ANNUAL REPORT

FY 22-23

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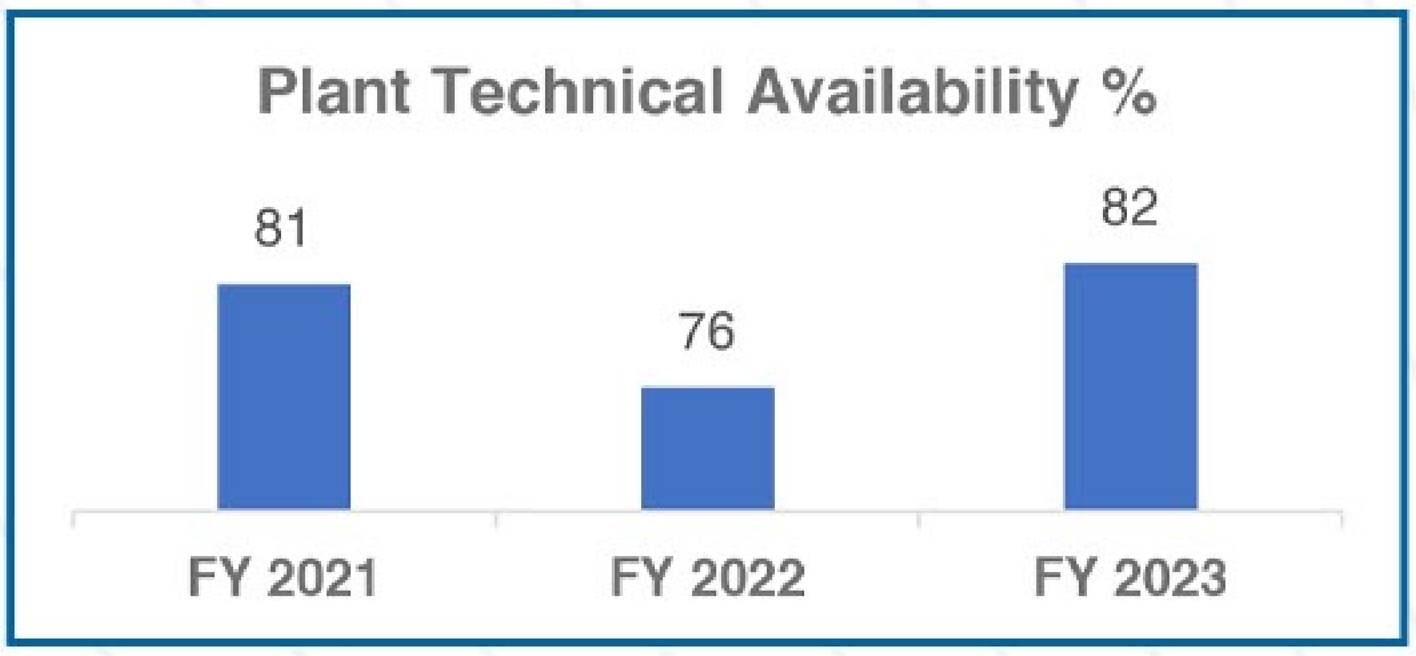
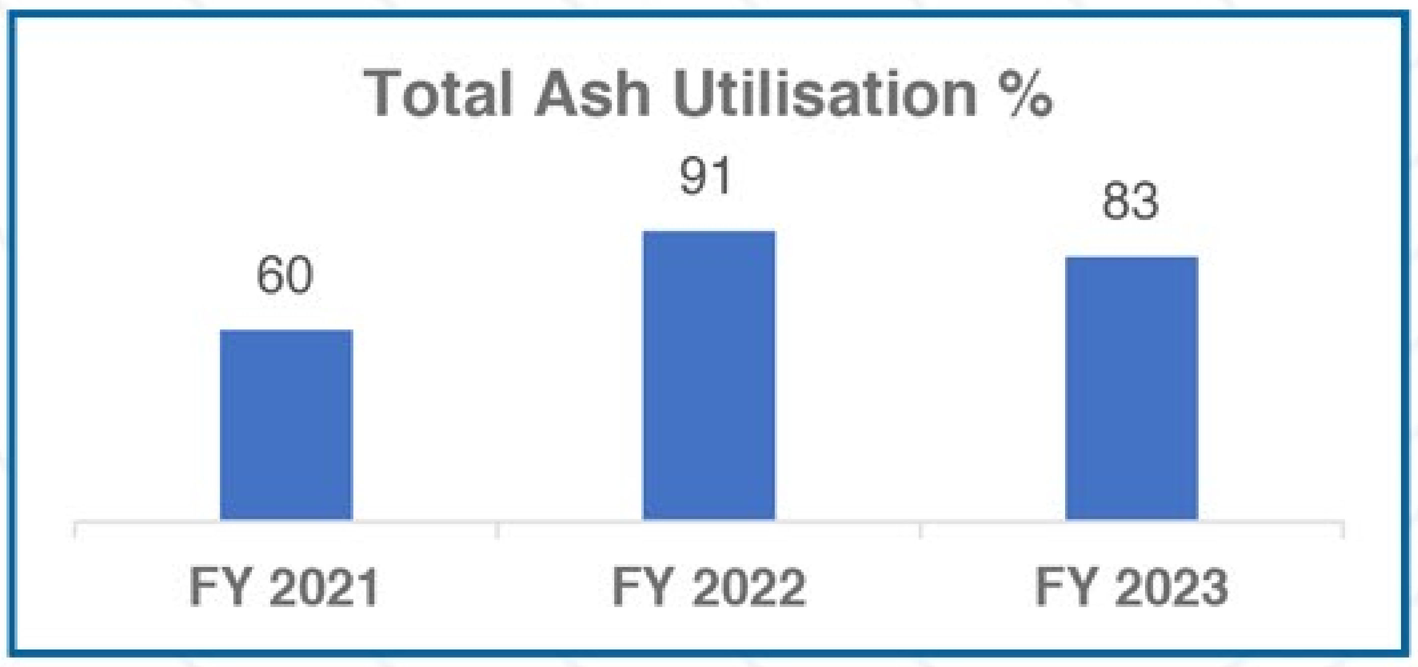
Operational Performance 2022-23



