

**INDEPENDENT AUDITOR'S REPORT**

**TO
THE MEMBERS OF KSK WATER INFRASTRUCTURES PRIVATE LIMITED**

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

We have audited the accompanying financial statements of **KSK Water Infrastructures Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including other comprehensive income), and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the material accounting policies and other explanatory information ("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 Company Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to

- a) Note No. 33 to the Financial Statements regarding the implementation of the Settlement Plan offered by JSW Energy Limited for withdrawal of the CIRP of the Company from its Corporate Insolvency Resolution Process under Section 12A of the Insolvency and Bankruptcy Code, 2016 pursuant to which substantial debt of the existing creditors was settled and balance outstanding debt as on August 4, 2025 amounting to INR 5,828.52 million was assigned to JM Financial ARC Limited ("JMFARC").
- b) Note No. 32 to the Financial Statements regarding restatement of the items of the Financial Statements concerning unaccounted interest. The Company has accounted the same by restating the opening balances of liabilities and equity as on April 1, 2024 and restating the statement of profit and loss and liabilities for the financial year 2024-25.
- c) Note No. 26 to the Financial Statements regarding adjustments made in the Financial Statements pursuant to the Management's assessment of impairment of Cash Generating Unit and write back of liabilities barred by limitation as an exceptional item.
- d) Note No.30(a) to the Financial Statements regarding ongoing dispute of the Company with its sole customer and fellow subsidiary JSW Mahanadi Power Company Limited (formerly known as KSK Mahanadi Power Company Limited) which is pending adjudication before Hon'ble Supreme Court,





pursuant to which invoices are being raised as per the Interim Order of Apex Court rather than the contractual terms. Pending adjudication, the Company has made provision of Expected Credit Losses on disputed Trade Receivables and disclosed as an exceptional item in Note No. 26.

- e) Note No. 26(c) and 34 to the Financial Statements regarding the Settlement Proposal submitted by the Company vide its letter dated March 31, 2026 which was subsequently accepted by JMFARC vide its letter dated April 30, 2026, consequent to which liability has been restated at the agreed settlement consideration of INR 70 crores as an adjusting event post balance sheet date.

Our opinion is not modified in respect of above matters.

Other Information

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

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

Other Information is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Management's Responsibilities 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 and presentation 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 specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and deducting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance and adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in





accordance with Standards on Auditing (“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 Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) 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
- b) 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 system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) Except for the effects of the matters specified in the paragraph 2(h)(vi) on reporting under Rule 11(g) regarding audit trail as fully explained in said paragraph on audit trail, in our opinion, proper books of





account as required have been kept by the company so far as it appears from our examination of those books.

- c) The Financial Statements comprise of the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder.
- e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act;
- f) The qualification relating to the maintenance of accounts and other matters connected therewith are stated in the paragraph 2(b) above as stated in the paragraph 2(h)(vi) on reporting under Rule 11(g) regarding audit trail as fully explained in said paragraph on audit trail;
- g) With respect to the adequacy of internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- 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, 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 No. 30 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 are 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 (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.





- v) The Company has not declared or paid any dividends during the year. Hence, compliance of Section 123 of the Act is not applicable.
- vi) (a) According to the information and explanations given to us and based on our examination of the books of account, which included test checks, the Company has maintained its books of account using accounting software that have the audit trail (edit log) feature which was enabled from June 30, 2025 for all relevant transactions. Accordingly, we are unable to comment on whether the audit trail feature was operative throughout the year. Further, from June 30, 2025 to March 31, 2026 where audit trail (edit log) facility was enabled, we did not come across any instance of the audit trail feature being tampered with during the course of our audit.
- (b) Further, since the audit trail (edit log) facility was enabled from June 30, 2025, consequent to the non-maintenance of the audit trail, the reporting requirement under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, regarding the preservation of the audit trail as per the statutory requirements for the purpose of record retention, cannot be complied with and therefore could not be commented upon.
3. 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, is not applicable to the Company, as the Company is a Private Limited Company.

Place: Hyderabad
Date: May 7, 2026



For KS Rao & Co.,
Chartered Accountants
Firm's Regn No. 003109S

Bapatla MP Kanva
Partner
Membership No. 223870
UDIN: 26223870RSFSRT3807



Annexure “A” to the Independent Auditor’s Report

The “Annexure A” Referred to in Clause 1 of “Report on Other Legal and Regulatory Requirements” Paragraph of the Independent Auditor’s Report of even date to the members of **KSK Water Infrastructures Private Limited** on the financial statements as of and for the year ended March 31, 2026.

- i. a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment and relevant details of Right-to-use Assets.

(B) The Company does not have any intangible assets as on March 31, 2026. Hence, reporting under clause 3(i)(a)(B) of the Order is not applicable.

b) We are informed that the company has a regular program of physical verification of its Property, Plant and Equipment and Right of Use Assets by which such assets are verified in a phased manner at regular intervals and no discrepancies were noticed during the physical verification. In our opinion, the frequency of verification of these assets is reasonable having regards to the size of the Company and nature of its assets.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than the properties where the Company is the lessee or the right of way is extended to Company) are held in the name of the Company.

d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including right of use assets) during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with the generally accepted auditing practices in India, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transaction Act, 1988 and rules made thereunder.
- ii. a) The Company does not hold any inventories as on March 31, 2026.

b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. According to the information and explanations given to us, the Company has not made any investments, provided any guarantee or security or granted any loans secured or unsecured to companies, firms or any other parties during the year. Hence, reporting under clauses 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable
- iv. According to the information and explanation given to us, the Company has not provided any loans, investments, guarantees, and security to any party covered in Section 185 and 186 of the Companies Act, 2013. Hence, reporting under clause 3(iv) of the order is not applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the act and rules framed thereunder to the extent notified. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The Central Government has not prescribed maintenance of Cost Records under sub-section (1) of Section 148 of the Companies Act, 2013.
- vii. (a) According to the information and explanations given to us and based on our examination of the records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Income Tax,





Service Tax, Goods and Service Tax, and Other Statutory Dues with the appropriate authorities, expect for the following dues of service tax and Goods and Services Tax which is due as on March 31, 2026 for the period of more than six months from the date these became payable :

Name of the Statute	Nature of the Dues	Amount (Rs. in Crores)	Period to which the Amount relates	Due Date	Date of Payment
Finance Act, 1994	Service tax	0.73	September 2016 to October 2016	Various Dates	Yet to be paid
Central Goods and Services Act, 2017	GST	29.81	May 2022 & June 2022	Various Dates	Yet to be paid

(b) According to the records of the Company, dues outstanding of income tax or goods and service tax or duty of customs or cess have not been deposited on account of any dispute, are as follows :

Name of the Statute	Nature of the Dues	Rs. In Crores	Period to which the amount relates	Forum where dispute is pending
Central Goods and Services Act, 2017	Interest on GST	17.19	Various Dates	Supreme Court of India

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

ix.

- a) The Company had previously defaulted in the payment of principal and interest to its project lenders, pursuant to which the account was classified as substandard with effect from April 1, 2018. Consequent thereto, CIRP was initiated against the Company by the Hon'ble NCLT vide its order dated January 1, 2021. During the year, the Settlement Plan submitted by JSW Energy Limited was approved and implemented and the Company was withdrawn from CIRP, whereby substantial debt of the existing creditors was settled and balance outstanding debt as on August 4, 2025 amounting to INR 5,828.52 million was assigned to JM Financial ARC Limited ("JMFARC"). As on reporting date, the company and lenders have arrived at suitable settlement mechanism whereby no amounts remain overdue. Reference is invited to Note 33 and Note 34 to the financial statements.
- b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company carried out in accordance with the generally accepted auditing practices in India, the term loans were prima facie applied for the purposes for which loans were obtained.
- d) The Company has not raised any short-term funds during the year and hence reporting under clause 3(ix)(d) of the Order is not applicable
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, carried out in accordance with the generally accepted auditing practices in





India, in our opinion, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint ventures.

- f) According to the information and explanations given to us and on the basis of our examination of records of the Company, carried out in accordance with the generally accepted auditing practices in India, in our opinion, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associate or joint ventures as defined under the Companies Act, 2013. Therefore, the provisions of Clause (ix)(f) are not applicable on the Company.
- x. a) The Company has not raised money by way of an initial public offer or further public offer (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.
- xi. a) According to the information and explanations given to us, there have been no cases of fraud by the company or any fraud on the company has been noticed or reported during the year under report.
- b) 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 upto the date of this report.
- c) According to the information and explanations given to us, there are no whistleblower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties, prima facie are in compliance with the provisions of Sections 177 and 188 of the Companies Act, 2013 where applicable, and details of such 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 for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) According to the information and explanations given to us, there are no Core Investment Companies (CICs) in the Group (basis definition of "Companies in the Group" as per Core Investment Companies (Reserve Bank) Directions, 2016) as at the end of the reporting period. Hence reporting under clause 3(xvi)(d) of the Order is not applicable.





- xvii. The Company has not incurred cash losses in the current financial year and incurred cash losses in the immediately preceding financial year Rs.199.87 crores pursuant to restatement of Financial Statements for the financial year ended March 31 2025.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Refer Note No. 38 to the Financial Statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, along with support from its holding company and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) and (6) of Section 135 of the Act pursuant to any project. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the paragraph 3 of Order is not applicable to the Company.
- xxi. The company is not having any subsidiaries and is therefore not required to draw any consolidated Financial Statements. Hence, the reporting under clause 3(xxi) of the Order is not applicable.

