

Limited Review Report

**Review Report to
The Board of Directors
Talwandi Sabo Power Limited**

We have reviewed the accompanying Unaudited Interim Condensed Financial Statements of Talwandi Sabo Power Limited (the "Company"), which comprises the Unaudited Interim Condensed Balance Sheet as at June 30, 2025 and the related Unaudited Interim Condensed Statement of Profit and Loss including Other Comprehensive income, Cash Flows and Changes in Equity for the three months period ended June 30, 2025 and a summary of the material accounting policies (together hereinafter referred to as the "Unaudited Interim Condensed Financial Statements").

Management of the Company is responsible for the preparation and presentation of the Unaudited Interim Condensed Financial Statements in accordance with the requirements of Indian Accounting Standards (Ind AS) 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act 2013 ("the Act") as amended, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, which have been prepared solely for the purpose of inclusion in the notice convening meeting of secured and unsecured creditors of the Company, as explained in note 2A of these Unaudited Interim Condensed Financial Statements. Our responsibility is to express a conclusion on the accompanying Unaudited Interim Condensed Financial Statements based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Statements Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Unaudited Interim Condensed Financial Statements are not prepared, in all material respects, in accordance with the principles of Indian Accounting Standards (Ind AS) 34 specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

We draw attention to Note 9 of the accompanying Unaudited Interim Condensed Financial Statements, regarding allegations made subsequent to June 30, 2025, by a short seller, and Management's assessment thereof. Our conclusion is not modified in respect of this matter.

The Unaudited Interim Condensed Financial Statements include the amounts for corresponding three months period ended June 30, 2024 which are approved by the Company's Board of Directors and have not been subjected to any review/audit by us or any other auditor.

Our review report is intended solely for the information and use of the management of the Company for the limited purpose as stated in the paragraph 2 above and should not be used or referred to for any other purpose, or distributed to any other person.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**Amit Kumar
Jain**

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per Amit Kumar Jain

Partner

Membership Number: 097214

UDIN: 25097214BMN5L119801

Place of Signature: New Delhi

Date: October 17, 2025

Unaudited Interim Condensed Balance Sheet as at June 30, 2025

(₹ in Crore)

	Particulars	Note No.	As at June 30, 2025	As at March 31, 2025
I	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment		7,012.12	7,120.20
	(b) Capital work-in-progress		4.02	1.03
	(c) Intangible assets		2.41	2.63
	(d) Financial assets			
	(i) Trade receivables	5	378.85	1,691.35
	(ii) Other financial assets		45.84	45.85
	(e) Deferred tax assets (Net)	8	618.58	128.20
	(f) Other non-current assets		5.54	6.02
	(g) Income tax assets		1.87	2.23
	Total non-current assets		8,069.23	8,997.51
2	Current assets			
	(a) Inventories	7	423.37	248.77
	(b) Financial Assets			
	(i) Trade receivables		951.11	959.58
	(ii) Cash and cash equivalents		8.22	33.52
	(iii) Other financial assets		1.26	1.11
	(c) Other current assets		74.58	39.13
	(d) Income tax assets		4.22	9.59
	Total current assets		1,462.76	1,291.70
	Total Assets		9,531.99	10,289.21
II	EQUITY AND LIABILITIES			
A	Equity			
	(a) Equity share capital		3,206.61	3,206.61
	(b) Other equity		(1,006.29)	447.98
	Total Equity		2,200.32	3,654.59
B	LIABILITIES			
1	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings		4,199.60	4,333.66
	(ii) Lease Liability		37.02	38.89
	(b) Provisions		1.03	0.96
	Total non-current liabilities		4,237.65	4,373.51
2	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings		1,244.06	1,444.89
	(ii) Lease Liability		8.45	8.30
	(iii) Trade finance		696.51	450.78
	(iv) Trade payables			
	(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		2.68	8.98
	(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		177.34	116.12
	(v) Derivatives		0.05	0.04
	(vi) Other financial liabilities		875.26	228.19
	(b) Other current liabilities		89.63	3.72
	(c) Provisions		0.04	0.09
	Total current liabilities		3,094.02	2,261.11
	Total Liabilities		7,331.67	6,634.62
	Total Equity and Liabilities		9,531.99	10,289.21

See accompanying notes forming part of the unaudited interim condensed financial statements

