Deloitte
Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

To The Members of JSW Mahanadi Power Company Limited
(Formerly known as KSK Mahanadi Power Company Limited)

Report on the Audit of the Financial statements

Opinion

We have audited the accompanying financial statements of JSW Mahanadi Power Company Limited (Formerly known as KSK Mahanadi Power Company Limited) (the "Company"), which comprise the Balance Sheet as at 31st March 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, its profit and 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 ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's 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 the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Board of Directors 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 Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility 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 financial controls 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 the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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.

Other Matter

The financial statements of the Company for the year ended 31st March 2025, were audited by another auditor who expressed an unmodified opinion on those statements on 9th May 2025.

Our opinion on the financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 31 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, 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, 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, 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, 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.

   (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended 31st March 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Rishabh Sanghvi
Partner
Membership No. 066926
UDIN: 26066926MBXOCS7457

Place: Mumbai
Date: 11th May 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements 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 JSW Mahanadi Power Company Limited (Formerly known as KSK Mahanadi Power Company Limited ") (the "Company") as at 31st March 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements 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 ("The Guidance Note") 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 financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 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 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 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 financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control 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 control 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2026, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Rishabh Sanghvi
Partner
Membership No. 066926
UDIN: 26066926MBXOCS7457

Place: Mumbai
Date: 11th May 2026

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of JSW Mahanadi Power Company Limited (Formerly known as KSK Mahanadi Power Company Limited) of even date)

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) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for borrowings, are held in the name of the Company based on the examination of relevant documents by us.

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as of 31st March 2026, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for (goods-in-transit and stocks held with third parties), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of accounts.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from a bank on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the statements comprising stock statements and book debt statements filed by the Company with such bank are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has not made investments in, provided guarantee or security and granted any loans or advance in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31st March 2026 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2026 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period(s) to which the amount relates	Amount unpaid (Rs in crore)	Amount paid under protest (Rs in crore)
Office of Chief Electrical Inspector/ Chhattisgarh State	Electricity Duty on Auxiliary Consumption	Electricity Department, Chhattisgarh	October 2019 to March 2025	530.64	-
Office of Chief Electrical Inspector/ Chhattisgarh State	Interest on Generation Tax demand (Interest charges on electricity duty payable)	Electricity Department, Chhattisgarh	October 2019 to March 2025	422.53	-
Regional Provident Fund Commissioner -II, Compliance, Regional Office, Hyderabad *	Provident fund dues	Hon'ble High Court	September 2010 to March 2015	98.00	-

* Contract employees related provident fund dues prior to acquisition of JSW Mahanadi under Insolvency and Bankruptcy Code (IBC).

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and associate. The Company did not have any joint venture.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary or associate company.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 2026.

(xv) In our opinion during the year the Company has not entered any non-cash transactions with any of its directors or directors of its subsidiaries, an associate company and a joint venture or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group has more than one Core Investment Company (CIC) as part of the group. There are 5 CIC forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the Company has not incurred cash losses in the immediately preceding financial year as reported by the erstwhile statutory auditor of the Company in their audit report dated 9th May 2025.

(xviii) There has been a change in the statutory auditors of the Company during the year. Based on the information and explanations given to us and as represented by the Management, the change in auditors was pursuant to the approval of the resolution plan under the Insolvency and Bankruptcy Code, 2016, and was not due to any issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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) The provisions of Section 135 of the Companies Act, 2013 are applicable to the Company. However, as the Company did not have any average net profits during the immediately preceding three financial years, no amount was required to be spent towards Corporate Social Responsibility (CSR) during the year. Accordingly, reporting under clause (xx)(a) and (b) of the Order is not applicable.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/ W-100018

Rishabh Sanghvi
Partner
Membership No. 066926
UDIN: 26066926MBXOCS7457

Place: Mumbai
Date: 11th May, 2026

JSW MAHANADI POWER COMPANY LIMITED
[FORMERLY KNOWN AS KSK MAHANADI POWER COMPANY LIMITED]
(CIN : U40300TG2009PLC064062)
BALANCE SHEET AS AT 31ST MARCH, 2026

(₹ in crore)

Particulars	Note	As at 31st March, 2026	As at 31st March, 2025
A. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	5A	9,489.31	9,738.40
(b) Capital work-in-progress	5B	3,675.87	3,562.11
(c) Other intangible assets	6	0.23	-
(d) Financial assets			
(i) Investments	7	-	-
(ii) Other financial assets	8	125.81	123.61
(e) Income tax assets (net)	37B	25.50	128.36
(f) Other non-current assets	9	266.19	0.89
		13,582.91	**13,553.37**
(2) Current assets			
(a) Inventories	10	252.51	283.29
(b) Financial assets			
(i) Investments	7	670.58	-
(ii) Trade receivables	11	357.89	157.42
(iii) Unbilled revenue	21	588.59	559.63
(iv) Cash and cash equivalents	12	92.78	93.87
(v) Bank balances other than (iv) above	13	296.72	7.70
(vi) Other financial assets	8	118.48	29.07
(c) Other current assets	9	507.71	771.95
		2,885.26	**1,902.93**
Total assets		**16,468.17**	**15,456.30**
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14A	0.07	0.07
(b) Other equity	14B	(813.67)	(2,403.48)
Total equity		**(813.60)**	**(2,403.41)**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	14,964.21	14,981.13
(ii) Lease liabilities	16	28.98	28.31
(iii) Other financial liabilities	19	60.47	-
(b) Deferred tax liabilities (Net)	37A	304.76	224.89
(c) Provisions	17	2.43	12.96
		15,360.85	**15,247.29**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	353.11	840.54
(ii) Lease liabilities	16	2.99	29.08
(iii) Trade payables	18		
(a) Total outstanding dues of micro and small enterprises; and		22.14	2.06
(b) Total outstanding dues of creditors other than micro and small enterprises		358.91	388.26
(iv) Other financial liabilities	19	617.42	786.04
(b) Other current liabilities	20	558.70	565.80
(c) Provisions	17	7.65	0.64
		1,920.92	**2,612.42**
Total liabilities		**17,281.77**	**17,859.71**
Total equity and liabilities		**16,468.17**	**15,456.30**

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N : 117366W/W-100018

Rishabh Sanghvi
Partner
M No: 066926

Place: Mumbai
Date: 11th May, 2026

For and on behalf of the Board of Directors

Chandrasekaran Prabhakaran
Director
[DIN: 03573049]

Sharad Mahendra
Chairman
[DIN: 02100401]

Place: Mumbai
Date: 7th May, 2026

JSW Mahanadi Power Company Limited

JSW MAHANADI POWER COMPANY LIMITED
[FORMERLY KNOWN AS KSK MAHANADI POWER COMPANY LIMITED]
(CIN : U40300TG2009PLC064062)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2026

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

Particulars	Note	For the year ended 31st March, 2026	For the year ended 31st March, 2025
I Revenue from operations	21	6,071.31	5,532.00
II Other income	22	38.37	512.53
Total income (I+II)		**6,109.68**	**6,044.53**
III Expenses			
(a) Cost of fuel consumed	23	2,100.50	2,123.77
(b) Power purchase		8.21	-
(c) Employee benefits expense	24	94.66	82.25
(d) Finance costs	25	1,470.31	8,770.99
(e) Depreciation and amortisation expense	26	493.58	615.02
(f) Other expenses	27	599.05	809.77
Total expenses (III)		**4,766.31**	**12,401.80**
IV Profit / (Loss) before exceptional items and tax (I+II-III)		**1,343.37**	**(6,357.27)**
V Exceptional items	28	(135.33)	(2,680.04)
VI Profit / (Loss) before tax (IV-V)		**1,478.70**	**(3,677.23)**
VII Tax expenses	29		
Current tax		-	-
Deferred tax		79.87	(126.59)
		79.87	**(126.59)**
VIII Profit / (Loss) after tax (VI - VII)		**1,398.83**	**(3,550.64)**
IX Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		18.48	(2.07)
- Income tax relating to item that will not be reclassified to profit and loss		(4.65)	0.52
Total other comprehensive income / (loss)		**13.83**	**(1.55)**
X Total comprehensive income / (loss) (VIII + IX)		**1,412.66**	**(3,552.19)**
XI Earnings per share of ₹ 10 each	36		
Basic (₹)		**207,028.33**	**(10.56)**
Diluted (₹)		**207,028.33**	**(10.56)**
See accompanying notes to the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N : 117366W/W-100018

Rishabh Sanghvi
Partner
M No: 066926

For and on behalf of the Board of Directors

Chandrasekaran Prabhakaran
Director
[DIN: 03573049]

Sharad Mahendra
Chairman
[DIN: 02100401]

JSW Mahanadi Power Company Limited

Place: Mumbai
Date: 11th May, 2026

Place: Mumbai
Date: 7th May, 2026

JSW MAHANADI POWER COMPANY LIMITED
[FORMERLY KNOWN AS KSK MAHANADI POWER COMPANY LIMITED]
(CIN : U40300TG2009PLC064062)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2026

A. EQUITY SHARE CAPITAL

Particulars	No of Shares	(₹ in crore)
Balance as at 1st April, 2024	**3,609,502,944**	**3,609.50**
Changes in equity share capital during the year	(3,609,435,377)	(3,609.43)
Balance as at 31st March, 2025	**67,567**	**0.07**
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2026	**67,567**	**0.07**