For KS Rao & Co.,
Chartered Accountants
Firm's Regn No. 003109S



Bapatla MP Kanva
Partner

Membership No. 223870
UDIN: 26223870RSFSRT3807

Place: Hyderabad
Date: May 7, 2026



Annexure “B” to the Independent Auditor’s Report

The Annexure B, referred to in Clause 2(f) of “**Report on Other Legal and Regulatory Requirements**” Paragraph of the Independent Auditor’s Report of even date to the members of **KSK WATER INFRASTRUCTURES PRIVATE LIMITED (“the Company”)** on the Financial Statements as of and for the year ended March 31, 2026.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control 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 respective 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 system 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 internal financial control with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls





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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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.

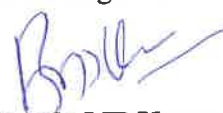
Opinion

In our opinion, to the best of our information and explanation given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, 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 issued by the ICAI.

Place: Hyderabad
Date: May 7, 2026



For KS Rao & Co.,
Chartered Accountants
Firm's Regn No. 003109S


Bapatla MP Kanva
Partner
Membership No. 223870
UDIN: 26223870RSFSRT3807

KSK Water Infrastructures Private Limited
Balance Sheet as at 31 March 2026

(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

	Note	As at 31 March 2026	As at 31 March 2025 (Restated)	As at 1 April 2024 (Restated)
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	5	3,622.35	1,347.52	1,408.91
(b) Capital work-in-progress	6	-	-	-
(c) Right of use asset	7	93.10	94.16	95.22
(d) Other non-current assets	8	4.88	4.93	5.02
Total Non-Current Assets		3,720.33	1,446.61	1,509.15
2 Current assets				
(a) Financial Assets				
(i) Trade receivables	9	102.80	2,075.70	2,073.79
(ii) Cash and cash equivalents	10	286.68	149.00	1,301.28
(iii) Other financial assets	11	0.05	1,300.88	15.02
(b) Current tax assets (Net)	12	6.35	10.69	15.69
(c) Other current assets	8	83.69	128.30	137.51
Total Current Assets		479.57	3,664.57	3,543.29
TOTAL ASSETS		4,199.90	5,111.18	5,052.44
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	13	1,122.00	1,122.00	1,122.00
(b) Other equity	14	(6,613.45)	(12,560.97)	(10,499.69)
Total Equity		(5,491.45)	(11,438.97)	(9,377.69)
Liabilities				
1 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	8,576.12	-	-
Total Current Liabilities		8,576.12	-	-
2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	700.00	6,070.07	6,070.07
(ii) Trade payables				
- Total outstanding dues of Micro and Small Enterprises	16	0.60	0.64	0.60
- Total outstanding dues of creditors other than Micro and Small Enterprises	16	14.73	28.14	47.51
(iii) Other financial liabilities	17	87.06	10,138.19	8,004.77
(b) Other current liabilities	18	312.63	312.95	307.10
(c) Provisions	19	0.21	0.16	0.08
Total Current Liabilities		1,115.23	16,550.15	14,430.13
TOTAL EQUITY AND LIABILITIES		4,199.90	5,111.18	5,052.44

Summary of Material Accounting Policies 3
See accompanying notes to the financial statements

As per our report of even date
for **K.S. Rao & Co.**
Chartered Accountants
Firm Registration Number: 003109S


Bapatia MP Kanva
Partner
Membership No. 223870



Place: Hyderabad
Date: 07/05/2026

for and on behalf of KSK Water Infrastructures Private Limited


Rama Krishna Prasad Devalapalli
(Director)
DIN: 11296669


Manjul Saha
(Chief Financial Officer)




Hemsagar Patel
(Director)
DIN: 11148318


Rakesh Punamiya
(Company Secretary)

KSK Water Infrastructures Private Limited

Statement of Profit and Loss for the year ended 31 March 2026

(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

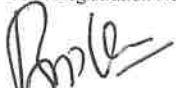
	Note	Year Ended 31 March 2026	Year ended 31 March 2025 (Restated)
I Revenue from Operation	21	331.02	304.74
II Other income	22	5.23	46.65
III Total income (I+II)		336.25	351.39
IV Expenses			
Employee benefits expenses	23	5.90	4.98
Finance costs	24	1,281.27	2,118.42
Depreciation expenses	5 and 7	145.47	62.51
Other expenses	25	144.53	226.72
Total expenses		1,577.17	2,412.63
V Loss before exceptional items and tax (III - IV)		(1,240.92)	(2,061.24)
VI Exceptional items	26	5,665.36	-
VII Profit/(Loss) before tax (V+VI)		4,424.44	(2,061.24)
VIII Tax expense			
(a) Current tax		-	-
Total tax expenses		-	-
IX Profit/(Loss) for the year ended (VII-VIII)		4,424.44	(2,061.24)
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans	27	0.04	(0.04)
Total Other Comprehensive Income / (loss) for the year		0.04	(0.04)
XI Total Comprehensive Profit / (Loss) for the year ended		4,424.48	(2,061.28)
XII Earnings per share			
Basic and diluted - face value of Rs. 10 per share	28	39.43	(18.37)
Summary of Material Accounting Policies	3		
See accompanying notes to the financial statements			

As per our report of even date

for **K.S. Rao & Co.**

Chartered Accountants

Firm Registration Number: 003109S



Bipatla MP Kanva

Partner

Membership No. 223870



for and on behalf of **KSK Water Infrastructures Private Limited**



Rama Krishna Prasad Devulapalli

(Director)

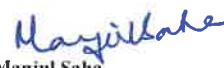
DIN: 11296669



Hemsagar Patel

(Director)

DIN: 11148318



Manjul Saha

(Chief Financial Officer)



Rakesh Punamiya

(Company Secretary)

Place: Hyderabad

Date: 07/05/2026



KSK Water Infrastructures Private Limited
Statement of Changes in Equity for the year ended 31 March 2026
(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

A. Equity Share Capital

Particulars	No of Shares	Amount
Balance as at 1 April 2024 (Restated)	11,22,00,000	1,122.00
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	11,22,00,000	1,122.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2025 (Restated)	11,22,00,000	1,122.00
Balance as at 1 April, 2025 (Restated)	11,22,00,000	1,122.00
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	11,22,00,000	1,122.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2026	11,22,00,000	1,122.00

B. Other Equity

	Reserves and Surplus		Other items of OCI - Actuarial gains / (losses)	Equity Component of Compound Financial Instrument	Money received against share warrants	Total
	Retained Earnings	Capital reserves				
Balance as at 1 April 2024 (as previously reported)	(3,841.75)	-	1.64	-	1,258.00	(2,582.11)
Restatement on account of interest expense (Refer Note 32)	(7,916.69)	-	-	-	-	(7,916.69)
Restatement on account of Operational Creditor liability (Refer Note 32)	(0.89)	-	-	-	-	(0.89)
Balance as at 1 April 2024 (Restated)	(11,759.33)	-	1.64	-	1,258.00	(10,499.69)
Loss for the year	(2,061.24)	-	-	-	-	(2,061.24)
Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
Re-measurements of the defined benefit plans	-	-	(0.04)	-	-	(0.04)
Total Comprehensive Income	(2,061.24)		(0.04)	-	-	(2,061.28)
Balance as at 31 March 2025 (Restated)	(13,820.57)	-	1.60	-	1,258.00	(12,560.97)
Balance as at 1 April 2025 (Restated)	(13,820.57)	-	1.60	-	1,258.00	(12,560.97)
Profit for the year	4,424.44	-	-	-	-	4,424.44
Equity Portion of shareholder loan recognised as per Ind AS	-	-	-	1,523.04	-	1,523.04
Transfer to Capital Reserve	-	1,258.00	-	-	(1,258.00)	-
Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
Re-measurements of the defined benefit plans	-	-	0.04	-	-	0.04
Total Comprehensive Income	4,424.44		0.04			5,947.52
Balance as at 31 March 2026	(9,396.13)	1,258.00	1.64	1,523.04	-	(6,613.45)

See accompanying notes to financial statements

As per our report of even date

for **K.S. Rao & Co.**

Chartered Accountants

Firm Registration Number: 003109S


Bapatta NIP Kanva
 Partner
 Membership No. 223870



for and on behalf of **KSK Water Infrastructures Private Limited**


Rama Krishna Prasad Devulapalli
 (Director)
 DIN: 11296669


Hemsagar Patel
 (Director)
 DIN: 11148318

Place: Hyderabad
 Date: 07/05/2026


Manjul Saha
 (Chief Financial Officer)


Rakesh Punamiya
 (Company Secretary)