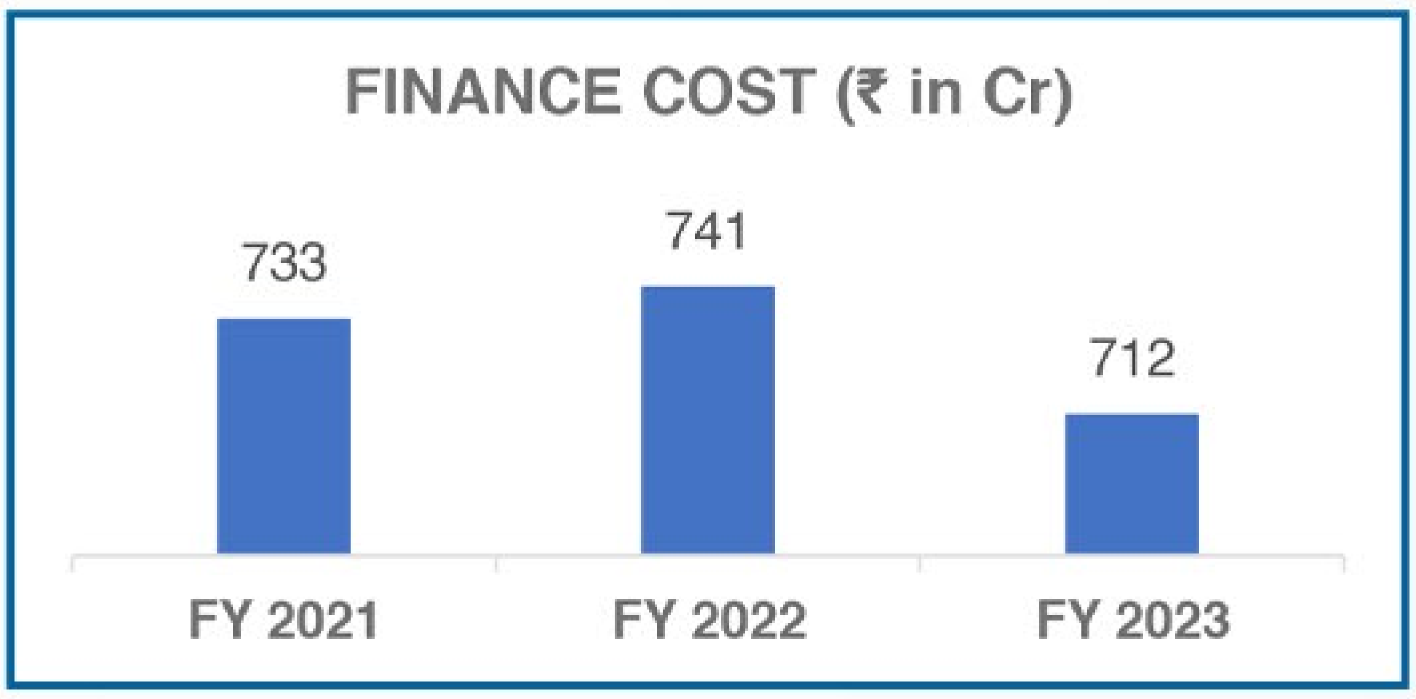
Description: Yearly availability chart

Commentary: With availability of 82% in FY 23, recovered full capacity charges.



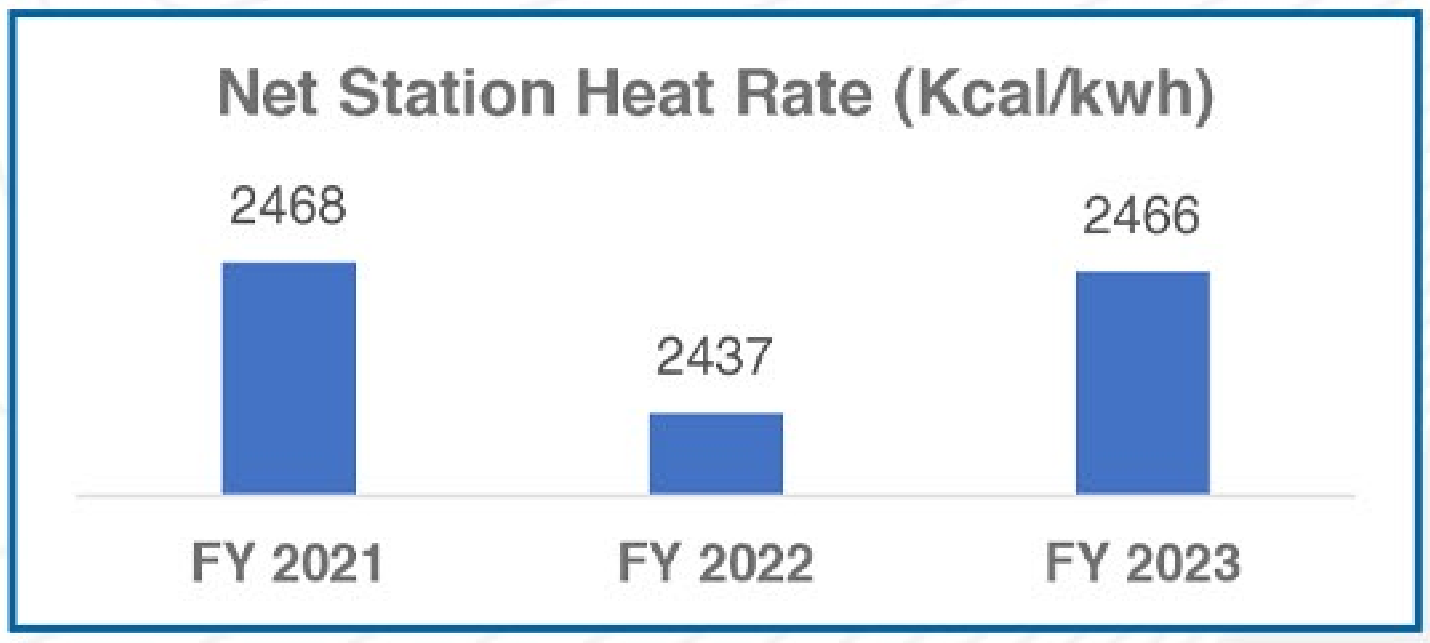
Description: Utilization of ash generated during operations

Commentary: Enhanced DFA Utilization despite increase in PLF to 66 %(FY'23) from 51%(FY'22). ACC/ACL is back to our customer portfolio and signed agreement for 2 years with expected revenue 6.42 Cr. Commencement of CFA dispatch through rail mode to serve long distance customers. (Dispatched - 136 No. Rakes, 5.72 LMT of Fly ash). Commencement of Ash Supplies to NHAI Projects.