B. OTHER EQUITY

Particulars	Reserves & Surplus				Items of other comprehensive income	Total
	Equity settled employee benefits reserve	Retained Earnings	Extinguishment of equity capital	Capital Reserve	Equity component of compound financial instrument	
Restated balance as at 1st April 2024	**-**	**(33,979.12)**	**-**	**-**	**-**	**(33,979.12)**
Loss for the year	-	(3,550.64)	-	-	-	(3,550.64)
Other comprehensive loss for the year (net of tax)	-	(1.55)	-	-	-	(1.55)
Total Comprehensive loss for the year (net of tax)	**-**	**(3,552.19)**	**-**	**-**	**-**	**(3,552.19)**
Extinguishment of equity capital (Refer note 31)	-	-	3,609.50	-	-	3,609.50
Effect due to amalgamation (Refer note 31)	-	-	-	(0.04)	-	(0.04)
Settlement of liabilities towards financial creditors (Refer note 31)	-	29,842.49	-	-	-	29,842.49
Fair value of equity share issued against settlement of financial liability	-	1,410.25	-	-	-	1,410.25
Deemed capital contribution (interest free loan)	-	-	-	-	354.97	354.97
Deferred Tax on equity component of compound financial instrument	-	-	-	-	(89.34)	(89.34)
Balance as at 31st March, 2025	**-**	**(6,278.57)**	**3,609.50**	**(0.04)**	**265.63**	**(2,403.48)**
Profit for the year	-	1,398.83	-	-	-	**1,398.83**
Other comprehensive income for the year (net of tax)	-	13.83	-	-	-	**13.83**
Total Comprehensive income for the year (net of tax)	**-**	**1,412.66**	**-**	**-**	**-**	**1,412.66**
Share based payments	1.19	-	-	-	-	1.19
Deemed capital contribution (Commission on corporate guarantee)	-	12.43	-	-	-	12.43
Deemed capital contribution (interest free loan)	-	-	-	-	163.54	163.54
Balance as at 31st March, 2026	**1.19**	**(4,853.48)**	**3,609.50**	**(0.04)**	**429.17**	**(813.67)**

See accompanying notes to the financial statements

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N : 117366W/W-100018

Rishabh Sanghvi
Partner
M No: 066926

Place: Mumbai
Date: 11th May, 2026

For and on behalf of the Board of Directors

JSW Mahanadi Power Company Limited

Chandrasekaran Prabhakaran
Director
[DIN: 03573049]

Sharad Mahendra
Chairman
[DIN: 02100401]

Place: Mumbai
Date: 7th May, 2026

JSW MAHANADI POWER COMPANY LIMITED
[FORMERLY KNOWN AS KSK MAHANADI POWER COMPANY LIMITED]
(CIN : U40300TG2009PLC064062)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2026

(₹ in crore)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax	**1,478.70**	**(3,677.23)**
Adjusted for		
Depreciation and amortisation expense	493.58	615.02
Finance costs	1,470.31	8,770.99
Interest income	(38.37)	(512.53)
Loss on disposal of property, plant and equipment	-	0.14
Provision for doubtful advances and deposits	-	720.97
Provision for doubtful liabilites	0.32	-
Provision for doubtful debt written back	-	(2,353.93)
Operational creditors written back	-	(612.42)
Capital creditors written back	-	(2,048.53)
Impairment of deposit receivable paid under protest	-	4.34
Impairment of PPE	-	495.17
Impairment of CWIP	-	980.98
Share based payments	1.19	-
Operating profit before working capital changes	**3,405.73**	**2,382.97**
Adjusted for movement in working capital		
(Increase) in trade receivables	(229.43)	(95.79)
Decrease / (increase) in inventories	30.78	(48.49)
Decrease / (increase) in financial and other assets	171.51	(105.17)
(Decrease) / increase in trade payables	(9.27)	368.86
(Decrease) / increase in financial and other liabilities	(267.51)	239.39
Cash generated from operations	**3,101.81**	**2,741.77**
Direct taxes paid / (refund)	98.21	(48.13)
Net Cash Generated from Operating Activities (A)	**3,200.02**	**2,693.64**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(481.11)	(1.10)
Investments in Debentures	(94.12)	-
(Investment)/redemption of bank deposits (held as margin money or security against guarantees or borrowings	(286.20)	5,323.96
Interest received	35.47	746.33
Net cash (used in) / generated from investing activities (B)	**(825.96)**	**6,069.19**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	-	0.05
Proceeds from non-current borrowings	-	12,072.75
Proceeds from Shareholders loan	144.69	4,091.55
Repayment of non-current borrowings	(561.84)	(18,865.88)
Repayment of current borrowings (net)	(300.00)	(1,454.51)
Finance costs paid	(1,081.55)	(7,414.68)
Net cash used in financing activities (C)	**(1,798.70)**	**(11,570.72)**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	**575.37**	**(2,807.89)**
Cash and cash equivalents - at beginning of the year	**93.87**	**2,901.43**
Cash and cash equivalents - pursuant to amalgamation	**-**	**0.33**
Cash and cash equivalents- at end of the year	**669.24**	**93.87**
Cash and cash equivalents comprise of:		
a) Balances with banks (Refer note 12)		
In current accounts	86.75	93.82
In bank deposits	6.03	-
b) Cash in hand (Refer note 12)	-	0.05
c) Investment in Mutual Funds (Refer note 7)	576.46	-
Total	**669.24**	**93.87**
See accompanying notes to the financial statements		

Notes :

1) The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

2) As per the approved Resolution Plan, during the previous year trade receivable of ₹ 5,670.92 crores have been assigned to the financial creditors and equity shares for 26% stake with a fair value of ₹ 1,410.25 crores have been issued to the financial creditors in order to extinguish their liabilities.

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N : 117366W/W-100018

Rishabh Sanghvi
Partner
M No: 066926

Place: Mumbai
Date: 11th May, 2026

For and on behalf of the Board of Directors

JSW Mahanadi Power Company Limited

Chandrasekaran Prabhakaran
Director
[DIN: 03573049]

Sharad Mahendra
Chairman
[DIN: 02100401]

Place: Mumbai
Date: 7th May, 2026

1 General information

JSW Mahanadi Power Company Limited ("JSWMPCL" or the "Company"), is a Public Company domiciled in India and incorporated under the provisions of Companies Act applicable in India. The Registered Office of the Company is located at 8001, Survey No. 109, Q-City, Nanakramguda, Gachibowli, Gachibowli, Seri Lingampally, K.V.Rangareddy-500032, Telangana. The Company is engaged in the business of generation and sale of power through its power plant of 6 x 600 MW situated at Janjgir-Champa District, Chhattisgarh. The Company has undergone Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) in terms of order of Hon'ble National Company Law Tribunal (NCLT), Hyderabad on 03rd October, 2019. Pursuant to the initiation of CIRP, vide aforesaid order, the NCLT had appointed Mr. Mahender Kumar Khandelwal as Interim Resolution Professional ("IRP") and later on Committee of Creditors (CoC) approved the appointment of Mr.Sumit Binani, as Resolution Professional ("RP") which was approved by Hon'ble NCLT, Hyderabad vide its order dated 16th June, 2020. The Powers of Board of Directors was suspended by virtue of NCLT order in accordance with Section 17(1)(b) of IBC and the same was being exercised by the RP. Further, the RP received 10 resolution plans from the prospective resolution applicants. Hon'ble NCLT order dated 13th February, 2025 has approved the Resolution Plan dated 29th November, 2024 submitted by the Resolution Applicant M/s. JSW Energy Limited ("JSWEL"). JSWEL has implemented the approved Resolution Plan on 06th March, 2025.

2.1 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.
In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The company has reviewed the amendment and based on its evaluation has determined that it does not have any impact on its financial statements.

2.2 Statement of compliance

The Financial Statements of the Company which comprise the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2026, and a summary of the material accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The financial statements have been approved by the Board of Directors in its meeting held on 7th May, 2026.

2.3 Basis of preparation of financial statements:

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

Current and non-current classification

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

An asset is classified as current when it satisfies any of the following criteria:

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

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

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

3 Material accounting policies

3.1 Revenue recognition:

Revenue towards satisfaction of performance obligation from contracts with customers is recognised when control of the goods including power generated or services is transferred to the customer, at transaction price (net of variable consideration) i.e. at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services having regard to the terms of the contract including Power Purchase Agreements, relevant tariff regulations and the tariff orders by the regulator, as applicable.
If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for satisfaction of performance obligation. The variable consideration is estimated having regard to various relevant factors including historical trend and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.
Compensation towards shortfall in offtake are recognised on collection or earlier when there is reasonable certainty to expect ultimate collection.

3.2 Leases:

The Company as lessee:

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.
The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

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

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

3.3 Foreign currency transactions:

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

3.4 Borrowing costs:

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

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

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

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

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

3.5 Employee benefits:

(a) Short term employee benefits:

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

(b) Long term employee benefits:

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

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

(c) Retirement benefit costs and termination benefits:

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

Defined contribution plans:

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

Defined benefit plans:

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

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

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

(d) Share-based payment arrangements:

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

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

The Company has created an Employee Welfare Trust for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Parent Company from the market or directly from the Parent Company, for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

3.6 Taxation:

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

Current tax:

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

Deferred tax:

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

A deferred tax asset arising from unused tax losses is recognised only to the extent that the Company has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised by the Company.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

3.7 Property, plant and equipment

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

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

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

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognised.
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.8 Other Intangible assets :-

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.
An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain / loss on de-recognition are recognised in Statement of Profit and Loss.