KSK Water Infrastructures Private Limited

Statement of Cash Flows for the year ended 31 March 2026

(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

	31 March 2026	31 March 2025 (Restated)
Cash flow from operating activities		
Profit/(Loss) before tax	4,424.44	(2,061.24)
Adjustment for		
Depreciation expenses	145.47	62.51
Finance Cost	1,281.27	2,118.42
Interest income	(4.64)	(45.94)
Liabilities no longer required written back	(5,289.05)	-
Reversal of Impairment of Property, Plant and Equipment	(2,419.30)	-
Impairment of Property, Plant and Equipment	1.59	-
Others, net	0.04	(0.04)
Operating profit/(loss) before working capital changes	(1,860.18)	73.71
Working capital changes		
(Increase) / decrease in trade receivables	1,972.90	(1.91)
(Increase) / decrease in other current assets	44.66	9.31
Increase / (decrease) trade payables	(13.45)	(19.33)
Increase / (decrease) other liabilities	(14.24)	20.94
Cash generated from / (used in) operations	129.69	82.72
Tax (paid) / refund	4.33	5.00
Net cash from / (used in) operating activities (A)	134.02	87.72
Cash flow from investing activities		
Acquisition of Property, Plant & Equipment	(1.53)	(0.05)
Interest received	5.19	60.38
Net cash from / (used in) investing activities (B)	3.66	60.33
Cash flow from financing activities		
Finance cost paid	(9,254.75)	-
Proceeds from long-term borrowings	9,620.00	-
Proceeds from / (repayment) of short-term borrowings, net	(365.25)	-
Interim Distribution of Surplus Funds to Creditors (Refer Note No. 39)	-	(1,300.33)
Net cash generated from / (used in) financing activities (C)	-	(1,300.33)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	137.68	(1,152.28)
Cash and cash equivalent at the beginning of the year	149.00	1,301.28
Cash and cash equivalent at the end of the year	286.68	149.00
Note to cash flow statement		
Components of cash and cash equivalents at the end of the year		
Cash on hand	0.00	0.00
Balances with scheduled banks		
on current accounts	199.31	12.53
on deposit accounts	87.37	136.47
	286.68	149.00



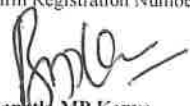
KSK Water Infrastructures Private Limited
Statement of Cash Flows for the year ended 31 March 2026
(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

Changes in liabilities arising from financing activities on account of non-cash transactions

Particulars	1 April 2025 (Restated)	Net Cash flows	Finance cost charged	Non Cash changes	31 March 2026
				Borrowings Written Back / Ind AS Adjustments	
Short term borrowings	14,804.85	(9,620.00)	802.10	(5,286.95)	700.00
Long term borrowings	-	9,620.00	479.16	(1,523.04)	8,576.12

See accompanying notes to the financial statements

As per our report of even date
for **K.S. Rao & Co.**
Chartered Accountants
Firm Registration Number: 003109S


Bapulla MP Kanva
Partner
Membership No. 223870



for and on behalf of **KSK Water Infrastructures Private Limited**


Rama Krishna Prasad Devulapal Hemsagar Patel
(Director) (Director)
DIN: 11296669 DIN: 11148318


Manjul Saha
(Chief Financial Officer)


Rakesh Punamiya
(Company Secretary)

Place: Hyderabad
Date: 07/05/2026



KSK Water Infrastructures Private Limited

Notes to the financial statements

(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

1 Corporate information

KSK Water Infrastructures Private Limited (the Company), is a Private 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 Hyderabad. Gachibowli K V Rangareddy, Serilingampally, Telangana - 500032

The Company is engaged in the business of constructing, building, developing, maintaining, operating, owning, treating, transferring or decommissioning water supply projects, water treatment systems and other facilities of similar nature including laying pipelines, building pumping stations, intermediate reservoirs for supply of water to power plant including the one being established by JSW Mahanadi Power Company Limited (Formerly known as KSK Mahanadi Power Company Ltd.) ("JMPCL")

2 Basis of Preparation

2.1 Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2026 was approved by the Board of Directors and authorised for issue on 7 May 2026

The Financial Statements may be re-opened and/or amended under Sections 130 and 131 of the Companies Act, 2013, as the case maybe.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. Amounts in the financial statements are presented in Indian Rupees in million rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013.

2.3 Historical Cost Convention

These financial statements have been prepared on historical cost basis except for the following items:

- Certain financial assets and liabilities are measured at fair value or amortized cost;
- Defined benefit plans – Plan assets measured at fair value;

2.4 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. MCA notified the following amendments applicable w.e.f. April 1, 2025:

- **Ind AS 1**, Breach of a material covenant – Amendment issued to remove the carve-out allowing classification of loans as non-current on breach of covenants when lender agrees after reporting date to and before approval of financial statements to not demand payment effective 1 April 2026.
- **Ind AS 7**, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures– 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 no impact of these amendments in its financial statements.
- **Ind AS 12**, International Tax Reform - 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 no impact of these amendments in its financial statements.
- **Ind AS 21**, The Effects of Changes in Foreign Exchange Rate: The amendments provide guidance on determining the spot exchange rate when a currency is not exchangeable or exchangeability is limited. It also introduced enhanced disclosure requirements regarding the nature, effects, and estimation of exchange rates used in such situations. The Company has no impact of these amendments in its financial statements.

2.5 Standards and interpretations not yet applied

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

2.6 Current / Non – Current Classification

Any asset or liability is satisfied as current if it satisfies any of the following conditions:

- Asset / Liability is expected to be realised / settled in the Company's normal operating cycle
- Asset is intended for sale or consumption
- Asset / Liability is held primarily for the purpose of trading



KSK Water Infrastructures Private Limited**Notes to the financial statements**

(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

- Asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date
- In case of a Liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

For the purpose of this classification, the Company has ascertained its normal operating cycle as twelve months, which is based on the nature of business and time between acquisition of assets and their realisation in cash and cash equivalents.

3 Material Accounting Policy Information**3.1 Property, Plant and Equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost includes expenditures that are directly attributable to property plant and equipment such as employee cost, borrowing costs for long-term construction projects etc., if recognition criteria are met. Likewise, when a major inspection is performed, its costs are recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other repairs and maintenance costs are recognised in P&L.

Depreciation is computed, based on technical assessment made by technical expert and management estimate, on straight-line basis over the estimated useful life which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used as follows:

Nature of asset	Useful life (years)
Buildings	1-60
Plant and equipment	1-30
Bridges and Culverts	1-30
Furniture & fixtures	1-5
Vehicles	1-10
Office equipment	1-5

Assets in the course of construction are stated at cost and not depreciated until commissioned.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit and loss in the year the asset is derecognised.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if appropriate.

Capital Work in Progress and Capital Advances

Cost of asset not ready for intended use and assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress. Advances given towards acquisition of property, plant and equipment or right of use assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Asset in accordance with Schedule III to the Companies Act, 2013.

3.2 Intangible assets

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Nature of asset	Useful life (years)
Software	3



KSK Water Infrastructures Private Limited

Notes to the financial statements

(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

3.3 Financial Instruments

Financial assets and financial liabilities are recognised when an entity 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 profit or loss) 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 or loss are recognised immediately in profit or loss.

3.4 Financial assets

Initial recognition & Measurement

All regular way purchases or sales of financial assets are recognised/derecognised on a trade date basis i.e. the date that the Company commits to purchase or sell the assets.

Subsequent measurement

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

- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI)
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI)
- Debt instrument, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For the equity instruments 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 FVTPL, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, 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 recognized in the P&L.



KSK Water Infrastructures Private Limited

Notes to the financial statements

(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

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

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

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

3.5 Financial liabilities

Initial recognition

Financial liabilities within the scope of Ind AS 109 are classified as

- Fair value through profit or loss
- Other financial liability at amortised cost

The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if criteria of Ind AS 109 are satisfied.

Loans and borrowings at amortised cost

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the amortisation process.



KSK Water Infrastructures Private Limited

Notes to the financial statements

(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

Offsetting of financial instruments

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

Amortised cost of financial instruments

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the EIR.

Derecognition

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

3.6 Fair value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company. 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. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

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.

3.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Stores and spares - purchase cost on a first in, first out basis.

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

3.8 Foreign currency translation

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in profit and loss in the period in which they arise



KSK Water Infrastructures Private Limited

Notes to the financial statements

(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to functional currency at foreign exchange rates ruling at the dates the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

3.9 Revenue recognition

The Company derives revenues primarily from business of providing transportation of water.

The Company recognizes revenue from contracts with customers based on a five-step model, such as

- identifying the contracts with a customer,
- identifying the performance obligations in the contract
- determine the transaction price
- allocate the transaction price to the performance obligations in the contract and
- recognize revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Interest and dividend income: Revenue from interest is recognised on an accrual basis (using the effective interest rate method). Revenue from dividends is recognised when the right to receive the payment is established.

3.10 Taxes

Current income tax: Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income tax: Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither the accounting profit nor taxable profit and does not give rise to equal taxable and deductible temporary differences.
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint operations, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credit and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint operations, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.



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Notes to the financial statements

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The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities, relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

3.1 Leases

Leases - A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and
- the Company has the right to direct the use of the asset

The Company's lease assets consists Leasehold Land on which depreciation has been computed based on the lease period.

At date of commencement of leases, the Company recognizes a right of use asset (ROU) and a corresponding lease liability for all the lease arrangements, except for those with a term of twelve month or less (short term leases) and leases of low value assets. For these leases, the Company recognizes lease payments as an expense on straight line basis over the lease term.

Initial Measurement

ROU assets are initially measured at cost that comprises of the initial amount of lease liability adjusted for any lease payments made at or prior to the date of commencement, initial direct costs and lease incentives (if any).

Lease Liability is initially measured at the present value of future lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease or, if not readily determinable, incremental borrowing rate.

Subsequent Measurement

ROU assets are subsequently measured at cost less accumulated depreciation and impairment loss, if any. ROU is depreciated from the date of commencement on a straight line basis over the shorter of lease term or useful life of the underlying asset.

Lease Liability is subsequently measured by increasing the carrying amount to reflect interest and reducing the carrying amount to reflect the lease payments made.

The carrying amount of lease liability is remeasured to reflect any reassessment or lease modification such as change in lease term.

ROU asset and lease liability are separately presented in the balance sheet and lease payments have been classified as financing cash flows.