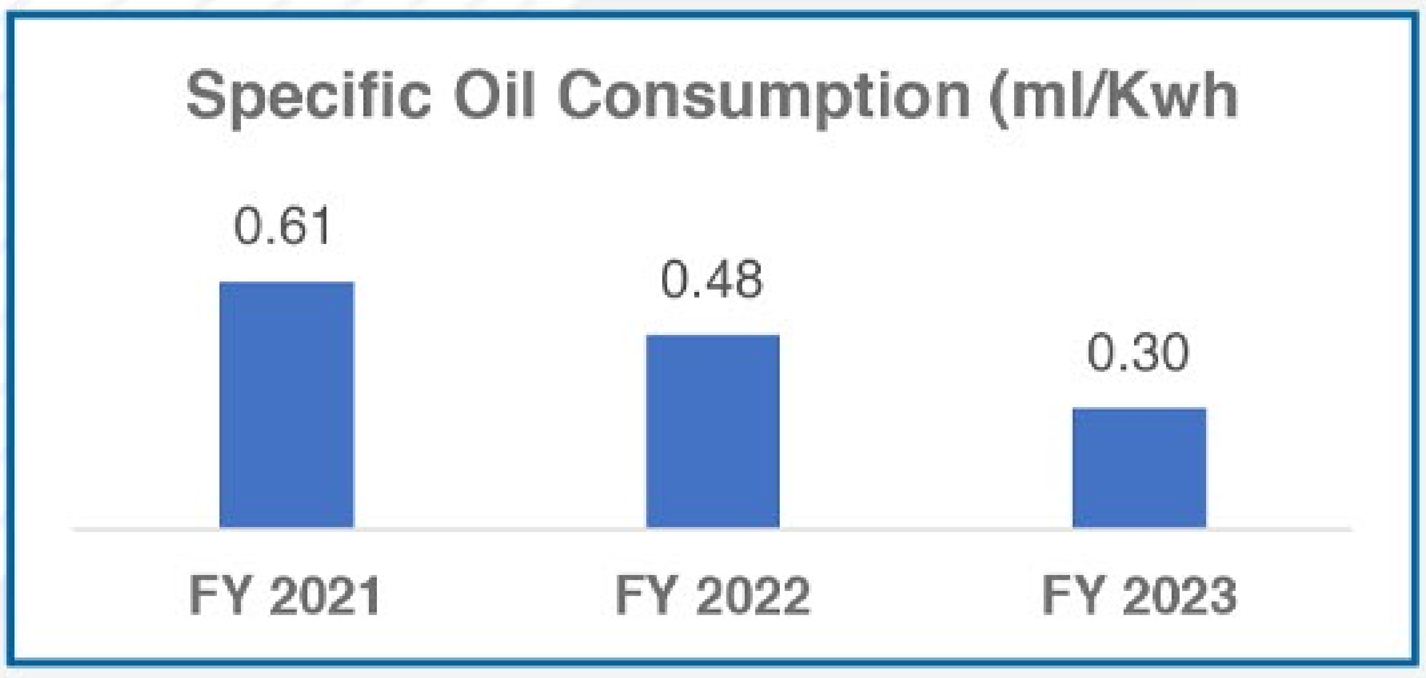
Description: Finance Cost (Cost of Debt)

Commentary: Decrease in finance cost on account of Reduction in average borrowings by ~ 5% during FY'23.