3.9 Depreciation & amortisation:

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

Estimated useful lives of the assets are as follows:

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

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

Freehold land is not depreciated. Leasehold land acquired by the Company, with an option in the lease deed, entitling the Company to purchase on outright basis after a certain period at no additional cost is not amortized.
Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

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

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

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

3.10 Impairment of tangible and intangible assets:

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

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

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

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

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

3.11 Inventories:

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

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

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.
Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.

3.12 Earnings per share:

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

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

3.13 Provisions , Contingencies and commitments:

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

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

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

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

A disclosure for contingent liabilities is made where there is :

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognized because:

- (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

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

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

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

3.14 Financial instruments:

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

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

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

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

(B) Financial assets:

(a) Recognition and initial measurement:

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

(b) Classification of financial assets:

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

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

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

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

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

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

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

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

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

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

All other financial assets are classified as measured at FVTPL.

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

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

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

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

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

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

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

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

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

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

(e) Income from financial assets:
Dividend income from investments is recognised when the shareholder's right to receive payment has been established.
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
Delayed payment charges are recognised on collection or earlier when there is reasonable certainty to expect ultimate collection.

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

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

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

(c) Financial liabilities:
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'

Financial liabilities at FVTPL:

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

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument. A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
    - such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
    - the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
    - it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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

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

(E) Fair Value measurement:
The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

3.15 Statement of cash flows:

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

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

Cash and cash equivalents comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and liquid investments.

3.16 Segment reporting:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

3.17 Exceptional items:

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

4 Critical accounting judgements and key sources of estimation uncertainty:

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

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

A) Key sources of estimation uncertainties

i) Useful lives and residual value of property, plant and equipment

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

ii) Impairment of property plant and equipment

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

iii) Fair value measurements

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

iv) Income taxes

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

v) Defined benefit plans:

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

B) Critical accounting judgements in applying accounting policies

i) Tariff related disputes with customers:

Tariff related disputes with the customers arise mainly on account of differences in interpretation of the terms of the power purchase agreements / regulations. A significant judgment is required in determining likelihood of entitlement to the revenue. The Company recognizes such revenues having regard to legal advice, judicial precedence and interpretation of the terms of the agreements / regulations. The final outcome of such disputes may have impact on the revenue recognised by the Company. The Company has also estimated the expected timing of realisation of these balances, which is in turn dependent on the expected ultimate settlement of legal disputes, for classification of such receivables between current and non-current.

JSW Mahanadi Power Company Limited
[Formerly Known as KSK Mahanadi Power Company Limited]
(CIN : U40300TG2009PLC064062)
Notes to financial statements
(All amounts are in ₹ Crore, unless otherwise stated)

NOTE: 5A - Property, plant and equipment

Description of assets	Land-freehold	Building	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Right of Use asset	Total
At Cost								
I. Gross carrying value								
Balance as at 1st April, 2024	**172.58**	**2,017.20**	**13,891.99**	**3.72**	**7.19**	**1.73**	**156.29**	**16,250.70**
Additions	-	-	0.12	0.14	0.15	0.41	-	0.82
Disposals / discards	-	(5.63)	(0.18)	(1.79)	(1.33)	(0.20)	-	(9.13)
Balance as at 31st March, 2025	**172.58**	**2,011.57**	**13,891.93**	**2.07**	**6.01**	**1.94**	**156.29**	**16,242.39**
Additions*	67.14	0.17	50.92	1.48	8.00	1.76	115.00	**244.47**
Disposals / discards	-	-	-	-	-	-	-	-
Balance as at 31st March, 2026	**239.72**	**2,011.74**	**13,942.85**	**3.55**	**14.01**	**3.70**	**271.29**	**16,486.86**
II. Accumulated depreciation								
Balance as at 1st April, 2024	-	**666.09**	**4,716.18**	**3.58**	**6.89**	**1.40**	**8.65**	**5,402.79**
Depreciation and amortisation expenses	-	74.95	537.31	0.25	0.15	0.10	2.26	615.02
Eliminated on disposal / discards	-	(5.63)	(0.09)	(1.77)	(1.30)	(0.20)	-	(8.99)
Impairment losses recognised in profit or loss	-	313.96	181.21	-	-	-	-	495.17
Balance as at 31st March, 2025	-	**1,049.37**	**5,434.61**	**2.06**	**5.74**	**1.30**	**10.91**	**6,503.99**
Depreciation and amortisation expenses	-	40.86	449.18	0.06	0.71	0.27	2.47	**493.55**
Eliminated on disposal / discards	-	-	-	-	-	-	-	-
Impairment losses recognised in profit or loss	-	-	-	-	-	-	-	-
Balance as at 31st March, 2026	-	**1,090.23**	**5,883.79**	**2.12**	**6.45**	**1.57**	**13.38**	**6,997.54**
III. Net carrying value as at 31st March, 2025	**172.58**	**962.20**	**8,457.32**	**0.01**	**0.27**	**0.64**	**145.38**	**9,738.40**
IV. Net carrying value as at 31st March, 2026	**239.72**	**921.51**	**8,059.06**	**1.43**	**7.56**	**2.13**	**257.91**	**9,489.31**

Refer note 15 for details in respect of hypothecation/mortgage of property, plant and equipment against borrowings.
*Refer note 19 for addition in Freehold Land and note 16 for Right of use asset.

NOTE: 5B - Capital-work-in progress (CWIP)

As at 01st April 2024	**4,545.67**
Impairments	(980.98)
Additions to CWIP	0.82
Capitalised	(0.82)
Transferred to Statement of Profit and Loss	(2.58)
As at 31st March 2025	**3,562.11**
Additions to CWIP	176.93
Capitalised	(63.04)
Transferred to Statement of Profit and Loss	(0.13)
As at 31st March 2026	**3,675.87**

As at 31st March, 2026	**Amount in CWIP for a period of**				**Total**
	< 1 year	**1-2 years**	**2-3 years**	**> 3 years**	
Projects in progress	113.76	-	-	3,562.11	3,675.87
Projects temporarily suspended	-	-	-	-	-
	113.76	**-**	**-**	**3,562.11**	**3,675.87**

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

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

* Project which was previously suspended, has recommenced during the year pursuant to the acquistion of the business. CWIP primarily comprises expenditure incurred towards regular capex and Unit 5.

NOTE: 6 - Other intangible assets

Description of assets	Computer Software
At Cost	
I. Gross carrying value	
Balance as at 1st April, 2024	**0.02**
Additions	-
Disposals / discards	(0.01)
Balance as at 31st March, 2025	**0.01**
Additions	0.25
Disposals / discards	-
Balance as at 31st March, 2026	**0.26**
II. Accumulated amortisation	
Balance as at 1st April, 2024	0.02
Amortisation expense for the year	-
Eliminated on disposal / discards of assets	(0.01)
Balance as at 31st March, 2025	**0.01**
Amortisation expense for the year	0.03
Eliminated on disposal / discards of assets	-
Balance as at 31st March, 2026	**0.04**
III. Net carrying value as at 31st March, 2025	**-**
IV. Net carrying value as at 31st March, 2026	**0.23**

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

NOTE: 7 - Investments	**As at 31st March, 2026**		**As at 31st March, 2025**	
	Current	**Non Current**	**Current**	**Non Current**
Investments in equity instruments: (unquoted, fully paid up)				
Investment in susbsidiary at cost				
122,251 ordinary shares (31st March 2025: 122,251) of $ 1 each in Sai Power Pte Ltd		0.55		0.55
Investment in associates at cost				
(i) Nil (31st March 2025: 65,018,090) equity shares of ₹ 10 each in Raigarh Champa Rail Infrastructure Private Limited* (RCRIPL)		-		65.02
(ii) 54,977,990 (31st March 2025: 54,977,990) equity shares of ₹ 10 each in KSK Water Infrastructures Private Limited# (KWIPL)		54.98		54.98
Less: Aggregate amount of allowance for impairement in value of investments		(55.53)		(120.55)
	-	-	-	-
Investments in Debentures	94.12	-	-	-
Investments in Mutual Funds: (unquoted)	576.46	-	-	-
	670.58	**-**	-	-

*Pursuant to the approved Resolution Plan, the existing paid-up equity share capital of RCRIPL was extinguished and a fresh equity was issued to JSW Energy Limited (JSWEL). The Resolution Plan was implemented on 26th March 2026 and resultantly, RCRIPL has ceased to be an Associate of the Company and has become a wholly-owned subsidiary of JSWEL with effect from 26th March 2026.

#Pursuant to the settlement plan submitted by JSWEL to the commitee of Creditors (COC) of KWIPL, National Company Law Tribunal, Hyderabad Bench had, vide its order dated 23rd July, 2025 (NCLT Order) allowed the withdrawal of the application for Corporate Insolvency Resolution Process for KWIPL under section 12A of the Insolvency and Bankruptcy Code, 2016. JSWEL (Parent Company) has paid settlement amount of ₹ 962 to the Lenders of KWIPL for loan given to KWIPL and post qcquistion holds a 51% equity stake in KWIPL, which it acrquired at ₹ 1/share.