In terms of our report attached

For S. R. Battiboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005

Chartered Accountants

Amit Kumar Jain
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per Amit Kumar Jain

Partner

Membership No.: 097214

Place : New Delhi

Date : October 17, 2025

For and on behalf of Board of Directors

Pankaj Kumar Sharma
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Pankaj Kumar Sharma

Whole Time Director

DIN: 10277510

Place : Mansa

Date : October 17, 2025

Pankaj Jha
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Pankaj Jha

Chief Financial Officer

Place : New Delhi

Date : October 17, 2025

Unaudited Interim Condensed Statement of Profit and Loss for the three months ended June 30, 2025

(₹ in Crore)

	Particulars	Note no	Three months ended	
			June 30, 2025	June 30, 2024
I	Revenue from operations	3	1,520.72	1,406.28
II	Other Operating Income		4.91	5.47
III	Other income		1.10	1.47
IV	Total Income (I+II+III)		1,526.73	1,413.22
V	Expenses:			
	Power and fuel charges		1,085.03	1,065.37
	Employee benefits expense		5.79	7.04
	Finance costs		149.69	161.28
	Depreciation and amortisation expense		110.70	109.90
	Other expenses		77.20	73.24
	Total expenses		1,428.41	1,416.83
VI	Profit/(Loss) before Exceptional Items and tax		98.32	(3.61)
VII	Exceptional Items	6	(2,042.98)	-
VIII	(Loss) before tax (VI+VII)		(1,944.66)	(3.61)
IX	Tax expense/(Credit):			
	On other than exceptional items			
	Deferred tax		23.79	(0.84)
	On Exceptional items			
	Deferred tax		(514.18)	-
	Net Tax (Credit)		(490.39)	(0.84)
X	Net (Loss) for the year (VIII-IX)		(1,454.27)	(2.77)
XI	Other Comprehensive Income/(Loss) (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)		-	-
XII	Total Comprehensive (Loss) for the period (X+XI)		(1,454.27)	(2.75)
XIII	Earnings/(Loss) per equity share (in ₹):			
	- Basic and Diluted		(4.54)	(0.01)

See accompanying notes forming part of the unaudited interim condensed financial statements

In terms of our report attached
For **S. R. Batliboi & Co. LLP**
ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants
Amit Kumar Jain
per **Amit Kumar Jain**
Partner
Membership No.: 097214

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For and on behalf of Board of Directors

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Pankaj Kumar Sharma
Whole Time Director
DIN: 10277510
Place : Mansa
Date : October 17, 2025

Pankaj Jha

Pankaj Jha
Chief Financial Officer

Place : New Delhi
Date : October 17, 2025

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Place : New Delhi
Date : October 17, 2025

Unaudited Interim Condensed Statement of Changes in Equity for the three months ended June 30, 2025

a. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount (₹ in Crore)
As at June 30, 2025 and June 30, 2024	3,206,609,692	3,206.61

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

b. Other equity

(₹ in Crore)	
Particulars	Reserves and Surplus
Opening balance as on April 01, 2024	416.15
(Loss) for the three months ended June 30, 2024	(2.77)
Other Comprehensive Income / (Loss)	-
Closing balance as on June 30, 2024	413.38
Opening balance as on April 01, 2025	447.98
(Loss) for the three months ended June 30, 2025	(1,454.27)
Other Comprehensive Income / (Loss)	-
Closing balance as on June 30, 2025	(1,006.29)

See accompanying notes forming part of the unaudited interim condensed financial statements

In terms of our report attached

For S. R. Battiboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005

Chartered Accountants

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per Amit Kumar Jain

Partner

Membership No.: 097214

For and on behalf of Board of Directors

Pankaj Kumar Sharma
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Date: 2025.10.17 19:12:03 +05'30'

Pankaj Kumar Sharma

Whole Time Director

DIN: 10277510

Place : Mansa

Date : October 17, 2025

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Pankaj Jha

Chief Financial Officer

Place : New Delhi

Date : October 17, 2025

Place : New Delhi

Date : October 17, 2025

Unaudited Interim Condensed Statement of Cash flow for the three months ended June 30, 2025

(₹ in Crore)

