2 and October 31, 2020 for Unit 3 & further on September 05, 2022 Ministry of Environment, Forest and Climate Change via notification extended the above mentioned timelines till December 31, 2026.



Sensitivity: Internal Use Only

Taiwandi Sabo Power Limited
Notes forming part of the financial statements as at and for the year ended March 31, 2024

(₹ in Crore)

Note 42
(i) Trade Receivables ageing schedule
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		
Non-current								
(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	
Sub-Total	23.69	73.50	77.09	164.28	227.18	1,054.10	1,619.84	
Current								
(i) Un Disputed Trade Receivables-considered good	547.10	-	-	-	-	-	547.10	
Sub-Total	547.10	-	-	-	-	-	547.10	
Total	570.79	73.50	77.09	164.28	227.18	1,054.10	2,166.94	

For the year ended March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment as on March 31, 2023						Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years		
Non-current								
(i) Disputed Trade Receivables-considered good	29.05	71.21	93.02	227.18	236.00	819.97	1,476.43	
(ii) Disputed Trade Receivables - credit Impaired	-	-	0.05	-	-	-	0.05	
Sub-Total	29.05	71.21	93.07	227.18	236.00	819.97	1,476.48	
Current								
(i) Un Disputed Trade Receivables-considered good	812.02	-	-	-	-	-	812.02	
Sub-Total	812.02	-	-	-	-	-	812.02	
Total	841.07	71.21	93.07	227.18	236.00	819.97	2,288.49	



Note 43

Income tax expenses

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
Current tax on profit for the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary differences- other than exceptional items	(46.26)	(22.87)
Charge in respect of exceptional item	199.90	-
Total deferred tax	153.64	(22.87)
Net tax benefit	153.64	(22.87)
Profit/(Loss) before tax	755.79	(93.15)
Effective income tax rate (%)	20.33%	24.55%

(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 March 31, 2024	Year ended March 31, 2023
Accounting profit / (loss) before tax	755.79	(93.15)
Statutory income tax rate	25.17%	25.17%
Tax at Indian statutory income tax rate	190.22	(23.45)
Tax rate difference		
Business losses on which Deferred tax assets not made in previous years	(54.85)	-
Forex loss adjusted u/s 43A	17.90	-
CSR Expenditure Disallowed	0.37	0.58
Total	153.64	(22.87)

Note: The company during the year has recognised a Deferred tax liability on exceptional gain for ₹ 199.90 Crore (Previous Year ₹ NIL). Also, as per the Company's projections, there is a convincing evidence that there would be sufficient profits in the future years and hence, Deferred tax asset is recognised for ₹ 46.26 Crore (Previous Year ₹ 22.87 Crore) only to the extent that it is probable that taxable profits will be available to utilize the same.

(c) Deferred tax assets/liabilities

The deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment and the amortisation of intangible assets, net of losses carried forward by the Company. Significant components of deferred tax (assets) & liabilities in the balance sheet are as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Property, plant and equipment and Intangible assets:		
Opening balance	743.02	646.54
Charged to statement of profit and loss	106.87	96.48
Closing balance	849.89	743.02
Unabsorbed depreciation		
Opening balance	(989.71)	(866.47)
Credited to statement of profit and loss	33.93	(123.24)
Charged/(credited) to other comprehensive income (OCI)	-	-
Closing balance	(955.78)	(989.71)
Other temporary differences		
Opening balance	(13.61)	(17.34)
Credited to statement of profit and loss	12.84	3.90
Charged/(credited) to other comprehensive income (OCI)	0.09	(0.17)
Closing balance	(0.68)	(13.61)
Net deferred tax liabilities/(assets)	(106.57)	(260.90)



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 44

Trade Payables ageing schedule

(₹ In Crore)

For the year ended March 31, 2024

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	1.56	-	-	-	-	1.56
(ii) Others	21.76	16.73	1.16	0.27	0.01	39.93
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	23.32	16.73	1.16	0.27	0.01	41.49

For the year ended March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	3.99	-	-	-	-	3.99
(ii) Others	40.78	5.59	0.96	-	-	47.33
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	44.77	5.59	0.96	-	-	51.32

Note 45

Ratios

Particulars	As at March 31, 2024	As at March 31, 2023	% Variance	Remarks (for variances more than 25%)
(a) Current Ratio	0.59	0.74	-20%	
(b) Debt-Equity Ratio	1.55	2.04	-24%	
(c) Debt Service Coverage Ratio	1.34	1.33	1%	
(d) Return on Equity Ratio	0.17	(0.02)	-814%	Due to increase in profits due to exceptional gain incurred during the year
(e) Inventory turnover ratio	20.37	29.72	-31%	Due to increase in profits due to exceptional gain incurred during the year
(f) Trade Receivables turnover ratio	7.75	8.25	-6%	
(g) Trade payables turnover ratio	8.84	11.44	-23%	
(h) Net capital turnover ratio	(9.20)	(9.85)	-7%	
(i) Net profit ratio	0.11	(0.01)	-1035%	Due to increase in profits due to exceptional gain incurred during the year
(j) Return on Capital employed	0.15	0.07	124%	Due to increase in profits due to exceptional gain Incurred during the year
(k) Return on investment	0.06	0.04	52%	Due to increase in average rate of interest on fixed deposits



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

Note 46

Transactions with Struck off companies

The company has not entered in any transaction with Struck off companies during the current year or during the previous year.

Note 47

Disputed Trade Receivables

Punjab State Power Corporation Limited ("PSPCL"), which is the Company's sole customer has withheld payments aggregating to ₹ 1,619.79 Crore (previous year ₹ 1,476.43 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. Pursuant to the reservation of order of the Hon'ble High Court dated January 30, 2023, the Company received ₹ 343 Crore from PSPCL against Force Majeure matter on 16th February 2023 including Late payment surcharge of ₹ 98.51 Cr. The balance Late payment surcharge of Rs. 4.65 Cr is received during May 23.

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 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 to the same.

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 revenue aggregating to ₹ 5,266.93 Crore (previous year ₹ 5,745.69 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 Share Ownership Plan ("ESOP").

During the year, 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 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, 2024 is ₹ 1.33 Crore (previous year ₹ 0.91 Crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

Note 50

Exceptional Gain

During the year, the Company has terminated its contracts with one of its capital contractor due to its continuing failure in fulfilling the contractual obligations impacting plant performance since inception and has written back liability amounting to Rs. 1252 Crores pertaining to the contract, as the amount is no longer payable. The management has assessed that the amount written back comprises Rs. 794 Crore towards loss of profit due to plant performance in the current 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 PPE in earlier years.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2024

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 is not enabled in the SAP application for direct changes to data in certain database tables, which is restricted to certain ID's with system administrator user access in order to optimise system performance. However, these system administrator rights have been disabled subsequent to the year end. Further, no instance of audit trail feature being tampered with was noted in respect of software.

Note 52

Previous year's figures

Figures of the previous year are reclassified/regrouped wherever necessary, to confirm to those of the current year presentation.

In terms of our report attached

For S. R. Batliboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005

Chartered Accountants



per Ajay Bansal
Partner
Membership No.: 502243

Place : Gurugram
Date : April 19, 2024



For and on behalf of Board of Directors



Agnivesh Agarwal
Chairman
DIN : 00038950
Place : Fujairah

Vibhav Agarwal
Chief Executive Officer
Place : New Delhi



Nitesh Malani
Chief Financial Officer
Place : Mansa
Date : April 19, 2024



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

INDEPENDENT AUDITOR'S REPORT

To the Members of Talwandi Sabo Power Limited

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 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;
 - 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,



S.R. BATLIBOI & Co. LLP

Chartered Accountants

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(ii)(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 Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(ii)(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)
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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.

(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 willful 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.

(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.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

(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 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



Balance Sheet as at March 31, 2025

(₹ in Crore)

	Particulars	Notes	As at March 31, 2025	As at 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	748.77	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

Agnivesh Agarwal
Chairman
DIN: 00038950
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.A70SR6
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 Crore]

Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
I Revenue from operations	24	5,223.40	5,256.05
II Other Operating Income	25	17.13	36.81
III Other income	26	3.70	16.14
IV Total Income (I+II+III)		5,244.23	5,309.00
V Expenses:			
Power and fuel charges		3,835.85	3,875.28
Employee benefits expense	27	24.05	25.51
Finance costs	28	619.08	667.70
Depreciation and amortisation expense	29	441.99	456.46
Other expenses	30	313.06	322.52
Total expenses		5,234.01	5,347.47
VI Profit before tax (V-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)			
A (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 Amit Kumar Jain
Partner
Membership No. : 057214

Place : New Delhi
Date : April 22, 2025

For and on behalf of Board of Directors



Agnivesh Agarwal
Chairman
DIN: 00036950
Place: Fujairah

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



Cash Flow Statement for the year ended March 31, 2025

(₹ in Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A Cash flows from operating activities		
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)	15.79
Net cash from operating activities (i)	767.57	1,120.87
B Cash flows from investing activities		
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 Cash flows from financing activities		
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: 00338950
Place: Fujairah

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

Rajinder Singh Ahuja
Chief Executive Officer
Place: New Delhi

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

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



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 (₹ 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

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. : 301003L/L300005
Chartered Accountants

per Amish 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: 00038960
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



1. Company's Overview :

Talwandi Sabo Power Limited (herein after referred as "TSPPL" 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. TSPPL 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, TSPPL 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 Bahawal, 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 Cost ("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.



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(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 unit	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 asset: 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:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realised within twelve months after the reporting period, or
- d. 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:

- a. Expected to be settled in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Due to be settled within twelve months after the reporting period, or
- d. 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:

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

After initial measurement, such financial assets are subsequently measured at 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.



(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.



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 or 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.

(j) **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 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.



(d) 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.



Talwandi Sabo Power Limited

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

(₹ in Crores)

Note 3 Property Plant and Equipment

For the year ended March 31, 2025

Particulars	Gross Block					Accumulated depreciation and amortisation			Net Block	
	Balance as at March 31, 2024	Additions	Disposals/ Adjustments	Foreign exchange	Balance as at March 31, 2025	Balance as at March 31, 2024	Depreciation charge	Deductions	Balance as at March 31, 2025	Balance as at March 31, 2025
a) Tangible Assets										
Freehold Land	390.60	-	-	-	390.60	-	-	-	-	390.60
Buildings	265.42	-	-	-	265.42	135.36	13.44	-	148.80	116.62
Plant and Machinery	10,565.08	30.07	12.47	-	10,582.68	3,784.84	397.15	7.67	4,174.32	6,408.36
Furniture and Fittings	2.84	0.00	0.07	-	2.77	2.15	0.19	0.06	2.28	0.49
Motor Vehicles	1.11	0.19	0.56	-	0.74	0.41	0.22	0.33	0.30	0.44
Railway siding and Locomotives	418.16	-	-	-	418.16	237.85	23.78	-	261.63	156.53
Office and Equipment	8.61	0.03	0.06	-	8.58	7.63	0.23	0.05	7.81	0.77
Computers and Data Processing	7.90	0.96	0.02	-	8.84	6.35	0.55	0.01	6.89	1.95
Laboratory Equipment	28.29	-	-	-	28.29	24.87	1.57	-	26.44	1.85
Total	11,688.01	31.25	13.18	-	11,706.08	4,199.46	437.13	8.12	4,628.47	7,077.61
								b) Capital work in progress		1.03
								Total		7,078.64

b) Intangible Assets											
Computer software	3.88	0.74	-	-	4.62	3.49	0.32	-	3.81	0.81	
Total	3.88	0.74	-	-	4.62	3.49	0.32	-	3.81	0.81	

c) ROU Assets (Refer note 2.8(e))											
Land	0.86	-	-	-	0.86	0.18	0.19	-	0.37	0.49	
Plant and Machinery	-	45.90	-	-	45.90	-	3.80	-	3.80	42.10	
Computer software	2.73	-	-	-	2.73	0.36	0.55	-	0.91	1.82	
Total	3.59	45.90	-	-	49.49	0.54	4.54	-	5.08	44.41	



Previous year ended March 31, 2024

(₹ in Crore)

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	Balance as at March 31, 2023	Depreciation charge	Deductions	Balance as at March 31, 2024	Balance as at March 31, 2024		
a) Tangible Assets												
Freehold Land	390.60	-	-	-	390.60	-	-	-	-	390.60		
Buildings	265.34	0.08	-	-	265.42	13.51	-	-	135.36	130.06		
Plant and Machinery*	10,996.91	20.58	452.41	-	10,565.08	3,369.73	415.11	0.00	3,784.84	6,780.24		
Furniture and Fixtures	2.82	0.03	0.01	-	2.84	1.97	0.19	0.01	2.15	0.69		
Motor Vehicles	1.11	-	-	-	1.11	0.20	0.21	-	0.41	0.70		
Railway Siding and Locomotives	418.16	-	-	-	418.16	214.07	23.78	-	237.85	180.31		
Office and Equipment	8.56	0.06	0.01	-	8.61	7.40	0.24	0.01	7.63	0.98		
Computers and Data Processing	7.37	0.58	0.05	-	7.90	5.87	0.51	0.03	6.35	1.55		
Laboratory Equipment	28.29	-	-	-	28.29	22.70	2.17	-	24.87	3.42		
Total	12,119.17	21.33	452.48	-	11,688.01	3,743.79	455.72	0.05	4,199.45	7,488.55		
*Refer Note 50												
b) Capital work in progress										3.05		
Total										7,491.60		

b) Intangible Assets		Total	
Computer software	3.79	0.09	3.88
Total	3.79	0.09	3.88

c) ROU Assets (Refer note 2.B(e))		Total	
Land	12.00	0.54	11.68
Plant and Machinery	-	-	-
Computer software	-	2.73	2.73
Total	12.00	3.27	11.68

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 Visra (I) 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		Total	
Particulars	Less than 1 year	1-2 years	More than 3 years
Projects in progress	0.92	0.11	-
Total	1.03		

(₹ in Crore)

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

(₹ in Crore)

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 March 31, 2025	As at 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)
Total	1,691.35	1,619.79

Note 5

Other financial assets - Non-current

Particulars	As at March 31, 2025	As at 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
Total	45.85	7.59

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 March 31, 2025	As at March 31, 2024
Prepaid Expenses	6.02	1.77
Total	6.02	1.77

Note 7

Inventories

Particulars	As at March 31, 2025	As at 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
Total	248.77	292.49

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

Note 8

Trade receivables - Current

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - Unsecured (Refer note 42)	959.58	547.10
Total	959.58	547.10

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



Note 9

Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks	33.52	168.01
Total	33.52	168.01

Note 10

Other Bank Balances

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

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 March 31, 2025	As at March 31, 2024
Receivables from related parties (Refer note 37)	0.01	0.14
Claims and other receivables	1.10	0.51
Total	1.11	0.65

Note 12

Other current assets

Particulars	As at March 31, 2025	As at 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
Total	39.13	15.41



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 March 31, 2025		As at March 31, 2024	
	Number of shares	Amount (₹ in Crore)	Number of shares	Amount (₹ in Crore)
Authorised Equity Share Capital				
Equity Shares of ₹ 10 each, with voting rights	400,00,00,000	4,000.00	400,00,00,000	4,000.00
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10 each, with voting rights	3,206,609,692	3,206.61	320,66,09,692	3,206.61
Total	3,206,609,692	3,206.61	320,66,09,692	3,206.61

(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 March 31, 2025		Equity Shares as at March 31, 2024	
	Number of shares	Amount (₹ in Crore)	Number of shares	Amount (₹ in Crore)
Shares outstanding at the beginning of the year	320,66,09,692	3,206.61	320,66,09,692	3,206.61
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	3,206,609,692	3,206.61	320,66,09,692	3,206.61

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

320,66,09,692 (previous year: 320,66,09,692) 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 March 31, 2025		As at March 31, 2024	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Vedanta Limited and its nominees	320,66,09,692	100	320,66,09,692	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.



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 March 31, 2025	As at March 31, 2024
Retained earnings		
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)
Closing Balance	447.98	416.15
Other Comprehensive Income		
Remeasurement Reserve		
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
Closing Balance	-	-
Total other equity	447.98	416.15



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

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):

Particulars	Issued on	Security	₹ In Crore	
			As at March 31, 2025	As at March 31, 2024
(a) From other than banks:				
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.	7,529.63	3,250.87
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.	2,342.29	2,365.50
Total			4,871.92	5,616.32
Total Term Loan			4,871.92	5,616.32

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

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

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

Particulars	Weighted Average 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)
Total		5,616.32	744.75	1,076.52	694.12	3,122.01	(21.08)

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:

Particulars	01-Apr-24	Cash flows	New leases	Other	₹ in Crore
					31-Mar-25
Current borrowings	1178.75	(273.23)	-	539.37	1,444.89
Current lease liabilities (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 (note 16)	2.14	-	45.90	(9.15)	38.89
Total liabilities from financing activities	6053.82	(281.17)	45.90	7.19	5825.74

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

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.



Note 16

Lease Liabilities - Non Current

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liability (Refer note below)	38.89	2.14
Total	38.89	2.14

Note:

The movement in lease liabilities is as follows:

Particulars	As at March 31, 2025	As at 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
Closing Balance	47.19	3.50
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 March 31, 2025	As at March 31, 2024
Provision for employee benefits:		
Gratuity (Refer Note 36)	0.22	0.15
Leave Encashment	0.74	0.91
Total	0.96	1.06

Note 18

Borrowings - Current

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Secured		
-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
Unsecured		
Short Term Loan (Refer note (ii) below)	349.63	-
Loans from Related Parties (Refer note (iii) below)	200.00	-
Total	1,444.89	1,178.75

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%.



Note 19

Trade Finance

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

Notes:

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 March 31, 2025	As at 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	36.35
Total	125.10	37.91

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 March 31, 2025	As at 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 March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings	30.61	34.17
Other Payables:		
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	-
Other Liabilities	3.23	3.58
Total	228.19	203.24



Talwandi Sabo Power Limited

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

(₹ in Crore)

Note 22

Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Advance from customers*	0.64	1.72
Other Payables:		
Statutory liabilities	3.04	3.55
Other liabilities	0.04	0.87
Total	3.72	6.14

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

Note 23

Provisions - Current

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Leave Encashment	0.09	0.11
Total	0.09	0.11



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 March 31, 2025	Year ended March 31, 2024
Revenue from Operations		
Energy Sales (Refer note below)	5,223.40	5,256.05
Total	5,223.40	5,256.05

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 March 31, 2025	Year ended March 31, 2024
Scrap Sales	3.34	1.65
Sale of fly ash	12.75	26.35
Miscellaneous income	1.02	8.81
Total	17.11	36.81

Note 26

Other income

Particulars	Year ended March 31, 2025	Year ended 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
Interest on income tax refunds	0.84	0.35
Miscellaneous income	0.00	12.87
Total	3.70	16.14

Note 27

Employee benefits expense

Particulars	Year ended March 31, 2025	Year ended 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
Total	24.05	25.51

Note 28

Finance cost

Particulars	Year ended March 31, 2025	Year ended 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
Total	619.08	667.70



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 March 31, 2025	Year ended 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
Total	441.99	456.46

Note 30

Other expenses

Particulars	Year ended March 31, 2025	Year ended 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)	45.38	45.94
Miscellaneous expenses	2.77	3.11
Total	313.06	322.52

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 ₹ 1,385.98 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.



Taiwandi Sabo Power Limited

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

Note 32

(₹ in Crore)

Corporate Social responsibility

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
Total amount of expenditure incurred	0.83	0.47	1.15	0.30

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)
Closing Balance	0.47	0.30

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
Total	0.84	1.05



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 TSPL.

In November 2017, TSPL 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, TSPL 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.

Note 34

Auditors' Remuneration included under Legal & Professional Services

(₹ in Crore)

Particulars	Year ended March 31, 2025	Year ended 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
Total	0.68	0.56

Note 35

Earnings Per Share (EPS)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net profit after tax attributable to equity shareholders for basic and diluted EPS (₹ in Crore)	31.84	602.15
Weighted average number of Equity shares for Basic and Diluted EPS	3,206,609,692	3,206,609,692
Basic and Diluted Earnings Per Share (₹)	0.10	1.88
Nominal Value Per share (₹)	10.00	10.00

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.



Talwandi Sabo Power Limited

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

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 March 31, 2025	Year ended 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% IALM(2012-14)	100% IALM(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 March 31, 2025	Year ended March 31, 2024
Current service cost	0.15	0.20
Interest cost	0.01	0.03
Total	0.16	0.23

Amount recognized in Other Comprehensive Income during the year

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

Movement in present value of defined benefit obligation

Particulars	Year ended March 31, 2025	Year ended 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	0.13
Actuarial (gains)/losses	0.00	(0.36)
Benefits paid	(0.47)	(0.06)
Obligation at the end of the year	1.58	1.77

Movement in present value of plan assets

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Fair value at the beginning of the year	1.62	1.40
Actual return on plan assets	0.11	0.10
Contribution	0.00	0.18
Benefits paid	(0.37)	(0.06)
Fair value at the end of the year*	1.36	1.62

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



Taiwandi Sabo Power Limited

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

Note 36

Employee Benefits (Contd.)

Amount Recognized in the Balance Sheet

Particulars	Year ended March 31, 2025	Year ended 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)
Net liability recognized in the Balance Sheet	0.22	0.15

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
Increase / (Decrease) in defined benefit obligation		
Discount rate		
Increase by 0.50%	(0.09)	(0.09)
Decrease by 0.50%	0.30	0.10
Expected rate of increase in compensation level of covered employees		
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
Total	1.58	1.77

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 United (VRIL)
Ultimate:	Vedanta Incorporated (formerly Vulcan Investments Limited)*




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:

Fellow Subsidiaries:	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
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(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 Chaitani	: 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. Shilvangi 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 March 31, 2025	Year ended March 31, 2024
1) Recovery of employee cost and other expenses		
(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	-
2) Reimbursement of employee cost and other expenses		
(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	-
3) Sale of Consumables and Capex items		
(i) Hindustan Zinc Limited	-	0.04
(ii) Vedanta Limited	0.35	-
4) Purchase of Consumables and Capex items		
(i) Vedanta Limited	-	0.05
(ii) Hindustan Zinc Limited	-	0.01
(iii) Sterlite Technologies Limited	0.71	-
5) Brand Fees paid		
(i) Vedanta Resources Limited (VRL)	-	45.94
(ii) Vedanta Resources Investment Limited (VRIL)	46.38	-
6) Interest and Guarantee Commission		
Vedanta Limited	22.95	23.95
7) Loans taken during the year		
Vedanta Limited	200.00	-



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. Details of balances with related parties :

Particulars	Year ended March 31, 2025	Year ended 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 March 31, 2025	Year ended 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
Total	6.78	5.64

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 March 31, 2025	Year ended May 31, 2024
Equity Share Capital	3,206.61	3,206.61
Other Equity	447.98	416.15
Total Equity (a)	3,654.59	3,622.76
Cash and cash equivalents	33.52	168.01
Current investments	-	38.27
Total cash (b)	33.52	206.28
Short-term borrowings (including current maturities)	1,444.89	1,178.75
Long-term borrowings	4,333.66	4,871.57
Total debt (c)	5,778.55	6,050.32
Net debt (d=(c-b))	5,745.03	5,844.04
Net debt to equity ratio (d/a)	1.57	1.61



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	-	-	-	-
Total	-	2,731.41	2,731.41	2,731.41

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
Total	-	2,381.41	2,381.41	2,381.41

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
Total	-	6,629.85	6,629.85	6,629.85

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	-	37.91	37.91	37.91
Lease Liability	-	3.50	3.50	3.50
Derivative liability	-	-	-	-
Other current financial liabilities	-	203.24	203.24	203.24
Total	-	6,670.10	6,670.10	6,670.10



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.

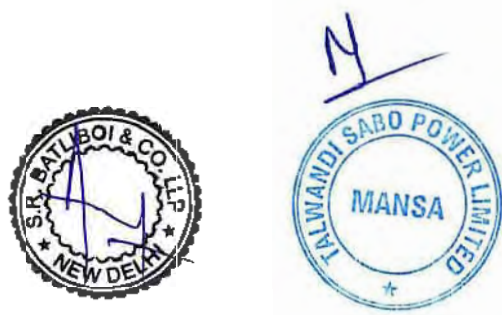
Additional Information to the Financial Statements :

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.



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.)

(₹ 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	226.19	-	-	-	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	37.91	-	-	-	37.91
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)

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

*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.)

(₹ in Crore)				
As at March 31, 2024				
Particulars	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Financial assets-non current				
Trade Receivables*	-	-	1,619.79	1,619.79
Other financial assets	4.72	-	2.87	7.59
Total financial assets-non current	4.72	-	1,622.66	1,627.38
Financial assets-current				
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
Total financial assets-current	-	38.27	715.76	754.03
Total financial assets	4.72	38.27	2,338.42	2,381.41

*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).

(₹ in Crore)				
As at March 31, 2025				
Particulars	Floating rate	Fixed rate	Non interest bearing	Total financial
Financial liabilities-non current				
Borrowings	4,333.66	-	-	4,333.66
Lease Liability	-	38.89	-	38.89
Total financial liabilities-non current	4,333.66	38.89	-	4,372.55
Financial liabilities-current				
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
Total financial liabilities-current	1,444.89	489.07	323.34	2,257.30
Total financial liabilities	5,778.55	527.96	323.34	6,629.85

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.

(₹ in Crore)				
As at March 31, 2024				
Particulars	Floating rate	Fixed rate	Non interest bearing	Total financial
Financial liabilities-non current				
Borrowings	4,871.57	-	-	4,871.57
Lease liability	-	2.14	-	2.14
Total financial liabilities-non current	4,871.57	2.14	-	4,873.71
Financial liabilities-current				
Borrowings	1,178.75	-	-	1,178.75
Trade finance	-	375.13	-	375.13
Trade payables	-	-	37.91	37.91
Other financial liabilities	-	-	203.24	203.24
Lease Liability	-	1.36	-	1.36
Derivative financial liabilities	-	-	-	-
Total financial liabilities-current	1,178.75	376.49	241.15	1,796.39
Total financial liabilities	6,050.32	378.63	241.15	6,670.10

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.

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

Particulars	As on March 31, 2025				
	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
Total	952.84	12.80	22.81	111.97	1,597.47

*Refer Note 42



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.)

(₹ in Crore)

Particulars	As on March 31, 2024				
	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	-
Total	578.52	12.46	24.35	114.30	1,445.50

*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 SO2 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 SO2 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 SO2 emission compliance have again been extended to December 31, 2029.



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					Total
		Less than 5 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
March 31, 2025							
Non-current							
(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
Sub-Total	25.26	74.48	85.64	151.41	251.85	1,102.76	1,691.40
Current							
(i) Un Disputed Trade Receivables-considered Good	881.72	-	-	-	-	-	881.72
(ii) Disputed Trade Receivables-considered Good	-	-	-	-	-	77.86	77.86
Sub-Total	881.72	-	-	-	-	77.86	959.58
Total	906.98	74.48	85.64	151.41	251.85	1,180.62	2,650.98

For the year ended March 31, 2024

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



Talwandi Sabo Power Limited

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

Note 43

Income tax expenses

(₹ in Crore)

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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current tax		
Current tax on profit for the year	-	-
Total current tax	-	-
Deferred tax		
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)	-
Total deferred tax	(21.64)	153.64
Net tax (credit)/charge	(21.64)	153.64
Profit before tax	10.20	755.79

(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 March 31, 2025	Year ended 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
Tax rate difference		
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
Total	(21.64)	153.64

Note:

(i) 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.

(ii) 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.

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



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

Note 4d
Trade Payables ageing schedule

(₹ in Crore)

For the year ended March 31, 2025

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	-	-	-	-	-	-
Total	78.26	41.59	5.24	0.01	0.00	125.10

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	-	-	-	-	-	-
Total	19.74	16.73	1.16	0.27	0.01	37.91

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Talwandi Sabu 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 March 31, 2025	As at March 31, 2024	% Variance	Remarks (for variances more than 25%)
(a) Current Ratio	0.57	0.59	-3%	
(b) Debt-Equity Ratio	1.34	1.55	-14%	
(c) Debt Service Coverage Ratio	1.15	1.34	-13%	
(d) Return on Equity Ratio	0.01	0.17	-95%	The Return on equity ratio has significantly declined as there was an exceptional gain net of taxes of ₹ 594.36 Crore in previous year.
(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.



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 fulfill 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.