3.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Capitalisation of borrowing cost is suspended in the period during which the active development is delayed due to other than temporary interruption. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.



KSK Water Infrastructures Private Limited**Notes to the financial statements**

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3.13 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

3.14 Cash and Cash Equivalent

Cash and cash equivalents comprises cash at bank (including deposits with banks with original maturity of three months or less) and cash in hand. Deposits with banks are subsequently measured at amortized cost.

3.15 Earnings per share

The earnings considered in ascertaining the Company's earnings per share (EPS) comprise the net profit or loss for the period attributable to equity holders. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year. Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to equity holders (after adjusting for effects of all dilutive potential equity shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into equity shares.

3.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.17 Employee benefits**Gratuity**

In accordance with Gratuity laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the gratuity fund administered and managed by Life Insurance Corporation of India, a Government of India undertaking which is a qualified insurer.



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The Company recognises the net obligation of a defined benefit plan in its Balance sheet as an asset or liability, respectively in accordance with Ind AS 19, Employee benefits. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense / (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Provident fund

Eligible employees of Company receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary and the employer contribution is charged to statement of profit and loss. The benefits are contributed to the government administered provident fund, which is paid directly to the concerned employee by the fund. The Company has no further obligation to the plan beyond its monthly contributions.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid towards bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.18 Contingent Liabilities

Contingent liability is disclosed in case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company where the probability of outflow of resources is not remote.

Claims under the contract entered into with vendors are recognised at the end of the contract or as agreed upon.

3.19 Contingent Assets

Contingent assets are not recognized but disclosed in the Financial Statements when an inflow of economic benefits is probable.

Claims under the contract entered into with vendors are recognised at the end of the contract or as agreed upon.

3.20 Segment Reporting

Operating segments are identified and reported in a manner consistent with the internal financial reporting provided to the chief operating decision makers, responsible for allocating resources and assessing performance of the operating segments.

3.21 Events After Reporting Date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Financial Statements. Non-Adjusting events after the Balance Sheet date which are material size or nature are disclosed separately in the Financial Statements.

4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above. The application of a number of these policies required the Company to use a variety of estimation techniques and apply judgment to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgment that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements.



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Notes to the financial statements

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The policies where significant estimates and judgments have been made are as follows:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Estimation of fair value of acquired financial assets and financial liabilities :** When the fair value of financial assets and financial liabilities recorded in the Balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow 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. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.
- **Taxes :** Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessment by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax assessment and differing interpretations of tax laws by the taxable entity and the responsible tax authority. The Company assesses the probability for litigation and subsequent cash outflow with respect to taxes.
- **Deferred income tax assets** are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning. Actual results can differ from estimates.
- **Property, Plant and Equipment & Intangible Assets:** Key estimates related to long-lived assets (property, plant and equipment and intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The useful lives are estimated based upon our historical experience, technical estimation and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.
- **Employee Benefits - Measurement of Defined Benefit Obligation (DBO):** Management assesses post-employment and other employee benefit obligations using the projected unit credit method based on actuarial assumptions which represent management's best estimates of the variables (such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases) that will determine the ultimate cost of providing post-employment and other employee benefits. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Judgement

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

- **Useful lives of depreciable assets :** Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence, particularly relating to software and information technology equipment.
- **Revenue :** The Company recognizes revenue from contracts with customers based on a five-step model as per Ind AS 115 which involves judgements such as identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. The management exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. It considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- **Recognition of Deferred Tax Assets :** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.



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- **Evaluation of Indicators for Impairment of Assets :** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Expected Credit Losses :** Expected credit losses of the Company are based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realization of these receivables, including their current credit worthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Company contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional expected credit loss may be required.
- **Fair Value Measurements :** Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.
- **Provisions :** At each reporting date basis the management judgement, changes in facts and legal aspects, the Company assess the requirement of the provisions. However, the actual future outcome may be different from this judgement.



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Notes to Financial Statements
(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)
5 Property, Plant and Equipment

Particulars	Land-Freehold	Buildings	Road	Bridges and Culverts	Plant and equipment	Furniture and fixture	Vehicles	Office equipment and Computers	Total
Deemed cost									
As at 1 April 2024 (Restated)	44.40	282.49	-	53.38	6,091.56	0.05	0.19	0.60	6,472.67
Additions	-	-	-	-	-	-	-	0.07	0.07
Disposals/transfers	-	-	-	-	-	-	-	-	-
As at 31 March 2025 (Restated)	44.40	282.49	-	53.38	6,091.56	0.05	0.19	0.67	6,472.74
As at 1 April 2025 (Restated)	44.40	282.49	-	53.38	6,091.56	0.05	0.19	0.67	6,472.74
Additions	-	-	1.53	-	-	-	-	-	1.53
Disposals/transfers	-	-	-	-	-	-	-	-	-
As at 31 March 2026	44.40	282.49	1.53	53.38	6,091.56	0.05	0.19	0.67	6,474.27
Depreciation									
As at 1 April 2024 (Restated)	-	221.16	-	42.15	4,799.84	0.04	0.19	0.38	5,063.76
Charge for the year	-	2.49	-	0.51	58.38	0.01	-	0.07	61.46
Impairment	-	-	-	-	-	-	-	-	-
On disposals/transfers	-	-	-	-	-	-	-	-	-
As at 31 March 2025 (Restated)	-	223.65	-	42.66	4,858.22	0.05	0.19	0.45	5,125.22
As at 1 April 2025 (Restated)	-	223.65	-	42.66	4,858.22	0.05	0.19	0.45	5,125.22
Charge for the year	-	7.37	0.11	1.39	135.47	-	-	0.07	144.41
Reversal of Impairment (Refer Note 26(a))	-	(144.06)	-	(26.09)	(2,249.15)	-	-	-	(2,419.30)
Impairment - (Refer Note 26(a))	-	1.59	-	-	-	-	-	-	1.59
On disposals/transfers	-	-	-	-	-	-	-	-	-
As at 31 March 2026	-	88.55	0.11	17.96	2,744.54	0.05	0.19	0.52	2,851.92
Net book value									
As at 31 March 2025 (Restated)	44.40	58.84	-	10.72	1,233.34	-	-	0.22	1,347.52
As at 31 March 2026	44.40	193.94	1.42	35.42	3,347.02	-	-	0.15	3,622.35

Property, plant and equipment with a carrying amount of ₹ 3,622.35 million (31 March 2025: ₹ 1,347.52 million) is subject to security restrictions (Refer Note No. 15).

6 Capital work-in-progress

Ageing for capital work-in-progress as at 31 March 2026 is as follows:

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Project temporarily suspended	-	-	-	1,692.99	1,692.99
	-	-	-	1,692.99	1,692.99
				Less: Impairment	1,692.99
				Total	-

Ageing for capital work-in-progress as at 31 March 2025 (Restated) is as follows:

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Project temporarily suspended	-	-	-	1,692.99	1,692.99
	-	-	-	1,692.99	1,692.99
				Less: Impairment	1,692.99
				Total	-

Capital Work in Progress with a carrying amount of ₹ Nil (31 March 2025: ₹ Nil) is subject to security restrictions (Refer Note No. 15).



KSK Water Infrastructures Private Limited**Notes to Financial Statements***(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)***7 Right of use asset**

Particulars	Leasehold Land	Total
Deemed cost		
As at 1 April 2024 (Restated)	340.49	340.49
Additions	-	-
Disposals/transfers	-	-
As at 31 March 2025 (Restated)	340.49	340.49
As at 1 April 2025 (Restated)	340.49	340.49
Additions	-	-
Disposals/transfers	-	-
As at 31 March 2026	340.49	340.49
Depreciation		
As at 1 April 2024 (Restated)	245.27	245.27
Charge for the year	1.06	1.06
Impairment	-	-
As at 31 March 2025 (Restated)	246.33	246.33
As at 1 April 2025 (Restated)	246.33	246.33
Charge for the year	1.06	1.06
Impairment	-	-
As at 31 March 2026	247.39	247.39
Net book value		
As at 31 March 2025 (Restated)	94.16	94.16
As at 31 March 2026	93.10	93.10

Right to use asset with a carrying amount of ₹ 93.10 million (31 March 2025: ₹ 94.16 million) is subject to security restrictions (Refer Note No. 15)



KSK Water Infrastructures Private Limited**Notes to Financial Statements***(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)***8 Other assets**

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Non current		
<i>Unsecured, considered good</i>		
Capital advances	4.85	4.85
Plan Asset (Refer note below)	0.03	0.08
	4.88	4.93
Current		
Prepaid expenses	1.29	0.92
Advance for supplies/expenses		
to related parties	-	0.08
to others	1.53	18.12
Balance with statutory authorities	80.87	109.18
	83.69	128.30

Note:

The Company has a defined benefit gratuity plan, which is regulated as per the provisions of Code on Social Security, 2020. Every employee who has completed one year or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with LIC in the form of a qualifying insurance policy. The liability for the same is recognized on the basis of actuarial valuation.