Quoted Investments	**As at 31st March, 2026**		**As at 31st March, 2025**	
Aggregate amount of quoted investments	94.12	-	-	-
Aggregate market value of quoted investments	-	-	-	-
Unquoted Investments				
Aggregate amount of unquoted investments	576.46	55.53	-	120.55
Aggregrate amount of impairment in the value of investments	-	55.53	-	120.55
Investment at fair value through profit or loss	670.58	-	-	-

NOTE: 8 - Other financial assets	**As at 31st March, 2026**		**As at 31st March, 2025**	
	Current	**Non Current**	**Current**	**Non Current**
(a) Security deposits				
(i) Government / Semi-Government authorities	14.30	109.19	-	103.62
(ii) Others	0.36	-	3.57	0.55
b) Interest receivable				
(i) Interest accrued on deposits	4.80	**-**	1.90	-
c) Other bank balances				
(i) Margin money for security against the guarantees*	-	12.02	-	12.53
(ii) In deposit accounts (maturity more than 12 months)	-	4.60	-	6.91
d) Amount paid under dispute	97.70	-	-	-
e) Other receivables	1.32	-	23.60	-
	118.48	**125.81**	**29.07**	**123.61**

* Fixed deposit has been pledged with bank against bank guarantee(s) issued in favour of UP Discom, Tamilnadu Discom and Others.

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NOTE: 9 - Other assets	**As at 31st March, 2026**		**As at 31st March, 2025**	
	Current	**Non Current**	**Current**	**Non Current**
Capital advances	-	264.99	-	0.89
Advance for goods and services	506.82	-	663.21	-
Prepaid expenses	0.89	1.20	8.69	-
Balance with Government Authorities	-	-	100.05	-
	507.71	**266.19**	**771.95**	**0.89**

NOTE: 10 - Inventories	**As at 31st March, 2026**		**As at 31st March, 2025**	
	Current	**Non Current**	**Current**	**Non Current**
Raw materials - Stock of fuel	182.28	-	197.21	-
Stores and spares	70.23	-	86.08	-
	252.51	**-**	**283.29**	**-**

10 (a). Cost of raw materials and stores spares consumed

Raw material	**As at 31st March, 2026**	**As at 31st March, 2025**
Raw materials and Stores spares at the beginning of the year	283.29	234.80
Add: Purchases	2,113.56	2,249.40
Less: Raw materials and Stores spares at the beginning of the year	252.51	283.29
Total cost of material consumed	**2,144.34**	**2,200.91**

10 (b). Details of Stock-in-transit included above

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
(1) Raw materials - Stock of fuel	10.25	-
(2) Stores and spares	0.11	-

10 (c). Refer note 3.11 for basis of valuation.

NOTE: 11 - Trade receivables	**As at 31st March, 2026**		**As at 31st March, 2025**	
	Current	**Non Current**	**Current**	**Non Current**
Considered good - Secured;	357.89	-	157.42	-
	357.89	**-**	**157.42**	**-**

Gross trade receivables ("Trade Receivables" as defined under the Resolution Plan dated 29th November, 2024 and Receivables Agreement dated 6th March, 2025) recognized in the books of ₹ 5,670.92 as on 31st January, 2025 determined as per the approved resolution plan to be paid to financial creditors of the Company on a pass-through basis with an equivalent liability amount shown as payable to financial creditors. As per the terms of the approved resolution plan, the net amount payable towards gross trade receivables (if and when received by the Company) shall be passed through to the financial creditors, after (i) deduction of any costs or expenses incurred in connection with the recovery of the trade receivables and (ii) net off any taxes payable by the Company. As on 31st March, 2026 balance Trade Receivables is ₹ 3,993.57. (Previous year ₹ 4,912.86)

The receivables on account of Change in Law of ₹ 2,913.74 as at 31st December, 2024 assigned to financial creditors as per the approved resolution plan has not been recognized in the books as per the revenue recognition policy followed by the Company ("Litigation Receivables"). Similarly, the receivables on account of Change in Law up to the month of January 2025 shall also be assigned to financial creditors on realisation of the same. Upon receipt of such Litigation Receivables, the same shall be transferred to the financial creditors escrow account after (i) deduction of any costs or expenses incurred in connection with the recovery of the litigation receivables and (ii) net off any taxes payable by the Company, in accordance with the terms of the approved resolution plan. As on 31st March, 2026 balance trade receivable is ₹ 2,913.74.

The average credit period allowed to customers is in the range of 1-30 days from the invoice date.

The Company is having majority of receivables from State Distribution Companies which are Government undertakings.

Trade receivables include ₹ 72.36 (as at 31st March, 2025, Nil) withheld / unpaid by the customers because of rebate related disputes which are pending adjudication with CERC. The Company has assessed that there is a reasonable certainty about recoverability of these receivables and hence no provision is required.

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Ageing of Trade receivables:

As at 31st March, 2026	Undisputed trade receivables		Disputed trade receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of				
Less than 6 months	273.90	-	38.15	-
6 months - 1 year	-	-	27.45	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Within credit period	11.64	-	6.76	-
	285.53	**-**	**72.36**	**-**

As at 31st March, 2025	Undisputed trade receivables		Disputed trade receivables	
	Considered good	Considered doubtful	Considered good	Considered doubtful
Outstanding for following periods from due date of				
Less than 6 months	157.42	-	-	-
6 months - 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Not due	-	-	-	-
	157.42	**-**	**-**	**-**

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

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Opening Balance	-	2,353.93
Provision for doubtful debts recognised	-	-
Amount written off / written back	-	(2,353.93)
Closing Balance	-	-

Refer note 15 for details in respect of hypothecation/mortgage of Trade receivables

NOTE: 12 - Cash and cash equivalents	As at 31st March, 2026		As at 31st March, 2025	
	Current	Non Current	Current	Non Current
(a) Balances with banks				
(i) In current accounts	86.75	-	93.82	-
(ii) In deposit accounts (maturity less than 3 months at inception)	6.03	-	-	-
b) Cash on hand	-	-	0.05	-
	92.78	**-**	**93.87**	**-**

NOTE: 13 - Other bank balances	As at 31st March, 2026		As at 31st March, 2025	
	Current	Non Current	Current	Non Current
(a) Balances with banks				
(i) In deposit accounts (maturity more than 3 months at inception)	251.47	-	0.18	-
(b) Earmarked with banks				
(i) Margin money for security against guarantees*	45.25	-	7.52	-
	296.72	**-**	**7.70**	**-**

* Fixed deposit has been pledged with bank against bank guarantee(s) and letter of credit issued in favour of Railway and others.

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NOTE: 14A	**As at 31st March, 2026**		**As at 31st March, 2025**	
Equity share capital				
Authorised:				
Equity Shares of ₹ 10 each	8,500,020,000	8,500.02	8,500,010,000	8,500.01
Preference Shares of ₹ 10 each	1,500,000,000	1,500.00	1,500,000,000	1,500.00
Issued, subscribed and paid-up:				
Equity Shares of ₹ 10 each	67,567	0.07	67,567	0.07
	67,567	**0.07**	**67,567**	**0.07**

a) Details of shareholders holding more than 5% shares in the company are set out below:

Details of shareholding	**As at 31st March, 2026**		**As at 31st March, 2025**	
	No. of Shares	**% of total shares**	**No. of Shares**	**% of total shares**
1 JSW Energy Limited	50,000	74.00%	50,000	74.00%
2 IDBI Trusteeship Services Limited	17,567	26.00%	17,567	26.00%

b) The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

Particulars	**As at 31st March, 2026**		**As at 31st March, 2025**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Balance as at the beginning of the year	67,567	0.07	3,609,502,944	3,609.50
Extinguished during the year *	-	-	(3,609,502,944)	(3,609.50)
Issued during the year	-	-	50,000	0.05
Issued during the period in kind towards extinguishment of financial liability	-	-	17,567	0.02
Balance as at the end of the year	**67,567**	**0.07**	**67,567**	**0.07**

* The existing equity share capital was extinguished and equity shares have been issued to JSW Energy Limited as consideration for the amalgamation.

c) Rights, preferences and restrictions attached to equity shares:

(i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. The distribution will be in proportion to the number of the equity shares held by the shareholders.

NOTE: 14B - Other equity

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
Retained Earnings	(4,853.48)	(6,278.57)
Extinguishment of equity capital (Refer note 31)	3,609.50	3,609.50
Capital reserve (Refer note 31)	(0.04)	(0.04)
Equity settled employee benefits reserve	1.19	-
Deemed capital contribution (interest free loan)	429.17	265.63
Total	**(813.67)**	**(2,403.48)**

(i) **Retained earnings :** Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end and balances of remeasurement of net defined benefit plans.

(ii) **Extinguishment of equity capital:** Reserve created on account of extinguishment of share capital of the outgoing shareholders.

(iii) **Capital reserve:** Reserve is primarily created on amalgamation as per statutory requirement.

(iv) **Equity settled employee benefits reserve:** The Company offers ESOP under which options to subscribe for the Company's share have been granted to eligible employees. The share based payment reserve is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.

(v) **Deemed capital contribution (interest free loan):** The equity component of compound financial instrument reserve is towards the interest forgone by the parent company.