N



Note 51

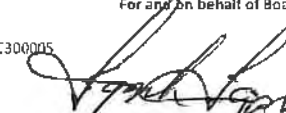
The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was enabled in the SAP application for direct changes to data in certain database tables for part of the year, i.e., from Q3 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 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: 00038950
Place: Faridkot


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



INDEPENDENT AUDITOR'S REPORT

To the Members of Talwandi Sabo Power Limited

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 2026, 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, 2026, its loss 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 director 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 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;
 - (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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) 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;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2026 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.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 32 & 46 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were 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 note 45(v) 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 note 45(vi) 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 (refer Note 53 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.

Additionally, the audit trail of relevant prior years 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 years, as stated in Note 53 to the financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Amit Chugh**

Partner

Membership Number: 505224

UDIN: **26505224GGXCNE4617**

Place of Signature: Gurugram

Date: April 24, 2026



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 were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (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, 2026.
- (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 14 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) During the year, the company has not made investments in, provided loans or 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) to (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 that 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	0.04	Assessment year 2017-2018	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	0.11	Assessment year 2015-2016	Deputy Commissioner of Income Tax
Income tax Act, 1961	Income tax	0.01	Assessment year 2018-2019	Deputy Commissioner of Income Tax



Goods and Services Act	Indirect tax	3.63	Assessment Year 17-18, Assessment year 18-19	CGST (Appeals)
Goods and Services Act	Indirect tax	0.07	Assessment year 18-19, 20-21 and 21-22	GST Commissionerate

During the previous years, the Company has deposited INR 1.87 Crore under protest in connection with the disputes with authorities for the assessment years 2012-13, 2017-18 and 2018-19.

(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 borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful 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 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. Hence, the requirement to report on clause (ix)(e) & (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 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.
- (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 incurred cash losses amounting to Rs. 516.94 Crores in the current financial year. However, in the immediately preceding financial year, the Company did not incur any cash losses.



(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 44 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.

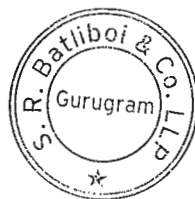
(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to Sub-section 5 of Section 135 of the Act. This matter has been disclosed in Note 31 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 31 to the financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Amit Chugh

Partner

Membership Number: 505224

UDIN: **26505224GGXCNE4617**

Place of Signature: Gurugram

Date: April 24, 2026

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, as amended ("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, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 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.

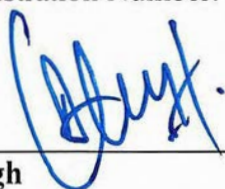
Opinion

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, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Amit Chugh**

Partner

Membership Number: 505224

UDIN: **26505224GGXCNE4617**

Place of Signature: Gurugram

Date: April 24, 2026





power

Talwandi Sabo Power Limited
CIN - U40101MH2007PLC433557



Address: 1st floor, C wing, Unit 103, Corporate Avenue Atal Projects, Chakala, Andheri (East), Mumbai, Maharashtra, 400053

Balance Sheet as at March 31, 2026

(₹ in Crore)

Particulars		Notes	As at March 31, 2026	As at March 31, 2025
I	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	3	6,742.32	7,120.40
	(b) Capital work-in-progress	3	-	1.03
	(c) Intangible assets	3	1.54	2.63
	(d) Financial assets			
	(i) Trade receivables	4	382.71	1,691.35
	(ii) Other financial assets	5	7.59	45.85
	(e) Deferred tax assets (Net)	43	705.85	128.20
	(f) Other non-current assets	6	4.10	6.02
	(g) Income tax assets		1.87	2.23
	Total non-current assets		7,845.98	8,997.51
2	Current assets			
	(a) Inventories	7	311.56	248.71
	(b) Financial Assets			
	(i) Trade receivables	8	992.10	959.56
	(ii) Cash and cash equivalents	9	46.14	33.52
	(iii) Other financial assets	10	0.71	1.11
	(c) Other current assets	11	40.10	39.13
	(d) Derivative asset		0.18	-
	(e) Income tax assets		4.83	9.59
	Total current assets		1,396.62	1,391.70
	Total Assets		9,241.60	10,389.21
II	EQUITY AND LIABILITIES			
A	Equity			
	(a) Equity share capital	12	3,206.61	3,206.61
	(b) Other equity	13	(1,269.45)	447.98
	Total Equity		1,937.16	3,654.59
B	LIABILITIES			
1	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	14	3,948.19	4,333.66
	(ii) Lease liability	15	25.85	38.89
	(b) Provisions	16	3.33	0.96
	Total non-current liabilities		3,977.37	4,373.51
2	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17	1,983.26	1,444.89
	(ii) Lease liability	15	7.96	8.80
	(iii) Trade finance liability	18	702.90	450.78
	(iv) Trade payables	19		
	(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		3.53	8.98
	(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		202.78	116.12
	(v) Derivatives	39	0.03	0.04
	(vi) Other financial liabilities	20	522.19	228.19
	(b) Other current liabilities	21	4.30	3.72
	(c) Provisions	22	0.12	0.09
	Total current liabilities		3,427.97	2,361.11
	Total Liabilities		7,405.34	6,634.62
	Total Equity and Liabilities		9,241.60	10,289.21

See accompanying notes forming part of the financial statements

In terms of our report of even date attached

For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224

Place: Gurugram
Date: April 24, 2026

For and on behalf of Board of Directors

Pankaj Kumar Sharma
Whole Time Director
DIN: 10277510
Place: Bathinda
Date: April 24, 2026

Rajinder Singh Ahuja
Chief Executive Officer
Place: New Delhi
Date: April 24, 2026

Sonal Chothani
Non-Executive Director
DIN: 09527528
Place: New Delhi
Date: April 24, 2026

Pankaj Jha
Chief Financial Officer
Place: New Delhi
Date: April 24, 2026





power

Talwandi Sabo Power Limited
CIN - U40101MH2007PLC433557



Address: 1st floor, C wing, Unit 103, Corporate Avenue Atul Projects, Chakala, Andheri (East), Mumbai, Maharashtra, 400093

Statement of Profit and Loss for the year ended March 31, 2026

(₹ in Crore)

	Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025
I	Revenue from operations	23	5,453.18	5,223.40
II	Other Operating Income	24	32.88	17.11
III	Other income	25	11.16	3.70
IV	Total Income (I+II+III)		5,497.22	5,244.21
V	Expenses:			
	Power and fuel charges		4,033.72	3,835.83
	Employee benefits expense	26	23.86	24.05
	Finance costs	27	606.66	619.08
	Depreciation and amortisation expense	28	444.85	441.99
	Other expenses	29	355.35	313.06
	Total expenses		5,464.44	5,234.01
VI	Profit before exceptional items and tax		32.78	10.20
VII	Exceptional Items	50	(2,322.28)	-
VIII	Profit/(loss) before tax (VI+VII)		(2,289.50)	10.20
IX	Tax benefit:	43		
	On other than exceptional items			
	Deferred tax		9.20	2.90
	Deferred tax adjustment for previous years		(0.97)	(24.54)
	On exceptional items			
	Deferred tax		(584.47)	-
	Net tax benefit:		(576.24)	(21.64)
X	Net Profit/(loss) for the year (VIII-IX)		(1,713.26)	31.84
XI	Other Comprehensive Income (net of taxes)			
	Items that will not be reclassified to profit or loss - Re-measurement (loss) on defined benefit obligation (net of taxes)		(0.41)	(0.01)
XII	Total Comprehensive Income/(loss) for the year (X+XI)		(1,713.67)	31.83
XIII	Earnings per equity share (in ₹):	34		
	- Basic and Diluted		(5.34)	0.10

See accompanying notes forming part of the financial statements

In terms of our report of even date attached

For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224

Place : Gurugram
Date : April 24, 2026

For and on behalf of Board of Directors

Pankaj Kulkarni Sharma
Whole Time Director
DIN: 10277510
Place: Bathinda
Date: April 24, 2026

Rajinder Singh Ahuja
Chief Executive Officer
Place: New Delhi
Date: April 24, 2026

Sonal Chothani
Non-Executive Director
DIN: 09527528
Place: New Delhi
Date: April 24, 2026

Pankaj Jha
Chief Financial Officer
Place : New Delhi
Date: April 24, 2026



Statement of Cash Flow for year ended March 31, 2026

(₹ in Crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A Cash flows from operating activities		
Net Profit/(Loss) before tax	(2,289.50)	10.20
Adjusted for :		
Depreciation and amortisation expense	444.85	441.99
Trade Receivables written off	1,318.60	-
Interest expenses	606.66	619.08
Interest Income	(2.23)	(3.66)
Realised gain from investments measured at FVTPL	(0.53)	(0.04)
Unsettled liabilities written back	(3.92)	-
Provision for doubtful debt	9.11	-
Loss on sale/discard of property, plant and equipment	6.58	4.78
Operating profit before working capital changes	89.60	1,072.35
Changes in working capital		
(Increase) / Decrease in inventories	(62.80)	43.72
Decrease in trade receivables	(51.60)	(484.04)
(Increase)/ Decrease in other financial and other assets	1.17	(28.43)
Increase in payables and provisions	574.26	168.31
Cash generated from operations	550.63	771.91
Income taxes refund/(paid)	5.12	(4.34)
Net cash from operating activities (I)	555.75	767.57
B Cash flows from investing activities		
Purchase of property, plant and equipment (including intangibles)	(78.51)	(29.97)
Sales of property, plant and equipment (including intangibles)	0.18	0.28
Proceeds from maturity / redemption of short term bank deposits	197.97	38.27
Investment in bank deposits	(160.00)	(38.26)
Purchase of short term Investments (Mutual Funds)	(1,133.49)	(110.00)
Proceeds from sale of short term Investments (Mutual Funds)	1,133.94	110.04
Interest received	2.51	3.66
Net cash (used in) investing activities (II)	(37.40)	(25.98)
C Cash flows from financing activities		
Proceeds from short term borrowings	987.41	548.53
Repayment of short term borrowings	(500.00)	(77.00)
Proceeds from long term borrowings	99.42	-
Repayment of long term borrowings	(538.26)	(748.45)
Repayment of lease liability	(10.24)	(4.24)
Interest paid	(539.04)	(594.92)
Payment towards employee stock option scheme	(5.02)	-
Net cash (used in) financing activities (III)	(505.73)	(876.08)
Net increase/(decrease) in cash and cash equivalents (I+II+III)	12.62	(134.49)
Cash and cash equivalents at beginning of the year	33.52	168.01
Cash and cash equivalents at the end of the year (Refer Note 9)	46.14	33.52

Notes:

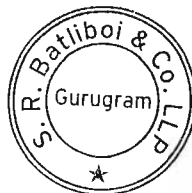
- The figures in bracket indicates outflows.
- The above cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 - Statement of Cash Flows.
- Refer Note 14 for Change in liabilities arising from financing activities.

See accompanying notes forming part of the financial statements

In terms of our report of even date attached

For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224



Place : Gurugram
Date : April 24, 2026



For and on behalf of Board of Directors

Pankaj Kumar Sharma
Whole Time Director
DIN: 10277510
Place: Bathinda
Date: April 24, 2026

Sonal Choftband
Non-Executive Director
DIN: 09527528
Place: New Delhi
Date: April 24, 2026

Rajinder Singh Ahuja
Chief Executive Officer
Place: New Delhi
Date: April 24, 2026

Pankaj Jha
Chief Financial Officer
Place: New Delhi
Date: April 24, 2026



power



Talwandi Sabo Power Limited
CIN - U40101MH2007PLC433557

Address: 1st floor, C wing, Unit 103, Corporate Avenue Atul Projects, Chakala, Andheri (East), Mumbai, Maharashtra, 400093

Statement of Changes in Equity for the year ended March 31, 2026

a. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount (₹ in Crore)
As at March 31, 2026 and March 31, 2025	3,20,66,09,692	3,206.61

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

b. Other equity

(₹ in Crore)

Particulars	Reserves and Surplus
Balance as on April 01, 2024	416.15
Profit for the year	31.84
Other Comprehensive Income	(0.01)
Payment towards employee stock option scheme	-
Balance as on March 31, 2025	447.98
Balance as on April 01, 2025	447.98
(Loss) for the year	(1,713.26)
Other Comprehensive Income	(0.41)
Payment towards employee stock option scheme (net of tax of ₹1.26 crores)	(3.76)
Balance as on March 31, 2026	(1,269.45)

See accompanying notes forming part of the financial statements

In terms of our report of even date attached

For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224

Place : Gurugram
Date : April 24, 2026



For and on behalf of Board of Directors

Pankaj Kumar Sharma
Whole Time Director
DIN: 10277510
Place: Bathinda
Date: April 24, 2026

Rajinder Singh Ahuja
Chief Executive Officer
Place: New Delhi
Date: April 24, 2026

Sonal Choithani
Non-Executive Director
DIN: 09527528
Place: New Delhi
Date: April 24, 2026

Pankaj Jha
Chief Financial Officer
Place : New Delhi
Date: April 24, 2026



Talwandi Sabu Power Limited

Notes to financial statements for the year ended March 31, 2026

1 Company's Overview :

Talwandi Sabu 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 three 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 PSPCL 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 101, Corporate Avenue Atul Projects, Chakala, Andheri (East), Mumbai, Maharashtra, 400093 and principal place of business is in village Banawala, Mansa - Talwandi Sabu Road, Mansa, Punjab - 151302.

The Financial Statements were approved for issuance by the Board of Directors on April 24, 2026.

The financial statements once approved by the Board of directors needs to be adopted by the shareholders at the annual general meeting of the Company. The Board of directors can withdraw and re-issue the financial statements so adopted only in specific cases such as non-compliance with the applicable accounting standards, with the approval of Tribunal, after following the appropriate procedure as per Companies Act, 2013.

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.

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.



1.B. MATERIAL ACCOUNTING POLICIES (Contd.)

(c) Property, Plant and Equipment (Continued)

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	4-27 years
• Furniture and fixtures	5-10 years
• Vehicles*	4-8 years
• Railway siding	15 years
• Office equipment	5 years
• Computers and data processing	3-6 years
• Laboratory equipment	10 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment 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 (k) Impairment of non-financial assets.

(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.



1.B. MATERIAL ACCOUNTING POLICIES (Contd.)

(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:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realised within twelve months after the reporting period, or
- d. 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:

- a. Expected to be settled in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Due to be settled within twelve months after the reporting period, or
- d. 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:

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

After initial measurement, such financial assets are subsequently measured at 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.

(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.



2.B. MATERIAL ACCOUNTING POLICIES (Contd.)

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 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.

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.



2.B. MATERIAL ACCOUNTING POLICIES (Contd.)

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 under 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 towards 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 not met, the Company derecognises its original liability toward the supplier and recognise a new liability towards the bank/lender which is classified as other financial liability separately in the face of balance sheet as "Trade finance liability" based 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 bonowner in the bank books.

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

In cases, where the Company has derecognised its original liability towards the supplier and recognise a new liability towards the bank, the Company has assessed that the bank is acting as its agent in making payment to the supplier. The payment made by the Company to the bank towards 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 in foreign currencies. 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.



2.B. MATERIAL ACCOUNTING POLICIES (Contd.)

(f) Borrowing Costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR)

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

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).

(g) 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. The Company has done the impairment assessment as at March 31, 2026 and concluded that no impairment exists for the current year reporting

(h) 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.

(i) 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



1.B. MATERIAL ACCOUNTING POLICIES (Contd.)

(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 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.

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.

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.



Taiwandi Sabu Power Limited

Notes to financial statements for the year ended March 31, 2016

(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.

1.B. MATERIAL ACCOUNTING POLICIES (Contd.)

(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. Further, during the year, VL has also recovered the difference between the expected purchase price of shares and the grant date fair value from the Company. This amount has been debited directly to the retained earnings.

1.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 23 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 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 are not recognised in these financial statements but are disclosed as contingent liabilities.



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 that has been transferred to the customer. Management has assessed the recognition of revenue and recoverability of disputed dues with PSPCL as disclosed in Note 32 and Note 46 as highly probable due to the following reason:

- 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

2.C. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

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 2025-26 test of impairment.

Recoverability of deferred tax and other income tax assets

The Company has carry forward tax losses and unabsorbed depreciation that are available for offset against future taxable profit. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilized. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be a decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the statement of profit and loss.

During the year ended March 31, 2026, based on financial projections and requirements of Ind AS 12, The Company has recognised deferred tax assets on business losses amounting to ₹705.85 Crores, which based on management's estimate is probable to realize.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows, plant availability and load factors.

2.D. NEW AND AMENDED STANDARDS

The Company has adopted, with effect from 01 April 2025, the following new and revised standards. Their adoption does not have any material impact on the amounts reported in the financial statements:

1. Ind AS 1 Presentation of Financial Statements: The amendments specify that liabilities must be classified based on the entity's right to defer settlement as on the reporting date and includes settlement by equity options in the definition of settlement unless the option is classified as an equity component of a compound financial instrument. Further, these amendments require disclosure on non-current liabilities that could become repayable within twelve months after the reporting period. Effective 1 April 2026, these amendments also require the liability to be classified as current even if the lender agrees to waive off the breach before the approval of the financial statements but after the reporting date.

2. Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures: The amendments to Ind AS 7 and Ind AS 107 require additional disclosures on supply chain finance arrangements and how these arrangements affect liabilities, cash flows, and liquidity risk.

3. Ind AS 12 Income Taxes: The amendments include Pillar Two Income taxes in its scope and removes the requirement to recognize or disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments requires enhanced disclosures about an entity's exposure to Pillar Two income taxes.

4. Ind AS 21 The Effects of Changes in Foreign Exchange Rates: The amendments specify how an entity should determine an exchange rate when exchangeability is lacking and also require disclosure of information of how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

5. Minor amendments: (Ind AS 10, 115, and 116): Changes have been made to correct technical inconsistencies, update paragraph references, and align them with international practices.

2.E Standards notified but not yet effective

The amendments to the standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company will adopt these amendments to the standards, when they become effective.

(i) Amendments to Ind AS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 Events after the Reporting Period

Ind AS 10 has been amended to remove the previous treatment under which a lender's post-reporting date waiver—granted before the financial statements were approved for issue—of a breach of a material covenant in a long term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event.

For annual reporting periods beginning on or after 1 April 2026, any breach of a covenant—whether material or immaterial—occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

The amendments are effective for annual reporting periods beginning on or after 1 April 2026 retrospectively in accordance with Ind AS 8.



Taiwandi Sabo Power Limited
Notes to financial statements for the year ended March 31, 2026

Note 4
Trade receivables - Non-current

Particulars	As at March 31, 2026	As at March 31, 2025
Considered good - Unsecured (Refer Note 41)	382.71	1,691.35
Considered doubtful	9.16	0.05
Less: Provision for trade receivables considered doubtful (Refer Note 19)	(9.16)	(9.95)
Total	382.71	1,691.35

Note 5
Other financial assets - Non-current

Particulars	As at March 31, 2026	As at March 31, 2025
Bank Deposits with remaining maturity of more than 12 months (including interest accrued thereon ₹ Nil (March 31, 2025 : ₹ 0.29 Crore)) (Refer note below)	-	38.26
Security deposits (Unsecured, considered good)	7.59	7.59
Total	7.59	45.85

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 March 31, 2026	As at March 31, 2025
Prepaid Expenses	4.10	6.02
Total	4.10	6.02

Note 7
Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
Fuel Stock	223.62	143.41
Goods-in transit	32.75	37.06
Stores and Spares	55.19	68.30
Total	311.56	248.77

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

Note 8
Trade receivables - Current

Particulars	As at March 31, 2026	As at March 31, 2025
Considered good - Unsecured (Refer note 41)	992.10	959.58
Total	992.10	959.58

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

Note 9
Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
- on cash credit account	46.14	33.52
Total	46.14	33.52

Note 10
Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Receivables from related parties (Refer note 36)	0.16	0.01
Claims and other receivables	0.55	1.10
Total	0.71	1.11

Note 11
Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Advance to suppliers	15.42	21.64
Advance to related parties (Refer note 36)	6.02	1.01
Prepaid expenses	18.48	16.48
Balance with central excise and government authorities	0.18	0.00
Total	40.10	39.13



Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 12

Equity Share Capital :

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount (₹ in Crore)	Number of shares	Amount (₹ in Crore)
Authorised Equity Share Capital				
Equity Shares of ₹ 10 each, with voting rights	400,00,00,000	4,000.00	400,00,00,000	4,000.00
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10 each, with voting rights	3,20,66,09,692	3,206.61	3,20,66,09,692	3,206.61
Total	3,20,66,09,692	3,206.61	3,20,66,09,692	3,206.61

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

Particulars	As at March 31, 2026		Equity Shares as at March 31, 2025	
	Number of shares	Amount (₹ in Crore)	Number of shares	Amount (₹ in Crore)
Shares outstanding at the beginning of the year	320,66,09,692	3,206.61	320,66,09,692	3,206.61
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	3,20,66,09,692	3,206.61	3,20,66,09,692	3,206.61

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

320,66,09,692 (previous year: 320,66,09,692) 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 March 31, 2026		As at March 31, 2025	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Vedanta Limited and its nominees	320,66,09,692	100	320,66,09,692	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.

(v) Also refer Note 54.

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Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 13

Other equity (Refer Statement of changes in Equity)

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Retained earnings		
Balance at the beginning of the year	447.98	416.15
Add: Profit/(Loss) for the year	(1,713.26)	31.84
Payment towards employee stock option scheme (Refer note below)	(3.76)	-
Add: Transfer from Other Comprehensive Income	(0.41)	(0.01)
Closing Balance	(1,269.45)	447.98
Other Comprehensive Income		
Balance at the beginning of the year	-	-
Add: Remeasurement loss on defined benefit obligation	(0.41)	(0.01)
Less: Transfer to retained earnings	0.41	0.01
Closing Balance	-	-
Total other equity	(1,269.45)	447.98

Note:

During the year, Vedanta Limited has also recovered the difference between the expected purchase price of shares and the grant date fair value from the Company. This amount has been debited directly to the retained earnings.

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Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 14

Non current financial liabilities - Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured : At amortised cost		
Term Loan		
From Other than Banks	4,337.03	4,871.92
Unsecured : At amortised cost		
Term Loan		
From Other than Banks	99.42	-
Total Borrowings	4,436.45	4,871.92
Less : Current maturities of long-term borrowings (Refer note 17)	(588.26)	(538.26)
Total	3,848.19	4,333.66

Notes:

Loan covenants

i) The Company's term loan arrangements with Power Finance Corporation Limited include covenants requiring maintenance of a minimum Debt Service Coverage Ratio (DSCR) of 1.10 times and Debt to equity ratio of less than 2.33.

Based on management's computation, the DSCR for the year ended 31 March 2026 is 1.19 times (March 31, 2015 1.16), after excluding the exceptional losses as they represent one time, non-recurring items and considering specific working capital adjustments. While the loan agreement does not explicitly permit such adjustments, management, supported by an independent legal opinion, is of the view that these adjustments represent reasonable assumptions to reflect the Company's underlying debt servicing capacity. The computation has been communicated to the lender and no adverse communication has been received as at the date of approval of these financial statements.

The Debt to equity ratio in the secured loan is calculated as Long term Debt divided by Net Equity. The Debt to equity ratio was 1.35 as at March 31, 2026 (March 31, 2025: 1.34).

ii) All covenants are tested annually at March 31, 2026. The Company has no indication that it will have difficulty complying with these covenants. The Company has not defaulted on any loans payable and are fully compliant with all the material covenants.

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Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 14

Non-current financial liabilities - Borrowings (Contd.)

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

(₹ in Crores)						
Particulars	Issued on	Security	Interest for the year ended March 31, 2026	Interest for the year ended March 31, 2025	As at March 31, 2026	As at March 31, 2025
(a) From other than banks:						
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	9.45%	9.45%	2,200.85	2,529.63
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	9.45%	9.45%	2,056.18	2,342.29
Aditya Birla Capital Limited	March 2026	First pari passu charge on fixed and irrevocable Corporate Guarantee of Vedanta Limited	9.25%	-	99.42	-
Total					4,436.45	4,871.92
Total Term Loan					4,436.45	4,871.92

Repayment terms of term loans as on March 31, 2026:

Particulars	Total Carrying Value	<1 year	1-3 years	3-5 years	>5 years	Unamortised cost/MTM
Indian Rupee term loan	4,436.45	588.26	744.12	1,012.45	2,109.56	(17.94)
Total	4,436.45	588.26	744.12	1,012.45	2,109.56	(17.94)

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

Particulars	Total Carrying Value	<1 year	1-3 years	3-5 years	>5 years	Unamortised cost/MTM
Indian Rupee term loan	4,871.92	538.26	872.31	816.18	2,665.90	(21.08)
Total	4,871.92	538.26	872.31	816.18	2,665.90	(21.08)

Note:

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

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

(₹ in Crores)

Particulars	As at April 01, 2025	Cash flows (net)	Addition during the year	Inter-head adjustment / other adjustment during the year	As at March 31, 2026
Current borrowings	1,444.89	487.41	-	50.96	1,983.26
Current lease liabilities (note 15)	8.30	(10.24)	-	9.90	7.96
Non-current borrowings	4,333.66	(418.85)	-	(46.62)	3,868.19
Non-current lease liabilities (note 15)	38.89	-	0.50	(13.54)	25.85
Total liabilities from financing activities	5,825.74	38.32	0.50	0.70	5,865.24

(₹ in Crores)

Particulars	As at April 01, 2024	Cash flows (net)	Addition during the year	Inter-head adjustment / other adjustment during the year	As at March 31, 2025
Current borrowings	1,174.75	(273.23)	-	539.37	1,444.89
Current lease liabilities (note 15)	1.36	(4.24)	-	11.18	8.30
Non-current borrowings	4,871.57	(370)	-	(534.21)	4,333.66
Non-current lease liabilities (note 15)	2.14	-	45.90	(9.15)	38.89
Total liabilities from financing activities	6,053.82	(281.17)	45.90	7.19	5,825.74

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

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Talwandi Sabu Power Limited
Notes to financial statements for the year ended March 31, 2026

Note 15
Lease Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Non Current		
Lease liability (Refer note below)	25.85	38.89
Current		
Lease liability (Refer note below)	7.96	8.30
Total	33.81	47.19

Note:
The movement in lease liabilities is as follows

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	47.19	3.50
Additions	0.59	45.90
Reversal	(7.74)	
Repayments	(14.24)	(4.24)
Interest	4.05	2.03
Closing Balance	33.81	47.19
Non Current Lease Liability	25.85	38.89
Current Lease Liability	7.96	8.30

Note 16
Provisions - Non-current

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits:		
Gratuity (Refer Note 35)	1.99	0.22
Leave Encashment	1.34	0.74
Total	3.33	0.96

Note 17
Borrowings - Current

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Secured		
Working Capital Demand Loan (Refer note (i) below)	526.00	357.00
Current maturities of long-term borrowings (Refer note 14)	538.26	538.26
Unsecured		
Current maturities of long-term borrowings (Refer note 14)	50.00	-
Short Term Loan	-	349.63
Loans from Related Parties (Refer note (ii) below)	869.00	200.00
Total	1,983.26	1,444.89

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 above outstanding loans carry interest rate of 8.90% p.a. (previous year 9.50% p.a.).
- (ii) **Loans from Related Parties**
The Company has obtained inter corporate loans amounting to ₹ 869 Crore (March 31, 2025 : ₹ 200 Crore) from its Parent company, Vedanta Limited. The loan carried an interest of 10.4%p.a. till September 30, 2025. From 1st October 2025 onwards, the loan carry interest of 8.97% p.a. (previous year 10.40%p.a.).

Note 18
Trade Finance liability

Particulars	As at March 31, 2026	As at March 31, 2025
Trade finance with banks		
- Secured (Refer note below)	448.10	414.12
- Unsecured (Refer note below)	254.80	36.66
Total	702.90	450.78

Note:

- a) Trade payable amounting to ₹ 448.10 Crores has been finance through bank 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.