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

A. Net Benefit (asset)/liability

	As at 31 March 2026	As at 31 March 2025 (Restated)
Defined benefit obligation	0.45	0.26
Fair value of plan assets	(0.48)	(0.34)
Benefit liability/(assets)	(0.03)	(0.08)

B. Defined benefit obligation:

	As at 31 March 2026	As at 31 March 2025 (Restated)
Defined benefit obligation as at the beginning of the year	0.26	0.11
Included in income statement		
Current service cost	0.14	0.10
Interest cost	0.02	0.01
	0.16	0.11
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	(0.03)	0.04
	(0.03)	0.04
Others		
Past service cost	0.06	-
Benefits paid	-	-
	0.06	-
Defined benefit obligation as at the end of the year	0.45	0.26

C. Fair value of Plan Assets

	As at 31 March 2026	As at 31 March 2025 (Restated)
Fair value of plan assets beginning of the year	0.34	0.28
Included in income statement		
Interest income	0.02	0.02
	0.02	0.02



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Notes to Financial Statements
(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)
Included in other comprehensive income
Remeasurement (loss) / gain

Return on plan asset (excluding amounts included in net interest expense)	0.01	0.00
	0.01	0.00

Others

Contributions	0.11	0.04
Benefits Paid	-	-
	0.11	0.04

Fair value of plan assets end of the year	0.48	0.34
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Net defined benefit liability (asset)

	As at 31 March 2026	As at 31 March 2025 (Restated)
Balance	(0.08)	(0.17)
Included in income statement		
Current service cost	0.14	0.10
Interest cost / (income)	-	(0.01)
	0.14	0.09
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	(0.04)	0.04
	(0.04)	0.04
Others		
Contributions by employer	(0.05)	(0.04)
Benefits paid	-	-
	(0.05)	(0.04)
Defined benefit obligation as at the end of the year	(0.03)	(0.08)

Asset information

Category of asset	As at 31 March 2026	As at 31 March 2025 (Restated)
Insurer managed fund	100%	100%

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

	As at 31 March 2026	As at 31 March 2025 (Restated)
Discount rate	7.00%	6.50%
Salary escalation	8.00%	10.00%
Attrition / Withdrawal rate (per annum)	11.00%	15.00%
Normal retirement age	60 Years	58 Years
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

Sensitivity analysis

	As at 31 March 2026		As at 31 March 2025 (Restated)	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1% movement)	0.49	(0.42)	0.28	(0.25)
Salary Growth Rate (- / + 1% movement)	(0.42)	0.48	(0.25)	0.28

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



KSK Water Infrastructures Private Limited
Notes to Financial Statements
(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)
9 Trade receivables

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Current		
Unsecured, considered good - related party	102.80	2,075.70
Unsecured, credit impaired - related party	2,115.87	74.53
Less: Provision for expected credit losses	(2,115.87)	(74.53)
	102.80	2,075.70

Ageing for trade receivables – current outstanding as at 31 March 2026 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	102.80	-	-	-	-	102.80
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	-	2,115.87	2,115.87

Ageing for trade receivables – current outstanding as at 31 March 2025 (Restated) is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade receivables – considered good	35.38	-	-	1,954.08	86.24	2,075.70
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	-	74.53	74.53

10 Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Cash on hand	0.00	0.00
Balances with banks		
On current account	199.31	12.53
On fixed deposits	87.37	136.47
	286.68	149.00



KSK Water Infrastructures Private Limited**Notes to Financial Statements***(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)***11 Other financial assets**

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Current		
<i>Unsecured, considered good</i>		
Security deposits	0.02	0.02
Interest accrued	0.03	0.53
Advance to Others (Refer Note No. 39)	-	1,300.33
<i>Unsecured, considered doubtful</i>		
Other receivables from related party	11.18	11.18
Less: Impairment of other receivables	(11.18)	(11.18)
	0.05	1,300.88

12 Current Tax Assets (Net)

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Advance Income Tax	6.35	10.69
	6.35	10.69

13 Equity Share capital

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Authorized Capital		
113,000,000 (31 March 2025: 113,000,000) equity shares of ₹ 10/- each.	1,130.00	1,130.00
	1,130.00	1,130.00
Issued, subscribed and fully paid-up Capital		
112,200,000 (31 March 2025: 112,200,000) equity shares of ₹ 10/- each fully paid-up.	1,122.00	1,122.00
	1,122.00	1,122.00

Notes**a) Rights/Preference/ Restriction attached to equity shares.**

a) The Company has only one class of equity shares having a par value of ₹ 10/- per share. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of shareholders.

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution shall be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Equity shares fully paid-up		
Outstanding at the beginning of the year	11,22,00,000	11,22,00,000
Issued during the year	-	-
Conversion of warrants	-	-
Outstanding at the end of the year	11,22,00,000	11,22,00,000

c) Equity shares held by holding company

Name of shareholder	As at 31 March 2026	As at 31 March 2025 (Restated)
Holding Company		
No of shares held	5,72,22,000	5,72,22,000
% of shares held	51%	51%



KSK Water Infrastructures Private Limited**Notes to Financial Statements***(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)***d) Particulars of share holders holding more than 5% of the shares**

Name of shareholder	As at 31 March 2026	As at 31 March 2025 (Restated)
Punjab National Bank*		
No. of shares held	-	5,72,22,000
% of shares held	-	51%
JSW Energy Limited*		
No. of shares held	5,72,22,000	
% of shares held	51%	
JSW Mahanadi Power Company Limited (Formerly known as KSK Mahanadi Power Company Ltd.)		
No. of shares held	5,49,78,000	5,49,78,000
% of shares held	49%	49%

*Punjab National Bank one of the erstwhile lenders of the Company, acting as the security agent for the consortium of project lenders, became the beneficial owner of 51% of the project equity shares pursuant to the invocation of pledge on equity shares held as security against the facilities granted to the Company. Subsequently, the entire outstanding debt, along with the associated rights and securities, was assigned to Prudent ARC Limited by vide agreement dated 4 September, 2021. Pending completion of formalities related to the transfer, the name of Prudent ARC Limited was not recorded in the Register of Members as beneficial owner as at 31 March 2025. However, subsequently JSW Energy Limited has acquired the pledged shares held by Prudent ARC Limited as security towards facilities granted to the Company pursuant to the implementation of the Settlement Plan dt. 15 June, 2025 and execution of Share Purchase Agreement dt. 4 August, 2025.

e) Particulars of share hold by promoters

31 March 2026				
S. No.	Promoter Name	No. of Shares	% of total Shares	% change during the year
1	JSW Energy Limited	5,72,22,000	51%	100%
2	JSW Mahanadi Power Company Limited (Formerly known as KSK Mahanadi Power Company Ltd.)	5,49,78,000	49%	-

31 March 2025 (Restated)				
S. No.	Promoter Name	No. of Shares	% of total Shares	% change during the year
1	JSW Mahanadi Power Company Limited (Formerly known as KSK Mahanadi Power Company Ltd.)	5,49,78,000	49%	-

14 Other equity

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Retained earnings	(9,396.13)	(13,820.57)
Equity Component of Compound Financial Instrument	1,523.04	-
Money received against share warrant	-	1,258.00
Capital Reserve	1,258.00	-
Other items of OCI - Actuarial gain / losses	1.64	1.60
	(6,613.45)	(12,560.97)



KSK Water Infrastructures Private Limited**Notes to Financial Statements**

(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

15 Borrowings

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Non Current		
<i>Unsecured</i>		
Loan from Related Parties		
Shareholder loan	8,576.12	-
	8,576.12	-
Current		
<i>Unsecured</i>		
Loans from other	-	158.43
<i>Secured</i>		
Current maturities of long-term borrowings (Refer Note No. 33)	700.00	5,911.64
	700.00	6,070.07

Details of securities pledged & repayment terms

(a) Rupee term loans from financial institutions are secured by first pari-passu charge on all movable and immovable assets, intangible assets and other assets of the company both present and future.

(b) JSW Energy Limited (JSWEL) has infused a shareholder loan of ₹ 9,620 million as part of Settlement Plan for withdrawal of CIRP of the Company, carrying interest @ 9% p.a. applicable post 2 years from 4 August, 2025. Further, the loan shall be repayable on demand on or after 2 years from 4 August, 2025.

16 Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Total outstanding dues of Micro and Small Enterprises	0.60	0.64
Total outstanding dues of creditors other than Micro and Small Enterprises	14.73	28.14
	15.33	28.78

* Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of the information available with the Company represents the principal amount payable to these enterprises. Please refer Note No. 40

Ageing for trade payables outstanding as at 31 March, 2026 is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Micro and small enterprises	0.45	0.15	-	-	-	0.60
ii) Others	7.73	-	-	-	7.00	14.73
iii) Disputed dues – micro and small enterprises	-	-	-	-	-	-
iv) Disputed dues – Others	-	-	-	-	-	-

Ageing for trade payables outstanding as at 31 March, 2025 (Restated) is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Micro and small enterprises	-	0.64	-	-	-	0.64
ii) Others	0.64	18.58	-	0.00	8.92	28.14
iii) Disputed dues – micro and small enterprises	-	-	-	-	-	-
iv) Disputed dues – Others	-	-	-	-	-	-



KSK Water Infrastructures Private Limited**Notes to Financial Statements***(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)***17 Other financial liabilities**

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Current		
Creditors for capital goods (including retention money)	87.06	87.19
Other Liabilities - EMD	-	15.00
Other Liabilities - Operational Creditor	-	0.89
Interest Accrued and Due	-	10,035.11
	87.06	10,138.19

18 Other current liabilities

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Statutory liabilities	312.05	312.57
Salaries and bonus payable	0.58	0.38
	312.63	312.95

19 Provisions

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Current		
Provision for employee benefits	0.21	0.16
	0.21	0.16

20 Tax Reconciliation statement

Reconciliation between tax expense and the product of accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2026 and 31 March 2025 is as follows:

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Profit as per P&L	4,424.44	(2,061.24)
Effective tax rate	25.168%	25.168%
Normal Tax	1,113.54	(518.77)
Expenditure / income not deductible for tax purpose	(1,502.75)	-
Deferred Tax Asset not recognised	389.21	518.77
Actual tax	-	-

*The Company has deductible temporary differences of ₹ 635.84 million (31 March 2025: ₹ 21.49 million) unused tax losses of ₹ 1870.51 million (31 March 2025: ₹ 1870.66 million) that are available for offset against future taxable profits. As per Ind AS 12, the deferred tax assets (the deferred tax benefits) should be recognized only when there is probability for the income generation in future which can be utilized for setting off the said deferred tax assets within allowable period. Considering the accumulated losses and unabsorbed depreciation and the commercial contract being subject matter of dispute, it is not probable that the same can be set off with the future income within the allowable period specified in the Income Tax Act 1961. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. In view of the said uncertainty, it is considered prudent not to recognize the deferred tax asset in the current financial year.