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NOTE: 15 - Borrowings	As at 31st March, 2026		As at 31st March, 2025	
	Current	Non Current	Current	Non Current
Secured:				
Term loan from banks*	374.27	11,136.65	561.39	11,511.36
Unsecured:				
Shareholders Loan #	-	4,072.70	-	3,736.58
	374.27	15,209.35	561.39	15,247.94
Less: Unamortised borrowing cost	(21.16)	(245.14)	(20.85)	(266.81)
Total	353.11	14,964.21	540.54	14,981.13
Unsecured:				
Loan payable on demand				
From banks	-	-	300.00	-
	-	-	300.00	-
	353.11	**14,964.21**	**840.54**	**14,981.13**

* Rupee term loan ₹ 12,072.75 from State bank of India (31st March, 2025: Rupee term loan ₹ 12,072.75) are secured by first charge on all movable properties, intangible assets, current assets and other assets of the company both present and future. Further secured by pledge of 100% equity shares of the Company, Corporate guarantee by the Promoter Company. The loan is repayable in 64 quarterly instalment w.e.f. end of June 2025.

The charge by way of hypothecation on movable assets has been duly created. With respect to the mortgage on immovable property, the Company has obtained an extension from SBI up to 30 September 2026 for creation of such charge, as per the advice letter received from the bank.

The Shareholder loan of ₹ 4,091.55 has been infused as Quasi-equity out of which ₹ 4,011.33 has been utilised for settlement of liabilities as per resolution plan and ₹13.00 has been utilised for settlement of Committee of Creditors cost. The financial creditors have a put option and the Resolution Applicant ("JSW Energy Limited") has call option for 26% stake held by the financial creditors, excersible from end of first year from acquisition date of the company till end of 5 years. Deemed capital contribution (interest free loan) of ₹ 354.97 has been bifurcated from the above quasi-equity balance for the FY 25 and ₹ 163.54 for FY 26 and reserve has been created in statement of changes in equity as per principles of Ind AS 109 - "Financial instruments".
No interest or coupon shall accrue or be paid on the shareholder loan until the exit by the financial creditors. Post financial creditors exit, the coupon / interest rate shall be mutually agreed between the company and its parent.

The Shareholder loan of ₹ 144 has been infused and mainly for utilisation of project capital expenditure with interest rate applicabe @8.5% per annum for the period of 5 years. This loan is unsecured.

NOTE: 16 - Lease liabilities	As at 31st March, 2026		As at 31st March, 2025	
	Current	Non Current	Current	Non Current
Lease charges payable	2.99	28.98	29.08	28.31
	2.99	**28.98**	**29.08**	**28.31**

Lease Deeds executed between the Company and Chhattisgarh State Industrial Development Corporation Limited (CSIDCL) for allotment of 508.594 hectare of land on leasehold basis has been cancelled on account of non-payment of lease rent vide order of CSIDCL dated 6th October, 2018 which was subsequently confirmed vide order dated 1st April, 2019 of CSIDCL.

Company has revived the CSIDCL Lease Deeds and paid the dues of CSIDCL in the manner provided in the Resolution Plan.
During the year, the Company paid lease amount aggregating to ₹178.78. Out of the total amount paid:
₹114.99 has been capitalised as part of the Right-of-Use Asset (revival fees); (Refer note 5A)
₹ 35.40 has been recognised in the Statement of Profit and Loss; and
₹ 28.39 has been adjusted against the corresponding lease liability.

The amount recognised in the Statement of Profit and Loss in respect of right-of-use assets and lease obligation are as under:

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
Depreciation	2.48	2.26
Interest on lease liabilities	2.97	9.85

Reconciliation of lease liability

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
Balance as at the beginning of the year	**57.39**	**91.14**
Lease liabilites charge to Profit and Loss	(28.39)	-
Lease liabilities recognised during the year	2.97	2.93
Interest on lease liabilities	-	6.92
Cash outflow - Pre CIRP claim paid as per NCLT order	-	(0.50)
Pre CIRP liability extinguised as per NCLT order	-	(43.10)
Balance as at the end of the year	**31.97**	**57.39**

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
A) Not later than 1 year	2.99	29.08
B) Later than 1 year and not later than 5 years	13.78	11.03
C) Later than 5 years	313.16	349.20
	329.93	**389.31**

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NOTE: 17 - Provisions	As at 31st March, 2026		As at 31st March, 2025	
	Current	Non Current	Current	Non Current
Provision for gratuity	2.91	-	0.57	9.60
Provisions for compensated absences	4.74	2.43	0.07	3.36
	7.65	**2.43**	**0.64**	**12.96**

The Company provides for gratuity to its employees in accordance with the Code on Social Security 2020 and the Payment of Gratuity Act 1972 as applicable. The amount of gratuity shall be payable to an employee on the termination of employement after rendering continous service for not less than five years or on their superannuation or resignation. For employees engaged on a fixed-terms basis gratuity is payable on a pro-rata basis upon completion of one year of continous service. However in case of death of an employee the minimum period of five years shall not be required. The gratuity benefit is calculated based on the revised definition of wages under the code, ensuring the wage base for calculation is at least 50% of the total remuneration. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service completed. The gratuity plan is a funded plan administered by a separate fund that is legally separated from the entity and the Company makes contributions to the insurer (LIC). The Compnay does not fully fund the liability and maintains the funding from time to time based on estimations of expected gratuity payments.

These plans typically expose the Company to the following actuarial risks:

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk	A fall in the discount rate, which is linked, to the G-Sec rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan’s liability.
Asset Liability matching risk	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

The following table sets out the status of the gratuity plan as required under IND AS 19

A. Net Benefit liability

	31st March 2026	31st March 2025
Defined benefit obligation	24.56	28.88
Fair value of plan assets	(21.65)	(18.71)
Benefit liability	**2.91**	**10.17**

B. Changes in the present value of the defined benefit obligation are as follows

	31st March 2026	31st March 2025
Defined benefit obligation as at the beginning of the year	**28.88**	**25.00**
Included in income statement		
Current service cost	0.39	1.92
Past service cost	14.23	-
Interest cost	2.00	1.80
Total (A)	**45.50**	**28.72**
Included in other comprehensive income		
Re-measurement loss / (gain)		
Re-measurement (or Actuarial) (gain) / loss arising from:		
(i) Change in financial assumptions	(3.35)	1.67
(ii) Demographic Assumptions	(6.48)	-
(iii) Experience variance (i.e. Actual experience vs assumptions)	(8.70)	0.28
Total (B)	**(18.53)**	**1.95**
Others (Transfer in/out)	(0.34)	-
Benefits paid	(2.07)	(1.79)
Total (C)	**(2.41)**	**(1.79)**
Defined benefit obligation as at the end of the year (A to C)	**24.56**	**28.88**

Changes in the fair value of plan assets are as follows

	31st March 2026	31st March 2025
Fair Value of plan assets (A)		
Fair value of plan assets beginning of the year	**18.71**	**8.15**
Included in Statements of Profit and loss		
Interest income	1.33	0.59
Total (B)	**1.33**	**0.59**
Included in Other Comprehensive Income		
Re-measurement loss / (gain)		
Return on plan asset (excluding amounts included in net interest expense)	(0.07)	(0.12)
Total (C)	**(0.07)**	**(0.12)**
Others		
Contributions	3.75	11.88
Benefits paid	(2.07)	(1.79)
Total (D)	**1.68**	**10.09**
Fair value of plan assets end of the year (A to D)	**21.65**	**18.71**

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Net defined benefit liability (asset)

	31st March 2026	31st March 2025
Balance (A)	**10.17**	**16.85**
Included in income statement		
Current service cost	**0.39**	**1.92**
Past service cost	**14.23**	**-**
Interest cost/(income)	**0.67**	**1.21**
Expenses Recognised in the Income Statement (B)	**15.29**	**3.13**
Included in other comprehensive income		
Re-measurement loss / (gain)		
Actuarial (gains) on obligation		
(i) Change in financial assumptions	(3.35)	1.67
(ii) Experience variance (i.e. actual experience vs assumptions)	(8.70)	0.28
(iii) Demographic Assumptions	(6.48)	-
Return on plan asset (excluding amounts included in net interest expense)	0.07	0.12
Total (C)	**(18.46)**	**2.07**
Others		
Liability transfer in / (out)	(0.34)	**-**
Contributions by employer	(3.75)	(11.88)
Total (D)	**(4.09)**	**(11.88)**
Defined benefit obligation as at the end of the year (A to D)	**2.91**	**10.17**

Asset information

	31st March 2026	31st March 2025
Insurer managed funds	100%	100%

The principal assumptions used in determining the obligation towards the Group's plan as shown below

	31st March 2026	31st March 2025
Discount rate	7.14%	7.20%
Rate of increase in compensation levels	8.00%	10.00%

Sensitivity analysis

	31st March 2026		31st March 2025	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount rate (- / + 1% movement)	(1.23)	1.36	(4.24)	3.54
Employee Turnover rate (- / + 1% movement)	(0.08)	0.09	-	-
Salary growth rate (- / + 1% movement)	1.34	(1.23)	2.66	(2.92)

Discount rate: The discount rate is based on the prevailing market yields of Indian government bonds as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The Company expects to contribute ₹ 4.23 (previous year ₹ 12.23) to its gratuity plan for the next year. The weighted average duration of the plan is 11 & above years (previous 14 years).