Taiwandi Sabo Power Limited
Notes to financial statements for the year ended March 31, 2026

Note 19
Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer note (b) below)	3.53	8.98
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	202.78	116.12
Total	206.31	125.10

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 March 31, 2026	As at March 31, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	3.53	8.98
(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 above are actually paid	-	-

Note 20
Other financial liabilities - Current

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due on borrowings	24.80	30.61
Other Payables:		
Retention money	36.09	15.12
Due to related parties (Refer note 36)	174.99	163.61
Earnest money deposit	18.15	12.45
Interest accrued on loan from Related Party (Refer note 36)	46.39	3.17
Late payment surcharge (refer note 50 (a))	218.54	-
Employee Payables	3.23	3.23
Total	522.19	228.19

Note 21
Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Advance from customers*	0.55	0.64
Other Payables:		
Statutory liabilities	3.72	3.04
Other liabilities	0.03	0.04
Total	4.30	3.72

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

Note 22
Provisions - Current

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits	-	-
Leave Encashment	0.12	0.09
Total	0.12	0.09

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Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 23

(₹ in Crore)

Revenue from operations

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from Operations		
Energy Sales (Refer notes below)	5,453.18	5,223.40
Total	5,453.18	5,223.40

Notes:

(a) Energy sales include operating lease rentals of ₹ 1,254.53 Crore (previous year ₹ 1,386.98 Crore) relating to recovery of capacity charges and ₹ 172.74 Crore (previous year Nil) related to Late payment surcharge recognised during the year (Refer note 32). The balance revenue of ₹ 4,025.91 Crore (previous year ₹ 3,836.42 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 24

Other Operating Revenue

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Scrap Sales	5.18	3.34
Sale of fly ash	27.03	12.75
Miscellaneous income	0.67	1.02
Total	32.88	17.11

Note 25

Other income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest income from financial assets at amortised cost		
- Bank Deposits	1.79	2.57
- Others	0.03	0.25
Realised Gains from investments measured at FVTPL	0.55	0.04
Net gain on foreign currency transactions and translation	0.33	-
Interest on outstanding income tax refunds	0.41	0.84
Unspent liabilities written back	3.92	-
Miscellaneous income	4.13	0.00
Total	11.16	3.70

Note 26

Employee benefits expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries and Bonus	22.23	22.20
Contribution to provident fund	0.62	0.68
Staff welfare expenses	0.30	0.48
Gratuity expenses (Refer note 35)	0.21	0.15
Contribution to super annuation fund	0.50	0.54
Total	23.86	24.05



Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 27

Finance cost

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on borrowing	526.85	553.69
Interest on trade finance	44.41	33.50
Interest on lease obligation	4.05	2.03
Guarantee Commission	16.99	19.42
Other finance costs	14.36	10.44
Total	606.66	619.08

Note 28

Depreciation and amortisation expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of tangible assets	434.56	437.13
Amortisation of intangible assets	0.35	0.32
Amortisation of ROU	9.94	4.54
Total	444.85	441.99

Note 29

Other expenses

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Consumption of stores and spare parts	64.85	45.72
Plant running and maintenance expenses	188.89	176.13
CSR expenses (Refer note 31)	3.79	1.30
Legal and professional fees (Refer note 33)	12.95	14.79
Electronic data processing expenses	3.44	2.52
Insurance	10.45	14.13
Rates and taxes	1.23	0.90
Security expenses	0.08	0.12
Travelling	2.47	2.68
Books and periodicals	0.27	0.32
Director sitting fees (Refer note 36)	0.29	0.45
Provision for doubtful trade receivables	9.11	-
Net loss on foreign currency transactions and translation	-	0.07
Loss on sale/discard of property, plant and equipment	6.58	4.78
Brand Fees (Refer note 36)	48.55	46.38
Miscellaneous expenses	2.40	2.77
Total	355.35	313.06



Talwandi Sabo Power Limited
Notes to financial statements for the year ended March 31, 2026

Note 30
Commitments

- (i) **Commitments:**
 Estimated amounts of contracts remaining to be executed on capital account not provided for (net of advances) amount to ₹ 4.96 Crore (previous year ₹ 1.28 Crore).
- (ii) **Other Commitments:**
 The Company entered into Power Purchase Agreement ('PPA') with Punjab State Power Corporation Limited ('PSPCL') for twenty five year PPA 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 ₹ 1,254.53 Crore (previous year ended ₹ 1,386.98 Crore).
- (iii) **Guarantees:**
 The Company has given performance bank guarantee to PPCB amounting to ₹ 0.75 Crore relating to penalty for non-fulfillment of various environment norms.

Note 31 (₹ in Crore)
Corporate Social responsibility

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	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:				
i) Capital work-in-progress	0.05	0.56	0.39	0.02
ii) General expenses (Refer table below)	1.15	1.99	0.41	0.43
iii) Salaries and wages	0.00	0.04	0.03	0.02
Total amount of expenditure incurred	1.20	2.59	0.83	0.47

As per the provisions of Companies Act, 2013, during the period, the Company was required to spend an amount of ₹ 4.54 Crore (previous year ₹ 3.42 Crore) towards CSR expenditure. During the year, the Company has adjusted ₹ 0.75 Crore carried forward from previous year and also spent ₹ 1.20 Crore during the year. The company will be opening a Escrow account and transfer the remaining amount of ₹ 2.59 Crore and the amount will be spent in the next 3 years from that account.

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

Particulars	Year ended March 31, 2026	For the Period ended March 31, 2025
Opening Balance	0.47	0.30
Provision made during the year	3.79	1.30
Less: Payments made during the year	(1.67)	(1.13)
Closing Balance	2.59	0.47

Closing balance of ₹ 2.59 Crore with respect to expenses incurred during the year will be paid in the upcoming financial years.

Nature of amount - General Expenses

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Health care	0.70	0.30
Agriculture & Animal Husbandry	0.72	0.29
Children's Wellbeing & Education	0.14	0.04
Women Empowerment	0.51	0.20
Rural Development	0.90	-
Others	0.17	0.01
Total	3.14	0.84

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Tatwandi Subo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 32

Misdeclaration Case

In an earlier year, Punjab State Power Corporation Limited ("PSPCL") imposed a penalty on the Company on account of alleged mis-declaration of declared capacity and deducted a penalty of ₹ 77.86 Crore (previous year ₹ 77.86 Crore) from the monthly bills. In February 2018, PSERC unfavourably disposed the petition determining penalty of ₹ 127.32 Crore. TSPL filed an appeal before Appellate Tribunal for Electricity ("APTEL") challenging the penalty. During the year ended March 31, 2025, APTEL pronounced the order in favour of the Company directing PSPCL to refund the deducted penalty along with 'Late Payment Surcharge'. Following the order, the counterparties-PSPCL and Punjab State Load Dispatch Center ("PSLDC ") have filed a Civil Appeal before the Hon'ble Supreme Court of India challenging the said decision in May 2025. The Hon'ble Supreme Court has directed the Company to file its reply/written submissions. The matter is next listed for hearing on April 28, 2026.

During the year, the Company has received a total amount of ₹250 Crore, comprising of ₹77.86 Crore towards the principal amount withheld and ₹172.14 Crore towards Late Payment Surcharge (LPS). As per the accounting policy, Late Payment Surcharge has been accounted for as revenue from operations during the year.

Based on the internal assessment and supported by a legal opinion, the Company believes that it has strong case on merits and accordingly the likelihood of reversal of the appellate tribunal's decision is very low.

Note 33

(₹ in Crore)

Auditors' Remuneration included under Legal & Professional Services

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Audit Fees	0.26	0.25
Limited Review	0.17	0.17
Reporting for Parent Company consolidation	0.08	0.08
Other Services	0.66	0.15
Out of Pocket Expenses	0.03	0.03
Total	1.20	0.68

* Above amounts are without GST

** Including fees for audit/review of interim financial statements.

Note 34

(₹ in Crore)

Earnings/(Loss) Per Share (EPS)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net (loss) after tax attributable to equity shareholders for basic and diluted EPS (₹ in Crore)	(1,713.26)	31.84
Weighted average number of Equity shares for Basic and Diluted EPS	3,20,66,09,692	3,20,66,09,692
Basic and Diluted (Loss) Per Share (₹)	(5.34)	0.10
Nominal Value Per share (₹)	10.00	10.00



Talvandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 35

Employee Benefits

a) Defined contribution plan

The Company contributed a total of ₹ 1.12 Crore for the year ended March 31, 2026 (previous year ₹ 1.22 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 2026 and 2025) 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). 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. 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.

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 March 31, 2026	Year ended March 31, 2025
Salary growth (p.a.)	5.50%	5.50%
Expected rate of Return on Plan Assets (p.a.)	7.05%	7.11%
Discount rate (p.a.)	7.26%	7.03%
Mortality rate	100% IALM(2012-14)	100% IALM(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 March 31, 2026	Year ended March 31, 2025
Current service cost	0.21	0.15
Past service cost*	1.27	-
Interest cost	0.02	0.01
Total	1.50	0.16

*Recognised under exceptional items (Refer note 49)



Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 35

Employee Benefits (Contd.)

Amount recognized in Other Comprehensive Income during the year

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Remeasurement of the net defined benefit obligation:-		
Actuarial losses / (gains) arising from changes in financial assumptions	(0.09)	0.01
Actuarial losses / (gains) arising from experience adjustments	0.63	(0.01)
Total	0.54	0.00

Movement in present value of defined benefit obligation

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Obligation at the beginning of the year	1.58	1.77
Current service cost	0.21	0.15
Past service cost	1.27	
Interest cost	0.11	0.13
Actuarial (gains)/losses	0.54	0.00
Benefits paid	(0.19)	(0.47)
Obligation at the end of the year	3.52	1.58

Movement in present value of plan assets

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Fair value at the beginning of the year	1.36	1.62
Actual return on plan assets	0.10	0.11
Contribution	0.26	0.00
Benefits paid	(0.19)	(0.37)
Fair value at the end of the year*	1.53	1.36

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



Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 35

Employee Benefits (Contd.)

Amount Recognized in the Balance Sheet

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Present value of obligation at the end of the year	3.52	1.58
Less: Fair value of plan assets at the end of the year	(1.53)	(1.36)
Net liability recognized in the Balance Sheet	1.99	0.22

The contribution expected to be made by the Company during the financial year 2025-26 as ascertained by the management is ₹ 0.45 Crore (previous year ₹ 0.19 Crore)

Sensitivity analysis	Year ended March 31, 2026	Year ended March 31, 2025
Increase / (Decrease) in defined benefit obligation		
Discount rate		
Increase by 0.50%	(0.18)	(0.09)
Decrease by 0.50%	0.19	0.10
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	0.20	0.10
Decrease by 0.50%	(0.19)	(0.09)

Maturity profile of defined benefit obligation

Year	Year ended March 31, 2026	Year ended March 31, 2025
0-1 Years	0.07	0.03
1 - 2 Years	0.06	0.03
2 - 3 Years	0.06	0.03
3 - 4 Years	0.06	0.03
4 - 5 Years	0.06	0.02
5 - 6 Years	0.05	0.02
More than 6 years	3.16	1.42
Total	3.52	1.58

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.



Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 36

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 Volcan Investments Limited)*

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

Fellow Subsidiaries:	Bharat Aluminium Company Limited ESL Steel Limited Hindustan Zinc Limited Resonia Limited STL Digital Limited Vedanta Foundation Meevakshi Energy Limited Sterlite Technologies Limited
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(c) Key Managerial Personnel:

Mr. Rajinder Singh Ahuja	: Chief Executive Officer
Mr. Pankaj Jha	: Chief Financial Officer
Mr. Nitesh Malani	: Chief Financial Officer (till close of business hours on July 21, 2025)
Mr. Agnivesh Agarwal	: Chairman (deceased on January 07, 2026)
Mr. Pankaj Kumar Sharma	: Whole Time Director
Ms. Sonal Choitani	: Non-Executive Director
Mr. Baldev Krishan Sharma	: Non-Executive Director
Ms. Shivangi Dhannka	: Company Secretary (resigned as company secretary and KMP w.e.f. close of business hours on January 18, 2026)

* No transaction with parties during the year.



Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

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, 2026 and March 31, 2025 are noted below.

Note 36

Related Party Disclosures (Contd.)

a. Details of transactions during the period with related parties :

(₹ in Crore)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
1) Recovery of employee cost and other expenses		
(i) Vedanta Limited	0.37	0.08
(ii) Hindustan zinc Limited	0.11	0.04
(iii) Bharat Aluminium Company Limited	0.04	0.11
(iv) ESL Steel Limited	0.03	
(v) Resonia Limited	0.02	0.01
(vi) Meenakshi Energy Limited	0.01	
2) Reimbursement of employee cost and other expenses		
(i) Vedanta Limited	8.94	8.61
(ii) Vedanta Foundation	0.03	0.02
(iii) STL Digital Limited	2.55	1.50
(iv) Hindustan Zinc Limited	0.03	0.05
(v) Bharat Aluminium Company limited	0.00	0.00
(vi) ESL Steel Limited	-	0.02
(vii) Meenakshi Energy Limited	0.02	0.01
3) Sale of Consumables and Capex Items		
(i) Vedanta Limited	0.17	0.35
(ii) Meenakshi Energy Limited	0.00	-
4) Purchase of Consumables and Capex items		
(i) Vedanta Limited	0.04	-
(ii) Sterlite Technologies Limited	-	0.71
(iii) STL Digital Ltd	0.06	-
5) Brand Fees paid		
(i) Vedanta Resources Investment Limited (VRIL)	42.28	46.38
6) Payment towards Employee Share Based Scheme (Debited to Retained Earnings)		
(i) Vedanta Limited	5.02	-
7) Loans taken during the Year		
(i) Vedanta Limited	669.00	200.00
8) Interest and Guarantee Commission		
(i) Vedanta Limited	62.42	22.95



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Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 36

Related Party Disclosures (Contd.)

b. Details of balances with related parties :

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
1) Balance Receivable/advances as at the end of the year		
(i) Vedanta Limited	0.08	-
(ii) Resonia Limited	-	0.01
(iii) Hindustan Zinc Limited	0.08	-
2) Balance Payable as at the end of the year		
(i) Hindustan Zinc Limited	-	0.00
(ii) Vedanta Limited	222.21	161.45
(iii) ESL Steel Limited	-	0.01
(iv) Sterlite Technologies Limited	-	0.71
(v) Meenakshi Energy Limited	-	0.01
(vi) Vedanta Resources Limited	-	5.34
(vii) STL Digital Limited	0.10	0.23
3) Advances given as at the end of year		
(i) Vedanta Resources Investment Limited	6.02	1.01
4) Outstanding Loan balance as at the end of the year		
(i) Vedanta Limited	869.00	200.00
5) Bank Guarantees/Corporate Guarantee issued on our behalf and outstanding as at the end of the year		
(i) Vedanta Limited	4,454.44	5,242.70

c. Remuneration of key management personnel (KMP)

Particulars	As at March 31, 2026	As at March 31, 2025
Short-term employee benefits	4.46	5.83
Post employment benefits	0.28	0.38
Share based payments	2.18	0.57
Total	6.92	6.78

Note.

a. The Company has paid ₹ 0.08 Crore (previous year ₹ 0.12 Crore) as sitting fees & has also accrued ₹ 0.31 Crore (previous year ₹ 0.34 Crore) as commission to its director.

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.

c. Terms and conditions of transaction with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2025: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 37

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 financial institutions and holding company. 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	As at March 31, 2026	As at March 31, 2025
Equity Share Capital	3,206.61	3,206.61
Other Equity	(1,269.45)	447.98
Total Equity (a)	1,937.16	3,654.59
Cash and cash equivalents	46.14	33.52
Total cash (b)	46.14	33.52
Short-term borrowings (including current maturities)	1,983.26	1,444.89
Long-term borrowings	3,848.19	4,333.66
Total debt (c)	5,831.45	5,778.55
Net debt (d=(c-b))	5,785.31	5,745.03
Net debt to equity ratio (d/a)	2.99	1.57

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Talwandi Sabo Power Limited
Notes to financial statements for the year ended March 31, 2026

Note 38
Financial instruments

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, 2026 (₹ in Crore)

Financial assets	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Trade receivables - Current	-	992.10	992.10	992.10
Trade receivables - Non Current	-	382.71	382.71	382.71
Other non-current financial assets	-	7.59	7.59	7.59
Other current financial assets	-	0.71	0.71	0.71
Cash and cash equivalents	-	46.14	46.14	46.14
Derivative Asset	0.18	-	0.18	0.18
Total	0.18	1,429.25	1,429.43	1,429.43

March 31, 2025 (₹ in Crore)

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
Derivative Asset	-	-	-	-
Total	-	2,731.41	2,731.41	2,731.41

March 31, 2026

Financial liabilities	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Long-term borrowings	-	3,848.19	3,848.19	3,848.19
Short-term borrowings	-	1,983.26	1,983.26	1,983.26
Trade finance	-	702.90	702.90	702.90
Trade payables	-	206.31	206.31	206.31
Lease Liability	-	33.81	33.81	33.81
Derivative liability	-	0.03	0.03	0.03
Other current financial liabilities	-	522.19	522.19	522.19
Total	-	7,296.69	7,296.69	7,296.69

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
Total	-	6,629.85	6,629.85	6,629.85



Talwandi Sabo Power Limited
Notes to financial statements for the year ended March 31, 2026

Note 38
Financial Instruments (Contd.)

- Long-term 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 39.

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Note 39

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 in place risk 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.

Financial liabilities	As at March 31, 2026					Total
	<1 year	1-3 Years	3-5 Years	> 5 Years		
Borrowings	1,983.26	744.12	1,012.45	2,109.55		5,849.38
Interest on borrowings	397.52	665.27	503.38	474.78		2,040.95
Trade finance	702.90	-	-	-		702.90
Trade payables	206.31	-	-	-		206.31
Other financial liabilities	522.19	-	-	-		522.19
Lease Liability	10.59	21.61	7.36	0.70		40.26
Financial Instruments-derivatives	0.03	-	-	-		0.03

Financial liabilities	As at March 31, 2025					Total
	<1 year	1-3 Years	3-5 Years	> 5 Years		
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



Note 39
Risk management (Contd.)

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, 2026				
Particulars	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Financial assets-non current				
Trade Receivables*			382.71	382.71
Other financial assets	4.72	-	2.87	7.59
Total financial assets-non current	4.72	-	385.58	390.30
Financial assets-current				
Trade receivables*	-	-	992.10	992.10
Cash and cash equivalents	-	-	46.14	46.14
Derivative Asset	-	-	0.18	0.18
Other financial assets	-	-	0.71	0.71
Total financial assets-current	-	-	1,039.13	1,039.13
Total financial assets	4.72	-	1,424.71	1,429.43

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

(₹ in Crore)

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

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

There are no fixed rate financial assets as at year end. The weighted average interest rate on fixed rate financial assets in the previous year was 7.00% p.a. and the weighted average period for which the rate was fixed in previous year was 1.25 years.

(₹ in Crore)

As at March 31, 2026				
Particulars	Floating rate	Fixed rate	Non interest bearing financial	Total financial
Financial liabilities-non current				
Borrowings	3,848.19	-	-	3,848.19
Lease Liability	-	25.85	-	25.85
Total financial liabilities-non current	3,848.19	25.85	-	3,874.04
Financial liabilities-current				
Borrowings	1,983.26	-	-	1,983.26
Trade finance	702.90	-	-	702.90
Trade payables	40.67	-	165.64	206.31
Other financial liabilities	-	-	522.19	522.19
Lease Liability	-	7.96	-	7.96
Derivative financial liabilities	-	-	0.03	0.03
Total financial liabilities-current	2,726.83	7.96	687.86	3,422.65
Total financial liabilities	6,575.02	33.81	687.86	7,296.69

The weighted average interest rate on the fixed rate financial liabilities is 9.45% p.a. and the weighted average period for which the rate is fixed is 3.76 year.



Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 39

Risk management (Contd.)

(₹ in Crore)

As at March 31, 2025				
Particulars	Floating rate	Fixed rate	Non interest bearing financial	Total financial
Financial liabilities-non current				
Borrowings	4,333.66	-	-	4,333.66
Lease Liability	-	38.89	-	38.89
Total financial liabilities-non current	4,333.66	38.89	-	4,372.55
Financial liabilities-current				
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
Total financial liabilities-current	1,925.66	8.30	323.34	2,257.30
Total financial liabilities	6,259.32	47.19	323.34	6,629.85

The weighted average interest rate on the fixed rate financial liabilities is 9.46% p.a. and the weighted average period for which the rate is fixed is 4.69 years.

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 period ended March 31, 2026. 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 2025-26	FY 2024-25
0.50%	32.88	31.30
1.00%	65.75	62.59
2.00%	131.50	125.19

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, 2026 is ₹ 1383.12 Crore (March 31, 2025 ₹ 2,659.64 Crore) of which ₹ 1374.82 Crore (March 31, 2025 ₹ 2,650.93 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, 2026, that defaults in payment obligations will occur, except for disputed matter.

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 tables below 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	Trade Receivables	Total
	Current	Non Current	
As at March 31, 2025	-	0.05	0.05
Allowances made during the year	-	9.11	9.11
Reversal/Write off during the year	-	-	-
As at March 31, 2026	-	9.16	9.16



Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 39

Risk management (Contd.)

(₹ in Crore)

As at March 31, 2026					
Particulars	Not past due	Overdue less than 1 months	Overdue between 1-3 months	Overdue between 3-12 months	Overdue greater than 12 months
Trade receivables - Non Current*	-	-	-	9.99	372.72
Trade receivables - Current*	992.10	-	-	-	-
Other Financial Assets - Non Current	7.59	-	-	-	-
Other Financial Assets - Current	0.16	-	-	-	0.55
Total	999.85			9.99	373.27

*Refer Note 41

(₹ in Crore)

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
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
Total	952.84	12.80	22.81	111.97	1,597.47

*Refer Note 4;

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.

Note 40

As per Ministry of Environment norms, the Company was required to install Fuel Gas Desulfurization (FGD) comply with timeline of SO₂ emission standards was extended to December 31, 2026 for the Company under category C.

As per Gazette Notification dated July 11, 2025, issued by Ministry of Environment, Forest and Climate Change (MoEF&CC) was the SO₂ emission standards shall not be applicable to all Category C thermal power plants subject to ensuring compliance of stack height criteria notified vide notification number GSR 742 (E), dated the 30th August, 1990 and the time line for ensuring compliance by the existing Category C Thermal Power Plants of stack height criteria by 31st December, 2029.

TSPL being categorized as Category C thermal power plant having the requisite stack height of 275 meters as per MoEF&CC Notification No. GSR 742 (E) dated 30.08.1990 is exempted from applicability of sulphur dioxide emission standards. Accordingly, the Company is not required to install any sulphur dioxide emission control equipment viz. Fuel Gas Desulfurization (FGD).

(This space has been intentionally left blank)



Note 41
Trade Receivables ageing schedule

(₹ in Crore)

For the period ended March 31, 2026

Particulars	Not due	Outstanding for following periods from due date of payment as on March 31, 2026					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
Non-current							
(i) Disputed Trade Receivables—considered good		1.48	8.51	20.83	17.00	334.89	382.71
(ii) Disputed Trade Receivables—considered doubtful		9.11				0.05	9.16
Sub-Total		10.59	8.51	20.83	17.00	334.94	391.87
Current							
(i) Un Disputed Trade Receivables—considered good*	992.10						992.10
(ii) Disputed Trade Receivables—considered doubtful							
Sub-Total	992.10						992.10
Total	992.10	10.59	8.51	20.83	17.00	334.94	1,383.97

*Including amount yet to be billed of ₹ 49.96 Crore

For the year ended March 31, 2025

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	
Non-current							
(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—considered doubtful					0.05		0.05
Sub-Total	25.26	74.48	85.64	151.41	251.85	1,102.76	1,691.40
Current							
(i) Un Disputed Trade Receivables—considered good*	881.72						881.72
(ii) Disputed Trade Receivables—considered doubtful						77.86	77.86
Sub-Total	881.72					77.86	959.58
Total	906.98	74.48	85.64	151.41	251.85	1,180.62	2,650.98

*Including amount yet to be billed of ₹ 40.07 Crore

Note 42
Trade Payables ageing schedule

(₹ in Crore)

For the period ended March 31, 2026

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	3.53					3.53
(ii) Others	183.55	19.20	0.03			202.78
(iii) Disputed dues - MSME						
(iv) Disputed dues - Others						
Total	187.08	19.20	0.03			206.31

For the year ended March 31, 2025

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						
Total	78.26	41.59	5.24	0.01	0.00	125.10



Talwandi Sabo Power Limited
Notes to financial statements for the year ended March 31, 2026

Note 43
Income tax expenses

(₹ in Crore)

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current tax		
Current tax on profit for the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary differences- other than exceptional items	9.20	2.90
Charge in respect of exceptional item	(584.47)	-
Tax adjustment for previous years	(0.97)	(24.54)
Total deferred tax	(576.24)	(21.64)
Net tax (credit)	(576.24)	(21.64)
Profit/(Loss) before tax	(2,289.50)	10.20

(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 Period:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Accounting profit/(loss) before tax	(2,289.50)	10.20
Statutory income tax rate	25.17%	25.17%
Tax at Indian statutory income tax rate	(576.22)	2.57
Tax rate difference		
Deferred tax adjustment for previous years	(0.97)	(24.54)
CSR Expenditure Disallowed	0.95	0.33
Total	(576.24)	(21.64)

Deferred Tax Assets

Although the Company presently has significant tax losses and unabsorbed depreciation, the Company has recognized Deferred Tax Assets (DTA) on carried forward business losses and unabsorbed depreciation in accordance with Ind AS 12 "Income Taxes". The management has prepared projections for the remaining tenure of the Power Purchase Agreement (PPA), which indicate availability of sufficient taxable profits to absorb these losses. Based on this assessment, it is considered probable that the DTA recognized will be realized. Management will review the assumptions underlying such projections at each reporting date and reassess the recoverability of the DTA in light of any changes in business performance or regulatory framework.

(c) **Deferred tax assets/liabilities**

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Property, plant and equipment and intangible assets:		
Opening balance	962.81	849.89
Charged to profit or loss section	103.21	112.92
Closing balance	1,066.02	962.81
Carry forward business loss and Unabsorbed depreciation		
Opening balance	(1,091.01)	(955.78)
Credited to profit or loss	(675.52)	(135.23)
Charged/(credited) to other comprehensive income (OCI)	-	-
Closing balance	(1,766.53)	(1,091.01)
Other temporary differences		
Opening balance	(0.00)	(0.68)
Credited to profit or loss	(3.93)	0.68
Credited to retained earnings	(1.27)	-
Charged/(credited) to other comprehensive income (OCI)	(0.14)	(0.00)
Closing balance	(5.34)	(0.00)
Net deferred tax assets	(705.85)	(128.20)



Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 44

Ratios

Particulars	As at March 31, 2026	As at March 31, 2025	% Variance	Remarks (for variances more than 25%)
(a) Current Ratio	0.41	0.57	-29%	Variance is due to increase in borrowing due to payment against Settlement Contract
(b) Debt-Equity Ratio	1.35	1.34	1%	
(c) Debt Service Coverage Ratio	1.19	1.16	3%	
(d) Return on Equity Ratio	(0.88)	0.01	-10253%	Variance is due to exceptional loss in current period.
(e) Inventory turnover ratio	19.46	19.30	1%	
(f) Trade Receivables turnover ratio	5.59	6.93	-19%	
(g) Trade payables turnover ratio	5.43	5.62	-3%	
(h) Net capital turnover ratio	(3.63)	(5.02)	-28%	Variance is due to increase in borrowing due to payment against Settlement Contract
(i) Net profit ratio	(0.31)	0.01	-5255%	Variance is due to exceptional loss in current period.
(j) Return on Capital employed	(0.22)	0.07	-425%	Variance is due to exceptional loss in current period
(k) Return on investment	0.09	0.07	40%	

Note 45

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.



Talwandi Sabo Power Limited

Notes to financial statements for the year ended March 31, 2026

Note 46

Disputed Trade Receivables

Punjab State Power Corporation Limited ("PSPCL"), which is the Company's sole customer has withheld payments aggregating to ₹ 391.87 Crore (previous year ₹ 1,691.35 Crore) which are on account of various disputes including procurement of alternate coal, and basis of computation of plant availability amongst others. The 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 47

Segment Information

The Company's activities during the period 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 ₹ 5,453.18 Crore (previous year ₹ 5,223.40 Crore) is from a single customer.

Note 48

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 (₹) 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 period ended March 31, 2026 is ₹ 1.67 Crore (previous year ₹ 0.37 Crore). Further, the parent company has also recovered the difference between the expected purchase price of shares and the grant date fair value from the Company. This amount has been debited directly to the retained earnings. The Company considers these amounts as not material and accordingly has not provided further disclosures.