KSK Water Infrastructures Private Limited**Notes to Financial Statements***(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)***21 Revenue from Operation**

Particulars	Year Ended	
	31 March 2026	31 March 2025 (Restated)
Income from services	331.02	304.74
	331.02	304.74

22 Other income

Particulars	Year Ended	
	31 March 2026	31 March 2025 (Restated)
Interest on financial instruments	4.64	45.94
Interest on income tax refund	0.59	0.71
	5.23	46.65

23 Employee benefits expenses

Particulars	Year Ended	
	31 March 2026	31 March 2025 (Restated)
Salaries, wages and bonus	5.35	4.44
Contribution to provident and other funds	0.41	0.24
Staff welfare expenses	0.14	0.30
	5.90	4.98

24 Finance costs

Particulars	Year Ended	
	31 March 2026	31 March 2025 (Restated)
Interest expenses	1,281.27	2,118.42
	1,281.27	2,118.42

25 Other expenses

Particulars	Year Ended	
	31 March 2026	31 March 2025 (Restated)
Rates and taxes	0.35	0.48
Repairs and maintenance		
Plant and equipment	113.82	182.32
Others	1.09	0.49
Rent	0.14	0.09
Insurance charges	7.25	5.69
Legal and professional charges	18.08	31.81
Remuneration to auditors		
for audit	0.42	0.18
for tax audit	0.08	0.08
for reimbursement of expenses	0.01	0.01
Travel and conveyance	1.41	0.97
Miscellaneous expenses	1.88	4.60
	144.53	226.72

26 Exceptional Items

Particulars	Year Ended	
	31 March 2026	31 March 2025 (Restated)
Exceptional Income / (Expenses)		
Reversal of Impairment (Refer Note (a) below)		
- Bridges and Culverts	26.09	-
- Buildings (Plant)	144.06	-
- Plant & Equipment	2,249.15	-
Liabilities no longer required written back (Refer Note (b) below)	160.53	-
Financial debt written back (Refer Note (c) below)	5,128.52	-
Provision for Doubtful Debts (Refer note (d) below)	(2,041.34)	-
Impairment of Building (Non-Plant) (Refer Note (a) below)	(1.59)	-
Past service cost (Refer Note (e) below)	(0.06)	-
Exceptional Items (Net)	5,665.36	-



KSK Water Infrastructures Private Limited**Notes to Financial Statements***(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)*

(a) Pursuant to the withdrawal of the Company from the CIRP proceedings, the management has assessed the impairment of the Cash Generating Unit. Accordingly, the earlier recognised impairment loss to the extent of ₹ 2417.71 million (net) has been reversed and the corresponding income has been disclosed as an exceptional item.

(b) In absence of any claims received during the CIRP and since certain loans and liabilities are barred by limitation, the management has decided to write back the loans and liabilities no longer required amounting to ₹ 160.53 million and the corresponding income has been disclosed as an exceptional item.

(c) Pursuant to the implementation of the Settlement Plan, the Company was in discussion with JM Financial ARC Limited for settlement of the outstanding debt and exchanged multiple communications throughout the reporting period and finally on 31 March 2026 submitted its full and final settlement proposal of ₹ 700 million against outstanding debt of ₹ 5,828.52 million assigned to JM Financial ARC Limited. Subsequently, JM Financial ARC Limited has communicated its acceptance to the Settlement Proposal vide its letter dated 30 April, 2026 thereby agreeing for a one time settlement of ₹ 700 million to be paid by the Company on or before 31 May 2026. Since, the conditions existed as at the end of the reporting period and the consequent obligation has been confirmed post the reporting period but prior to the approval of the financial statements by the Board, the Company has treated it as an adjusting event after the reporting period and adjusted the total debt owed to JM Financial ARC Limited to the agreed settlement consideration and principal debt amount of 5,128.52 million so written back has been recognised as an income in exceptional items.

(d) In light of the pending dispute with JSW Mahanadi Power Company Limited (Formerly known as KSK Mahanadi Power Company Ltd.), customer of the Company pending before the Hon'ble Supreme Court, the management has decided to provide for doubtful debts amounting to ₹ 2,041.34 million and the corresponding expense has been disclosed as an exceptional item.

(e) On 21 November, 2025, the Government of India notified four Labour Codes, effective immediately, replacing the existing 29 labour laws. In accordance with Ind AS 19 - Employee benefits, changes to employee benefit plans arising from legislative amendments are treated as plan amendments, requiring immediate recognition of past service cost in the Statement of Profit and Loss. This approach is consistent with the guidance issued by the Institute of Chartered Accountants of India.

The implementation of the Labour Codes has resulted in an increase of ₹ 0.06 million in the provision for defined benefit obligation, which has been recognised as an exceptional item in the current reporting period. The Company continues to monitor the finalisation of Central and State Rules, as well as Government clarifications on other aspects of the Labour Codes, and will incorporate appropriate accounting treatment based on these developments as required.

27 Other comprehensive income

Particulars	Year Ended	
	31 March 2026	31 March 2025 (Restated)
Remeasurements of the defined benefit plans	0.04	(0.04)
	0.04	(0.04)

28 Earnings/(loss) per share (EPS)

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

Particulars	Year Ended	
	31 March 2026	31 March 2025 (Restated)
Net profit/(loss) after tax (a)	4,424.44	(2,061.24)
Weighted average number of equity shares for basic EPS (in million.) (b)	112.20	112.20
Earning/(loss) Per Share - Basic and diluted (in ₹) (a/b)	39.43	(18.37)
Face value of shares	10	10



KSK Water Infrastructures Private Limited**Notes to Financial Statements***(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)***29 Capital commitments and contingent liabilities****Capital commitments**

a) Estimated value of contracts remaining to be executed on capital account not provided for ₹ Nil (31 March 2025: ₹ Nil)

Contingent liabilities

b) Claims against the company not acknowledge as debt :

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Claim from GST Department (Refer Note 30(b) below)	171.86	171.86

30 Pending Litigations**a) Dispute with JSW Mahanadi Power Company Limited (Formerly known as KSK Mahanadi Power Company Ltd.) ("JMPCL")**

The Company has entered into a Water Transportation Agreement ("WTA") with JMPCL on 14 March 2014, which was amended on 1 March 2015 for an initial period of 2 years, subsequently and the original terms of WTA were restored pursuant to a letter dated 30 March, 2017. The Company did not raise invoices prior to initiation of Corporate Insolvency Resolution Process ("CIRP") pursuant to merger stipulation with JMPCL which was never effected. However, consequent to initiation of CIRP on standalone basis, in order to establish the business model of the Company and ensure value maximisation of its Stakeholders, the erstwhile Resolution Professional of the Company had raised invoices pursuant to the approval of its Committee of Creditors, for the services provided to JMPCL under the WTA. However, JMPCL disputed the invoices and on account of non-payment of dues, the Company was unable to meet its operational costs and the services had to be suspended. Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") vide its Order dated 17 June, 2021, directed that in terms of Section 14(2A) of the Insolvency and Bankruptcy Code, 2016, the Company has to continue the water transportation services to JMPCL subject to the latter remitting the payments against such services in terms of WTA. Aggrieved by the Order of Hon'ble NCLT, JMPCL and its Committee of Creditors preferred appeals before Hon'ble National Company Law Appellate Tribunal, Chennai Bench ("NCLAT") which were dismissed by Hon'ble NCLAT vide its Order dated 29 March, 2022. Aggrieved by the Order of Hon'ble NCLAT, JMPCL and its Committee of Creditors preferred appeals before the Hon'ble Supreme Court, however, Hon'ble Supreme Court vide its Interim Order dated 13 June, 2022 ("Interim Order") directed that pending adjudication of the matter, the Company shall continue providing MCM to JMPCL, subject to JMPCL paying current actual charges to the Company. Accordingly, the Company was raising the invoices as per the WTA and JMPCL was remitting payment as per actual consumption in light of the Interim Order. However, pursuant to the resolution of the Committee of Creditors, the Company was directed to raise credit note(s) amounting to ₹ 714.88 million (including GST), on prudent basis towards unpaid portion of invoices raised during FY 2022-23 without prejudice to the Company's contention/right that it is entitled to receive full payment for services rendered to JMPCL in terms of the WTA. At present, the Company is raising invoices on JMPCL on actual consumption on a without prejudice basis.