	Particulars	As at June 30, 2025	As at June 30, 2024
A	Cash flows from operating activities		
	Net (Loss) before tax	(1,944.66)	(3.61)
	Adjusted for :		
	Depreciation and amortisation expense	110.70	109.90
	Interest expenses	149.69	161.28
	Interest Income	(1.06)	(1.42)
	Realised gain from investments measured at FVTPL	(0.04)	-
	Trade receivable written off	1,318.61	-
	Loss on sale of property, plant and equipment written off	0.60	-
	Operating profit before working capital changes	(366.16)	266.15
	Changes in working capital		
	(Increase) / Decrease in inventories	(174.60)	100.00
	(Increase) / Decrease in trade receivables	2.37	(438.68)
	(Increase) in other financial and other assets	(35.13)	(32.48)
	(Increase) / Decrease in other non current financial assets	-	-
	(Increase) / Decrease in other non current assets	0.48	0.15
	(Increase) / Decrease in other current financial assets	(0.15)	(0.14)
	(Increase) / Decrease in other current assets	(28.91)	(32.48)
	(Increase) / Decrease in other derivative asset		
	Increase in payables and provisions	1,027.65	17.10
	Cash generated from /(used in) operations	454.13	(87.91)
	Income taxes paid	5.73	(0.44)
	Net cash from/(used in) operating activities (i)	459.86	(88.35)
B	Cash flows from investing activities		
	Purchases of property, plant and equipment (including intangibles)	(5.41)	(0.98)
	Proceeds from maturity / redemption of short term bank deposits	38.26	-
	Investment in bank deposits	(38.25)	-
	Purchase of short term Investment (Mutual Funds)	(95.00)	-
	Proceeds from sale of short term Investments (Mutual Funds)	95.04	-
	Interest received	1.06	1.42
	Net cash (used in)/from investing activities (ii)	(4.30)	0.44
C	Cash flows from financing activities		
	Proceeds from short term loan	49.00	278.82
	Repayment of short term loan	(249.83)	-
	Repayment of long term borrowings	(134.97)	(186.07)
	Repayment of lease liability	(3.38)	(0.01)
	Interest paid	(141.68)	(156.13)
	Net cash (used in) financing activities (iii)	(480.86)	(63.39)
	Net (decrease) in cash and cash equivalents (i+ii+iii)	(25.30)	(151.30)
	Cash and cash equivalents at beginning of the quarter	33.52	168.01
	Cash and cash equivalents at close of the quarter	8.22	16.71

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 unaudited interim condensed financial statements

In terms of our report attached

For S. R. Battiboi & Co. LLP
ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

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per Amit Kumar Jain
Partner
Membership No.: 097214

For and on behalf of Board of Directors

Pankaj Kumar Sharma
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Date: 2025.10.17
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Pankaj Kumar Sharma
Whole Time Director
DIN: 10277510
Place : Mansa
Date : October 17, 2025

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Pankaj Jha
Chief Financial Officer
Place : New Delhi
Date : October 17, 2025

Place : New Delhi
Date : October 17, 2025

1 Company's Overview :

Talwandi Sabo Power Limited (herein after referred as "TSPL" or "the Company") was incorporated as a Special Purpose Vehicle by Punjab State Power Corporation Limited (herein after referred as "PSPCL") [formerly known as Punjab State Electricity Board (PSEB)] to construct a 3*660 MW coal based thermal power plant (The Plant) on Build, Own and Operate (BOO) basis. TSPL became a wholly owned subsidiary of Vedanta Limited (herein after referred as "VL") 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 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.

2 Basis of Preparation and Material Accounting Policies :

2.A. Basis of preparation and measurement of financial statements

- (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 .

These Unaudited Interim Condensed Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Companies Act, 2013 (the "Act") (as amended from time to time).

The Unaudited Interim Condensed Ind AS Financial Statements have been prepared by the Company for the limited purpose of inclusion in the notice convening meeting of secured and unsecured creditors of Talwandi Sabo Power Limited (the "Company"). These meetings are to be conducted in accordance with the order of National Company Law Tribunal, Mumbai Bench dated October 17, 2025, in connection with the proposed composite scheme of arrangement between Vedanta Limited "Demerged Company") and Vedanta Aluminium Metal Limited ("Resulting Company 1") and Talwandi Sabo Power Limited ("Resulting Company 2") and Malco Energy Limited ("Resulting Company 3") and Vedanta Iron and Steel Limited ("Resulting Company 4") and their respective shareholders and creditors ("Scheme"). As a result, Unaudited Interim Condensed Financial Statements are not suitable for any other purposes.