Note 49

On 21 November 2025, the Government of India notified four Labour Codes-Code on Wages, 2019; Industrial Relations Code, 2020; Code on Social Security, 2020; and Occupational Safety, Health and Working Conditions Code, 2020-consolidating 29 existing labour laws. The Ministry of Labour & Employment has published draft Central Rules and FAQs to facilitate assessment of financial impact due to changes in regulations. The Company has assessed and accounted for the incremental impact of these changes with the best information available, and guidance from the Institute of Chartered Accountants of India, considering the impact is non-recurring in nature and is driven by regulatory changes, the incremental impact of ₹ 1.64 crore has been disclosed as "Statutory impact of new Labour Codes" under Exceptional Items in the financial statement for the period ended 31 March 2026. The Company continues to monitor the finalisation of Central/ State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect as and when such clarifications are issued/ rules are notified.

Note 50

Exceptional Items

Particulars	(₹ in Crore)					
	Year ended March 31, 2026			Year ended March 31, 2025		
	Exceptional Items	Tax effect on exceptional items	Exceptional items after tax	Exceptional Items	Tax effect on exceptional items	Exceptional items after tax
Trade receivable written off (Mega Benefit) ^a	1,318.60	331.87	986.73	-	-	-
Reversal of mega power benefit received ^a	88.23	22.21	66.02	-	-	-
LPS payable on mega power benefit received ^a	218.54	55.00	163.54	-	-	-
Brand Fee reversal ^a	(6.27)	(1.58)	(4.69)	-	-	-
Capital Creditor Settlement ^b	662.00	166.61	495.39	-	-	-
Forex and bank charges related to Capital Creditor Settlement ^b	6.51	1.64	4.87	-	-	-
Statutory impact of new labour codes (refer note 50)	1.64	0.41	1.23	-	-	-
Biomass Penalty Provision (refer note 51)	33.03	8.31	24.72	-	-	-
Total	2,322.28	584.47	1,737.81	-	-	-

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Note 50

Exceptional Items (Contd.)

(a) As of 31 March 2025, the Company had recognized a receivable of ₹1,318.60 Crore in respect of Mega Power benefit based on its own assessment of the merits of the case. Pursuant to the judgment of the Hon'ble Supreme Court of India dated 19 August 2025, the matter has been decided against the Company. Consequently, the aforesaid receivable is no longer recoverable and has been written off during the current year. Further, the Company had earlier received ₹88.23 Crore under the Mega Power benefit matter. Since the matter has now been decided against the Company, this amount has been recovered by PSPCL.

Subsequent to the judgement of Hon'ble Supreme Court of India PSPCL raised a demand for Late Payment Surcharge ("LPSC") on 13 November 2025 on ₹88.23 Crore it had paid to the Company in financial year 2017 and now deducted post the Order. Accordingly, a provision of ₹ 218.54 Crore has been recorded. PSPCL has also requested TSPL to provide details of actual benefits received to determine the impact of change in law. Based on the actual benefit received and information submitted to PSPCL, the Company believes that there is no incremental liability that will arise in addition to amount already recorded in books.

Accordingly, a total charge of ₹1,625.37 Crore has been recognized under exceptional items in the statement of profit and loss in respect of the mega power benefit matter. The Company filed a Review Petition before the Hon'ble Supreme Court against the said order. The Review Petition was dismissed on 09.12.2025. The Company would file a Curative Petition before Supreme Court.

Further, the Company has reversed brand fees to the extent of amount paid on the aforesaid mega power benefit written off or recovered.

(b) During FY 2023-24, the Company terminated its contract with SEPCO Electric Power Construction Corporation ("SEPCO") due to persistent non-performance affecting plant operations. As a result, ₹1,252 Crore of creditors were written back, including ₹794 Crore recognized as Exceptional Gain for prior years' performance loss, and the balance adjusted against capitalized spares and ancillaries.

Subsequently, under a Settlement Agreement dated September 11, 2025, the Company agreed for a payment of USD 75 million (₹662 Crore) to SEPCO towards full and final settlement of all pending claims and disputes between the Company and SEPCO. The settlement payment** has been charged to statement of profit and loss and disclosed under exceptional items.

** Including foreign exchange loss arising on payment and restatement of settlement liability and bank charges thereon.

Note 51

Biomass

In accordance with the Revised Ministry of Power (MoP) Policy dated October 10, 2021, coal-based thermal power plants are required to mandatorily utilise a minimum of 5% blend of torrefied biomass pellets (with volatile content below 22%), primarily derived from agro-residue, along with coal, with effect from FY 2024-25. Non-compliance with the mandated norms may result in levy of penalties as prescribed.

During FY 2024-25, the Company achieved a biomass blending ratio of 0.34%, which was significantly below the prescribed threshold. The shortfall was primarily attributable to supply chain constraints, technical limitations and limited availability of compliant biomass pellets.

Considering that FY 2024-25 represents the first year of implementation of the biomass usage requirement, the Company had submitted a waiver application to CAQM under Clause 5 of the Notification, citing unforeseen challenges beyond management's control. These challenges primarily relate to supply chain constraints, technical limitations, and vendor unavailability. The waiver application was however rejected.

On April 01, 2026, the Company received a demand imposing a penalty amounting to ₹33 crore for under-utilization of biomass as a cofire fuel during the FY 2024-25. The same has now been provided.

TSPL has filed an appeal before National Green Tribunal (NGT). On 13.04.2026, NGT has granted a conditional stay to TSPL with a condition to deposit 50% of the amount within 6 weeks. Further, the parties have been directed to file reply and rejoinder. The matter is next listed on 27.07.2026.

During the year, the Company has met the mandated blending norms for biomass.

Note 52

During the year ended 31 March 2026, a short seller has published a series of reports making certain allegations against Vedanta Group ("the Group") entities including the Company. Based on management assessment, legal advice obtained, and involvement of external experts, management of the Company continues to believe that these allegations are baseless and that the transactions stated in the allegations have appropriate commercial substance and that the said transactions have been duly approved through necessary processes and the Company remains compliant with contractual obligations and applicable laws and regulations. During and subsequent to the year ended 31 March 2026, the Group has received requests for information and summons for production of documents from the regulators. These have been duly submitted/ are in the process of being submitted within the relevant due dates, and no further communication has been received thereafter.

Based on the above, management is confident that there are no implications to the financial statements of the Company as at and for year ended 31 March 2026, or any prior periods, with respect to the allegations in the short seller reports published till date.



Note 53

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. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail 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 years.

Note 54

The Board of Directors of the Company, at its meeting held on September 29, 2023, approved—subject to receipt of requisite approvals—a Scheme of Arrangement among Vedanta Limited, Vedanta Aluminium Metal Limited, Malco Energy Limited, Vedanta Iron and Steel Limited, the Company, and their respective shareholders and creditors, pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").

The Scheme, inter alia, provides for the reorganisation and demerger of certain businesses of Vedanta Limited into separate resulting entities, with the objective of creating independent, sector-focused listed companies. Pursuant to the Scheme, the power undertaking in Vedanta limited is proposed to be vested with the resulting entity i.e. Talwandi Sabo power limited subject to the completion of condition specified in the scheme.

The Scheme was approved by the Hon'ble National Company Law Tribunal ("NCLT") on January 9, 2026.

Further, the Board of Directors, at its meeting held on April 20, 2026, has, inter alia, approved the following:

- To make the Scheme effective on May 1, 2026; and
- In consultation with Talwandi Sabo Power Limited (TSPL), fixed May 1, 2026, as the record date for determining the shareholders eligible to receive consideration pursuant to the Scheme.

The impact of the demerger would be given on the date of effectiveness of the Scheme following the completion/ approval of all substantial conditions.

In terms of our report attached
For S. R. Batliboi & Co. LLP
ICAI Firm Registration No.: 3019035/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224

Place : Gurugram
Date : April 24, 2026



For and on behalf of Board of Directors

Pankaj Kumar Sharma
Whole Time Director
DIN: 10277510
Place: Bathinda
Date: April 24, 2026

Sonal Chothani
Non-Executive Director
DIN: 09527528
Place: New Delhi
Date: April 24, 2026

Rajinder Singh Ahuja
Chief Executive Officer
Place: New Delhi
Date: April 24, 2026

Pankaj Jha
Chief Financial Officer
Place : New Delhi
Date: April 24, 2026



INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE INFORMATION MEMORANDUM

The Board of Directors
Talwandi Sabo Power Limited
1st floor, C wing, Unit 103,
Corporate Avenue Atul Projects, Chakala, Andheri (East),
Mumbai, Maharashtra, 400093

Report on the Compilation of Pro Forma Financial Information in the Information Memorandum ("IM")

1. We, SBH & Co, Chartered Accountants, have completed our assurance engagement to report on the compilation of Pro Forma Financial Information of Talwandi Sabo Power Limited (hereinafter referred to as the "Company"), Power Segment of Vedanta Limited and Meenakshi Energy Limited (hereinafter referred to as "the subsidiary") (hereinafter together referred to as "the Group"), prepared by the Company's management. The Pro Forma Financial Information consists of the pro forma balance sheet as of March 31, 2026 and March 31, 2025, the pro forma statement of profit and loss for the years ended March 31, 2026 and March 31, 2025 and related selected notes (hereinafter referred as the "Pro Forma Financial Information"). The applicable criteria on the basis of which the management of the Company has compiled the Pro Forma Financial Information, are described in the "Basis of Preparation" paragraph in Note 2 to the Pro Forma Financial Information.
2. The Pro Forma Financial Information has been compiled by the Company's management to illustrate the impact of the demerger set out in Note 1 to the Pro Forma Financial Information (significant event or transaction) (the "Demerger"), on the Group's financial position as at March 31, 2026 and March 31, 2025 and its financial performance for the years ended March 31, 2026 and March 31, 2025, as if the Demerger had taken place at April 1, 2024.
3. As part of this process, information about the Group's financial position and financial performance has been extracted by the Company's management from the following financial statements/ information.
 - a. The annual Financial Statements of the Company (prior to the effective date of the demerger) as at and for the year ended 31 March 2026 and 31 March 2025 on which the audit report dated 24 April 2026 and 22 April 2025 respectively, has been issued by the statutory auditors, S.R. Batliboi & Co. LLP.
 - b. the unaudited Financial Information of the Power Segment as at and for the year period ended 31 March 2026 and 31 March 2025.
 - c. the annual Financial Statements of the subsidiary (prior to the effective date of the demerger) as at and for the year ended 31 March 2026 and 31 March 2025 on which the audit report dated 23 April 2026 and 15 April 2025 respectively, has been issued by the statutory auditors, Haribhakti & Co. LLP.

Management's Responsibility for the Pro Forma Financial Information

4. The Company's Management is responsible for compiling the Pro Forma Financial Information, on the basis stated in the "Basis of Preparation" paragraph as described in Note 2 to the Pro Forma Financial Information, which has been approved by the Board of Directors of the Company in their meeting held on April 29, 2026. This responsibility includes the responsibility for designing, implementing and maintaining internal controls relevant for compiling the Pro Forma Financial Information on the basis stated in the aforementioned note that is free from material misstatement, whether due to fraud or error. The Company's management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Pro Forma Financial Information.

Auditor's Responsibilities

5. Our responsibility is to express an opinion, about whether the Pro Forma Financial Information has been compiled, in all material respects, by the Company's management on the basis stated in Note 2 to the Pro forma Financial Information.
6. We conducted our engagement in accordance with the Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the ICAI. This standard requires that we comply with ethical requirements and plan and perform procedures the Pro Forma Financial Information on the basis stated in Note 2 to the Pro Forma Financial Information.
7. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.
8. The purpose of Pro Forma Financial Information in connection with the proposed stock exchange listing process ("Listing") is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company and its subsidiary as if the event had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at and for the year ended March 31, 2026 and March 31, 2025 would have been as presented.
9. A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by Company's management in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:
 - a. The related pro forma adjustments give appropriate effect to those criteria; and
 - b. The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.
10. The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the Company, the Demerger in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.
11. The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.
12. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

13. In our opinion, the Pro Forma Financial Information, has been compiled, in all material respects, on the basis as stated in Note 2 to the Pro Forma Financial Information.

Emphasis of Matter

14. We draw attention to the Basis of Preparation as set out in Note 2 of the Pro Forma Financial Information, which describes that the Pro Forma Financial Information has been compiled by the Management only to illustrate the impact of the Demerger, as set out in Note 1 of the Pro Forma Financial Information, on the Group's financial position as of March 31, 2026 and March 31, 2025 and the financial performance of the Group for the years ended on March 31, 2026, and March 31, 2025 as if the Demerger had taken place as of April 1, 2024, for the purpose of inclusion in the IM. As a result, the Pro Forma Financial Information may not be suitable for any other purpose.

Our opinion is not modified in respect of the above matter.

Restriction on Use

15. Our report is intended solely for use of the Board of Directors of the Company for inclusion in the IM to be filed with the Securities and Exchange Board of India, the National Stock Exchange of India Limited and BSE Limited in connection with the proposed Listing. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For SBH & Co.

ICAI Firm Registration No.: 121830W

Rakesh M. Agrawal
Partner

Membership No.: 124943

UDIN: 26124943EPZKUP6989

Place: Bhiwandi

Date: 29/04/2026



Particulars	Pro Forma Adjustments				Pro Forma Financial Information (E)=(A+B+C+D)
	Talwandi Sabo Power Limited	Power Segment (Including Meenakshi Energy Limited)	Intercompany Eliminations	Restructuring Transactions Adjustments	
	(A)	(B)	(C)	(D)	
	As at 31 March 2025	As at 31 March 2025	As at 31 March 2025	As at 31 March 2025	As at 31 March 2025
I ASSETS					
1 Non-current assets					
(a) Property, plant and Equipment	7,120	2,099	-	-	9,219
(b) Capital work-in-progress	1	7,398	-	-	7,399
(c) Intangible assets	3	0	-	-	3
(d) Financial assets					
(i) Investments	-	3,207	(3,207)	-	-
(ii) Trade receivables	1,691	634	-	-	2,325
(iii) Other financial assets	46	15	-	-	61
(e) Deferred tax assets (Net)	128	1,800	-	-	1,928
(f) Income tax assets	2	2	-	-	4
(g) Other non-current assets	6	134	-	-	140
Total non-current assets	8,997	15,289	(3,207)	-	21,079
2 Current assets					
(a) Inventories	249	91	-	-	340
(b) Financial Assets					
(i) Trade receivables	960	86	(0)	-	1,046
(ii) Cash and cash equivalents	34	106	-	-	140
(iii) Other bank balances	-	8	-	-	8
(iv) Loans	-	200	(200)	-	-
(v) Other financial assets	1	171	-	-	172
(c) Income tax assets	10	-	-	-	10
(d) Other current assets	39	292	-	-	331
Total current assets	1,293	954	(200)	-	2,047
Total Assets	10,290	16,243	(3,407)	-	23,126
II EQUITY AND LIABILITIES					
A Equity					
(a) Equity					
(i) Equity share capital	3,207	-	(3,207)	-	-
(ii) Equity share capital pending issuance	-	-	-	3,910	3,910
(b) Other equity					
(i) Reserves & Surplus	448	4,604	-	4,671	9,723
(ii) Share suspense	-	8,581	-	(8,581)	-
Total Equity	3,655	13,185	(3,207)	-	13,633
B LIABILITIES					
1 Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	4,334	2,099	-	-	6,433
(ii) Lease Liability	39	2	-	-	41
(iii) Other financial liabilities	-	2	-	-	2
(b) Provisions	1	3	-	-	4
(c) Deferred tax liabilities (net)	-	68	-	-	68
(d) Other non-current liabilities	-	40	-	-	40
Total non-current liabilities	4,374	2,214	-	-	6,588
2 Current liabilities					
(a) Financial liabilities					
(i) Borrowings	1,445	226	-	-	1,671
(ii) Lease Liability	8	-	-	-	8
(iii) Trade finance liability	451	58	-	-	509
(iv) Trade payables					
(a) Total Outstanding dues of Micro Enterprises and Small	9	0	-	-	9
(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	116	115	(200)	-	31
(v) Derivatives	0	3	-	-	3
(vi) Other financial liabilities	228	423	(0)	-	651
(b) Provisions	0	0	-	-	0
(c) Other current liabilities	4	19	-	-	23
Total current liabilities	2,261	844	(200)	-	2,905
Total Liabilities	6,635	3,058	(200)	-	9,493
Total Equity and Liabilities	10,290	16,243	(3,407)	-	23,126

The above statement should be read along with notes to the Unaudited Pro Forma Financial Information.

Talwandi Sabo Power Limited					
CIN - U40101MH2007PLC433557					
Unaudited Pro Forma Statement of Profit and Loss for the year ended 31 March 2025					
					(₹ in Crore)
					Pro Forma Adjustments
	Talwandi Sabo Power Limited	Power Segment (Including Meenakshi Energy Limited)	Intercompany Eliminations	Restructuring Transactions Adjustments	Pro Forma Financial Information
	(A)	(B)	(C)	(D)	(E)=(A+B+C+D)
Particulars	For the year ended 31 March 2025	For the year ended 31 March 2025	For the year ended 31 March 2025	For the year ended 31 March 2025	For the year ended 31 March 2025
I Revenue from operations	5,223	798	-	-	6,021
II Other Operating Income	17	1	-	-	18
III Other income	4	16	(4)	-	16
IV Total Income (I+II+III)	5,244	815	(4)	-	6,055
V Expenses:					
Power and fuel charges	3,836	676	-	-	4,512
Employee benefits expense	24	13	-	-	37
Finance costs	619	26	(4)	-	642
Depreciation and amortisation expense	442	215	-	-	657
Other expenses	313	530	-	-	843
Total expenses	5,234	1,460	(4)	-	6,691
VI Profit/ (loss) before tax (IV-V)	10	(645)	-	-	(636)
VII Tax expense/(benefit):					
Current tax benefit	-	(207)	-	-	(207)
Deferred tax expense	3	99	-	-	102
Deferred tax adjustment for previous years	(25)	-	-	-	(25)
Net Tax benefit	(22)	(108)	-	-	(130)
VIII Net Profit/ (loss) for the year (VI-VII)	32	(537)	-	-	(506)
IX 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	(3)	-	-	(2)
X Total Comprehensive Income/ (loss) for the year (VIII+IX)	32	(540)	-	-	(508)

The above statement should be read along with notes to the Unaudited Pro Forma Financial Information.

Particulars	Pro Forma Adjustments				Pro Forma Financial Information
	Talwandi Sabo Power Limited	Power Segment (Including Meenakshi Energy Limited)	Intercompany Eliminations	Restructuring Transactions Adjustments	
	(A)	(B)	(C)	(D)	
	As at 31 March 2026	As at 31 March 2026	As at 31 March 2026	As at 31 March 2026	(E)=(A+B+C+D)
I ASSETS					
1 Non-current assets					
(a) Property, plant and Equipment	6,742	9,149	-	-	15,891
(b) Capital work-in-progress	-	1,693	-	-	1,693
(c) Intangible assets	2	0	-	-	2
(d) Financial assets					
(i) Investments	-	3,207	(3,207)	-	-
(ii) Trade receivables	383	634	-	-	1,017
(iii) Other financial assets	8	23	-	-	31
(e) Deferred tax assets (Net)	706	1,399	-	-	2,105
(f) Income tax assets	2	-	-	-	2
(g) Other non-current assets	4	94	-	-	98
Total non-current assets	7,846	16,199	(3,207)	-	20,838
2 Current assets					
(a) Inventories	312	221	-	-	533
(b) Financial Assets					
(i) Investments	-	7	-	-	7
(ii) Trade receivables	992	233	-	-	1,225
(iii) Cash and cash equivalents	46	752	-	-	798
(iv) Other bank balances	-	30	-	-	30
(v) Loans	-	869	(869)	-	-
(vi) Derivatives	0	0	-	-	0
(vii) Other financial assets	1	225	(222)	-	4
(c) Income tax assets	5	2	-	-	7
(d) Other current assets	40	338	-	-	378
Total current assets	1,396	2,677	(1,091)	-	2,982
Total Assets	9,242	18,876	(4,298)	-	23,820
II EQUITY AND LIABILITIES					
A Equity					
(a) Equity					
(i) Equity share capital	3,207	-	(3,207)	-	-
(ii) Equity share capital pending issuance	-	-	-	3,910	3,910
(b) Other equity					
(i) Reserves & Surplus	(1,269)	4,492	-	6,058	9,281
(ii) Share suspense	-	9,968	-	(9,968)	-
Total Equity	1,937	14,460	(3,207)	-	13,191
B LIABILITIES					
1 Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	3,848	3,219	-	-	7,067
(ii) Lease Liability	26	2	-	-	28
(b) Provisions	3	7	-	-	10
(c) Deferred tax liabilities (net)	-	45	-	-	45
(d) Other non-current liabilities	-	29	-	-	29
Total non-current liabilities	3,877	3,302	-	-	7,179
2 Current liabilities					
(a) Financial liabilities					
(i) Borrowings	1,983	284	(869)	-	1,398
(ii) Lease Liability	8	-	-	-	8
(iii) Trade finance liability	703	205	-	-	908
(iv) Trade payables					
(a) Total Outstanding dues of Micro Enterprises and Small	4	-	-	-	4
(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	202	148	-	-	349
(v) Derivatives	0	-	-	-	0
(vi) Other financial liabilities	523	452	(222)	-	753
(b) Provisions	0	2	-	-	2
(c) Other current liabilities	4	24	0	-	28
Total current liabilities	3,427	1,114	(1,091)	-	3,450
Total Liabilities	7,304	4,416	(1,091)	-	10,629
Total Equity and Liabilities	9,242	18,876	(4,298)	-	23,820

The above statement should be read along with notes to the Unaudited Pro Forma Financial Information.

Talwandi Sabo Power Limited CIN - U40101MH2007PLC433557 Unaudited Pro Forma Statement of Profit and Loss for the year ended 31 March 2026						(₹ in Crore)
					Pro Forma Adjustments	
		Talwandi Sabo Power Limited	Power Segment (Including Meenakshi Energy Limited)	Intercompany Eliminations	Restructuring Transactions Adjustments	Pro Forma Financial Information
		(A)	(B)	(C)	(D)	(E)=(A+B+C+D)
Particulars	For the year ended 31 March 2026	For the year ended 31 March 2026	For the year ended 31 March 2026	For the year ended 31 March 2026	For the year ended 31 March 2026	For the year ended 31 March 2026
I Revenue from operations	5,453	3,438	-	-	8,891	
II Other Operating Income	33	4	-	-	37	
III Other Income	11	66	(48)	-	29	
IV Total Income (I+II+III)	5,497	3,508	(48)	-	8,957	
V Expenses:						
Power and fuel charges	4,034	2,349	-	-	6,383	
Employee benefits expense	24	39	-	-	63	
Finance costs	607	148	(48)	-	707	
Depreciation and amortisation expense	445	384	-	-	829	
Other expenses	355	567	-	-	922	
Total expenses	5,465	3,487	(48)	-	8,904	
VI Profit before exceptional items and tax (IV-V)	32	21	-	-	53	
VII Exceptional Items	(2,322)	(1)	-	-	(2,323)	
VIII Profit/ (loss) before tax (VI+VII)	(2,290)	20	-	-	(2,270)	
IX Tax expense/ (benefit):						
On other than exceptional items						
Current tax benefit	-	(280)	-	-	(280)	
Deferred tax expense	9	271	-	-	280	
Deferred tax adjustment for previous years	(1)	-	-	-	(1)	
On exceptional items						
Deferred tax benefit	(584)	-	-	-	(584)	
Net Tax benefit	(576)	(9)	-	-	(585)	
X Net Profit/ (loss) for the year (VIII-IX)	(1,714)	29	-	-	(1,685)	
XI Other Comprehensive Income (net of taxes)						
(i) Items that will not be reclassified to profit or loss:						
Re-measurement loss on defined benefit obligation (net of taxes)	(0)	(2)	-	-	(2)	
XII Total Comprehensive Income/ (loss) for the year (X+XI)	(1,714)	27	-	-	(1,687)	

The above statement should be read along with notes to the Unaudited Pro Forma Financial Information.

Talwandi Sabo Power Limited

Notes to Unaudited Pro Forma Financial Information as at and for the year ended 31 March 2026 and 31 March 2025

(₹ in Crore, except otherwise stated)

Note 1. Background

Talwandi Sabo Power Limited (herein after referred as "TSPL" or "the Company" or "Resulting Company 2") (CIN - U40101MH2007PLC433557) 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 three 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 "VEDL" or "Transferor Company" or "Demerged Company") [formerly known as Sesa Sterlite Limited (SSL)] pursuant to the selection of VEDL 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 PSPCL for a period of 25 years and other necessary documents were signed between VEDL, TSPL and PSPCL on 01 September 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 Board of Directors of Vedanta Limited ("VEDL" or "Transferor Company" or "Demerged Company"), in its meeting held on 29 September 2023, had approved a Scheme of Arrangement ("the Original Scheme") for demerger of various businesses of the Company, namely, demerger of the Company's Aluminium (represented by the Aluminium Segment), Merchant Power (represented by the Power Segment), Oil & Gas (represented by the Oil and Gas Segment), Base Metals (represented by the Copper and Zinc International Segment) and Iron Ore (represented by Iron Ore Segment and Steel business Undertakings), resulting in 6 separate companies (including Vedanta Limited, being the demerged Company), with a mirrored shareholding and consequent listings at BSE Limited and National Stock Exchange of India Limited ("the Stock Exchanges").

In December 2024, Vedanta Limited and other five resulting companies decided not to proceed with implementation of demerger of Base Metal undertaking into Vedanta Base Metals Limited, along with making appropriate updates to the Original Scheme ("the Scheme"). The non-implementation of the demerger of the Base Metals Undertaking shall not affect any other parts of the Original Scheme described above.

As provided in the Scheme and upheld by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), in its order dated 9 January 2026, the appointed date is to be considered as the effective date, subject to the fulfilment of certain conditions. These conditions were completed on 01 May 2026, and accordingly, the Scheme became effective from 01 May 2026.

Pursuant to the effectiveness of the Scheme, the Power Segment, along with its investment in the subsidiary namely 'Meenakshi Energy Limited', have been transferred to and vested in the Resulting Company 2 (collectively referred to as "Restructuring Transactions"). The Company, Power Segment along with its subsidiary are collectively referred to as "the Group".

Note 2. Basis of Presentation

(A) The Unaudited Pro Forma Financial Information of the Group consists of the Unaudited Pro Forma Balance sheet as at 31 March 2026 and 31 March 2025, Unaudited Pro Forma Statement of Profit and Loss for the year ended 31 March 2026 and 31 March 2025 and related selected notes, have been prepared specifically for inclusion in the Information Memorandum to be filed by the Company in connection with the proposed stock exchange listing process to reflect the impact of the Restructuring Transactions described in the background paragraph.

The Unaudited Pro Forma Financial Information was approved by the Board of Directors of the Company on **XX Month 2026**.

All financial information presented in Indian Rupee has been rounded off to the nearest Crore except when indicated otherwise. Amounts less than ₹ 0.50 Crore have been presented as "0".

(B) The Unaudited Pro Forma Financial Information has been included as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, in the Information Memorandum in connection with the proposed stock exchange listing process to present the impact of the Restructuring transactions on a retrospective basis, i.e., had such transactions been consummated as at 01 April 2024.

(C) The purpose of the Unaudited Pro Forma Financial Information is to reflect the impact of the Restructuring Transactions as set out in the background note 1 above and to solely illustrate the impact of significant events on the historical financial information of the Company, as if the event had occurred at an earlier date selected for the purposes of illustration and based on the judgements and assumptions of the management of the Company to reflect the hypothetical impact, and because of its hypothetical nature, does not provide any assurance of indication that any event will take place in the future and may not be indicative of the Unaudited Pro Forma Financial Information of the Company as at and for the year ended 31 March 2026 and 31 March 2025 or any future periods. The actual balance sheet and statement of profit and loss may differ from the Pro Forma amounts reflected herein due to variety of factors.

(D) As a part of this process, information about the Group's financial performance has been extracted from the following financial statements/financial information:

(i) The annual Financial Statements of the Company (prior to the effective date of the demerger) as at and for the year ended 31 March 2026 and 31 March 2025 on which the audit report dated 24 April 2026 and 22 April 2025 respectively, has been issued by the statutory auditors, S.R. Batliboi & Co. LLP.