NOTE: 18 - Trade payables	**As at 31st March, 2026**		**As at 31st March, 2025**	
	Current	**Non Current**	**Current**	**Non Current**
a) Outstanding dues of micro and small enterprises*	22.14	**-**	2.06	**-**
b) Outstanding dues of creditors other than micro and small enterprises	358.91	-	388.26	-
	381.05	**-**	**390.32**	**-**

Trade payable are non-interest bearing and mainly includes amount payable to coal suppliers and operation and maintenance vendors in whose case credit period allowed is less than 12 months. Since the average credit period is less than 12 months, the trade payable amount has been classified as current.

*** Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act)**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26th August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2026 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid Act is not expected to be material. The company has not received any claim for interest from any supplier under the MSMED Act.

Particulars	**As at 31st March 2026**	**As at 31st March 2025**
1. Principal amount outstanding	22.14	2.06
2. Principal amount due and remaining unpaid	3.82	-
3. Interest due on (2) above and the unpaid interest	0.09	-
4. Interest paid on all delayed payments under the MSMED Act.	-	-
5. Payment made beyond the appointed day during the year	27.01	-
6. Interest due and payable for the period of delay other than (4) above	0.23	-
7. Interest accrued and remaining unpaid	0.32	-
8. Amount of further interest remaining due and payable in succeeding years	0.32	-

Ageing of trade payables:

31st March, 2026	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than1 year	14.91	136.40	-	-
1-2 years	0.36	0.49	-	-
2-3 years	-	-	-	-
More than 3 years	0.65	0.14	-	-
Not due	6.22	221.88	-	-
Unbilled	-	-	-	-
	22.14	**358.91**	-	-

31st March, 2025	Undisputed		Disputed	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than1 year	2.06	341.38	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Not due	-	46.88	-	-
Unbilled	-	-	-	-
	2.06	**388.26**	-	-

NOTE: 19 - Other financial liabilities	As at 31st March, 2026		As at 31st March, 2025	
	Current	Non Current	Current	Non Current
Interest accrued but not due on borrowings	50.55	-	82.65	-
Payable for capital supplies / services*	75.32	-	0.27	-
Payable to financial creditors (Refer note 11)	1.68	-	220.31	-
Other Payables #	7.06	57.16	-	-
Other financial liabilities (Refer note 32(c))	482.81	3.31	482.81	-
	617.42	**60.47**	**786.04**	-

* Includes dues to micro and small enterprises of ₹ 38.82 (As at 31st March, 2025 : Nil)

Pursuant to the land acquisition agreements entered into with individual land sellers, the Company is obligated to provide either employment to eligible family members or annual compensation. As at April 1, 2025, the company has recognized the liability for 624 individuals who had opted for annual compensation. Accordingly, based on the requirements of Indian Accounting Standards (Ind AS) 37, the liability of Rs. 64.22 crores, considering a discount rate of 9.5% and compensation payable up to the age of 60 years of the individual or to their nominees, as applicable has been recognized. Since the obligation is directly attributable to land acquisition, the corresponding amount has been capitalized as part of the cost of land in accordance with Indian Accounting Standards (Ind AS) 16.

Reconciliation of compensation liability

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balance as at the beginning of the year	-	-
Compensation liabilities measured during the year	66.43	-
Compensation liabilites charge to Profit and Loss	(8.52)	-
Interest on compensation liabilities	6.31	-
Balance as at the end of the year	**64.22**	-

Future minimum payable under compensatation in leau of employement are as follows:

Particulars	As at 31st March, 2026	As at 31st March, 2025
A) Not later than 1 year	7.06	-
B) Later than 1 year and not later than 5 years	25.62	-
C) Later than 5 years	31.54	-
	64.22	-

NOTE:20 - Other liabiltities	As at 31st March, 2026		As at 31st March, 2025	
	Current	Non Current	Current	Non Current
Statutory dues	553.82	-	565.78	-
Salary and bonus payable	4.78		0.02	
Others	0.10	-	-	-
	558.70	-	**565.80**	-

JSW Mahanadi Power Company Limited
[Formerly Known as KSK Mahanadi Power Company Limited]
(CIN : U40300TG2009PLC064062)
Notes to financial statements
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NOTE: 21 - Revenue from operations	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Sale of Power	6,071.31	5,532.00
	6,071.31	**5,532.00**

a) Revenue from contract with customers:
The Company primarily generates revenue from contracts with customers for supply of power generated from plant (from allocating the capacity of the plant under the long term power purchase agreements), from sale of power on merchant basis.
Revenue from capacity charges under the long term power supply agreements is recognised over a period of time as the capacity of the plant is made under the terms of the contracts. Incentives and penalties for variation in availability of the capacity are recognised based on the annual capacity expected to be made available under the agreements. Electricity charges are recognised on supply of power under such power supply agreements.
Revenue from sale of power on merchant basis, is recognised at point of time when power is supplied to the customers.

b) Significant changes in the unbilled revenue during the year:

Unbilled Revenue	**As at 31st March, 2026**	**As at 31st March, 2025**
Opening Balance	559.63	-
Less: Billed during the year	(559.63)	-
Add: Unbilled during the year	588.59	559.63
Closing Balance	588.59	559.63

c) Credit terms:
Customers are given average credit period of 1 to 30 days for payment. No delayed payment charges ('DPC') are charged during the allowed credit period. Thereafter, DPC is recoverable from the customers at the rates prescribed under the respective Power Purchase Agreement / Tariff Regulations on the outstanding balance.

NOTE: 22 - Other income	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
(1) Interest income earned on financial assets that are not designated as at FVTL		
(i) Financial assets	8.14	512.29
(2) Other non-operating income		
(i) Net gain on sale of current investments	18.38	-
(ii) Interst on income tax refund	6.05	-
(iii) Miscellaneous Income	5.80	0.24
	38.37	**512.53**

NOTE: 23 - Cost of fuel consumed	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Consumption of coal	2,094.46	2,113.28
Consumption of fuel	6.04	10.49
	2,100.50	**2,123.77**

NOTE: 24 - Employee benefits expense	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Salaries and wages	75.30	67.37
Contribution to provident and other funds (refer note 17)	6.15	10.46
Share based payments (refer not 14B)	1.19	-
Staff welfare expenses	12.02	4.42
	94.66	**82.25**

JSW Mahanadi Power Company Limited
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NOTE: 25 - Finance costs	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Interest expense	1,442.94	8,744.81
Interest on lease liabilities (refer note 16)	2.97	9.85
Interest cost on land compensation (refer note 19)	6.31	-
Other borrowing cost	18.09	16.33
	1,470.31	**8,770.99**

NOTE: 26 - Depreciation and amortisation expense	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Depreciation on property, plant and equipment	493.55	615.02
Amortisation on Intangible assets	0.03	-
	493.58	**615.02**

NOTE: 27 - Other expenses	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Stores and spares	43.84	77.24
Water Charges	71.82	62.23
Repairs and maintenance	122.68	225.34
Rent	1.24	1.96
Rates and taxes	164.93	132.82
Insurance charges	18.38	18.86
Legal and other professional charges	10.64	18.58
Remuneration to auditors		
(i) For audit	0.80	0.18
(ii) For tax audit	0.57	0.02
Travelling expenses	12.78	3.87
Advertisement expenses	0.03	0.05
Corporate social responsibility expenses	1.53	1.77
Donations and charities	-	0.82
Loss on disposal / discards of property, plant and equipment	-	0.14
Safety and security expense	6.06	4.88
Ash handling expense	140.31	206.51
Sale obligation charges	-	39.44
Open access charges	0.90	-
Other general expenses	2.54	15.06
	599.05	**809.77**

NOTE: 28 - Exceptional items	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
De-recognition of financial liabilities*	(149.88)	720.97
Remeasurement of defined benefit liabilities (refer note 17)	14.23	-
Provision for doubtful liabilites#	0.32	
Provision for doubtful debts written back	-	(2,353.93)
De-recognition of Operational creditors liabilities	-	(612.42)
De-recognition of Capital creditors liabilities	-	(2,048.53)
Impairment of deposit receivable paid under protest	-	4.34
Recognition of CIRP related costs	-	133.38
Impairment of Property plant and equipment	-	495.17
Impairment of Capital work in progess	-	980.98
	(135.33)	**(2,680.04)**

* Pursuant to a reconciliation exercise performed, a liability of ₹176.54 has been determined as not payable to the financial creditors, and accordingly, the said amount has been written back in the books of account.The balances remaining towards the deposit and other receivables has been determined as not receivable are written back.

Liability towards contractual employee gratuity of ₹ 0.17 and Leave encashment amount of ₹ 0.15.

NOTE: 29 - Tax expenses	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
(1) Current Tax	-	-
(2) Deferred Tax	79.87	(126.59)
	79.87	**(126.59)**

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

30 Corporate Insolvency Resolution Process (CIRP)

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

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

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

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

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

Particulars	Amount
Total outstanding principal before discharging financial creditors	20,620.39
Accrued interest expense as on 31st March, 2024	1,105.64
Total outstanding principal and interest expence accrued as on 31st March, 2024 (A)	**21,726.03**
Add: Restated interest expense upto 31st March, 2024 **(B)** (Refer note 30)	34,269.70
Add: Interest expense for the period from 1st April, 2024 to 6th March, 2025 **(C)**	8,662.79
Total liability towards financial creditors (D=A+B+C)	**64,658.52**

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

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

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

31 Capital commitment and contingent liabilities

Capital commitment

a) Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances ₹ 1,746.80 (31st March, 2025: ₹ 0.61).