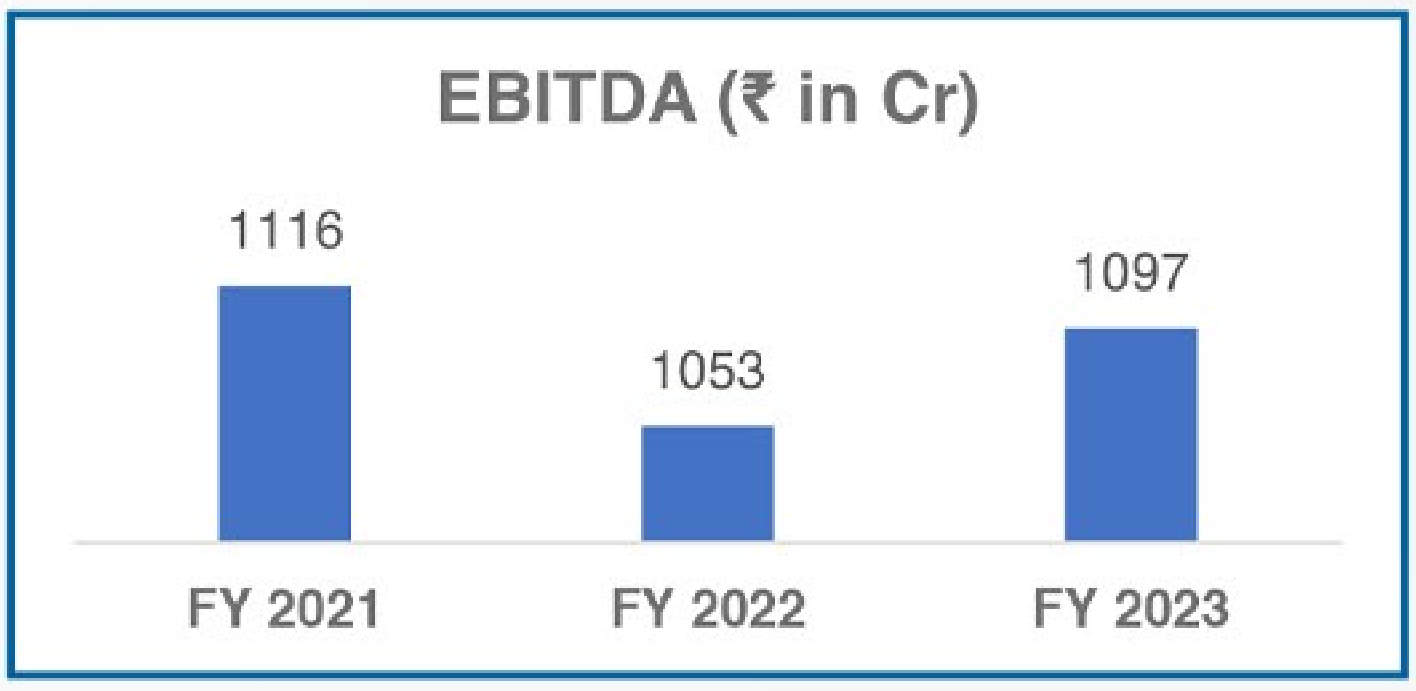
Description: Yearly Net Station Heat Rate

Commentary: Net Station heat rate is measure of energy required to export 1 unit of power. FY 2023 NSHR closed with NSHR of 2466.



Description: Oil required for start-up and shutdown of units

Commentary: Reduction in Oil consumption as comparison to FY'23. Consumption of oil on preliminary due to frequent start-ups and shutdown owing to variation in state load.



Description: Earnings before Interest, Depreciation & Tax

Commentary: Reduction in capacity charges per kWh as per PPA & higher power fuel cost on account of net station heat rate partially set-off by LPS income in FM matter

TSPL's Vision & Mission

Vision

To become the best performing & the most competitive power plant in India with world-class sustainability practices aided by technology, innovation and strong governance framework with aim to partnering in progress of the Nation.

Mission

To power India's growth by sustainable technologies that efficiently utilize energy resources embracing Vedanta's core values.

TSPL's Core Values

- Trust
- Integrity
- Entrepreneurship
- Innovation
- Excellence
- Care
- Respect

Mr. Agnivesh Agarwal, Chairman aged 47 years has a rich experience in the corporate sector with a strong knowledge of business operations and in-depth experience in managing projects. In the past he has been Chairman of Hindustan Zinc and relinquished his term as Board Director/member in 2019 after spanning a presence over 13 years at the helm of the company. Mr. Agarwal is presently Executive Chairman & Managing Director of Fujairah gold FZC at the UAE. He had worked with brief stints at a merchant bank, private bank, housing bank etc. before taking on full time work in 1998 at UK where he commenced his first role as part of sourcing materials division/group in the telecommunications field in the structured wiring & integrated LAN business of a local British company.