(ii) the unaudited Financial Information of the Power Segment as at and for the year period ended 31 March 2026 and 31 March 2025.

(iii) the annual Financial Statements of the subsidiary (prior to the effective date of the demerger) as at and for the year ended 31 March 2026 and 31 March 2025 on which the audit report dated 23 April 2026 and 15 April 2025 respectively, has been issued by the statutory auditors, Haribhakti & Co. LLP.

(E) The Unaudited Pro Forma Financial Information has been prepared using the principles as prescribed under Appendix C of Ind AS 103 for "Business combinations of entities under common control" giving the retrospective effect to the Restructuring transactions from 01 April 2024. Further, for the purposes of presenting the Unaudited Pro Forma Financial Information, the impact of the acquisition of business and its investment in subsidiary has been presented in Column D as at and for the year period ended 31 March 2026 and 31 March 2025.

Accordingly, Restructuring Transactions have been accounted for under the pooling of interest method and the Company has:

(a) recorded all assets and liabilities of the Power Segment at their respective book values appearing in the books of the Demerged Company;

(b) recorded all assets, liabilities and reserves of subsidiary at their respective book values appearing in the standalone books of the subsidiary;

(c) cancelled entire paid up equity share capital of the Resulting Company 2 and the consequent impact, if any, is adjusted in Capital Reserve under 'Other Equity';

(d) issued the equity shares to the shareholders of the Demerged Company (1 fully paid-up equity share of the Resulting Company 2 having face value of INR 10 each for every 1 fully paid-up equity share of INR 1 each of the Demerged Company) in accordance with the Scheme.

Note 3: Unaudited Pro Forma Financial Information comprises:

(a) Column (A) representing the annual Financial Statements of the Resulting Company 2 for their respective years extracted from the source mentioned in the paragraph 2(D)(i) above

(b) Column (B) representing combined financial information of the transferred segment (along with its Subsidiary other than the Resulting Company 2) for their respective years extracted from the source mentioned in the paragraph 2(D)(ii) above

(c) Column (C) representing impact of eliminations of transactions and outstanding balances between entities included in column A and entities/segment included in column B, in accordance with the line-by-line consolidation principles enunciated under Ind AS 110, Consolidated Financial Statements. Impact of these adjustments are described in detail in Paragraph 4 below.

(d) Column (D) representing impact of Restructuring Transactions under common control. Impact of these Restructuring Transactions are described in detail in Paragraph 4 below.

(e) Column (E) representing the Unaudited Pro Forma Financial Information of the Group computed by adding the financial information pertaining to restructured Group (represented by column A and column B) and the impact of Pro Forma Adjustments (as per column C and D).

Note 4: Pro Forma Adjustments

a) Intercompany Eliminations

The intercompany eliminations between the Company and the transferred segment (including its subsidiary other than the Company) have been disclosed in column C.

b) Restructuring Transactions Adjustments

(i) Cancellation of entire paid up equity share capital of the Resulting Company 2 and the resultant impact is accounted for in Capital Reserve under 'Other Equity';

(ii) The aggregate face value of the shares issued as per the Scheme and allotted by the Company as a consideration to the shareholders of the Demerged Company (in lieu of every equity share in the Demerged Company, 1 equity share of face value of INR 10 each) in accordance with the Scheme has been reported as 'Equity share capital pending issuance'.

(iii) The difference between (A) the book value of assets minus liabilities of the Power Segment, and (B) the aggregate face value of the shares issued as per the Scheme and allotted by the Company as a consideration to the shareholders of the Demerged Company, has been credited to Capital Reserve (forming part of 'Other Equity') in accordance with the Scheme.

(iv) Any debit balance in Retained Earnings (forming part of 'Other Equity') of Resulting Company 2 has been adjusted against Capital Reserve (forming part of 'Other Equity') in accordance with the Scheme.

(v) Any credit balance remaining in Capital Reserve (forming part of 'Other Equity') of Resulting Company 2 has been transferred to the Securities Premium (forming part of 'Other Equity') in accordance with the Scheme.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on the financial condition of our Company and the Power Business and the corresponding results of operations for the Financial Year ended March 31, 2026 and March 31, 2025. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 19.

Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, please refer to the section "Forward-Looking Statements" on page 11. Unless otherwise stated or unless the context otherwise requires, the financial information of our Company used in this section has been derived from the Pro forma Financial Statements. Unless noted otherwise, some of the industry related information in this section is obtained or extracted from the Industry Reports (which are paid reports and were commissioned by us solely in connection with the Information Memorandum).

Our Financial Year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular Financial Year are to the 12-month period ended March 31 of that year.

A. Overview of business

Our Company was incorporated as a Special Purpose Vehicle (SPV) by Punjab State Power Corporation Limited (PSPCL) to develop a 1,980 (3×660) MW thermal power project and was subsequently acquired by VEDL through auction. Our Company has current installed capacity of 4.2GW (additional 0.6GW Sakti Unit2 in Project phase), making it the 5th Largest Private Thermal Company in India as on Dec'25 (Adani Power 18.2GW, TATA Power 8.9GW, Reliance Power 5.2GW, JSW Energy 5.7GW). Our Company has secured PPA (Longterm + Midterm) for 74% Capacity which is 3.1GW. Power supply through PPAs are currently with GRIDCO, PSPCL, TNPDC. Linkage fuel is also secured for PPA quantum to ensure uninterrupted power supply. Our Company has 4.2GW operating capacity of which 29% capacity is in close proximity to coal mines. The share of operational capacity in close proximity to coal mines is expected to increase to 38% after the commissioning of Sakti Unit 2 (600MW). In addition, Meenakshi received CRISIL AA-long term rating and AA long term CRISIL rating and AA- ICRA rating for VPL. The brief details of the Projects have been provided below:

Company Name	Capacity	State	Status	Fuel Type
Talwandi Sabo Thermal Plant	1,980 MW	Punjab	Operational	Coal based
Jharsuguda Thermal Plant	600 MW	Odisha	Operational	Coal based
Sakti Thermal Plant	1,200 MW	Chhattisgarh	600 MW operational 600 MW Under construction	Coal Based
Meenakshi Energy Limited	1,000 MW	Andhra Pradesh	Operational	Coal Based

B. Change in accounting policies

There are no significant changes in the accounting policies during the financial years ended March 31, 2025 and March 31, 2026.

C. Basis of consolidation and material accounting policies

The Group has applied the following accounting policies to all periods presented in the pro forma financial statements:

1. Basis of consolidation

a) Subsidiary

The financial statements incorporate the results of the Company and its subsidiary (the "Group") being the entity that it controls.

The financial statements of subsidiary are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiary to align the accounting policies in line with accounting policies of the Group.

Intra-Group balances and transactions, and any unrealized profit arising from intra-Group transactions, are eliminated. Unrealized losses are eliminated unless costs cannot be recovered.

b) Business combination under common control

Pursuant to the Scheme among Vedanta Limited, Vedanta Aluminium Metal Limited, Talwandi Sabo Power Limited (now Vedanta Power Limited), Malco Energy Limited (now Vedanta Oil and Gas Limited) and Vedanta Iron and Steel Limited, and their respective shareholders and creditors as approved by the NCLT by way of its order dated December 16, 2025 and January 09, 2026 with respect to inter alia the demerger of the Demerged Undertaking from the Vedanta Limited to the Company, the Merchant Power Business, along with 'Meenakshi Energy Limited', have been transferred to and vested in Talwandi Sabo Power Limited (now Vedanta Power Limited) or Merchant Power Undertaking (as specified in Scheme of Arrangement as “**Resulting Company 2**”).

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling of- interest method in accordance with Appendix C of IND AS 103. The assets and liabilities of the acquired entity are recognised at their carrying amounts recorded in the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The assets and liabilities of the acquired entity are recognized at the carrying amounts as appearing in the standalone financial statements of the acquired entity, except for certain income tax and deferred tax assets. No adjustments are made to reflect fair values or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The components of equity of the acquired companies are added to the same components within Group equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves. The Group's shares issued in consideration for the acquired companies are recognised at face value from the moment the acquired companies are included in these financial statements and the consolidated financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior year comparative information is only adjusted for periods during which entities were under common control.

2. Material accounting policies

(a) Functional and presentation Currency

The financial statements are prepared in Indian Rupees (₹), which is the Group'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 Group expects to be entitled in exchange for those goods or services.

Sale of power

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

Rebates provided to customers for timely payment are accounted for as they accrue. Margins due to customers are accrued on the basis of the methodology set out in the agreements with customers. Differences between the scheduled power to be supplied and actual power supplied, referred to as unscheduled interchange (UI) Charges, have been netted off from sales.

Delayed payment charges and interest on delayed payments are recognised, on grounds of prudence, as and when recovered/confirmed by consumers. Compensation Charges receivable on account of lower than contracted demand is recognized when no significant uncertainty as to collectability exists.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group 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 Group's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group performs under the contract.

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

Other operating income

Other operating income comprises of scrap and ash sales.

Lease income

Lease income where the Group acts as a lessor is recognised and presented in accordance with the accounting policy as set out in note (e) – Leases.

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 Group 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 (SLM) over its expected useful lives.

The estimated useful lives of assets are as follows:

Asset	Useful life (in years)
Buildings	3-30
Roads	5-30
Plant and machinery	4-40
Furniture and fixtures	5-15
Vehicles*	2-20
Railway siding	15
Office equipment	2-15
Computers and data processing units	2-7

The Group, 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.

Gains or losses arising from derecognition of an intangible asset are recognised in the pro forma statement of profit and loss when the asset is derecognised.

(e) Lease

The Group assesses at control inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 Group 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 for impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group 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 Group 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 Group 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.

Group as a lessor

Leases in which the Group 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.

Where the Group 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.

(f) Current and Non-Current classification

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

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realised within twelve months after the reporting period, or
- d. 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:

- a. Expected to be settled in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Due to be settled within twelve months after the reporting period, or
- d. 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 Group 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

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.

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:

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

After initial measurement, such financial assets are subsequently measured at 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.

(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 the statement of 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 Group 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 Group 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 Statement of Profit and Loss.

Financial assets – derecognition

The Group 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 Group 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 Group follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group 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 Group determines that whether there has been a significant increase in the credit risk since initial recognition.

If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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 Group 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 Group 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 Group 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.

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 Group 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 Group 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 Group 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 Group 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 offset 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 Group has established supplier finance arrangements. The Group 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 Group 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 Group is not legally released from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (iv) there is no substantial modification to the terms of the liability.

If one or more of the above criteria are met, the Group 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 Group (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 Group finally settles the liability.

In cases, where the Group has derecognised its original liability toward the supplier and recognise a new liability toward the bank, the Group has assessed that the bank is acting as its agent in making payment to the supplier. Accordingly, the Group presents operating cash outflow and financing cash inflow, when bank made payment to the supplier. The payment made by the Group 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 Group enters into forward contracts for hedging of exposures of foreign currencies borrowings and capital vendors. The Group 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 Group 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 Group. 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 Group 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 Group 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 Group 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.

(j) 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 Group 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 Group 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 Group 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 Group'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. Group has done the impairment assessment as of 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).

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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 Group has no obligation, other than the contribution payable to the provident fund. The Group 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 Group 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 Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group 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 Group 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 Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group 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 Group for which the amount or timing is uncertain. Provisions are recognised when the Group 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 Group 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 Group does not recognise a contingent liability but discloses its existence in the financial statements.

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 Group 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 Group 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 Group 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 recognitions 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 Group 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 Group 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 of payments. The cash flows from operating, investing, and financing activities of the Group 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 Group 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 Group 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 Group 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.

(v) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

(w) Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine or oil fields. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the statement of profit and loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The impact of climate-related matters, such as changes in environmental regulations and other relevant legislation, is considered by the Group in estimating the restoration, rehabilitation and environmental costs. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance cost in the statement of profit and loss.

Costs for the restoration of subsequent site damage, which is caused on an ongoing basis during production, are provided for at their net present value and charged to the statement of profit and loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

3. 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:

(a) 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 Group had revised the useful life of its property, plant and equipment from 40 years to 25 years during earlier years.

Critical judgements:

(a) 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 Group, 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 Group has ascertained that the Power Purchase Agreement (PPA) entered between the Group 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 Group has assessed the nature of operating lease payments received as a lessor. Management has assessed that the entire lease payments are contingent in nature as the payments are based on the number of units of electricity made available by the Group. This is subject to variation on account of various factors like availability of coal, water, etc. of the plant.

(b) Income taxes

The Group is eligible to claim tax holiday on income generated from Phase-I power generation. However, significant management judgement is required to decide whether the group is going to claim the benefit of tax holiday or not. The deferred tax on temporary differences which are reversing after the tax holiday period have been estimated considering future projections. It is possible that this estimate may be different to the actual outcome within the next financial periods and could cause material adjustments to the deferred tax recognised in financial statements.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(c) Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation, taxation, and other claims against the Group. A tax provision is recognised when the Group has a present obligation as a result of a past event, it is probable that the Group 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 Group does not expect them to have a materially adverse impact on the Group's financial position or profitability. The liabilities which are assessed as possible and hence are not recognised in these financial statements.

(d) Impairment of Non- financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists, or when the annual impairment testing of the asset is required, the Group estimates the asset's recoverable amount. An asset's

recoverable amount is the higher of an asset's or Cash-generating-unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered as impaired and it's written down to its recoverable amount. The Group estimates the value-in-use of the Cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset/ CGU.

(e) Defined benefit plans

The Group's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(f) Revenue recognition of disputed dues:

The Group 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 32 and Note 46 of Financial Statements of financial year ending March 2026 as highly probable due to the following reasons:

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

Revenue recognition and receivable recovery in relation to the power division: In certain cases, the Group's power customers are disputing various contractual provisions of Power Purchase Agreements ("PPA"). Significant judgement is required in both assessing the tariff to be charged under the PPA in accordance with Ind AS 115 and to assess the recoverability of withheld revenue currently accounted for as receivables. In assessing this critical judgment, management considered favourable external legal opinions that the Group has obtained in relation to the claims. In addition, the fact that the contracts are with government owned companies implies that the credit risk is low.

Climate related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group 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 Group 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 Group 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 Group's products.

The Group has concluded that no climate-related assumption will have impact on FY 2025-26 test of impairment.

4. New and amended standards

(a) The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2024. The Group 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 Group's separate financial statements as the Group 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 Group's financial statements.

(b) Amendments are effective for annual periods beginning on or after 1 April 2025.

(i) **Amendments to Ind AS 1** – Under the Ind AS 1 amendments, companies are now required to disclose information related to non-current liabilities from loan arrangements that are subject to future covenants in the notes to the financial statements. The following new disclosures about covenants are required:

- Information about the covenants, e.g. the nature of the covenants and when the group is required to comply with them.
- The carrying amount of related liabilities.
- Facts and circumstances if any, that indicate the group may have difficulty complying with the covenants within the next 12 months of the reporting date, or the fact that the covenants would have been breached if assessed for compliance based on the entity's circumstances at the reporting date.

(ii) **Amendment to Ind AS 7** – Disclosures related to the effects of reverse factoring arrangements on an entity's liabilities and cash flows include the following:

- a. The terms and conditions of the supplier finance arrangements – e.g. extended payment terms and security or guarantees provided. However, an entity shall disclose separately the terms and conditions of arrangements that have dissimilar terms and conditions.
- b. As at the beginning and end of the reporting period:
 - i. The carrying amounts and associated line items presented in the balance sheet of the financial liabilities that are part of the supplier financing arrangement.

- ii. The carrying amounts, and associated line items, for the financial liabilities disclosed under (i) for which suppliers have already received payment from the finance providers.
 - iii. The range of payment due dates for both the financial liabilities disclosed under (i) and comparable trade payables that are not part of a supplier finance arrangement. If ranges of payment of due dates are wide, an entity shall disclose explanatory information about those ranges or disclose additional ranges.
- c. The type and effect of non-cash changes in the carrying amounts of financial liabilities disclosed under b(i).

The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in Ind AS 107 on factors a group might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.

(iii) Amendment to Ind AS 12 – Pillar two legislation – Amendment to Ind AS 12 introduces a temporary mandatory relief from deferred tax accounting for top up tax and requires companies to provide new disclosures to compensate for the potential loss of information resulting from the relief.

D. Strategic priorities and outlook

At our Company, Mansa

- **Fuel Quality Optimization:** Transitioning coal linkage from MCL to higher-grade SECL sources to enhance fuel quality, targeting an improvement of ~100 points in GCV and overall plant efficiency.
- **Secured & Flexible Fuel Sourcing:** Strengthening coal procurement through PSPCL's Flexi Allocation while actively pursuing higher-grade supplies from Pachhwarra mines to ensure reliability and cost competitiveness.
- **Cost Efficiency through Outsourcing:** Driving operational efficiency via end-to-end O&M outsourcing with a continued focus on reducing non-coal cost per unit.
- **Digital Procurement Transformation:** Leveraging platforms like Moglix to implement end-to-end procurement, improving transparency, speed and cost optimization across the supply chain.
- **Sustainable Revenue Streams:** Long-term ash sales agreement with Adani Cements, ensuring stable revenue visibility over a 16-year horizon.
- **Energy Transition & Compliance:** Advancing sustainability goals through the development of 1,000 TPD torrefied biomass plants near our Company, ensuring reliable biomass supply and compliance with 5% co-firing norms.

At Chhattisgarh Location

- **Localized Fuel Advantage:** Leveraging 100% domestic coal sourcing from SECL and MCL mines within a 100 km radius to ensure cost efficiency, supply reliability and reduced logistics risk.
- **Assured Fuel Security:** Backed by a long-term linkage of 11 LMT per annum from MCL.
- **Revenue Visibility through PPAs:** Strengthening earnings stability with a secured 200 MW mid-term Power Purchase Agreement extending till 2031.
- **Near-Term Capacity Expansion:** Advancing growth with the planned commissioning of Unit 2 (600 MW) by Q3 FY27, enhancing generation capacity and operational scale.
- **Long-Term Growth Pipeline:** Strategically positioned for significant expansion with available land to support up to 8 GW of future capacity development.

Meenakshi Energy Limited, at Nellore

- **Transition to Domestic Fuel Base:** Strategically shifting from an import-dependent model to a domestic coal-based sourcing framework to reduce exposure to global price volatility and improve cost competitiveness.

- **Enhanced Fuel Security:** Secured annual linkage of 16.5 LMT from MCL to ensure consistent fuel availability and operational stability.
- **Port Connectivity:** Leveraging close proximity (10 km) to Krishnapatnam Port to maintain logistical flexibility, enabling efficient handling of coal and optional blending opportunities if required.
- **Power Purchase Agreement:** Strengthening earnings visibility through a secured 300 MW mid-term Power Purchase Agreement till 2031. **Water Sustainability Leadership:** Committed to achieving zero fresh water consumption by maximizing the use of reservoir water, supported by advanced water recycling and reuse systems, thereby strengthening environmental stewardship and ensuring long-term regulatory compliance.

E. Financial performance of the Group for the year ended March 31, 2026

The consolidated financials comprise the Merchant Power business undertaking as demerged prepared in accordance with Ind AS. The financial position of the Group has been consolidated on a line-by-line basis.

A. Income

<i>(in ₹ Cr)</i>		
Particulars	For the year ended March 31, 2026	For the year ended March 31 2025
Revenue from operations	8,891	6,022
Other operating income	37	18
Other income	29	16
Total Income	8,957	6,056

B. Expense

<i>(in ₹ Cr)</i>		
Particulars	For the year ended March 31, 2026	For the year ended March 31 2025
Power and fuel expenses	6,383	4,512
Employee benefits expense	63	37
Finance costs	706	642
Depreciation and amortization expense	829	657
Other Expenses	923	843
Total Expenses	8,904	6,691

C. Tax Expenses

<i>(in ₹ Cr)</i>		
Particulars	For the year ended March 31, 2026	For the year ended March 31 2025
Current tax	(280)	(207)
Deferred tax	(305)	77
Total	(585)	(130)

D. Profit/Loss

<i>(in ₹ Cr)</i>		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit Before Tax	53	(636)
Exceptional items	(2,324)	-
Profit Before Tax after Exceptional Items	(2,271)	(636)
Tax expense	(585)	(130)
Profit After tax (A)	(1,686)	(506)
Other comprehensive income/ (expense) (B)	(2)	(2)
Total Comprehensive Income (A+B)	(1,688)	(508)

Earnings per share (in ₹)		
Basic & diluted	(4.31)	(1.29)

E. Balance Sheet

Particulars	<i>(in ₹ Cr)</i>	
	Consolidated Proforma Balance Sheet as of March 31, 2026	Consolidated Proforma Balance Sheet as of March 31, 2025
Assets		
Non-current assets	20,922	21,079
Current assets	2,983	2,046
Total Assets	23,905	23,125
Equity and Liabilities		
Equity share capital	10,050	8,578
Other equity	3,223	5,051
Total Equity	13,273	13,629
Non-current liabilities	7,183	6,592
Current liabilities	3,449	2,904
Total Equity and liabilities	23,905	23,125

- **Non-Current Assets** comprises of Property, Plant and equipment, Capital work in progress, Intangible assets, Deferred Tax Assets, Income Tax Assets, Trade Receivables, Other Financial Assets, and other non-current assets.
- **Current Assets** comprises of Inventories, Investments, Trade Receivables, Cash and Cash equivalents, other bank balances, Other Financial Assets, Income Tax Assets, and other current assets.
- **Non-Current liabilities** comprise of Borrowings, lease liabilities, Trade Finance, Trade Payables, Derivatives, Other Financial Liabilities, non-current provisions and Other current liabilities.
- **Current liabilities** comprise of borrowings, lease liabilities, Trade Finance, Trade payables, Derivative liability, provisions, and other current financial liabilities.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as disclosed in the section titled 'Outstanding Litigation And Other Material Developments' of this Information Memorandum, there are no outstanding (i) criminal proceedings (including first information reports) involving our Company, our Subsidiaries, our Directors or our Promoters (collectively, "**Relevant Parties**"), Key Managerial Personnel and Senior Management; (ii) actions taken by statutory or regulatory authorities (including show cause notices issued by such authorities) against the Relevant Parties, Key Managerial Personnel and Senior Management; (iii) outstanding claims related to direct or indirect taxes involving the Relevant Parties (disclosed in a consolidated manner giving the total number of claims and the total amounts involved, provided that any tax matter the amount whereof exceeds the threshold set out in paragraph (v)(A)(a) below shall be disclosed individually in relation to a Relevant Party); (iv) disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoters in the five financial years preceding the date of this Information Memorandum, including outstanding action; (v) other outstanding litigation/arbitration proceedings involving the Relevant Parties as determined to be material by our Board pursuant to the Materiality Policy; and (vi) outstanding litigation involving our Group Company which has a material impact on our Company.

For the purposes of (v) above, in terms of the Materiality Policy adopted by resolution of our Board dated May 12, 2026 (the "**Materiality Policy**"):

- (A) Any outstanding litigation/arbitration proceeding involving our Company or our Subsidiary (other than as covered in points (i) to (iv) above) shall be considered 'material' for the purposes of disclosure in this Information Memorandum:
- (i) if the amount involved in such outstanding litigation/arbitration proceeding involving our Company or our Subsidiary (other than as covered in points (i) to (iv) above) exceeds ₹ 54 Crores, being 5 (five) percent of the average of the absolute value of profit or loss after tax of our Company basis the Proforma Financial Statements of our Company for Fiscal 2025 and Fiscal 2026;
 - (ii) if the monetary claim, dispute amount or liability in such proceeding is not quantifiable, or does not meet the threshold in paragraph (a) above, but the outcome of such proceeding, directly or indirectly or together with similar other proceedings, could have a material adverse effect on the business, operations, results of operations, prospects, financial position or reputation of our Company; or
 - (iii) if the decision in such proceeding is likely to affect the decision in similar proceedings, such that the cumulative amount involved in such proceedings is equivalent to or exceeds the threshold in paragraph (a) above, even though the amount involved in any individual proceeding may not by itself meet that threshold.

Any outstanding litigation/arbitration proceeding involving our Directors or our Promoters (other than as covered in points (i) to (iv) above) shall be considered 'material' for the purposes of disclosure in this Information Memorandum, irrespective of the amount involved in such litigation, if the outcome of such proceeding could have a material adverse effect on the business, operations, results of operations, prospects, financial position or reputation of our Company.

Any outstanding litigation involving our Group Company shall be considered to have a 'material impact' on our Company for the purposes of disclosure in this Information Memorandum if an adverse outcome from such pending litigation would materially and adversely affect the business, operations, results of operations, prospects, financial position or reputation of our Company.

Further, pursuant to the Materiality Policy, pre-litigation notices received by the Relevant Parties from third parties (excluding notices issued by statutory, regulatory or taxation authorities and notices threatening criminal action against Relevant Parties) shall, unless otherwise determined by our Board, not be considered as outstanding litigations until such time as the Relevant Party is impleaded as a defendant in proceedings before any judicial or arbitral forum.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

1. LITIGATION INVOLVING OUR COMPANY

Our Company did not have any outstanding litigation proceedings prior to the Effective Date. Pursuant to the transfer of the Demerged Undertaking in accordance with the Scheme, certain litigation proceedings have been transferred to our Company, the details of which are provided below. The references to 'Company' in connection with these litigations should accordingly be construed.:

1. Criminal proceedings involving our Company

As of the date of this Information Memorandum, other than as set out below, there are no criminal proceedings that have been initiated by our Company:

Proceedings initiated by Directorate of Enforcement before Rouse Avenue District Court, Delhi against Karti P. Chidambaram and Ors. regarding approval for reuse of visas

The Directorate of Enforcement has filed a complaint against our Company and others before the Rouse Avenue District Court, New Delhi under Sections 44 and 45 of the Prevention of Money Laundering Act, 2002, for the offence of money laundering, in relation to illegal gratification paid by our Company for getting approval for reuse of visas for Chinese nationals from the Ministry of Home Affairs. The matter is currently pending before Rouse Avenue District Court, Delhi.

Proceedings initiated by Central Bureau of Investigation before Rouse Avenue District Court, Delhi against S. Bhaskaraman and Ors. regarding approval for reuse of visas

Central Bureau of Investigation has filed a prosecution complaint against our Company and others before the Rouse Avenue District Court, New Delhi under Sections 120B read with Sections 204, 420, 471 r/w Sections 468, 477A of Indian Penal Code & Section 8 & 9 of the Prevention of Corruption Act, 1988, alleging illegal gratification paid by our Company for getting approval for reuse of visas for Chinese nationals from the Ministry of Home Affairs. The matter is currently pending before Rouse Avenue District Court, Delhi.

Proceedings initiated by Central Bureau of Investigation before High Court at Delhi against S. Bhaskaraman and Ors. reg. framing of charges regarding approval for reuse of visas

Central Bureau of Investigation has filed a criminal revision petition against S. Bhaskaraman and Ors. before the High Court of Delhi challenging Order dated December 23, 2025 passed by Ld. Special Judge (PC Act) (CBI)-09 Rouse Avenue District Court directing framing of charges against our Company. The matter is currently pending before the High Court at Delhi.

Proceedings initiated by our Company before High Court at Delhi against Central Bureau of Investigation and Ors. against framing of charges regarding approval for reuse of visas

Our Company has filed a criminal revision petition against Central Bureau of Investigation and others before the High Court of Delhi seeking setting aside of Order dated December 23, 2025 passed by Ld. Special Judge (PC Act) (CBI)-09 Rouse Avenue District Court directing framing of charges against our Company under Sections 120B read with Sections 204 of Indian Penal Code & Section 8 & 9 of the Prevention of Corruption Act, 1988, alleging illegal gratification paid by our Company for getting approval for reuse of visas for Chinese nationals from the Ministry of Home Affairs. The matter is currently pending before the High Court at Delhi.

Proceedings initiated by our Company before High Court of Punjab & Haryana against State of Punjab regarding alleged compensation to villagers due to spreading of ash

Our Company filed a petition under Section 482 of the Code of Criminal Procedure before the High Court of Punjab & Haryana (“**High Court**”) seeking quashing of an order dated February 20, 2019 passed by Sub-Divisional Magistrate, Mansa, Punjab (“**SDM**”) in wherein SDM has directed our Company to pay compensation in lieu of a complaint filed against our Company alleging that ash coming out of a thermal power plant of our Company fell on the crops and fodder causing financial loss to the residents of village Raipur. Our Company has claimed that the Order does not satisfy the tests of fairness and non-arbitrariness prescribed under Article 14 of the Constitution of India and that it is contrary to the procedure established by law and fails to adhere to the principles of natural justice. The matter is currently pending before the High Court of Punjab and Haryana.