Contingent liabilities, other legal and regulatory matters

a) Claims against the company not acknowledge as debt : ₹ 990.13 (31st March 2025:₹ 1,378.93).

Particulars	As at 31st March, 2026	As at 31st March, 2025
Penalty imposed by Water Resource Department (WRD) towards raw water charges	468.10	402.34
Water transportation charges billed by KWIPL and accounted as per order from Hon'ble Supreme Court	-	381.58
Rail infrastructure utilization charges billed by RCRIPL and accounted as per order from Hon'ble NCLAT	-	285.45
Interest on Generation Tax demand (Interest charges on electricity duty payable)	422.53	308.07
Provident Fund Dues	98.00	-
Others	1.50	1.50

b) In the matter of charges payable as per the Water Transport Agreement between the Company and KSK Water Infrastructure Pvt Ltd. (KWIPL), post acquisition of KWIPL by JSW Energy Limited (Parent of the Company), both parties are currently in the process of withdrawing the case from the Hon'ble Supreme Court of India.

In the matter of charges for rail transportation services payable by the Company and Raigarh Champa Rail Infrastructure Private Limited (RCRIPL), post acquisition of RCRIPL by JSW Energy Limited (Parent of the Company), both parties are currently in the process of withdrawing the case from the Hon'ble NCLAT, Chennai.

c) Company had levied capacity charges and transmission charges to Andhra Pradesh and Telangana Discoms for the period from 16 June 2013 to 13 August 2013 amounting to ₹ 79.75 (31 March 2025 ₹ 79.75) on account of delayed fulfilment of obligation under the PPA. Both the Discoms had rejected those claims and made the counter claim of ₹ 23.60 (31 March 2025 ₹ 23.60) for failure to furnish advance final written notice of commencement of supply of power as per article 4.1.2 of PPA and encashed the bank gurantee of ₹ 23.60 submitted by the company. The company had preferred an appeal before Andhra Pradesh Electricity Regulatory Commission and Telangana State Electricity Regulatory Commission for refund of amount collected by Discoms by encashment of bank guarantee. However, due to jurisdiction issue, the matter has been transferred to Hon'ble CERC and the matter is pending before the Central commission. The company's contention is since Discoms have failed to fulfil the obligation as per PPA, there is default on their part and counter claim by them is merely to negate the effect of company claim of capacity charges.

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

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

32 The Company did not have average net profits during the immediately preceding three financial years, no amount was required to be spent towards Corporate Social Responsibility (CSR) during the year.

The Company has incurred an amount of ₹ 1.53 (31st March, 2025: ₹ 1.77) voluntarily towards Corporate social responsibility (CSR) and is included in other expenses.

33 Segment reporting

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

The Company has all of its non- current assets located within India and earns its revenues from customers located in India

34 Related party transactions

A. List of related parties and nature of relations

SN	Name of related party
Holding	
1	JSW Energy Limited (JSWEL) - w.e.f. 6th March 2025
Subsidiary	
1	Sai Power Pte Limited
Associates	
1	KSK Water Infrastructures Private Limited (KSKWIPL)
2	Raigarh Champa Rail Infrastructure Private Limited (RCRIPL) (ceased to be an associate w.e.f. 26th March, 2026)
Other related parties with whom The Company has entered into transactions	
1	JSW Power Trading Company Limited (JSWPTCL)
2	Sapphire Airlines Private Limited (SAPL)
3	JSW Steel Limited (JSWSL)
4	Toshiba JSW Power System Pvt Limited (TJSWPSPL)
5	JSW Green Cement Private Limited (JSWGCPL)
6	JSW Paints Limited (JSWPL)

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

B. Key management personnel

S.N	Name	Nature of relationship
1	Mr. Sharad Mahendra	Non-Independent Director (w.e.f. 4th April, 2025)
2	Mr. Chandrasekaran Prabhakaran	Non-Independent Director (w.e.f. 1st January, 2026)
3	Mr. Feby Koshy	Non-Independent Director (w.e.f. 6th March, 2025)
4	Mr. Chhavi Nath Singh	Non-Independent Director (w.e.f. 6th March, 2025)
5	Ms. Monica Brij Kumar Chopra	Non-Independent Director (w.e.f. 4th April, 2025)
6	Mr. Girish Jagannath Deshpande	Independent Director (w.e.f. 6th March, 2025)
7	Mr. Narendra Nath Misra	Independent Director (w.e.f. 6th March, 2025)
8	Mr. Rajeev Sharma	Independent Director (w.e.f. 4th April, 2025)
9	Mr. Pritesh Vinay	Non-Independent Director (ceased w.e.f. 31st December, 2025)
10	Mr. M.S.Phani Sekhar	Company Secretary (ceased w.e.f. 15th April, 2025)

C. Particulars of related party transactions for the period ended

SN	Nature of transaction	31st March, 2026			
		Holding	Associates	KMP	Other related parties with whom the Group has entered into transactions
1	Borrowings (JSWEL)	144.69	-	-	-
2	Interest (JSWEL)	2.57	-	-	-
3	Reimbursement of expenses paid (JSWEL)	2.92	-	-	-
4	Raw water transportation charges (KSKWIPL)	-	38.94	-	-
5	Rail infrastructure charges (RCRIPL)	-	65.06	-	-
6	Reimbursement of expenses received (RCRIPL)	-	0.78	-	-
7	Sale of Power (JSWPTCL)	-	-	-	1,094.86
8	Purchase of Power (JSWPTCL)	-	-	-	8.20
9	Reimbursement of expenses paid (JSWPTCL)	-	-	-	0.00
10	Charter Hire Charges (SAPL)	-	-	-	7.99
11	Purchase of Material (JSWSL)	-	-	-	0.96
12	Purchase of Material (TJSWPSPL)	-	-	-	0.37
13	Purchase of Material (JSWGCPL)	-	-	-	0.30
14	Purchase of Material (JSWPL)	-	-	-	0.17
15	Managerial remuneration (Chhavi Nath Singh)	-	-	0.20	-
16	Managerial remuneration (M S Phani Sekhar)	-	-	0.12	-
17	Director Sitting fees	-	-	0.10	-

SN	Nature of transaction	31st March, 2025			
		Holding	Associates	KMP	Other related parties with whom the Group has entered into transactions
1	Borrowings (JSWEL)	3,736.58	-	-	-
2	Equity Share Capital (JSWEL)	0.05	-	-	-
3	Raw water transportation charges (KSKWIPL)	-	35.96	-	-
4	Rail infrastructure charges (RCRIPL)	-	63.79	-	-
5	Managerial remuneration (M S Phani Sekhar)	-	-	0.51	-

Balances

SN	Nature of transaction	31st March, 2026			
		Holding	Associates	KMP	Other related parties with whom the Group has entered into transactions
1	Borrowings (JSWEL)	4,236.24	-	-	-
2	Interest (JSWEL)	2.57	-	-	-
3	Equity Share Capital (JSWEL)	0.05	-	-	-
4	Trade Payable (JSWEL)	2.66			
5	Trade Payables (KSKWIPL)	-	10.97	-	-
6	Trade Payables (RCRIPL)	-	10.67	-	-
7	Trade Payables (JSWGCPL)	-	-	-	0.50
8	Trade Payables (SAPL)	-	-	-	7.99
9	Trade Payables (JSWPL)	-	-	-	0.00
10	Captial Advance (JSWSL)	-	-	-	0.93
11	Trade Payables (JSWPTCL)	-	-	-	0.00
12	Trade Receivables (JSWPTCL)	-	-	-	371.56
13	Managerial remuneration (Chhavi Nath Singh)	-	-	0.03	0.00

SN	Nature of transaction	31st March, 2025			
		Holding	Associates	KMP	Other related parties with whom the Group has entered into transactions
1	Borrowings (JSWEL)	4,091.55	-	-	-
2	Equity Share Capital (JSWEL)	0.05	-	-	-
3	Trade Payables (KSKWIPL)	-	3.54	-	-
4	Trade Payables (RCRIPL)	-	5.03	-	-

Corporate guarantees of ₹ Nil (31st March 2025: ₹ Nil) has been provided on behalf of associates.