b) GST Demand

The Company has raised invoices on JMPCL worth ₹ 1,954.08 million for the services provided during period October 2019 to December 2020 on 21 May 2022 and for the services provided during the month of May 2022 on 3 June, 2022 ("Disputed Invoices"), and consequently there was a GST liability of ₹ 298.08 million on such invoices. However, JMPCL and its CoC filed Appeals before Hon'ble Supreme Court vide Civil Appeal 4098-99/2022 and 4168/2022 and the Hon'ble Supreme Court has issued an Interim Order on 13 June, 2022 wherein JMPCL was directed to deposit 50% of the demand raised by the Company towards contractual amount due and payable with Hon'ble Supreme Court. Hon'ble Supreme Court further stated that the Company may be at liberty to file application seeking withdrawal of amount from the amount to be deposited to meet its operational expenses and statutory liabilities arising on account of raising of such invoices. Accordingly, the erstwhile RP of the Company filed an application bearing IA 95488/2022 in the Civil Appeal praying for withdrawal of ₹ 298.08 million to meet immediate GST liabilities on the Company and in the alternative, pending disposal of the Civil Appeal, direct the GST Authorities not to take any penal action and / or levy interest on delayed payments against the Demands w.r.t. disputed invoices. The subject matter is still under adjudication by the Hon'ble Supreme Court.

c) Arbitration Proceedings with Vendor

Post withdrawal of the Company from CIRP under Section 12A of the Insolvency and Bankruptcy Code, 2016 ("the Code"), the management of the Company analysed the dispute between the Company and a Vendor and exercised arbitration in accordance with the EPC contract. The new management found that while the Vendor has been continuously threatening the Company on various platforms, the contractual obligations were not completed by the Vendor at first place. Hence, the management invoked the arbitration clause.

The Company has made a claim of ₹ 1,189.30 million on the Vendor on account of default of certain obligations of the Vendor towards the Company under the EPC Contract. However, the Vendor has made a counter claim of ₹ 650 million against the Company in the course of arbitration.

The Company is in process of filing its reply to the counter claim and expects favourable outcome in this matter



KSK Water Infrastructures Private Limited**Notes to Financial Statements***(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)***31 Related party disclosures:****a) Parties where control / significant influence exists and where the transactions have taken place during the year**

Name of party	Relationship
JSW Energy Limited	Holding Company / Ultimate Parent Company
JSW Mahanadi Power Company Limited (Formerly known as KSK Mahanadi Power Company Limited)	Enterprise having significant influence / Fellow Subsidiary

b) Key management personnel

	Relationship
Madanlal Kahara	Director
Hemsagar Patel *	Director
Rama Krishna Prasad Devulapalli **	Director
Karishma Danil Pahuja **	Director
Bhargav Samirbhai Vyas **	Independent Director
Parin Vijay Shah **	Independent Director
Manjul Saha **	Chief Financial Officer
Rakesh Punamiya **	Company Secretary

* Appointed w.e.f. 16 June 2025

** Appointed w.e.f. 24 September 2025

c) Related party transactions

Particulars	31 March 2026		
	Holding Company	Enterprise having significant influence	KMP
Transaction			
Rendering of services	-	331.02	-
Sitting Fees	-	-	0.20
Short-term employee benefits	-	-	2.62
Post-employment benefits	-	-	0.10
Reimbursement of Expenses	-	-	0.85
Loan borrowed during the period	9,620.00	-	-
Equity Share Capital acquired during the year *	572.22	-	-
Balances at the period end			
Amount receivable / (payable)	-	2,229.85	-
Loan payable	(9,620.00)	-	-
Provision for Doubtful Debts	-	(2,127.05)	-
Salaries payable	-	-	(0.36)
Equity Share Capital	(572.22)	(549.78)	-

* JSW Energy Limited had acquired the pledged shares held with the financial creditors as part of the implementation of the Settlement Plan.

Particulars	31 March 2025 (Restated)		
	Holding Company	Enterprise having significant influence	KMP
Transaction			
Rendering of services	-	304.74	-
Short-term employee benefits	-	-	0.89
Post-employment benefits	-	-	0.02
Reimbursement of Expenses	-	-	0.63
Balances at the year end			
Amount receivable / (payable)	-	2,161.40	-
Provision for Doubtful Debts	-	(85.71)	-
Advance for Expenses	-	-	0.08
Salaries payable	-	-	(0.08)
Equity Share Capital	-	(549.78)	-



KSK Water Infrastructures Private Limited**Notes to Financial Statements***(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)***32 Restatement of accounts in accordance with Ind AS 8**

The Company had borrowings from banks and financial institutions on which interest had not been accounted for since 1 April, 2018, owing to merger stipulations with JSW Mahanadi Power Company Limited (Formerly known as KSK Mahanadi Power Company Ltd.) ("JMPCL") followed by moratorium imposed due to the Corporate Insolvency Resolution Process ("CIRP") initiated against the Company w.e.f. 1 January, 2021. As on 31 March, 2025, such interest amounted to ₹10,035.11 million (of which ₹ 7,916.69 million is in retained earnings as on 1 April, 2024 and balance ₹ 2,118.42 million is in Statement of profit and loss for the year ended 31 March, 2025).

During the current year, on 4 August, 2025, this has been accounted for by restating the opening balances of liabilities and equity for 1 April, 2024, in accordance with Ind AS 8, however no deduction for the same has been claimed by the Company in its income tax return for assessment years upto AY 2025-26.

The summary is as follows:

Particulars	31 March 2025 (As previously reported)	Increase/ (Decrease)	31 March 2025 (Restated)
(a) Statement of Profit and Loss			
I Revenue from operations	304.74	-	304.74
II Other income	46.65	-	46.65
III Total income (I+II)	351.39	-	351.39
IV Expenses			
Employee benefits expenses	4.98	-	4.98
Finance costs	-	2,118.42	2,118.42
Depreciation expense	62.51	-	62.51
Other expenses	226.72	-	226.72
Total expenses	294.21	2,118.42	2,412.63
V Profit / (loss) before exceptional items and tax (III - IV)	57.18	(2,118.42)	(2,061.24)
VI Exceptional items	-	-	-
VII Profit / (loss) after exceptional items (V + VI)	57.18	(2,118.42)	(2,061.24)
VIII Tax expense / (income)			
Current tax	-	-	-
Deferred tax	-	-	-
Total tax expenses / (income)	-	-	-
IX Profit / (loss) after tax (VII - VIII)	57.18	(2,118.42)	(2,061.24)
X Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans	(0.04)	-	(0.04)
	(0.04)	-	(0.04)
XI Total comprehensive income for the year (IX+X)	57.14	(2,118.42)	(2,061.28)
(b) Earnings per share			
Profit/ (Loss) after Tax attributable to Equity shareholders	57.18	(2,118.42)	(2,061.24)
Weighted average number of equity shares outstanding during the year	11,22,00,000		11,22,00,000
Basic and Diluted Earnings per share (₹)	0.51	(18.88)	(18.37)
Nominal value per share (₹)	10.00		10.00



KSK Water Infrastructures Private Limited
Notes to Financial Statements

(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

(c) Balance Sheet

Particulars	As at 31 March 2025		
	31 March 2025 (as previously reported)	Increase/ (Decrease)	31 March 2025 (restated)
Equity and liabilities			
Other equity	(2,524.97)	(10,036.00)	(12,560.97)
Total	(2,524.97)	(10,036.00)	(12,560.97)
Other financial liabilities			
Creditors for capital goods (including retention money)	87.19	-	87.19
Other Liabilities - EMD	15.00	-	15.00
Other Liabilities - Operational Creditor	-	0.89	0.89
Interest accrued	-	10,035.11	10,035.11
Total	102.19	10,036.00	10,138.19

Particulars	As at 31 March 2024		
	31 March 2024 (as previously reported)	Increase/ (Decrease)	01 April 2024 (restated)
Equity and liabilities			
Other equity	(2,582.11)	(7,917.58)	(10,499.69)
Total	(2,582.11)	(7,917.58)	(10,499.69)
Other financial liabilities			
Creditors for capital goods (including retention money)	87.19	-	87.19
Other Liabilities - EMD	-	-	-
Other Liabilities - Operational Creditor	-	0.89	0.89
Interest accrued	-	7,916.69	7,916.69
Total	87.19	7,917.58	8,004.77

33 Implementation of Settlement Plan offered u/s 12A of the Code under CIRP

A comprehensive settlement plan dated 15 June, 2025 ("Settlement Plan") was proposed by JSW Energy Limited to Prudent ARC Limited for the withdrawal of the Company from its CIRP which was unanimously approved by all the financial creditors. Subsequently, an application under Section 12A of the Insolvency and Bankruptcy Code, 2016 ("the Code") was filed by the Resolution Professional before the Hon'ble National Company Law Tribunal, Hyderabad Bench for the withdrawal of the Company from its CIRP ("Withdrawal Application"). The Hon'ble NCLT vide its Order dated 23 July, 2025 (Order copy received on 24 July, 2025), approved the Withdrawal Application. Accordingly, JSW Energy Limited infused proceeds in the Company in the form of a shareholder loan amounting to ₹ 9,620 million and took necessary actions to implement the steps outlined in the Settlement Plan. The afore-mentioned funds were used to settle the outstanding debt of Sai Wardha Power Generation Private Limited amounting to ₹ 365.25 million and outstanding debt (including interest) of Prudent ARC Limited amounting to ₹ 9,254.75 million and the balance debt was assigned to JM Financial ARC Limited.

The Settlement Plan was successfully implemented on the Closing Date i.e. 4 August, 2025.