Litigation proceedings involving our Company in accordance with the Materiality Policy

Civil proceedings against our Company

Proceeding initiated against Vedanta Limited by Grid Corporation of Odisha Limited (“GRIDCO”) regarding PAFM calculation during Transmission Constraint.

During construction of the power plant, Unit-II was synchronized to the State Grid first for supplying power to GRIDCO. In accordance with consolidated PPA dated December 19, 2012 clause 4.0 “Transmission and wheeling of Power” GRIDCO has obligation and responsibility to make required arrangement for evacuation of power from delivery point i.e., busbars of Generating Station. However, GRIDCO could not draw the full State share (600 MW) from Generating Station due to transmission line constraint on account of availability of only two circuits of 220 KV line between the Company and Budhipadar

Grid sub-station, through which the Company's power is injected into the State transmission system. Therefore, the Company had no alternative but to operate Unit -II which has installed capacity of 600 MW in part-load condition. We had filed a petition before OERC vide Case no. 08/2017 wherein the abovementioned issue was highlighted praying for higher FC during the said transmission constraint period. OERC vide order dated April 17, 2017 in case no 08/2017 inter-alia ordered that since the 220 KV DC line running between Vedanta Ltd and Budhipadar Grid sub-station of OPTCL is capable of carrying power around 400 MW in sustainable mode for which Vedanta has restricted generation from Unit II, therefore, for calculating PAFM of the IPP, the carrying capacity of the line at 400 MW in sustainable mode should be taken into consideration. Accordingly, while calculating PAFM the installed capacity of the IPP (Unit II) should be taken as 400 MW or actual injection whichever is higher. The aforesaid mechanism should be adopted for the period from November 2010 till the transmission constraint was resolved on January 5, 2016. Aggrieved by the aforesaid order by OERC, GRIDCO vide its petition no 49/2017 had filed application to review the order in case no 08/2017. OERC vide order dated May 15, 2018 disposed of review petition stating that Commission has no ground to review its own order. GRIDCO then an filed an Appeal in the Appellate Tribunal of Electricity ("APTEL") on July 27, 2018. The APTEL vide its order dated November 22, 2021 has dismissed the appeal and has directed GRIDCO to pay ₹ 444 Crores within one month from the date of Judgement to Vedanta. GRIDCO has filed a Civil appeal against order dated November 22, 2021 before the Supreme Court of India. The matter is pending at Supreme Court of India for final hearing.

Proceedings relating to the GRIDCO Power purchase agreement

Vedanta Limited entered into a consolidated power purchase agreement ("PPA") with the Grid Corporation of Odisha ("GRIDCO") for the supply of power from Vedanta Limited's power plant located in Jharsuguda, Odisha. Vedanta Limited filed a petition before the Odisha Electricity Regulatory Commission ("OERC") under Section 86(1) of the Electricity Act, 2003 for adjudication of disputes between Vedanta Limited and GRIDCO regarding, *inter alia*, payment of outstanding dues and execution of the revised PPA ("Petition"). The OERC dismissed the Petition on the grounds that, *inter alia*, the matter for payment of outstanding disputes was pending before the Supreme Court and the revised PPA was to be considered for approval after the sub judice matter had been settled by the OERC ("Impugned Order"). Aggrieved by the Impugned Order, Vedanta Limited filed an appeal before the Appellate Tribunal for Electricity ("APTEL"). APTEL dismissed the appeal and observed, *inter alia*, that the entire issue was covered by previous judgments of APTEL and ordered GRIDCO to make payments amounting to ₹4,489.00 million to Vedanta Limited for supply of power from 2010 to 2016 ("Appellate Judgement"). Aggrieved by the Appellate Judgement, GRIDCO has filed an appeal before the Supreme Court under Section 125 of the Electricity Act, 2003. The appeal is currently pending. GRIDCO also filed an application before the OERC under Section 86(1)(f) of the Electricity Act, 2003 for resolution of disputes regarding, *inter alia*, definition of marginal sources and priority of marginal sources and calculations of annual fixed charges and capacity charges. The OERC observed, *inter alia*, that marginal source should include un-requisitioned power from the interstate generating station, power overdrawn under demand side management and power drawn from the Indian Energy Exchange Limited, and directed both parties to make amendments to the PPA keeping in view the directions given by the OERC *vide* its order ("OERC Order"). Aggrieved by the OERC Order, Vedanta Limited filed an appeal before APTEL under Section 111 of the Electricity Act, 2003. GRIDCO also filed a cross appeal before APTEL against the OERC Order on the grounds of short supply of power by Vedanta Limited and incorporation of the penalty clause in the PPA. The matter was heard and it was ordered vide order dated September 9, 2025 that the impugned order is hereby set aside. The case is remanded back to the Commission with the direction to call upon the parties to execute revised PPA as per their mutual agreement in terms of the order dated January 27, 2016 passed by the Commission in petition no.21/2015. Meanwhile, GRIDCO shall release/reimburse the entire payment to Vedanta within three months from date of this judgment, which was withheld by it in pursuance to impugned order of the Commission. GRIDCO has filed a review petition against the order dated September 9, 2025, in the Appeal 107 of 2022 and Appeal No. 312 of 2022 in which the parties were ordered to execute revised PPA as per their mutual agreement in terms of the order dated January 27, 2016 passed by the Commission in petition no.21/2015. Meanwhile, GRIDCO shall release/reimburse the entire payment to Vedanta within three months from date of this judgment, which was withheld by it in pursuance to impugned order of the Commission. The order in the review petition is reserved.

Proceedings initiated by Punjab State Power Corporation Limited ("PSPCL") before High Court of Punjab & Haryana against our Company and Anr. regarding alleged levy of liquidated damages for delay in project commissioning

PSPCL has filed an appeal before High Court of Punjab & Haryana under Section 37 of the Arbitration and Conciliation Act, 1996 against Order dated January 23, 2023 passed by Additional District Judge, Patiala in Arb/204/2017 wherein the application filed by PSPCL under Section 34 of the Arbitration and Conciliation Act, 1996 was dismissed upholding that PSPCL is not entitled to liquidated damages in relation to alleged delay in commissioning of three 660 MW units by our Company in terms of the PPA. The matter is currently pending before the High Court of Punjab & Haryana.

Proceedings initiated by Punjab State Power Corporation Limited ("PSPCL") and Punjab State Load Despatch Centre before Supreme Court of India against our Company regarding alleged misdeclaration of availability by our Company

PSPCL and Punjab State Load Despatch Centre have filed appeals before Supreme Court of India (“SC”) under Section 125 of the Electricity Act, 2003 against Order dated 18.03.2025 passed by the Appellate Tribunal of Electricity (“APTEL”) in Appeal No. 50 of 2018 wherein APTEL has directed PSLDC to revised State Energy Accounts and PSPCL to refund the amount deducted by PSPCL on account of penalty for misdeclaration of availability to our Company, along with Late Payment Surcharge in terms of the PPA. The Supreme Court of India vide its order dated May 20, 2026, in CA no. 7436&7432 of 2025 filed by PSPCL, has set aside the order passed by APTEL dated March 18, 2025 hence restoring the order of PSERC, and allowed PSPCL’s appeal.

Proceedings initiated by Punjab State Power Corporation Limited (“PSPCL”) before Punjab State Electricity Regulatory Commission (“PSERC”) against our Company regarding rebates illegally availed by PSPCL

PSPCL filed a petition before PSERC under Section 86(1)(f) of the Electricity Act, 2003, Regulations 68 and 69 of the PSERC (Conduct of Business) Regulations, 2005, and Article 17.3.1 of the PPA dated 1 September 2008, seeking to quash our Company’s demand raised through various letters relating to rebates availed by PSPCL on monthly bill payments from April 2020. On May 29, 2025, the matter has been adjourned sine die, till the issue is decided by the High Court in COCP No. 1493 of 2023. The matter currently pending before PSERC.

Proceedings initiated by Punjab State Power Corporation Limited (“PSPCL”) before Supreme Court of India against our Company and Anr. regarding obligation to supply fuel for the power generating station

PSPCL has filed an appeal before SC under Section 125 of the Electricity Act, 2003 against Order dated April 7, 2016 passed by the Appellate Tribunal of Electricity (“APTEL”) in Appeal Nos. 56 and 84 of 2013 wherein APTEL held that PSPCL is under obligation to sign Fuel Supply Agreement with the Fuel Supplier and cannot be absolved of its obligation to supply fuel to our Company for its power generating station. The matter is currently pending before the Supreme Court of India.

Proceedings initiated by Punjab State Power Corporation Limited (“PSPCL”) before Supreme Court of India (“SCI”) against our Company and Anr. regarding recovery of differential import coal cost and deemed capacity charges for the period of coal shortfall by our Company

PSPCL has filed an appeal before SCI under Section 125 of the Electricity Act, 2003 against Order dated July 19, 2021 passed by the Appellate Tribunal of Electricity (“APTEL”) in Appeal Nos. 220 and 317 of 2019 wherein APTEL directed PSPCL to make payment of differential amount of imported coal paid by our Company as well as deemed capacity charges for PSPCL’s failure to fulfil its obligation to supply adequate quantity and quality of coal, along with Late Payment Surcharge. The matter is currently pending before SCI.

Proceedings initiated by Punjab State Power Corporation Limited (“PSPCL”) before Supreme Court of India (“SCI”) against our Company and Anr. regarding pass through of additional expenditure on account of Change in Law viz compliance to emission norms to PSPCL

PSPCL has filed an appeal before SC under Section 125 of the Electricity Act, 2003 against Order dated August 28, 2020 passed by the Appellate Tribunal of Electricity (“APTEL”) in Appeal No. 21 of 2019 wherein APTEL held Notification dated December 7, 2015 to be a Change in Law as per the PPA and thereby directed PSERC to devise mechanism for payment of the Additional Capital Cost by PSPCL to our Company including additional cost and other expenses in relation to procurement, installation, commissioning, operation and maintenance of FGD for SO₂ as approved by the concerned authority, after prudence check and along with carrying cost in terms of PPA. The matter has been rendered infructuous post Notification number GSR 465(E) dated July 11, 2025 issued by the Ministry of Environment, Forest and Climate Change, wherein our Company, a Category C plant, has been exempted from compliance of sulphur dioxide emission standards subject to its adherence to the compliance of stack height criteria notified by Notification number GSR 742(E) dated August 30, 1990, which our Company is compliant with. The matter is currently pending before SCI.

Proceedings initiated by Nabha Power Limited before Appellate Tribunal of Electricity against Punjab State Electricity Regulatory Commission and Ors. regarding mechanism for pass through of additional expenditure on account of Change in Law viz compliance to emission norms to PSPCL

Nabha Power Limited have filed an appeal before the Appellate Tribunal of Electricity (“APTEL”) under Section 111 of the Electricity Act, 2003 against Order dated July 2, 2024, passed by PSERC in Petition No. 29 of 2023 (Suo-Moto) wherein PSERC has adopted the mechanism for payment of compensation, towards additional cost and other expenses in relation to procurement, installation, commissioning, operation and maintenance of FGD for SO₂ (recommended by CEA) as issued by Central Electricity Regulatory Commission vide Order dated August 13, 2021 in Petition No. 06/SM/2021 subject to observations made by PSERC. The matter has been rendered infructuous post Notification number GSR 465(E) dated July 11,

2025 issued by the Ministry of Environment, Forest and Climate Change, wherein our Company, a Category C plant, has been exempted from compliance of sulphur dioxide emission standards subject to its adherence to the compliance of stack height criteria notified by Notification number GSR 742(E) dated August 30, 1990, which our Company is compliant with. The matter is currently pending before APTEL.

Proceedings initiated by Punjab State Power Corporation Limited (“PSPCL”) before Appellate Tribunal of Electricity against Punjab State Electricity Regulatory Commission (“PSERC”) and Ors. regarding mechanism for pass through of additional expenditure on account of Change in Law viz compliance to emission norms to PSPCL

PSPCL have filed an appeal before the Appellate Tribunal of Electricity (“APTEL”) under Section 111 of the Electricity Act, 2003 against Order dated July 2, 2024 passed by PSERC in Petition No. 29 of 2023 (Suo-Moto) wherein PSERC has adopted the mechanism for payment of compensation, towards additional cost and other expenses in relation to procurement, installation, commissioning, operation and maintenance of FGD for SO₂ (recommended by CEA) as issued by Central Electricity Regulatory Commission vide Order dated August 13, 2021 in Petition No. 06/SM/2021 subject to observations made by PSERC. The matter has been rendered infructuous post Notification number GSR 465(E) dated July 11, 2025 issued by the Ministry of Environment, Forest and Climate Change, wherein our Company, a Category C plant, has been exempted from compliance of sulphur dioxide emission standards subject to its adherence to the compliance of stack height criteria notified by Notification number GSR 742(E) dated August 30, 1990, which our Company is compliant with. The matter is currently pending before APTEL.

Civil proceedings by our Company

Proceedings relating to the GRIDCO Power purchase agreement

Vedanta Limited entered into a consolidated power purchase agreement (“PPA”) with the Grid Corporation of Odisha (“GRIDCO”) for the supply of power from Vedanta Limited’s power plant located in Jharsuguda, Odisha. Vedanta Limited filed a petition before the Odisha Electricity Regulatory Commission (“OERC”) under Section 86(1) of the Electricity Act, 2003 for adjudication of disputes between Vedanta Limited and GRIDCO regarding, *inter alia*, payment of outstanding dues and execution of the revised PPA (“Petition”). The OERC dismissed the Petition on the grounds that, *inter alia*, the matter for payment of outstanding disputes was pending before the Supreme Court and the revised PPA was to be considered for approval after the sub judice matter had been settled by the OERC (“Impugned Order”). Aggrieved by the Impugned Order, Vedanta Limited filed an appeal before the Appellate Tribunal for Electricity (“APTEL”). APTEL dismissed the appeal and observed, *inter alia*, that the entire issue was covered by previous judgments of APTEL and ordered GRIDCO to make payments amounting to ₹4,489.00 million to Vedanta Limited for supply of power from 2010 to 2016 (“Appellate Judgement”). Aggrieved by the Appellate Judgement, GRIDCO has filed an appeal before the Supreme Court under Section 125 of the Electricity Act, 2003. The appeal is currently pending. GRIDCO also filed an application before the OERC under Section 86(1)(f) of the Electricity Act, 2003 for resolution of disputes regarding, *inter alia*, definition of marginal sources and priority of marginal sources and calculations of annual fixed charges and capacity charges. The OERC observed, *inter alia*, that marginal source should include un-requisitioned power from the interstate generating station, power overdrawn under demand side management and power drawn from the Indian Energy Exchange Limited, and directed both parties to make amendments to the PPA keeping in view the directions given by the OERC *vide* its order (“OERC Order”). Aggrieved by the OERC Order, Vedanta Limited filed an appeal before APTEL under Section 111 of the Electricity Act, 2003. GRIDCO also filed a cross appeal before APTEL against the OERC Order on the grounds of short supply of power by Vedanta Limited and incorporation of the penalty clause in the PPA. The matter was heard and it was ordered *vide* order dated September 9, 2025 that “The impugned order is hereby set aside. The case is remanded back to the Commission with the direction to call upon the parties to execute revised PPA as per their mutual agreement in terms of the order dated January 27, 2016 passed by the Commission in petition no.21/2015. Meanwhile, GRIDCO shall release/reimburse the entire payment to Vedanta within three months from date of this judgment, which was withheld by it in pursuance to impugned order of the Commission. Vedanta Limited had filed an application before OERC seeking refund of amounts deducted from bills alleging short supply of power and declaration that Vedanta Limited’s obligations to supply power were limited to availability of linkage coal. The OERC dismissed the application, holding that the reliefs sought were barred by resjudicata or were sub-judice in other appeals before this Commission. Aggrieved by the order of OERC, Vedanta Limited has filed an appeal before APTEL against the order of OERC. The matter is currently pending.

Proceedings initiated by our Company before Punjab State Electricity Regulatory Commission (“PSERC”) against Punjab State Power Corporation Limited (“PSPCL”) regarding recovery of amounts withheld by PSPCL from monthly invoices

Our Company filed a petition before the Punjab State Electricity Regulatory Commission (PSERC) under Sections 86(1)(b) and 86(1)(f) of the Electricity Act, 2003, read with Article 17.3.1 of the Power Purchase Agreement dated September 1, 2008 (“PPA”), seeking recovery of amounts withheld by Punjab State Power Corporation Limited (PSPCL) from Monthly Invoices

issued by our Company, along with Late Payment Surcharge. The claim has been filed under Section 73 of the Contract Act on account of failure of PSPCL to fulfil its fuel obligation and includes amounts in relation to performance incentive, underloading charges, GCV sampling and testing charges, liaising/escort charges, transit losses and finance charges. PSERC rejected the claims made by our Company. Our Company filed an appeal before Appellate Tribunal for Electricity (“APTEL”) under Section 111 of the Electricity Act, 2003 against PSERC Order. The matter is currently pending before APTEL.

Proceedings initiated by our Company before High Court of Punjab & Haryana against Punjab State Power Corporation Limited regarding rebates illegally availed by PSPCL

Our Company filed a contempt petition before the High Court of Punjab & Haryana under Section 12 of the Contempt of Courts Act, 1971 against Chairman cum Managing Director, PSPCL seeking direction against PSPCL to remit the outstanding amount along with Late Payment Surcharge in terms of the Order dated July 4, 2022 passed by the High Court of Punjab & Haryana in CWP 7519 of 2020 wherein PSPCL was directed to pay capacity charges in terms of the PPA. The claim includes the rebates illegally availed by PSPCL in contravention of the terms of PPA. The matter is currently pending before High Court of Punjab & Haryana.

Proceedings initiated by our Company before Arbitral Tribunal against Punjab State Power Corporation Limited (“PSERC”) regarding recovery of deemed capacity charges for FY 2014-15

Our Company filed a Petition No. 34 of 2015 before PSERC under Section 86(1)(f) of the Electricity Act, 2003 read with Article 11, 12 and Schedule 7 and other provisions of PPA seeking recovery of short payments of bills raised/to be raised by our Company and for seeking relief against penalty imposed/to be imposed by PSPCL for availability below 75% for FY 2014–15 due to our Company’s availability being affected due to force majeure events and due to PSPCL’s failure to fulfil its obligation to supply fuel to our Company. The matter was referred to arbitration by PSERC. The arbitration proceedings are pending before Arbitral Tribunal.

Proceedings initiated by our Company before Appellate Tribunal for Electricity against Punjab State Electricity Regulatory Commission and Anr. regarding recovery of compensation due to part load operations by PSPCL

Our Company filed an appeal before Appellate Tribunal for Electricity (“APTEL”) under Section 111 of the Electricity Act, 2003 against Order dated November 27, 2024 passed by PSERC in Petition No. 61 of 2023 wherein PSERC has held that our Company is not entitled to compensation from PSPCL for heat rate degradation, increased auxiliary power consumption, and higher secondary fuel oil consumption due to part loading, along with consequential reliefs. The matter is currently pending before APTEL.

Proceedings initiated by our Company before Appellate Tribunal of Electricity against Punjab State Electricity Regulatory Commission and Ors. regarding mechanism for pass through of additional expenditure on account of Change in Law viz compliance to emission norms to PSPCL

Our Company has filed an appeal before Appellate Tribunal for Electricity (“APTEL”) under Section 111 of the Electricity Act, 2003 against Order dated July 2, 2024 passed by PSERC in Petition No. 29 of 2023 (Suo-Moto) wherein PSERC has adopted the mechanism for payment of compensation, towards additional cost and other expenses in relation to procurement, installation, commissioning, operation and maintenance of FGD for SO₂ (recommended by CEA) as issued by Central Electricity Regulatory Commission vide Order dated August 13, 2021 in Petition No. 06/SM/2021 subject to observations made by PSERC. The matter has been rendered infructuous post Notification number GSR 465(E) dated July 11, 2025 issued by the Ministry of Environment, Forest and Climate Change, wherein our Company, a Category C plant, has been exempted from compliance of sulphur dioxide emission standards subject to its adherence to the compliance of stack height criteria notified by Notification number GSR 742(E) dated August 30, 1990, which our Company is compliant with. The matter is currently pending before APTEL.

Proceedings initiated by our Company before Appellate Tribunal for Electricity against Punjab State Electricity Regulatory Commission and Anr. regarding recovery of additional expenditure on account of Change in Law viz utilization of Biomass

Our Company filed an appeal before APTEL under Section 111 of the Electricity Act, 2003 against Order dated September 21, 2023 and Order dated April 09, 2024 passed by PSERC in Petition No. 02 of 2023 and Review Petition No. 11 of 2023 wherein PSERC determined the threshold for entitlement of compensation under Change in Law clause of PPA, disallowed the usage of non-torrefied pellets by our Company and disallowed to carry out installation and modification of Boilers and Mills for use of non-torrefied pellets by our Company and its consequent expenditure. The matter is currently pending before APTEL.

Proceedings initiated by our Company before Appellate Tribunal for Electricity against Punjab State Electricity Regulatory Commission and Anr regarding recovery of additional expenditure on account of Change in Law viz introduction of GST Laws

Our Company has filed an appeal before APTEL under Section 111 of the Electricity Act, 2003 against Order dated October 13, 2021 passed by PSERC in Petition No. 1 of 2021 wherein PSERC has held that our Company is not entitled to relief under Change in Law as per the PPA for the additional expenditure incurred by our Company viz. the introduction of Goods and Service Tax Laws at the Central/State levels. The matter is currently pending before APTEL.

Proceedings initiated by our Company before Appellate Tribunal for Electricity against Punjab State Electricity Regulatory Commission and Ors. regarding recovery of deemed capacity charges for FY 2021-22

Our Company has filed an appeal before APTEL under Section 111 of the Electricity Act, 2003 against Order dated January 11, 2023 passed by PSERC in Petition No. 20 of 2022 wherein PSERC held that our Company is not entitled to revision of State Energy Account and deemed capacity charges for FY 2021-22 (and thereby is subject to penalty for availability below 75%) as claimed on account of non-availability of coal due to PSPCL's failure to meet its obligation or non-synchronization of unit by Punjab State Load Despatch Centre (PSLDC). The matter is currently pending before APTEL.

Proceedings initiated by our Company before Appellate Tribunal for Electricity against Punjab State Electricity Regulatory Commission and Ors. regarding alleged Preliminary Default Notice issued by PSPCL

Our Company has filed an appeal before APTEL under Section 111 of the Electricity Act, 2003 against Order dated September 8, 2022 passed by PSERC in Petition No. 69 of 2021 wherein PSERC upheld the validity of Preliminary Default Notice dated September 15, 2021 issued by PSPCL under Article 14.1 (iv) of the PPA stating that our Company had failed to achieve average power availability of 65% for a non-consecutive time period of 12 months in a continuous aggregate time period of 36 months. In the interim, APTEL has directed PSPCL to refrain from taking any coercive action pursuant to the Preliminary Default Notice dated September 15, 2021 till the disposal of the appeal. The matter is currently pending before APTEL.

Proceedings initiated by Vedanta Limited before National Company Law Tribunal against (1) Chhattisgarh State Industrial Development Corporation Limited (CSIDC), (2) Athena Chhattisgarh Power Limited, Represented by Liquidator Kumar Rajan regarding compliance of Order dated 17.07.2023 by CSIDC

This IA has been filed before the Hon'ble NCLT, Hyderabad bench by Vedanta Limited (the "Company") against the Chhattisgarh State Industrial Development Corporation Limited (the "CSIDC"), for issuance of directions to the CSIDC to comply with order dated July 17, 2023 passed by the Hon'ble NCLT, Hyderabad bench granting major reliefs and concessions. The Company has sought directions from the bench to be issued to the CSIDC, for waiver of the past liabilities in the form of lease rent dues existing on account of Athena Chhattisgarh Power Limited (the "Corporate Debtor") prior to the date of the Order, i.e., July 17, 2023 and further issuance of directions related to transfer of lease deed in favour of the Company without insisting on payment of Transfer Fees by the Company in pursuance to the Amalgamation of the Corporate Debtor with the Company vide order dated July 17, 2023. The matter is currently pending before NCLT. The next date in the matter is August 3, 2026 before NCLT, Hyderabad.

Actions by statutory or regulatory authorities against our Company

As on date of this Information Memorandum, other than as set out below, no actions have been taken by statutory or regulatory authorities against our Company:

Reg. Direction issued by CAQM for depositing Environmental Compensation under Environment (Utilization of Crop Residue by Thermal Power Plants) Rules, 2023 and subsequent appeal by our Company before National Green Tribunal

On December 23, 2025, Commission for Air Quality Management in National Capital Region and Adjoining Areas (CAQM) issued a show cause notice to our Company for imposition of Environmental Compensation (EC) under Rule 3 and for initiating action under Section 14 of the CAQM Act, 2021 for non-compliance or contravention of the provisions of Environment (Utilization of Crop Residue by Thermal Power Plants) Rules, 2023 and orders/directions issued by CAQM with respect to mandating use of minimum five percent blend of pellets or briquettes made of crop residue along with coal as part of ex-situ paddy straw management for FY 2024-25. Our Company responded to the said show cause notice on January 12, 2026, and requested CAQM to drop the said show cause notice in terms of the relaxation to be provided under Rule 5 of the said Rules inter alia highlighting the exceptional circumstances which were beyond the reasonable control of our Company. However, on April 1, 2026, our Company has received a direction from CAQM for depositing the said EC. Our Company filed an appeal

before National Green Tribunal (NGT). On April 13, 2026, NGT granted a conditional stay to our Company with a condition to deposit 50% of the amount of EC within 6 weeks. The matter is pending before NGT.

Reg. Investigation initiated by Police Station – Dabhara, District Sakti, Chhattisgarh regarding the accident which occurred on April 14, 2026

An accident occurred on April 14, 2026, at the Thermal Power Plant of Vedanta Limited situated at village Singhitara, Chhattisgarh. Owing to the said accident, some of the workers deployed by contractors lost their lives and got severely injured. The police station concerned has initiated an investigation with respect to the said accident. The matter is currently pending.

Tax proceedings involving our Company#

Nature of Case	Number of Cases	Amount involved
Direct Tax	20	58.39
Indirect Tax*	9	311

*Note: There are some tax litigations, demand amounting to ₹ 308 Crs are common in nature between 1800 MW (Aluminium Undertaking) & 600 MW (Power Undertaking) to be demerged from Vedanta Limited to Vedanta Aluminium Metal Limited & our Company respectively.

#Under the Scheme, as sanctioned by the NCLT, our Company will be responsible for (i) all tax demands already raised against VEDL that are attributable to the Demerged Undertaking; (ii) any tax claims subsequently raised, crystallised, or identified as relating to the Demerged Undertaking; and (iii) all future proceedings, demands, litigation, or disputes, whether in direct tax, indirect tax, or otherwise arising from the business operations of the Demerged Undertaking conducted prior to the Appointed Date. Further, in terms of the Scheme, certain matters may continue to be pursued in VEDL's name, including direct tax matters (such as assessments, appeals, and rectifications) for assessment years prior to the Effective Date; indirect tax matters that couldn't be transferred under the Goods and Services Tax law or other applicable laws; and any other proceedings that cannot, as a matter of law, be transferred. As a result, our Company may be required to bear tax liabilities that originally arose in VEDL's hands but are attributable to the Demerged Undertaking under the Scheme. The total quantum of such liabilities cannot be ascertained as at the date of this Information Memorandum and may have a material adverse effect on our Company's financial condition and results of operations.

Proceedings initiated against our Company for economic offences

As on date of this Information Memorandum, there are no proceedings that have been initiated against our Company for any economic offences.

Dues to Creditors

Other than as set out below, there are no outstanding dues to creditors of our Company determined to be material by our Board in accordance with the Materiality Policy.

Particulars	No. of Creditors	Aggregate amounts due (INR in lakhs)
MSME	17	353
Material creditors	1	8870
Other creditors	63	11,408
Total	81	20,631

Other material outstanding litigation against our Company

As on the date of this Information Memorandum, there is no other outstanding litigation against our Company, which has been considered material by our Company in accordance with the Materiality Policy.