Accordingly, the Unaudited Interim Condensed Financial Statements do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended March 31, 2025.

2.B. MATERIAL ACCOUNTING POLICIES

These Unaudited Interim Condensed Financial Statements are prepared in all material respects, using the same accounting policies as applied in the audited financial statements for the year ended March 31, 2025

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 has revised the useful life of its property, plant, and equipment from 40 years to 25 years during previous year.

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 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 and 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.

• 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 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.

Note 3

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 Crores (previous year ₹ 77.86 Crore) from the monthly bills. In February 2018, PSERC unfavourably disposed the petition determining penalty of ₹ 127.32 Crores. 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, and the matter is next listed for hearing on January 20, 2026.

During the current quarter, the Company has received a total of ₹250 crores, comprising of ₹77.86 crores towards the principal amount withheld and ₹172.14 crores towards Late Payment Surcharge (LPS). As per the accounting policy, Late Payment Surcharge has been accounted for as revenue from operations during the quarter.

Based on an 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 4 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
Resona Limited
STL Digital Limited
Vedanta Foundation
Meenakshi Energy Limited

(c) Key Managerial Personnel:

Mr. Rajinder Singh Ahuja	: Chief Executive Officer
Mr. Nitesh Malani	: Chief Financial Officer (till close of business hours on July 21, 2025)
Mr. Agnivesh Agarwal	: Chairman
Mr. Pankaj Kumar Sharma	: Whole Time Director
Ms. Sonal Choitani	: Non-Executive Director
Mr. Baldev Krishan Sharma	: Non-Executive Director
Ms. Shivangi Dhanuka	: Company Secretary & Compliance Officer

* 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 Three months ended June 30, 2025 and 2024 are noted below.

a. Details of transactions during the quarter with related parties :

(₹ in Crore)

Particulars	Three months ended June 30, 2025	Three months ended June 30, 2024
1) Recovery of employee cost and other expenses		
(i) Vedanta Limited	0.02	-
(ii) Bharat Aluminium Company Limited	0.05	-
2) Reimbursement of employee cost and other expenses		
(i) Vedanta Limited	1.90	2.86
(ii) Vedanta Foundation	0.01	0.00
(iii) STL Digital Limited	0.38	0.28
(iv) Hindustan Zinc Limited	0.00	0.01
3) Brand Fees paid		
(i) Vedanta Resources Investment Limited (VRIL)	7.24	12.52
4) Interest and Guarantee Commission		
Vedanta Limited	9.60	5.02

b. Details of balances with related parties :

(₹ in Crore)

Particulars	As at June 30, 2025	As at March 31, 2025
1) Balance Receivable/advances as at the end of the year		
(i) Bharat Aluminium Company Limited	0.04	-
(ii) Vedanta Limited	0.02	-
(iii) Resona Limited	-	0.01
(iv) Vedanta Resources Investment Limited	35.72	1.01
2) Balance Payable as at the end of the year		
(i) Hindustan Zinc Limited	0.00	0.00
(ii) Vedanta Limited	169.98	161.45
(iii) ESL Steel Limited	-	0.01
(iv) Sterlite Electric Limited	-	0.71
(v) Meenakshi Energy Limited	0.01	0.01
(vi) Vedanta Resources Limited	-	5.34
(vii) STL Digital Limited	0.06	0.23
3) Outstanding Loan balance as at the end of the year		
(i) Vedanta Limited	200.00	200.00
4) Bank Guarantees/Corporate Guarantee issued on our behalf and outstanding as at the end of the year		
(i) Vedanta Limited	4,858.13	5,242.70

Note 5

Disputed Trade Receivables

Punjab State Power Corporation Limited ("PSPCL"), which is the Company's sole customer has withheld payments aggregating to Rs. 378.85 Crore (As at March 31, 2025 Rs. 1691.35 Crore) which are on account of various disputes including in relation to procurement of alternate coal and certain charges relating to procurement of coal amongst other. As at March 31, 2025, amount withheld by PSPCL also included amounts in respect of disputes in relation to tax benefits at the time of intital plant set up and basis of computation of plant availability.

These 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 be done.