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

1. Prudent ARC Limited

Particulars	Amount
Total Outstanding Principal	5,546.39
Total Outstanding Interest (after adjustment of unclaimed financial liability for earlier years)	10,837.21
Adjustment of Interim Distribution of Surplus Funds towards outstanding debt	(1,300.33)
Settlement of Outstanding Interest of Prudent ARC Limited	(9,254.75)
Net Outstanding Debt assigned to JM Financial ARC Limited*	5,828.52

* Refer note 34 for settlement of borrowing after reporting period

2. Sai Wardha Power Generation Private Limited

Particulars	Amount
Total Outstanding Debt	365.25
Settlement of Outstanding Debt of Sai Wardha Power Generation Private Limited	(365.25)
Net Outstanding Debt	-



KSK Water Infrastructures Private Limited**Notes to Financial Statements**

(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

34 Adjustment of Borrowings post Reporting Period

Pursuant to the implementation of the Settlement Plan, the Company was in discussion with JM Financial ARC Limited for settlement of the outstanding debt and exchanged multiple communications throughout the reporting period and finally on 31 March 2026 submitted its full and final settlement proposal of ₹ 700 million against outstanding debt of ₹ 5,828.52 million assigned to JM Financial ARC Limited. Subsequently, JM Financial ARC Limited has communicated its acceptance to the Settlement Proposal vide its letter dated 30 April, 2026 thereby agreeing for a one time settlement of ₹ 700 million to be paid by the Company on or before 31 May 2026. Since, the conditions existed as at the end of the reporting period and the consequent obligation has been confirmed post the reporting period but prior to the approval of the financial statements by the Board, the Company has treated it as an adjusting event after the reporting period and adjusted the total debt owed to JM Financial ARC Limited to the agreed settlement consideration and principal debt amount of 5,128.52 million so written back has been recognised as an income in exceptional items.

35 Operating Segments

The Company is engaged in the construction of water intake system in the State of Chhattisgarh. 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.

36 Financial risk management objectives and policies

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations.

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

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 at the reporting date was as follows:

Particulars	Note	Carrying value	
		31 March 2026	31 March 2025 (Restated)
Trade receivables	9	102.80	2,075.70
Other financial assets	11	0.05	1,300.88
		102.85	3,376.58

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

	Current	Non-current		Total
	within 12 months	1-5 years	Later than 5 years	
Borrowings	700.00	8,576.12	-	9,276.12
Trade and other payables	15.33	-	-	15.33
Other financial liabilities	87.06	-	-	87.06
Total	802.39	8,576.12	-	9,378.51



KSK Water Infrastructures Private Limited**Notes to Financial Statements***(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)*

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

	Current within 12 months	Non-current 1-5 years	Later than 5 years	Total
Borrowings	6,070.07	-	-	6,070.07
Trade and other payables	28.78	-	-	28.78
Other financial liabilities	10,138.19	-	-	10,138.19
Total	16,237.04	-	-	16,237.04

Capital management

Capital includes equity attributable to the equity holders of the parent 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;

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

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

	31 March 2026	31 March 2025 (Restated)
Total borrowing	9,276.12	6,070.07
Less : Cash and bank balances	(286.68)	(149.00)
Net debt	8,989.44	5,921.07
Equity	(5,491.45)	(11,438.97)
Total equity	(5,491.45)	(11,438.97)
Net debt to equity ratio	(1.64)	(0.52)

37 Financial instruments

For Amortized Cost Instruments, Carrying value Represents the Best Estimate of Fair Value.

	Carrying amount 31 March 2026	Amortized Cost 31 March 2026	Carrying amount 31 March 2025 (Restated)	Amortized Cost 31 March 2025 (Restated)
Current financial assets				
Trade receivables	102.80	102.80	2,075.70	2,075.70
Cash and cash equivalents	286.68	286.68	149.00	149.00
Other financial assets	0.05	0.05	1,300.88	1,300.88
Total current	389.53	389.53	3,525.58	3,525.58
Total	389.53	389.53	3,525.58	3,525.58
Non-current financial liabilities				
Borrowings	8,576.12	8,576.12	-	-
Total non-current	8,576.12	8,576.12	-	-
Current financial liabilities				
Borrowings	700.00	700.00	6,070.07	6,070.07
Trade payables	15.33	15.33	28.78	28.78
Other financial liabilities	87.06	87.06	10,138.19	10,138.19
Total current	802.39	802.39	16,237.04	16,237.04
Total	9,378.51	9,378.51	16,237.04	16,237.04



KSK Water Infrastructures Private Limited
Notes to Financial Statements
(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)
38 Financial Ratios for the reporting period

S. No.	Particulars	Numerator	Denominator	31 March 2026	31 March 2025 (Restated)	% of change	Reason for variance Exceeding 25%
(a)	Current Ratio	Current assets	Current liabilities (excluding Current maturities of long-term borrowings)	(0.10)	0.34	-129.54%	Previous year figures have been restated / regrouped pursuant to accounting adjustments arising on account of CIRP related entries and consequential effects thereof. Accordingly, the previous year figures are not comparable with those of the current year.
(b)	Debt-Equity Ratio	Debt consists of borrowings and lease liabilities	Total equity	(1.69)	(0.53)	218.33%	
(c)	Debt Service Coverage Ratio	Profit/(loss) before exceptional items & tax + interest expenses + depreciation & amortisation - current tax expense	Interest expense + scheduled principal repayment of long-term debt and lease liabilities during the period	0.02	0.06	-66.64%	
(d)	Return on Equity Ratio (%)	Net Profits after taxes (including continuing and discontinuing operations)	Average Shareholder's Equity	52.27%	-19.80%	-363.92%	
(e)	Inventory turnover ratio	Cost of goods sold	Average inventory	NA	NA	-	
(f)	Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	0.08	0.04	92.61%	
(g)	Trade payables turnover ratio	Other expenses	Average trade payables	6.55	5.90	11.11%	
(h)	Net capital turnover ratio	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities (excluding Current maturities of long-term borrowings))	(0.10)	(0.05)	87.85%	
(i)	Net profit ratio (%)	Profit/(loss) for the year	Revenue from operations	1336.64%	-676.40%	-297.61%	
(j)	Return on Capital employed (%)	Profit/(loss) before tax and exceptional item + interest expense	Average Capital employed Shareholder's equity + Total Debt + Deferred tax liability"	-2.55%	-0.24%	957.97%	
(k)	Return on investment (%)	Interest income + Dividend income + Gain on fair value of current investment at Fair Value through Profit & Loss + Gain on Sale of Investment in Subsidiary	Average (Investment + Fixed deposit + Loans Given)	4.14%	0.21%	1875.60%	



KSK Water Infrastructures Private Limited**Notes to Financial Statements***(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)***39 Adjustment of Interim Funds distributed in Previous Year**

During the previous year, based on the instructions of the CoC, the erstwhile Resolution Professional had filed an application (IA No. 1767 of 2024) with Hon'ble NCLT seeking interim distribution of funds generated by the Company during its CIRP to its creditors. The said application was allowed by Hon'ble NCLT vide its Order dt. 12 September, 2024 consequent to which ₹ 1,300 million was remitted to the financial creditors. The funds so distributed were recognised as an advance as at 31 March 2025 and the same were adjusted at the time of final settlement made to the financial creditors as per the Settlement Plan during the year.

40 Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 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	31 March 2026	31 March 2025 (Restated)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	0.60	0.64
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

41 Leases

The Company has entered into a lease agreement mainly for using it as Trainee Accommodation/Guest House purpose for the period of 12 months which are renewable on mutual agreement with the parties. At the date of commencement of the lease, the Company recognises a right of use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and low value leases. The Company applies the "short term lease" & "low value leases" recognition exemptions for these leases.

Particulars	31 March 2026	31 March 2025 (Restated)
Lease Rentals Charged to the Statement of Profit and Loss for Short Term and Low Value Leases	0.14	0.09

42 Corporate Social Responsibility

The provisions of Section 135 of the Companies Act 2013 in relation to Corporate Social Responsibility is not applicable to the Company.

43 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.**44 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).****45 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.****46 The Company is not declared as wilful 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 wilful defaulters issued by the Reserve Bank of India.**

KSK Water Infrastructures Private Limited

Notes to Financial Statements

(All amounts in Indian Rupees (₹) million, except share data and where otherwise stated)

47 Utilisation of borrowed funds and share premium

A. 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:

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

B. 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 Company shall:

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

48 The Company do not have any charges or satisfaction which is yet be registered with ROC beyond the statutory period.

49 The Company uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) however, the said audit trail feature was not enabled and has not operated throughout in FY 2025-26. The Company has subsequently enabled the same to ensure compliance in this regard.

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

51 Previous year figures have been restated / regrouped pursuant to accounting adjustments arising on account of CIRP related entries and consequential effects thereof. Accordingly, the previous year figures are not comparable with those of the current year.

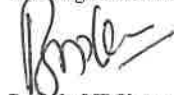
52 As allowed under Schedule III of the Companies Act, 2013, financials are prepared in million and rounded off to two decimals.

As per our Report of even date

for **K.S. Rao & Co.**

Chartered Accountants

Firm Registration Number: 003109S



Bapatla MP Kanva

Partner

Membership No. 223870



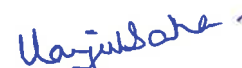
for and on behalf of **KSK Water Infrastructures Private Limited**



Rama Krishna Prasad Devulapalli

(Director)

DIN: 11296669



Manjul Saha

(Chief Financial Officer)



Hemsagar Patel

(Director)

DIN: 11148318



Rakesh Punamiya

(Company Secretary)

Place: Hyderabad

Date: 07/05/2026