2. LITIGATION INVOLVING OUR SUBSIDIARY

Criminal proceedings involving our Subsidiary

As on the date of this Information Memorandum, no criminal proceedings have been initiated by or against our Subsidiary.

Litigation involving our Subsidiary in accordance with the Materiality Policy

Civil proceedings against our Subsidiary

As on the date of this Information Memorandum, no civil proceedings have been against our Subsidiary.

Civil proceedings by our Subsidiary

As on the date of this Information Memorandum, no civil proceedings have been initiated by our Subsidiary.

Actions by statutory or regulatory authorities against our Subsidiary

As on date of this Information Memorandum, no actions by statutory or regulatory authorities have been initiated against our Subsidiary.

Tax proceedings involving our Subsidiary

Nature of Case	Number of Cases	Amount involved [in INR]
Direct Tax	1	22
Indirect Tax	-	-

3. LITIGATION INVOLVING OUR DIRECTORS

Criminal proceedings involving our Directors

For Directors who are Promoters, please refer to the section below on ‘*Outstanding Litigation Proceedings Involving our Promoters*’ on page 344. Other than as set out therein and below, as on date of this Information Memorandum, no criminal proceedings have been initiated by or against our Directors:

Proceedings filed by SEBI against Sterlite Industries India Limited (now merged with Vedanta Limited) for alleged violation of provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) Regulations, 1995

Pursuant to SEBI’s order dated April 19, 2001, prohibiting SIIL from accessing the capital markets for a period of two years and ordering prosecution proceedings against SIIL, through its directors namely Anil Agarwal, Tarun Jain and Shashikant for the Alleged Violations, SEBI filed a criminal complaint against Sterlite Industries India Limited (now merged with Vedanta Limited) (“**SIIL**”), its Director, Anil Agarwal and others before the Additional Metropolitan Magistrate, Esplanade in relation to the alleged violation of Regulations 4(a) and 4(d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995. SIIL filed a criminal application before the Bombay High Court to stay the criminal proceedings initiated by SEBI through its criminal complaint since the SEBI order dated April 19, 2001 was set aside by SAT. The Bombay High Court subsequently admitted the application and granted an interim stay on the criminal proceedings. This order continues to be in force as on date. The matter is currently pending

Proceedings initiated against BALCO for abatement, cheating and commission of criminal breach of trust in respect of the deposit, commission

Ajaykumar Padia (“**Complainant**”) initiated criminal proceedings against BALCO and its Directors before the CJM Pune, alleging cheating and criminal breach of trust. Despite a police report suggesting the dispute to be of civil nature, the CJM issued process. The Bombay High Court has granted a stay, and the matter is currently pending.

Crl. R.C. (MD) No. 251 of 2019 Fathima Vs. Navin Agarwal & 6 Ors (High Court, Madras-Madurai Bench)

Fatima (“**Complainant**”) filed a criminal petition against Vedanta Limited, its Director, Navin Agarwal, and others (collectively, “**Accused**”) before the Court of the Judicial Magistrate No. III, Thoothukkudi, Tamil Nadu (“**CJM**”) under Section 200 of the Code of Criminal Procedure, 1973 read with Section 15 of the Environment Protection Act, 1986. The Complainant alleged, inter alia, that the Accused had failed to renew the consent and authorization for handling hazardous waste (“**Authorization**”) for Vedanta Limited’s copper smelter plant located at the SIPCOT Industrial Complex, Thoothukudi, Tamil Nadu (“**Copper Smelter Plant**”) under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. The CJM by way of an order dismissed the said petition on the ground that cases on the same issue were pending before the Madras High Court and the Supreme Court (“**Impugned Order**”). Aggrieved by the Impugned Order, the Complainant filed a criminal revision petition before the Madras High Court for setting aside the Impugned Order. The Complainant has alleged that inter-alia Vedanta Limited’s application for renewal of consent to operate was rejected due to failure of Vedanta Limited to conform to certain conditions as mentioned in the Authorization. The matter is currently pending.

Proceedings involving Cairn India Limited (then merged with VEDL, now VOGL) for non-payment of dividend

Cairn UK Holdings Limited (“**CUHL**”) filed a complaint before SEBI (“**Complaint**”) alleging non-payment of dividends amounting to ₹3,406.50 million by Cairn India Limited (then merged with VEDL, now Vedanta Oil & Gas Limited (“**VOGL**”))

("CIL") in respect of the equity shares held by CUHL in CIL. SEBI disposed of the Complaint twice, however, CUHL filed an appeal before the Securities Appellate Tribunal ("SAT") challenging SEBI's disposal of the Complaint. Subsequently, the SAT directed SEBI to reconsider the Complaint for investigating violations, if any, of provisions of the Companies Act and SEBI Listing Regulations relating to non-payment of dividends. Thereafter, SEBI issued a show cause notice to VEDL, its certain present and former directors ("Parties") to show cause as to why suitable directions should not be initiated for, inter alia, alleged violations of certain provisions of the Companies Act and SEBI Listing Regulations for non-payment of dividends. Following the enquiry, SEBI passed an order dated March 12, 2024 ("Order") directing VEDL to pay CUHL ₹776.3 million as simple interest at the rate of 18% per annum for delayed payment of dividends, due and payable within 45 days of the Order. Pursuant to its directions, SEBI also (a) restrained certain Directors from accessing the securities market and further prohibited them from buying, selling, or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner whatsoever, for a period of two months from the date of the Order; and (b) restrained certain other Directors from accessing the securities market and further prohibited them from buying, selling, or otherwise dealing in securities, directly or indirectly, or being associated with the securities market for a period of one month from the date of the Order. Aggrieved by the Order, the Parties filed an appeal before the SAT, which subsequently granted a stay on the effect and operation of the Order subject to payment of 50% of the interest amount by VEDL. The aforesaid payment was deposited by VEDL. The matter is currently pending before the SAT for final hearing.

Litigation involving our Directors in accordance with the Materiality Policy

As on the date of this Information Memorandum, other than as set out below, no civil proceedings have been initiated by or against our Directors, in accordance with our Materiality Policy.

Actions by statutory or regulatory authorities against our Directors

As on date of this Information Memorandum, no actions by statutory or regulatory authorities have been initiated against our Directors.

Tax proceedings involving our Directors

As on date of this Information Memorandum, there are no outstanding tax proceedings are pending against our Directors.

4. LITIGATION INVOLVING OUR PROMOTERS

Criminal proceedings involving our Promoters

As on the date of this Information Memorandum, other than as set out below, no criminal proceedings have been initiated by or against our Promoters.

Proceedings filed by SEBI against Sterlite Industries India Limited (now merged with VEDL) for alleged violation of provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) Regulations, 1995

Pursuant to SEBI's order dated April 19, 2001, prohibiting SIIL from accessing the capital markets for a period of two years and ordering prosecution proceedings against SIIL, through its directors namely Anil Agarwal, Tarun Jain and Shashikant for the Alleged Violations, SEBI filed a criminal complaint against Sterlite Industries India Limited (now merged with VEDL) ("SIIL"), its Director, Anil Agarwal and others before the Additional Metropolitan Magistrate, Esplanade in relation to the alleged violation of Regulations 4(a) and 4(d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995. SIIL filed a criminal application before the Bombay High Court to stay the criminal proceedings initiated by SEBI through its criminal complaint since the SEBI order dated 19 April 2001 was set aside by SAT. The Bombay High Court subsequently admitted the application and granted an interim stay on the criminal proceedings. This order continues to be in force as on date. The matter is currently pending.

Proceedings initiated against BALCO for abatement, cheating and commission of criminal breach of trust in respect of the deposit, commission

Ajaykumar Padia ("Complainant") initiated criminal proceedings against BALCO and its Directors before the CJM Pune, alleging cheating and criminal breach of trust. Despite a police report suggesting the dispute to be of civil nature, the CJM issued process. The Bombay High Court has granted a stay, and the matter is currently pending.

Litigation involving our Promoters in accordance with the Materiality Policy

As on the date of this Information Memorandum, other than as set below, no civil proceedings have been initiated by or against our Promoters, in accordance with our Materiality Policy:

Rajesh Kumar Singh v. FACOR (Money Suit No. 08/2024)

Rajesh Kumar Singh, an ex-employee of FACOR, has filed a Money Suit before the Civil Court at Aurangabad, Bihar, against the Authorized Signatory of VEDL, FACOR, and VEDL, claiming damages of INR 100 crore each on account of alleged defamation. On behalf of FACOR, a Written Statement along with a petition under Order VII Rule 11 of the Code of Civil Procedure has been filed, seeking rejection of the plaint. Further, on behalf of VEDL (Defendant Nos. 1 and 3), an application under Order I Rule 10(2) read with Section 151 of the Code of Civil Procedure has been filed, seeking deletion of Vedanta names from the array of parties. On the last date of hearing, the plaintiff sought time to file his response. Accordingly, the matter stands adjourned to May 21, 2026.

Actions by statutory or regulatory authorities against our Promoters

As on the date of this Information Memorandum, other than as set out below, there is no litigation or legal action pending or taken by a ministry, department of the Government of India or statutory authority against our Promoters:

Proceedings initiated by Sterlite Industries Limited (now merged with VEDL) against the order of Special Director, Enforcement Directorate

The Special Director, Enforcement Directorate (“**Adjudicating Authority**”) vide an order imposed a penalty of ₹200 million on Sterlite Industries India Limited (now merged with VEDL) (“**SIIL**”) and ₹50 million each on Navin Agarwal, Anil Agarwal, and Late Dwarka Prasad Agarwal (collectively, “**the Directors**”) alleging violation of Section 8(1) of the Foreign Exchange Regulation Act, 1973 (“**Act**”) for acquiring and transferring foreign exchange equivalent amounting to ₹2,080 million into an overseas entity, without prior approval of the Reserve Bank of India (“**RBI**”) (“**Order I**”). VEDL challenged the Order I before the Appellate Authority for FEMA, New Delhi (“**Appellate Authority**”). The Appellate Authority, vide its order dated November 27, 2024, dismissed the appeal filed by VEDL (“**Order II**”). VEDL and the Directors have filed an appeal against the Order II before the High Court of Bombay (“**Appeal**”). The High Court of Bombay has directed the Adjudicating Authority to refrain from taking any coercive action subject to VEDL and the Directors furnishing a bank guarantee (“**BG**”). The BG has since been furnished, and the Appeal is currently pending.

FIR

FIR registered against our Individual Promoter and others in respect of the Athena Power Plant explosion

On April 14, 2026, an explosion occurred at the Athena Power Plant in Chhattisgarh, which is operated by our Company, resulting in fatalities and injuries to certain contractor and sub-contractor personnel. The operations and maintenance of the plant were outsourced under an operations and maintenance contract, and at the time of the incident, the plant was being operated under the management of NTPC and GE Power Services Limited (“**NGSL**”). A First Information Report has been lodged under Sections 106, 289 and 3(5) of the Bharatiya Nyaya Sanhita, 2023, naming 18 (eighteen) individuals, including 11 (eleven) persons associated with NGSL and 7 (seven) persons associated with the Company, including our Promoter and Non-Executive Chairman, Anil Agarwal. The incident is under investigation by multiple regulatory authorities and law enforcement agencies.

Disciplinary action including penalty imposed by SEBI or stock exchanges

As on the date of this Information Memorandum, other than as set out below, there has been no disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five (5) years, including any outstanding action, preceding the date of this Information Memorandum:

Show cause notice issued by SEBI against Sterlite Industries Limited (now merged with VEDL)

SEBI issued a show cause notice to Sterlite Industries India Limited (now merged with VEDL) (“**SIIL**”) to show cause as to why it should not proceed against SIIL under Section 24 read with Section 27 of the SEBI Act, 1992 for alleged violation of regulation 4(a) and 4(d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 (“**Alleged Violations**”). SIIL replied to the show cause notice. Thereafter, the Chairman of SEBI (“**Authority**”) passed an order dated April 19, 2001, prohibiting SIIL from accessing the capital markets for a period of two years and ordering prosecution proceedings against SIIL, through its directors namely Anil Agarwal, Tarun Jain and Shashikant, for the Alleged Violations (“**Impugned Order**”). Accordingly, SEBI proceeded to file a criminal complaint before the 8th Additional Chief Metropolitan Magistrate’s Court at Esplanade Mumbai (“**Trial Court**”). SIIL filed an appeal before the Securities Appellate Tribunal (“**SAT**”) against the Impugned Order. The Impugned Order was subsequently overruled by the SAT vide an order dated October 22, 2001, on the basis that inter alia there was insufficient material evidence to establish that SIIL had, directly or indirectly, engaged in market manipulation and allowed the appeal filed by SIIL (“**SAT Order**”). SEBI filed an appeal before the High Court of Judicature at Bombay (“**Bombay High Court**”) against SIIL, its Director, Anil Agarwal and others (“**Accused**”) challenging the SAT Order which is currently pending. SIIL filed a criminal application before the Bombay High Court to stay the criminal proceedings initiated by SEBI through its criminal complaint since the Impugned Order was set aside by SAT. The Bombay High Court inter alia vide an order dated November 22, 2006, admitted the application and granted an interim stay on the criminal proceedings. As per the amendment to the SEBI Act, 1992 through the Securities Law

(Amendment) Act, 2014, the jurisdiction of the matter has been transferred from the Trial Court to the sessions court. The aforementioned interim stay on the criminal proceedings granted by the Bombay High Court continues to be in force as on date. The matter is currently pending.

Tax proceedings involving our Promoters

As on the date of this Information Memorandum, there are no outstanding tax proceedings pending against our Promoters

5. OUTSTANDING LITIGATION PROCEEDINGS INVOLVING OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

As on the date of this Information Memorandum, there are no outstanding criminal proceedings involving our key managerial personnel and senior management and also no actions by regulatory authorities and statutory authorities against such Key managerial personnel and members of Senior Management.

6. OUTSTANDING LITIGATION PROCEEDINGS INVOLVING OUR GROUP COMPANIES

There are no pending litigation proceedings involving our Group Companies which have or may have a material impact on our Company, except for the litigations pertaining to the Merchant Power Undertaking of Vedanta Limited, which, in terms of the Scheme, now stand vested with the Company.

7. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE

For material developments since the date of the last financial statements disclosed in this Information Memorandum, please see the section titled “*Management Discussion and Analysis of Financial Condition and Results of Operations*” on page 324.

8. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

None of the Director appear in any list of wilful defaulters.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company requires various approvals, licenses, registrations, and permits issued by relevant governmental and regulatory authorities under various rules and regulations to carry out our present business activities and to undertake the Listing. We have set out below an indicative list of all material approvals required by our Company (“**Material Approvals**”), for the purposes of undertaking our business activities and operations and except as mentioned below, no further material approvals are required to carry on our present business activities.

Pursuant to the Scheme being effective, permits, consents, permissions, licenses, certificates, clearances, registrations, no objection certificates, exemptions, authorities (including powers of attorney) given by, issued to or executed in favour of the Demerged Company in relation to the Merchant Power Business Undertaking or to the benefit of which, the Merchant Power Business Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall, subject to Applicable Law, stand transferred to the Resulting Company 2 as if the same were originally given by, issued to or executed in favour of the Resulting Company 2, and the Resulting Company 2 shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company 2. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company 2 pursuant to the sanction of this Scheme by the NCLT and upon this Scheme becoming effective in accordance with the terms hereof. The Resulting Company 2 shall make applications to any Government Authority as may be necessary in this behalf. Until such consents, permissions, licenses, certificates, clearances, registrations, no objection certificates, exemptions, authorities are transferred, and/or perfected in the record of the Government Authority, in favour of the Resulting Company, the Resulting Company 2 shall be deemed to be authorized to carry on the business in the name and style of the Demerged Company in relation to the Merchant Power Business Undertaking under the same. Pursuant to the Scheme coming into effect, the past track record of the Demerged Company in relation to the Merchant Power Business Undertaking shall be deemed to be the track record of the Resulting Company 2 for all commercial and regulatory purposes.

Certain of our key approvals, licenses, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures, as necessary. For further details, in connection with the applicable regulatory and legal framework within which we operate, see “Risk Factors” and “Key Regulations and Policies in India” on pages 19 and 360, respectively.

Material approvals of the Company

1. Approvals in relation to the Listing

For the approvals and authorisations obtained by our Company in relation to the Offer, see “Other Regulatory and Statutory Disclosures – Authority for listing” on page 360.

2. Incorporation details

Certificate of incorporation dated April 5, 2007, issued to the Company by the RoC.

3. Approvals from taxation authorities

The permanent account number of the Company is AACCT6775G.

The tax deduction account number of the Company is AMRT12056C

A state-wise break down of the goods and services tax registration number of the Company is as follows:

State	GSTIN
Punjab	03AACCT6775G1Z9

4. Approvals in relation to our general business activities

Regulator/ Issuing Authority	Business Activity	Registration No.	Date of Registration	Date of Expiry
Assistant Labour Commissioner, Bathinda	To carry out the work of Power generation	BTD00PE3871	December 9, 2025	December 31, 2026

Regulator/ Issuing Authority	Business Activity	Registration No.	Date of Registration	Date of Expiry
Environmental Engineer, Punjab Pollution Control Board, Punjab	to operate the 3 X 660 MW	CTOW/ Varied/ MNS/ 2023/ 20598933	January 31, 2023	March 31, 2028
Environmental Engineer, Punjab Pollution Control Board, Punjab	To operate u/s 21 of Air (Prevention and Control of Pollution) Act 1974, has been obtained to operate the 3 X 660 MW	CTOA/ Varied/ MNS/ 2023/ 20598849	January 31, 2023	March 31, 2028
Environmental Engineer, Punjab Pollution Control Board, Punjab	Storage, Disposal' of Hazardous Wastes as per the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, has been obtained for to dispose 150 MT/Year Used or Spent oil. Waste or Residues containing oil 6T/Annum, Empty barrels/containers/contaminated with hazardous chemicals/Wastes , Oil Sludge or emulsion , Spent ion exchange resin containing toxic metals ,Sludge and filters contaminated with oil	HWM/renew/MNS/2023/20701162	March 2, 2023	March 31, 2028
Environmental Engineer, Punjab Pollution Control Board, Punjab	For generation, collection, reception, storage, treatment and disposal of Bio-medical Wastes of 0 bedded or OPD facility.	BMW/Renewal/MNS/2018/7021806	March 08, 2018	NA
Chhattisgarh Environment Conservation Board	Consent to Operate	1054/TS/CECEB/2025	April 28, 2025	February 28, 2027
Ministry of Environment, Forest and Climate Change IA Division	Environment Clearance	IA/CG/THE/478502/2024 File No. J-13012/07/2009-IA.II(T)	January 6, 2024	NA
Chhattisgarh Environment Conservation Board	Consent to Establish	1078/TS/CECB/2024	May 9, 2024	NA
Ministry of Environment, Forest and Climate Change	Forest Clearance	6-CHC-47/2014-BHO/1607	March 26, 2024	NA
Airport authority of India (AAI) & Ministry of Defense (MOD).	Civil Aviation Clearance for chimney height	BT-1/NOCC/CAS/09/Chimney/25	April 9, 2009	NA
Water Resources Department (WRD) State Gov.	Water Supply Agreement	Water Agreement	June 17, 2025	For a period of 30 Years
Chhattisgarh Boiler Inspection Department	Boiler Operation License	224131730866	July 11, 2025	July 08, 2026
Government of Chhattisgarh	Registration under Factory Act	91449/2025/2(cb)/CG-11/22/7336	May 22, 2025	December 31, 2026

Regulator/ Issuing Authority	Business Activity	Registration No.	Date of Registration	Date of Expiry
Ministry of Commerce and Industry (Petroleum and Explosives Safety Organisation)	Storage of Fuel (LDO)	P/HQ/CG/15/693(P308476)	October 28, 2024	December 31, 2035

5. Pending applications for fresh approvals / renewals made by the Company

NIL

6. Approvals for which application are yet to be made

NIL

7. Material approvals of our material Subsidiary

A. Meenakshi Energy Limited

1. Approvals in relation to our general business activities

Issuing authority	Purpose for which the license/Approval has been obtained / applied	Registration/ reference/ license Application number	Date of the approval	Date of expiry As applicable
Andhra Pradesh Pollution Board	Consent to Operate	280810/APPCB/TPT/TPT/CTO/HO/ 2025-13-04-2025	April 13, 2025	December 31, 2027
Andhra Pradesh boiler inspection department, certificate use of boiler (regulation 389)	High pressure certificate for boiler -	1.11261 ,AP-5217(Unit#1)	February 13, 2026	February 1, 2027
	1. Unit 1: 150 MW,	2.11274,AP-5455(Unit#2)	March 13, 2026	March 1, 2027
	2. Unit 2: 150 MW,	3.11191,AP-6439(Unit#3)	October 16, 2025	October 01, 2026
	3. Unit 3: 350 MW	4. 1412, AP-6867(Unit#4)	March 23, 2026	November 01, 2026
	4. Unit 4: 350 MW			
Petroleum & Explosives Safety Organisation (PESO)	storage of 150.00 KL of Petroleum class c in tank/s	: P/HQ/AP/15/3888 (P262571) /Dated : 29/12/2025	December 29, 2025	December 31, 2028
Petroleum & Explosives Safety Organization (PESO)	storage of 1600.00 KL of Petroleum class c in tank/s	P/HQ/AP/15/4118 (P293275)/Dated : 31/12/2025	December 31, 2025	December 31, 2028
Government of Andhra pradesh- State Disaster Response and Fire Services Department	Fire NORC	4449 /TPT /IMSB/2024	September 29, 2025	September 28, 2026
		Date: 10/10/2024		
Petroleum & Explosives Safety Organisation (PESO)	Storage of CARBON DIOXIDE, HYDROGEN, NITROGEN gas in cylinders	G/SZ/AP/06/7237(G46675) /Dated : 23/09/2024	September 23, 2023	September 30, 2026
CEA	CEA-Electrical installation of 2 x350MW	No. 132/03/12/2024-RIO(S)/1128 Dated: 17.12.2024	December 17, 2024	Valid for 5 years
CEA	CEA-Electrical installation of 2 x150MW	No. 132/03/03/2024-RIO(S)/2820-21 Dated: 17.03.2024	March 17, 2024	Valid for 5 years

Issuing authority	Purpose for which the license/Approval has been obtained / applied	Registration/ reference/ license Application number	Date of the approval	Date of expiry As applicable
FORM NO.4 (PRESCRIBED UNDER RULE 4(4)) LICENCE TO WORK A FACTORY	factory licence obtained for 1000MW for 2000workmen from government of Andhra Pradesh	22945	January 22, 2026	NA
Smt. P. Umadevi. M.A.B.Ed., Tahsildar, Chillakur Mandal	Environment (Forest) clearance	Rc.B 619/2010 dated 1/06/2013	June 1, 2013	NA
Air ports authority	NO OBJECTION CERTIFICATE, CASE No: MM 137/2011	AAI/SR/NOC/RHQ 28/02/2011	February 28, 2011	NA
\Government of Andhra Pradesh , Infrastructure & investment(ports) Department	Drawl and utilisation of 100cusec sea water from kondaleru creek	Memo/490/P.I/2012 dated	October 29, 2012	NA
Labour Lincence for 1300 members	Contract labour(R&A) Act, 1970-Principal employer-1300 Members	AP-23-02-010-03432307	January 3, 2024	NA
Labour Lincence(interstate migrant workman) for 700 members	Interstate Migrant workmen (RE & CS) Act, 1979-Principal Employer-700 member	AP-23-02-010-03432270	January 3, 2024	NA

2. Pending applications for fresh approvals / renewals made by the Company

NIL

3. Approvals for which application are yet to be made

NIL

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Scheme of Arrangement received approval of the National Stock Exchange of India Limited and the BSE Limited on July 30, 2024 and July 31, 2024 respectively. The NCLT through an order dated December 16, 2025 and January 9, 2026 has approved the Scheme of Arrangement for transfer of the Demerged Undertaking of VEDL to our Company on and with effect from the Appointed Date. For more details relating to the Scheme, please refer to section titled “*Objects and Rationale of the Scheme*” on page 49 of this Information Memorandum.

Pursuant to the Scheme, the Equity Shares of Company shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to fulfilment of listing criteria by Company as permitted by BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application for listing by Company.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria in terms of the SEBI ICDR Regulations are not applicable. Pursuant to the SEBI Scheme Circular, our Company has filed an exemption application with the Stock Exchanges for exemption under Rule 19(7) of the SCRR, from the strict enforcement of the requirement of Rule 19(2)(b) of the SCRR for the purpose of listing of shares of the Company from SEBI.

The Company shall publish, an advertisement in one English and one Hindi newspaper each with nationwide circulation and one Marathi newspaper with wide circulation since the Registered Office of the Company is located in Mumbai, Maharashtra, containing details in accordance with the requirements set out in the SEBI Scheme Circular. The advertisement shall draw specific reference to the availability of this Information Memorandum on our Company’s website.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, its Promoter Group and Directors have not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of our Directors or Promoters is a director or promoter of any other company which is currently debarred from accessing the capital markets by SEBI.

Further, none of the Directors are associated with the securities market in any manner, and SEBI has not initiated any action against any entity, with whom the Directors are associated in the past five years preceding the date of this Information Memorandum.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Declaration as Wilful Defaulter by Reserve Bank of India

Our Company, our Promoters and our Directors have not been declared as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Fugitive Economic Offender

Neither our Promoters nor our Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

General Disclaimer from our Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in accordance with the requirements set out in the SEBI Scheme Circular or any other material issued by

or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Jurisdiction

Exclusive jurisdiction for the purpose of this Information Memorandum is with the competent courts / authorities in Mumbai, India.

Disclaimer Clause of BSE Limited

As required, a copy of this Information Memorandum has been submitted to BSE. BSE, vide its letter bearing reference no. DCS/AMAL/ TS/ R37/ 3642/ 2025-26 dated June 3, 2025, approved the Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, BSE's name has been included in this Information Memorandum as one of the Stock Exchanges on which our Company's Equity Shares are proposed to be listed.

Disclaimer Clause of The National Stock Exchange of India Limited

As required, a copy of this Information Memorandum has been submitted to NSE. NSE has vide its letter bearing reference no. NSE/ LIST/ 46977 dated June 03, 2025, approved the Scheme of Arrangement under regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, NSE's name is included in this Information Memorandum as one of the Stock Exchanges on which our Company's Equity Shares are proposed to be listed.

In the aforesaid letter of NSE, it is stated that the approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the Company; does not in any manner take any responsibility for the financial or other soundness of the Company, its Promoters, its management etc.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares of our Company. The Demerged Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at the Stock Exchanges.

Filing

This Information Memorandum has been filed with the Stock Exchanges.

Demat Credit

Our Company has executed tripartite agreements with NSDL and CDSL on January 16, 2019 and March 9, 2026, respectively, for admitting the Equity Shares in dematerialised form. The ISIN allotted to the Equity Shares of the Company is INE694L01019. The Company has credited the New Equity Shares to the demat accounts of the shareholders of VEDL whose names were recorded in the Register of Members of VEDL or in the Register of Beneficial Owners maintained by the Depositories as on the Record Date, i.e., May 1, 2026.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, our Company has not obtained any expert opinions.

Public Issues or Rights Issue by our Company

Our Company has not made any public issue or rights issue since incorporation.

Commission and Brokerage on Previous Issues

Since the Company has not issued shares to the public in the past, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its incorporation.

Capital Issues by our Group Companies, Subsidiaries and Associates

VEDL, our Group Company, completed a Qualified Institutions Placement (“**QIP**”) of equity shares aggregating to ₹8,500 crore in Fiscal Year 2025. Save as aforesaid, none of our Group Companies, Subsidiaries or Associates have undertaken any capital issue to the public during the last three years preceding the date of this Information Memorandum. For further details, please refer to “*Our Group Companies*” on page 121 of this Information Memorandum.

Performance Vis-à-vis Objects

Our Company has never issued any Equity Shares to the public. The Equity Shares of our Company will be listed on the Stock Exchanges pursuant to the Scheme.

Stock Market Data for Equity Shares of the Company

The Equity Shares of our Company are not listed on any stock exchanges. The Company is seeking approval for listing of shares through this Information Memorandum.

Outstanding debentures, bonds, redeemable preference shares or other instruments issued by our Company

As on date of this Information Memorandum, there are no outstanding debentures or bonds, or redeemable preference shares or other instruments issued by our Company.