Note 6

Exceptional Items							(₹ in Crore)
Particulars	Three months ended 30 June 2025			Three months ended 30 June 2024			
	Exceptional Items	Tax effect on exceptional items	Exceptional itmes after tax	Exceptional Items	Tax effect on exceptional items	Exceptional itmes after tax	
Trade receivable written off (Mega Benefit) ^a	1,318.61		331.87	986.74	-	-	-
Reversal of mega power benefit received ^a	88.23		22.21	66.03	-	-	-
Brand Fee reversal ^a	(6.27)		(1.58)	(4.70)	-	-	-
Capital Creditor Settlement ^b	642.41		161.68	480.73	-	-	-
Total	2,042.98		514.18	1,528.80	-	-	-

(a) As of 31 March 2025, the Company had recognized a receivable of ₹1,319 crores in respect of Mega Power benefit based on its own assessment of the merits of the case supported by independent legal advice which validated the company's claim. 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 period.

Further, the Company had earlier received ₹88 crore under the Mega Power benefit matter. Since the matter has now been decided against the Company, this amount is required to be refunded and has accordingly been recognized as Advance from Customer as at June 30, 2025.

Accordingly, a total charge of ₹1,407 crore has been recognized under exceptional items in the accompanying interim condensed statement of profit and loss. The Company has filed a Review Petition before the Hon'ble Supreme Court against the said order, which is currently pending adjudication.

Further the company has reversed brand fee to the extent of amount paid on the aforesaid mega power benefit written off or reversed.

(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 has agreed for a payment of USD 75 million 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.

7.Biomass utilization for power generation as cofire fuel

In accordance with the Revised Ministry of Power (MoP) Policy dated October 10, 2021, coal-based thermal power plants are required to mandatorily utilize a minimum 5% blend of torrefied biomass pellets (with volatile content below 22%), primarily derived from agro-residue, along with coal, effective from FY 2024–25. During FY 2024–25, the Company achieved a biomass blending ratio of 0.34%, significantly below the prescribed threshold. Non-compliance with the mandate may result in a potential penalty exposure of ₹33.02 crore, payable as environmental compensation.

Considering that FY 2024–25 represents the first year of implementation of the biomass usage requirement, the Company has 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.

Based on discussions with the management, it is their considered view that the waiver request is justified and expected to be favourably considered by the authorities. Furthermore, management has confirmed that the Company is taking proactive measures to ensure full compliance with the enhanced 5% biomass blending target applicable in the current financial year. Accordingly, no provision has been considered against the potential penalty exposure.

8.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 reassesses the recoverability of the DTA in light of any changes in business performance or regulatory framework.

9.Subsequent Events

Subsequent to 30 June 2025, a short seller has published a series of reports making certain allegations against Vedanta Group ("the Group") entities including the Company. Further, the Group has submitted requisite details and explanations pursuant to a request for information and summons for production of documents issued by the market regulator, and no further communication has been received from the regulator thereafter. Based on its assessment, legal advice obtained, and involvement of external experts engaged by the Group as of date, management of the Company continues to believe that these allegations are baseless and that the transactions and accounting treatments have appropriate commercial substance; and that the said transactions have been duly approved through necessary processes and are in compliance with contractual obligations and applicable laws and regulations. Based on the above, management is confident that there are no implications to the interim condensed financial statements of the Company as at and for the three months ended 30 June 2025, or any prior periods, with respect to the allegations in the short seller reports published till date.

In terms of our report attached

For S. R. Battiboi & Co. LLP

ICAI Firm Registration No.: 301003E/E300005

Chartered Accountants

Amit Kumar Jain
per **Amit Kumar Jain**
Partner
Membership No.: 097214

Digitally signed by Amit Kumar Jain
DN: cn=Amit Kumar Jain,
o=Personal, email=amit.jain@barb.in
Date: 2025.10.17 20:27:55 +05'30'

For and on behalf of Board of Directors

Pankaj Kumar Sharma
Digitally signed by Pankaj Kumar Sharma
Date: 2025.10.17 19:17:55 +05'30'

Pankaj Kumar Sharma
Whole Time Director
DIN: 10277510
Place : Mansa
Date : October 17, 2025

Pankaj Jha
Digitally signed by Pankaj Jha
Date: 2025.10.17 19:00:43 +05'30'

Pankaj Jha
Chief Financial Officer
Place : New Delhi
Date : October 17, 2025

Place : New Delhi
Date : October 17, 2025