35 Earnings per share [EPS]

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

Particulars	31st March, 2026	31st March 2025
Net profit / (loss) attributable to equity share holders	1,398.83	(3,550.64)
Weighted average number of equity shares for basic and diluted EPS [Nos.]	67,567	3,362,281,343
Basic & diluted EPS (₹)	207,028.33	(10.56)
Face value of shares (₹)	10.00	10.00

JSW MAHANADI POWER COMPANY LIMITED
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36A Deferred tax balances:

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

Particulars	As at 1st April, 2025	Recognised in profit or loss / other equity	As at 31st March, 2026
Deferred tax assets			
Unused tax losses and carried forward	-	655.98	655.98
Doubtful advances	181.45	6.70	188.16
Trade receiveables	1,236.47	(1,061.61)	174.86
Others	150.38	(92.76)	57.62
Total (A)	**1,568.31**	**(491.69)**	**1,076.62**
Deferred tax liabilities			
Property, plant and equipment	1,631.98	(322.27)	1,309.71
Employee benefit obligation	(0.52)	5.17	4.65
Deemed Capital Contribution	89.34	(89.34)	-
Borrowings	72.40	(5.38)	67.02
Total (B)	**1,793.20**	**(411.82)**	**1,381.38**
Total	(224.89)	(79.87)	(304.76)

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

36B Income tax:

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

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March,2025
Profit before tax	**1,478.70**	**(3,677.23)**
Enacted tax rate	25.168%	25.168%
Tax on profit at effective rates	**372.16**	**(925.48)**
Expenditure not deductible for tax purpose	93.37	463.09
Deferred tax asset recognised on carry forward losses, unabsorbed depreciation and other available tax deductions	(156.41)	-
Tax pertaining to earlier period	(84.69)	299.78
Tax due to lower rate of tax applicable	(144.56)	-
Deferred tax not recognised	-	36.02
Income tax expenses recognised in profit & loss account	**79.87**	**(126.59)**

37 Financial risk management objectives and policies

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

Market risk

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

(a) Interest rate risk

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

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for nonderivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

As at 31st March, 2026	Net Balance	Unamortised transaction cost	Gross balance
Fixed rate borrowings	4,072.70	0.00	4,072.70
Floating rate borrowings	11,244.62	266.30	11,510.92
Total borrowings	**15,317.32**	**266.30**	**15,583.62**

As at 31st March, 2025	Net Balance	Unamortised transaction cost	Gross balance
Fixed rate borrowings	3,736.58	0.00	3,736.58
Floating rate borrowings	11,785.09	287.66	12,072.75
Total borrowings	**15,521.67**	**287.66**	**15,809.33**

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit before tax for the year ended 31st March, 2026 would decrease / increase by ₹ 57.55 (31st March, 2025: decrease / increase by ₹ 60.36).This is mainly attributable to the Company's exposure to interest rates on its floating rate borrowings.

(b) Foreign currency risk

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

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

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

	31st March 2026	31st March 2025
	RMB	RMB
Financial asset		
Bank balance*	0.00	0.01

* less than ₹ 50,000

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

31st March 2026	Closing exchange rate	Effect of 5% strengthening of RMB on net earnings	Effect of 5% strengthening of RMB on total equity
RMB/INR	13.75	-	-

31st March 2025	Closing exchange rate	Effect of 5% strengthening of RMB on net earnings	Effect of 5% strengthening of RMB on total equity
RMB/INR	11.77	0.01	(0.01)

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

(c) Commodity price risk

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

Credit risk analysis

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

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

	Carrying value	
	31st March 2026	31st March 2025
Trade receivables (including unbilled revenue)	946.48	717.05
Deposits with banks	313.34	27.14
Other financial asset	227.67	187.96
	1,487.49	**932.15**

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

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

Liquidity risk analysis

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

The following is an analysis of the Company contractual undiscounted cash flows payable under financial liabilities at 31st March 2026:

	Current	Non-current		Total
	< 12 months	1-5 years	> 5 years	
Loan and borrowings	353.11	5,990.59	8,973.62	15,317.32
Trade and other payables	381.05	-	-	381.05
Other financial liabilities	617.42	-	-	617.42
Lease liabilities	2.99	13.78	313.16	329.93
Total	**1,354.57**	**6,004.37**	**9,286.78**	**16,645.72**

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

	Current	Non-current		Total
	< 12 months	1-5 years	> 5 years	
Loan and borrowings*	822.42	5,221.72	9,777.53	15,821.67
Trade and other payables	390.32	-	-	390.32
Other financial liabilities	786.04	-	-	786.04
Lease liabilities	29.08	11.03	349.21	389.31
Total	**2,027.86**	**5,232.75**	**10,126.73**	**17,387.34**

* Future interest payable as on 31st March, 26 ₹ 8,257.68 (31st March, 2025: ₹ 9,318.44)

Capital management

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

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

No changes were made in the objectives, policies or processes during the year ended 31st March 2026 and 31st March 2025.

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

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

	31st March 2026	31st March 2025
Debt [1]	15,317.32	15,821.67
less : Cash and bank balances	92.78	93.87
less: Investments [2]	670.58	-
less : Other bank balances	-	7.70
Net debt	14,553.96	15,720.10
Equity [3]	(813.60)	(2,403.41)
Total equity	(813.60)	(2,403.41)
Net debt to equity ratio	(17.89)	(6.54)

1 Debt includes long-term debt inculding (current & non-current) and short term debt as described in note 15.
2 Investment includes mutual fund & debentures
3 Inculdes equity share capital and other equity as described in note 14A and note 14B.

38 Financial instruments

(a) Financial instruments by category:

Particulars	As at 31 March 2026			As at 31 March 2025		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Security deposit	-	-	123.85	-	-	107.74
Interest receivable	-	-	4.80	-	-	1.90
Other bank balances	-	-	16.62	-	-	19.44
Other Receivables	-	-	1.32	-	-	23.60
Trade receivables	-	-	357.89	-	-	157.42
Unbilled revenue	-	-	588.59	-	-	559.63
Cash and cash equivalents	-	-	389.50	-	-	101.57
Investments in Debentures	-	-	94.12	-	-	-
Investments in Mutual Funds*	576.46	-	-	-	-	-
Amount paid under dispute	-	-	97.70	-	-	-
			1,674.39			**971.30**
Financial liabilities						
Borrowings	-	-	15,317.32	-	-	15,821.67
Lease liabilities	-	-	31.97	-	-	57.39
Trade payables	-	-	381.05	-	-	390.32
Interest accrued but not due on borrowings	-	-	50.55	-	-	82.65
Payable for capital supplies / services	-	-	75.32	-	-	0.27
Other payable	-	-	7.06	-	-	-
Payable to financial creditors	-	-	1.68	-	-	220.31
Others	-	-	482.81	-	-	482.81
			16,347.76			**17,055.42**

* Fair value hierachery at level 2

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

(b) Carrying amounts versus fair values

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

	Carrying amount	Fair value	Carrying amount	Fair value
	31st March 2026	31st March 2026	31st March 2025	31st March 2025
Financial assets				
Security deposit	109.19	109.19	103.62	103.62
	109.19	**109.19**	**103.62**	**103.62**
Financial liabilities				
Borrowings	14,964.21	14,964.21	14,981.13	14,981.13
Lease liabilities	28.98	28.98	28.31	28.31
	14,993.19	**14,993.19**	**15,009.44**	**15,009.44**

39 Financial ratios for the reporting period

S.No.	Particulars	Numerator	Denominattor	Ratios for the year ended 31st March, 2026	Ratios for the year ended 31st March, 2025	Variance %	Change in ratio in exceeding of 25% compared to preceding year
(a)	Current ratio (in times)	Current Assets	Current Liabilities	1.50	0.73	106%	Investment in Mutual Fund, debentures and deposit in banks in current year has resulted in increased Current ratio.
(b)	Debt-equity ratio (in times)	Total Debt	Shareholders equity	(18.87)	(6.61)	186%	Increase was primariliy on account of increase in profit.
(c)	Debt service coverage ratio (in times)	Net profits after taxes + Non cash operating expenses (depreciation and other amortisation) + Interest+ other adjustment like loss on sale of fixed assets etc.	Interest and lease payment + Principal payments	1.63	0.34	375%	Increased due to revenue increased as compared to preceding year.
(d)	Return on equity ratio (%)	Net Profits after taxes	Average Shareholder's Equity	(0.87)	0.22	-501%	Due to Net Profit increased as compared to preceding year and networth decreased.
(e)	Inventory turnover ratio (no. of days)	Average inventory No of days in the reporting year	Fuel cost + Stores and spares consumed + Purchase of stock in trade	45.60	42.96	6%	Not applicable
(f)	Trade receivables turnover ratio (no. of days)	(Average Trade receivables + Average unbilled revenue) No of days in the reporting year	Revenue from operations	50.00	153.58	-67%	Turnover ratio has increased due to decreased average receivables
(g)	Trade payables turnover ratio (no. of days)	Average trade payables	Cost of fuel consumed + Other expenses	65.65	84.92	-23%	Not applicable
(h)	Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	6.30	(7.80)	-181%	Decrease is on account of increase in Revenue from operations vis a vis average working capital employed
(i)	Net profit ratio (%)	Net profit for the year	Net sales	0.23	(0.64)	-136%	Optimisation in Fuel Cost, Operational Expenses & decreased in Finance cost.
(j)	Return on capital employed (%)	Profit before tax plus interest on long term loans and debentures	Total borrowings + Net worth + Deferred tax	0.19	0.18	9%	Not applicable
(k)	Return on investment (%)	Profit generated on sale of investment	Cost of investment	0.03	-	-	Not applicable

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

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

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

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

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

41 Other Statutory Information

(i) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(ii) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(iii) The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(iv) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

(v) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) 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

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

(ix) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(x) Monthly and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(xi) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

42 Previous year's figures have been regrouped and reclassified wherever necessary to confirm to the current year.

For and on behalf of the Board of Directors

JSW Mahanadi Power Company Limited

Chandrasekaran Prabhakaran	**Sharad Mahendra**
Director	Chairman
[DIN: 03573049]	[DIN: 02100401]

Place: Mumbai
Date: 7th May, 2026