Capitalisation of Reserves or Profits or Revaluation of Assets

There has been no capitalisation of our Company’s reserves or profits or revaluation of our Company’s assets since incorporation to the date of this Information Memorandum.

Disposal of Investor Grievances

Our Company has the following platforms for addressing investors’ grievances:

E-mail ID: vpl.sect@vedanta.co.in
SCORES: t00535

Shareholders can express their grievances by sending mails to the above e-mail ID or raise complaints on SCORES (Common Portal introduced by SEBI). Further, shareholders can also raise their grievances with our Company Secretary.

Our Company has obtained authentication on the SEBI Complaint Redressal (SCORES) Platform and has complied with applicable SEBI circulars in relation to redressal of investor grievances through SCORES. As on the date of this Information Memorandum, our Company has not received any complaints through the SCORES Platform.

Company Secretary and Compliance Officer

Bhagya Hasija is the Company Secretary of our Company. His contact details are as follows:

Address: Vedanta Power Limited,
Village Banwala,
Mansa - Talwandi Sabo Road,
Mansa, Punjab,
India, 151302
Tel: +0165 929 2065
Email: bhagya.hasija@vedanta.co.in

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013 (COMPANY LIMITED BY SHARES)

TABLE –F

ARTICLES OF ASSOCIATION

OF

VEDANTA POWER LIMITED

(FORMERLY TALWANDI SABO POWER LIMITED)

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Annual General Meeting of the Company held on April 30, 2026 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company effective from May 01, 2026.

PRELIMINARY

1. (i) The provisions contained in Table 'F' in Schedule I to the Act (as defined below) shall not apply to the Company (as defined below), except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.
- (ii) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

INTERPRETATION

2. (i) In these Articles-
 - (a) "Act" means the Companies Act, 2013 (including the rules, notifications and circulars issued thereunder) or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company law, so far as may be applicable.
 - (b) "Articles" means these Articles of Association of the Company or as altered from time to time.
 - (c) "Auditors" means those persons appointed as such under the provisions of the Act.
 - (d) "Board" or "Board of Directors" means the collective body of the directors of the Company.
 - (e) "Company" means VEDANTA POWER LIMITED (FORMERLY TALWANDI SABO POWER LIMITED)¹.
 - (f) "Depository" means a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996, as amended from time to time.

¹ * Pursuant to Clauses 17A.1 and 17A.2 of the Scheme of Demerger, the Registrar of Companies, Ministry of Corporate Affairs, has approved the change in the name of the Company from "Talwandi Sabo Power Limited" to "Vedanta Power Limited" with effect from June 03, 2026.

- (g) **“Directors”** means the Board of Directors of the Company and includes persons occupying the position of the Directors by whatever name called, as defined under Section 2(10) of the Act.
- (h) **“Key Managerial Personnel”** means Key Managerial Personnel as defined in sub-Section (51) of Section 2 of the Act.
- (i) **“Managing Director”** means a managing director as defined in sub-Section (54) of Section 2 of the Act.
- (j) **“Observer”** means a representative nominated by the lender(s) of the Company and/or any of its group company(ies).
- (k) **“Office”** means the registered office of the Company.
- (l) **“Person”** means an individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, Governmental Authority or trust or any other entity or organization (whether registered or not and whether or not having separate legal personality).
- (m) **“Proxy”** means a person appointed by a member to attend and vote at a meeting on his behalf in accordance with the provisions of Section 105 of the Companies Act, 2013 and the rules made thereunder and includes attorney duly constituted under a Power of Attorney.
- (n) **“Register of Members”** means the register **containing** various details of members to be kept as required under the provisions of the Act.
- (o) **“Rules”** means the applicable rules for the time being in force as prescribed under the relevant Sections of the Act.
- (p) **“Seal”** means the Common Seal of the Company, if any.
- (q) **“Section”** means section under the Act.
- (r) **“Securities”** means the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956.
- (i) Words importing the singular number shall include the plural number and words importing the masculine gender shall where the context admits include the feminine and neuter gender.
- (ii) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

SHARE CAPITAL AND VARIATION OF RIGHTS

- 3. (i) The authorised share capital of the Company shall be as stated in Clause V of the Memorandum of Association of the Company the Company shall have power and authority, from time to time, to increase, consolidate, sub-divide, convert, reclassify, cancel, reduce or otherwise alter or modify its share capital, and to issue, allot or deal in shares with such rights, preferences, privileges or conditions as may be determined, in accordance with the provisions of all applicable laws, including company law, securities laws and regulations for the time being in force.
- (ii) Subject to the provisions of the Act and these Articles, the shares in the capital of the Company, including equity shares, preference shares and any combination thereof, shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit.

4. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
5. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide –
- (a) one certificate for all his shares without payment of any charges; or
- (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
- (ii) Every certificate shall be under the seal, if any and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

The provisions of this Article (5) shall mutatis mutandis apply to any other securities of the Company including debentures of the Company (except where the Act otherwise requires).

6. (i) The Company shall use a common form of transfer. The instrument of transfer shall be in writing and all provisions of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and the registration thereof.
- (ii) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power-of-attorney or similar other document.
7. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
- (ii) Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange(s) or the Rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.
8. (i) Dematerialisation of securities:
- (a) Notwithstanding anything contained in these Articles, the Company shall be entitled at the discretion of the Board to dematerialize its existing Securities or rematerialize its Securities held with a Depository and/or offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder and any amendments thereto, if any.

- (b) The register and index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the register and index of members and Security holders for the purposes of these Articles.
- (ii) The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.
9. Subject to the applicable law, a person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
10. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder (except for the shares held in depository).
11. (i) The Company may exercise the powers of paying commissions conferred by the sub-Section (6) of Section 40 of the Act and related rules made thereunder, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules made under sub-section (6) of section 40.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
12. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
- (ii) To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
13. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
14. Subject to the provisions of the Act, the Company shall be entitled to issue preference shares (whether redeemable, compulsorily convertible or otherwise) to any person / entity as the Company may deem fit, and on such terms and conditions as decided by Company and in such manner as may be prescribed by the law from time to time.

FURTHER ISSUE OF SHARE CAPITAL

15. (i) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –
- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
 - (b) employees under any Employees' Stock Option Scheme; or
 - (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
- (ii) A further issue of shares or other securities may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the provisions of the Act and the Rules, made thereunder and any statutory modification or re-enactment thereof for the time being in force.

LIEN

16. (i) The Company shall have a first and paramount lien-
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company.

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
 - (iii) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.
17. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, Provided that no sale shall be made-
- (i) unless a sum in respect of which the lien exists is presently payable; or
 - (ii) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency.
18. (i) To give effect to any such sale made in exercise of the Company's lien, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
 - (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

19. (i) The proceeds of the sale made in exercise of the Company's lien shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

20. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.

21. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

23. (i) If a sum called in respect of a share is not paid on or before the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

24. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

25. The Board-

- (i) may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced upon such terms and conditions as it may deem fit.; and

- (ii) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
- (iii) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

TRANSFER OF SHARES

- 26.
- (i) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.
 - (ii) In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 and the rules and regulation made thereunder shall apply.
 - (iii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

In case any equity share is held by a nominee, such nominee shall not exercise any rights attached to the share in his personal capacity and shall act solely in accordance with the instructions of the beneficial owner.

27. The Board may, subject to the right of appeal conferred by Section 58 decline to register-
- (i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - (ii) any transfer of shares on which the Company has a lien.
28. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless –
- (i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56;
 - (ii) the instrument of transfer is duly stamped and executed and is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show or establish the right of the transferor to make the transfer; and
 - (iii) the instrument of transfer is in respect of only one class of shares.

29. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

30. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

TRANSMISSION OF SHARES

31. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
32. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- (iii) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
33. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
34. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

35. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
36. The notice aforesaid shall-
- (i) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

- (ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 37. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 38.
 - (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
 - (ii) At any time before such sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 39.
 - (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the forfeited shares.
 - (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the forfeited shares.
- 40.
 - (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
 - (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
 - (iii) The transferee shall thereupon be registered as the holder of the share; and
 - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- 41. The provisions of these Articles as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- 42. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

ALTERATION OF CAPITAL

- 43. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- 44. Subject to the provisions of section 61 of the Act, the Company may, by ordinary resolution:
 - (i) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

- (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- (iii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (iv) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (v) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

45. Where shares are converted into stock-

- (i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (iii) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stockholder" respectively.

46. The Company may, by resolution as prescribed in the Act, reduce in any manner and with, and subject to, any incident authorised and consent required by Act/law-

- (i) its share capital; and/or
- (ii) any capital redemption reserve account; and/or
- (iii) any share premium account and/or
- (iv) any other reserve in the nature of share capital.

JOINT HOLDERS

47. Where two or more persons (not more than three) are registered as joint holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

- (i) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
- (ii) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share; provided that the Directors may require such evidence of death and of title as they may deem fit, and nothing herein

contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

- (iii)** Any one of such joint holders may give valid and effectual receipts of any dividends, interests or other moneys payable in respect of such share.
- (iv)** Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to receive the certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
- (v)** **(a)** Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.
(b) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
- (vi)** The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

CAPITALISATION OF PROFITS

- 48.** **(i)** The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve:
 - (a)** that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
 - (b)** that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
 - (ii)** The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-
 - (a)** paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (b)** paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (c)** partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
 - (iii)** A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
 - (iv)** The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
- 49.** **(i)** Whenever such a resolution as aforesaid shall have been passed, the Board shall-

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power-
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

50. Notwithstanding anything contained in these articles but subject to the provisions of Sections 68 to 70 and any other applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.
51. All general meetings other than annual general meeting shall be called extraordinary general meeting.
52. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

53. (i) No business shall be discussed or transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
- (ii) The quorum for the general meetings shall be as provided in Section 103.
54. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
55. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
56. (i) If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

- (ii)** Notice of General Meeting
 - (a)** Subject to applicable law: (1) a general meeting of the Company may be called by giving not less than 21 (twenty-one) days' notice in writing or through electronic mode in such manner as may be prescribed; (2) an annual general meeting or an extra ordinary general meeting may be called after giving a shorter notice than 21 (twenty-one) days if the consent is accorded thereto in accordance with the Act (including specifically Section 101).
 - (b)** The accidental omission to give any such notice to or the non-receipt of any such notice by any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

57. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

58. **(i)** The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared, entered and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

(ii) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –

- (a)** is, or could reasonably be regarded, as defamatory of any person; or
- (b)** is irrelevant or immaterial to the proceedings; or
- (c)** is detrimental to the interests of the Company.

(iii) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

(iv) The minutes of the meeting kept in accordance with the provisions of the Act shall be conclusive evidence of the proceedings recorded therein and shall be deemed to be a true and correct record of the meeting.

59. **(i)** The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

- (a)** be kept at the registered office of the Company; and
- (b)** be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

(ii) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above.

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

(iii) The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under

this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

ADJOURNMENT OF MEETING

60. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

61. Subject to any rights or restrictions for the time being attached to any class or classes of shares-
- (i) on a show of hands, every member present in person shall have one vote; and
- (ii) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
62. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
63. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
64. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
65. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours prior to the time fixed for holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously recognized or admitted his right to vote at such meeting in respect thereof.
66. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
67. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares held by him in the Company have been duly paid or in regard to which the Company has exercised any right of lien.

68. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
69. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.
70. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

71. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
72. The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
73. An instrument appointing a proxy shall be in the form as prescribed in the Rules.
74. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given.
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

75. The following shall be the First Directors of the Company:
- i. Mr. Anurag Agarwal.
 - ii. Mr. Jatinder Kumar Goyal.
 - iii. Mr. Krishan Bhagwan Kansai.
 - iv. Mr. Mahesh Mittal.
76. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).
77. So long as Vedanta Resources Limited, whether directly or indirectly, through its holding, subsidiary or associate companies (collectively referred to as the “Vedanta Promoter Group”) either individually or in the aggregate holds 26% or more of the paid-up equity share capital of the Company, Vedanta Resources

Limited including any of its successors or permitted assignees (or such other Person authorised by Vedanta Resources Limited including any of its successors or permitted assignees in writing) shall have the right, by a written notice addressed to the Company, to nominate such number of persons, which is equal to one-third of the total number of Directors on the Board, and to remove or replace such persons from office, and on a vacancy being caused in such office from any cause, whether by resignation, death, removal, replacement or otherwise, of any such person so appointed, to nominate another to fill such vacancy. Each such Director nominated by the Vedanta Promoter Group shall be hereinafter referred to as the “**Vedanta Nominee Director**”.

Vedanta Resources Limited including any of its successors or permitted assignees (or such other Person authorised by Vedanta Resources Limited including any of its successors or permitted assignees in writing) shall also have the right to nominate Vedanta Nominee Director(s) to such committees of the Board as it may determine from time to time, subject always to compliance with applicable legal and regulatory requirements relating to committee composition.

78. 1 (one) Vedanta Nominee Director, as identified and notified in writing by Vedanta Resources Limited including any of its successors or permitted assignees (or such other Person authorised by Vedanta Resources Limited including any of its successors or permitted assignees in writing) to the Company from time to time, shall not be liable to retire by rotation.
79. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
80. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.
- (iii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
- (b) in connection with the business of the Company.
81. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
82. (i) Subject to the provisions of the Act and Article 77, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
83. The Board may appoint an alternate Director to act for a Director (hereinafter called “**the Original Director**”) during his absence for a period of not less than three months from India in which meetings of the Board are ordinarily held.

Provided that in the case of a Director who is a Vedanta Nominee Director, the alternate Director to be appointed for such original Vedanta Nominee Director shall be a person nominated by Vedanta Resources Limited in writing including any of its successors or permitted assignees (or such other Person authorised by Vedanta Resources Limited including any of its successors or permitted assignees in writing) (on behalf of the Vedanta Promoter Group). An alternate Director so appointed shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State in which meetings of the Board are ordinarily held. If the term of office of the Original Director is determined before he so returns to the India aforesaid, any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original Director and not to the alternate Director.

- 84.** (i) Subject to the provisions of the Act, whenever the debenture trustee(s) nominate a person to be appointed as a director on the Board of the Company in exercise of its duties under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 read with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (together "SEBI Regulations"), as amended from time to time, the Board shall appoint such person as a Director.

Provided that, if more than one debenture trustee(s) are entitled to appoint director in terms of the SEBI Regulations, all such debenture trustees shall jointly nominate only one person to be appointed as a Director on the Board of the Company in terms of this Article.

- (ii) The Director so appointed shall not be liable to retire by rotation.
- (iii) The Director so appointed shall hold office so long as the default subsists.
- (iv) Any vacancy in the office of such Director during the term shall be filled in by the debenture trustee(s) by nominating another person.
- (v) To enable to appoint such Director, the maximum number of directors specified in Article 76 shall be deemed to have been increased by 1 (one) if there is no vacancy in the Board at the relevant time.
- 85.** (i) If the office of any director appointed by the Company in general meeting is vacated before the expiry of his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

- (ii) The director appointed to fill a casual vacancy shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

- 86.** "Observer(s)" shall mean a representative appointed by the Power Finance Corporation Limited (Lender) on the Board of the Company to inter alia observe and report to the Lender about the proceedings of the Board.

- a) The Company shall appoint 1(one) or 2 (two) Observers on the Board as and when indicated by the Power Finance Corporation Limited in the event of default in accordance with the financing documents entered/ to be entered into between the Company, its any of its undertaking and the Power Finance Corporation Limited.
- b) The Company shall bear all and any expenses incurred by the Power Finance Corporation Limited on the Observer(s) for and in relation to their attending Board or other meetings and on conducting any examinations/reviews of the Company's project.
- c) The Company shall provide to the Observer(s) all notices and communications with respect to the corporate affairs of the Company and all notices and agenda of the Board Meetings.
- d) Words and expressions or capitalized terms used in this Article shall, unless the context otherwise requires, have the meanings ascribed to them in the relevant financing, investment, or sanction

document entered into by the Company or any of its undertaking with Power Finance Corporation Limited (lender) as may be amended, restated, modified, or supplemented from time to time.

POWERS OF BOARD

- 87.** The management of the business of the Company shall be vested in the Board and the Board shall be entitled to exercise all such powers, and do all such acts and things, as the Company is by the Memorandum of Association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

PROCEEDINGS OF THE BOARD

- 88.**
- (i)** The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
 - (ii)** The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
 - (iii)** The quorum for a Board meeting shall be as provided in the Act.
 - (iv)** The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
- 89.**
- (i)** Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
 - (ii)** In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 90.** So long as the Vedanta Promoter Group holds at least 10% of the share capital of the Company, no action shall be taken by the Company without the affirmative written consent of Vedanta Resources Limited including any of its successors or permitted assignees (or such other Person authorised by Vedanta Resources Limited including any of its successors or permitted assignees in writing) while deciding the matters set out below:
- i.** Change of the name of the Company
 - ii.** Issue of any Shares or any other instrument, including without limitation, preference shares, debentures, warrants. which would amount to a Proposal for Dilution of Share Capital
 - iii.** Reduction of the Share Capital
 - iv.** Any buy back of the Shares by the Company under Companies Act, 2013
 - v.** Any acquisition, strategic investments (including by way of purchase of businesses, undertakings, joint venture arrangements, merger or amalgamation, asset acquisition), in each case, where the value of the transaction or series of connected transactions exceeds 10% of the net worth of the Company as per the last audited financial statements of the Company

- vi. Any divestment, disposal or sale of investments (including by way of sale of any business or undertaking, assets, hive-off, slump sale, demerger or similar business separation or exit transaction), other than sale of scrap
 - vii. Any re-organization of share capital of the Company including by way of merger, amalgamation, demerger, share-splits, share consolidation, issuance of bonus shares or similar restructuring transaction
 - viii. Any increase in the borrowing powers of the Company beyond the limits approved by the shareholders under Section 180 of the Act.
 - ix. Approval of variation of rights or special classes of Shares.
91. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
92. (i) Until the Vedanta Promoter Group holds at least 26% of the share capital of the Company, Vedanta Resources Limited including any of its successors or permitted assignees (or such other Person authorised by Vedanta Resources Limited including any of its successors or permitted assignees in writing), will have the right to nominate the Chairperson of the Company. The Chairperson of the Company shall be the Chairperson at meetings of the Board.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their Member to be Chairperson of the meeting.
93. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
- (ii) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- (iii) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
94. (i) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
95. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and
- (iii) In case of an equality of votes, the Chairperson shall have a second or casting vote.
96. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were

disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

97. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
98. “Observer” may attend meetings of the Board of Directors of the Company for the limited purpose of observing the proceedings thereof and reporting to such lender(s), in accordance with the terms of appointment as may be mutually agreed between the Company and the relevant lender(s), subject always to applicable law.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

99. (i) Subject to the provisions of the Act-
- A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
100. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

REGISTERS

101. The Company shall keep and maintain at its registered office all statutory registers including but not limited to the register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. Such registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
102. (i) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- (ii) The foreign register shall, mutatis mutandis, be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

THE SEAL

103. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

DIVIDENDS AND RESERVE

104. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
105. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
106. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
107. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
108. (i) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- (ii) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
109. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the

register of members, or to such person and to such address as the holder or joint holders may in writing direct.

- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
 - (iii) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
- 110.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 111.** Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- 112.** No dividend shall bear interest against the Company.
- 113.** The waiver in whole or in part of any dividend on any share, whether made by deed, agreement or any document (whether or not under seal) shall be effective only if such document is duly signed by the member or, in the event of the death or insolvency of the holder, by the person entitled to the share and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

ACCOUNTS

- 114.**
- (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
 - (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

WINDING UP

- 115.** Subject to the provisions of Chapter XX of the Act and rules made thereunder-
- (i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
 - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY AND INSURANCE

- 116.** (i) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- (ii) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- (iii) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

HUMAN RESOURCES PRINCIPLES

- 117.** Subject to applicable law, the Company shall implement a system whereby every permanent employee of the Company, at all levels, functions, and grades, shall, within each continuous term of four (4) years, will be rotated to another role.

The Company may, for reasons to be recorded in writing and having regard to organizational continuity, exceptional performance, role criticality, or any statutory requirement, decide to retain any employee in the same role without rotation within such four-year term.

- 118.** Subject to applicable law, the Company shall, in its recruitment, retention and promotion practices, be guided by the principle that women should constitute, at least 35% (thirty-five per cent) of the Company's total workforce, including at key managerial and leadership levels within 1 (one) year from the date of effective date of these Articles. Provided that, where achieving the 35% threshold is not feasible due to business or operational constraints, the Board may, based on a reasoned assessment, approve a lower or revised diversity threshold for such period as it deems appropriate.

This Article expresses the Company's objective in relation to gender diversity and shall not be construed as creating any individual right to appointment, continued employment, promotion or compensation, nor as limiting the discretion of the Company in making employment-related decisions, which shall continue to be made on the basis of merit, qualifications, business requirements and applicable law.

GENERAL POWER

- 119.** Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

MISCELLANEOUS

- 120.** a) The provisions of any financing or security documents entered into or to be entered into by the Company or any of its undertaking with Power Finance Corporation Limited (lender) shall be deemed

incorporated herein by reference and shall be binding on the Company and its members. In the event of any inconsistency between such documents and these Articles or any other constitutional document of the Company, the provisions of such financing or security documents shall prevail. All such inconsistent provisions herein/or in any other document/instrument relating to the Company or its members shall stand automatically waived.

- b) During the tenure of any financing arrangement with Power Finance Corporation Limited, no amendment to the Memorandum of Association or Articles of Association (other than amendments required by applicable law or regulatory requirements) shall be made without the prior written consent of the Power Finance Corporation Limited. Words and expressions or capitalized terms used herein shall have the meanings ascribed to them in the relevant financing or security documents, as may be amended, modified, or supplemented from time to time.

We, the several persons, whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of this Articles of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:

Sr. No.	Subscriber Details			
	Name, Address, Description and Occupation	No of Equity Shares taken by each subscriber	Signature of Subscribers	Signature address Description and occupation of witness
1	Punjab State Electricity Board. The Mall Patiala Through: Sh. Jatinder Kumar Goyal S/o Late- Sh. Babu Ram Goyal R/o 126, Aekta Avenue Partap Nagar Patiala-147001 Occupation - Services	7500 (Seven Thousand Five hundred)	Sd/-	I witness the Signature of all the subscribers who have signed before me Sd/- (Raj Kumar Dua) Chartered Accountant S/o Shri Krishan Kumar Dua C- 400, SFS Flats, Sheikh Saral Phase- I New Delhi -110017 M.No. 85275
2	Punjab State Electricity Board The Mall Patiala Through: Sh. Rakesh Mehta S/o Late Sh. Dharam Parkash Mehta Rio House No-12. Power Colony No.1, Model Town, Patiala-147001 Occupation - Service	7500 (Seven Thousand Five hundred)	Sd/-	
3	Punjab State Electricity Board The Mall Patiala Through: Er. Krishan Bhagwan Kansal R/o 40, Type VI, Power Colony N0.1 Model Town, Patiala -147001 Occupation - Service	7000(Seven Thousand)	Sd/-	
4	Punjab State Electricity Board The Mall Patiala Through: Er. Vinod Kumar Jain S/o Sh. Rikhab Dass Jain R/o 267, Sector-15 Panchkula-134113 Occupation - Service	7000(Seven Thousand)	Sd/-	
5	Punjab State Electricity Board The Mall Patiala Through: Er. Rajinder Kumar Gupta S/o Sh. Ram Sarop Gupta Rio 115-B, Ajit Nagar Nr. Bindl Nursing Home Patiala-147001 Occupation - Service	7000(Seven Thousand)	Sd/-	
6	Punjab State Electricity Board The Mall Patiala Through: Er. Darshan Kumar Aggarwal S/o Sh. Rikhi Rani R/o H. No. 32 Power Colony No.1 Model Town Patiala-147001 Occupation -Service	7000(Seven Thousand}	Sd/-	
7	Punjab State Electricity Board The Mall Patiala Through: Er. Surinder Kumar Aggarwal 16-8/2. Model Town Patiala Occupation - Service	7000(Seven Thousand)	Sd/-	
Total		50,000 (Fifty Thousand Equity Shares)		

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of our Company between 11:00 a.m. to 1:00 p.m. on any day (except Saturday, Sunday and public holidays) from the date of filing of the Information Memorandum with the Stock Exchanges until the listing of Equity Shares on the Stock Exchanges.

Material Contracts and Documents for Inspection

1. Memorandum and Articles of Association of the Company, as amended till date.
2. Certificate of incorporation of our Company dated April 05, 2007
3. Resolution of the Board of Directors of the Company dated October 10, 2023, approving the Scheme.
4. The Scheme of Arrangement under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 between the Demerged Company, Vedanta Aluminium Metal Limited, Talwandi Sabo Power Limited (now Vedanta Power Limited), Malco Energy Limited (now Vedanta Oil and Gas Limited) and Vedanta Iron and Steel Limited, and their respective shareholders and creditors as approved by the NCLT by way of its order dated December 16, 2025 and January 9, 2026 with respect to *inter alia* the demerger of the Demerged Undertaking from the Demerged Company to our Company.
5. Certified copy of the order passed by the NCLT in Company Application No.220/MB/2024 and in Company Petition No. 254/MB/2025 pronounced on January 9, 2026, approving the Scheme.
6. Letters issued by BSE and NSE under Regulation 37 of the SEBI Listing Regulations, bearing reference no. DCS/AMAL/TS/R37/3642/2025-26 dated June 03, 2025, and reference no. NSE/LIST/46977 dated June 03, 2025, respectively, according 'no-objection' to the Scheme.
7. Statement of Tax Benefits dated April 30, 2026, issued by V.P. Garg and Company, Chartered Accountants, Registration No. 094915.
8. Report titled "*Power Sector Report – Vedanta Limited*" dated March 11, 2026, exclusively prepared for the purpose of the listing and issued by ICRA Analytics Limited.
9. BSE letter no. DCS/AMAL/AK/IP/085/2026-27 dated May 27, 2026 granting in-principle approval for listing.
10. NSE letter no. NSE/LIST/94 dated May 27, 2026 granting in-principle approval for listing.
11. Exemption application filed by our Company with the Stock Exchanges for exemption under Rule 19(7) of the SCRR, from the strict enforcement of the requirement of Rule 19(2)(b) of the SCRR for the purpose of listing of shares of the Company from SEBI.
12. Exemption from the application of Rule 19(2)(b) of the SCRR by SEBI vide letter no. HO/49/12/(4)2026-CFD-RAC-DCR2 dated June 9, 2026.
13. Registrar and Transfer Agent Services Agreement dated May 1, 2026, executed between KFIN Technologies Limited and our Company.
14. Financial statements for the period ending March 31, 2024, March 31, 2025 and March 31, 2026.
15. Proforma Financial Statements for the period from April 1, 2024, to March 31, 2025.
16. Proforma Financial Statements for the period from April 1, 2025, to March 31, 2026.
17. Tripartite Agreement between Central Depository Services (India) Limited, an Issuer and its RTA dated March 9, 2026, executed amongst Central Depository Services (India) Limited, our Company and KFIN Technologies Limited.

18. Tripartite Agreement between the Issuer, Registrar and National Securities Depository Limited, an Issuer dated January 16, 2019, executed amongst our Company, KFIN Technologies Limited and National Securities Depository Limited.

Any of the contracts or documents mentioned in the Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements made in this Information Memorandum are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sd/-

Name: Pankaj Jha
Designation: Chief Financial Officer
Place: New Delhi
Date: June 9, 2026

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements made in this Information Memorandum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Name: Anil Kumar Agarwal
Designation: Chairman and Non-Executive Director
Place: London, United Kingdom
Date: June 9, 2026

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements made in this Information Memorandum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Name: Tarun Jain
Designation: Non-Executive Director
Place: Mumbai
Date: June 9, 2026

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements made in this Information Memorandum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Name: Suresh Balasubramaniam
Designation: Non-Executive Independent Director
Place: Mumbai
Date: June 9, 2026

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements made in this Information Memorandum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Name: Rahul A. Shetty

Designation: Non-Executive Independent Director

Place: London, United Kingdom

Date: June 9, 2026

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements made in this Information Memorandum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Name: Roma Ashok Balwani
Designation: Non-Executive Independent Woman Director
Place: Mumbai
Date: June 9, 2026

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements made in this Information Memorandum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Name: Rajinder Singh Ahuja
Designation: Whole time Director and Chief Executive Officer
Place: New Delhi
Date: June 9, 2026