Mr. Agarwal has a degree from University of Mumbai in Business studies and Business administration from the graduating class of 1998. He is a keen sportsman with interests in Tennis, Athletics, moderate expeditions and team sports, and lives between the UAE and UK.

Mr. Vibhav Agarwal, CEO & WTD aged 47 years is a top-level professional with over 23 years' experience in Power & Infrastructure Sector with core competence in Strategy, Regulatory Affairs, Policy Advocacy, Financing, M&A, Legal, Commercial, Operations, Project Management, Corporate Affairs and Talent Management. Prior to this, he has worked with companies like RattanIndia Power Ltd, Reliance Power Ltd, Crisil Ltd, Mirc Electronics Ltd, ABB Ltd and Kirloskar Electric Ltd. He is B.Tech. from NIT Warangal, MBA from NITIE Mumbai and holds a certificate from ISB Hyderabad in Leadership & General Management.

Audit Committee   Nomination & Remuneration Committee   Corporate Social Responsibility Committee

Ms. Sonal Choithani, Non-Executive Director, aged 47 years, has been in the branding & communication profession for over 21 years with global brands such the Tatas, ICICI Bank, United Technologies (a Fortune 50 company) and Fidelity International. She has been with the Vedanta Group since 2019. She has extensive experience in integrated communication comprising public relations strategy, media management, communication, branding, advertising, social & digital marketing etc. She is an awarded professional who has successfully led multi-country communications campaigns on technology, innovation, sustainable development, corporate social responsibility and corporate affairs across businesses as diverse as banking, consumer durables, aerospace and metals. She did her B.Sc. in Physics, Chemistry and Math, followed by an MBA in Marketing in 1999 from Devi Ahilya University. She has also completed Harvard Business School's certification programme on Entrepreneurship in Emerging Economies.

Mr. R Kannan, Independent Director brings with him over 31 years of rich experience in the areas of banking, corporate finance, capital markets and corporate advisory. He has been member of High-Power Committees, appointed by the Government of India and Securities and Exchange Board of India. Mr. Kannan is a Postgraduate in Mathematics from Madras University, PGDMS from Bombay University and Certified Associate of Indian Institute of Bankers with Industrial Finance.

Audit Committee | Nomination & Remuneration Committee | Corporate Social Responsibility Committee

Mr. MS Mehta, Independent Director has over 41 years of experience in operations, strategy and business turnaround in multiple sectors spanning across steel, non-ferrous metals, mining, power generation and distribution, infrastructure and cement. He was CEO and member of the Board of Vedanta Resources Ltd. between 2008 and 2014. He was instrumental in driving several transformational initiatives during his tenure at Vedanta Group which started in 2000. He has a mechanical engineering degree and an MBA from IIM, Ahmedabad.

Mr. B. K. Sharma, Non-Executive Director has more than 41 years' of experience in diverse sectors like Telecom Cables, Power cables, H.T. Insulators, Steal & steal Wires, Paper, Mining & Metals, and Project Management. Mr. Sharma was associated with Vedanta Group for more than 16 years and worked in Leadership/Business Head roles in the Group companies in India and abroad. Mr. Sharma is Science Graduate and Masters in Business Management.

The detailed profiles of the Board members can be viewed on the website of the Company at **https://www.tsplindia.co**

Audit Committee | Nomination & Remuneration Committee | Corporate Social Responsibility Committee

Senior Management Team

Senior Management Team as on March 31, 2023:

Chief Financial Officer (CFO) – Mr. Swapnesh Bansal

is a senior Finance Professional with over 18 years of rich experience in the areas of business forecasting & planning, cost controlling & management, procurement & sourcing strategy, financial accounting and reporting, Capex and investment analysis, Sales Accounting and Audit & Compliance. He has been associated with the Group since Feb 2005 and has worked with Sterlite Technologies Limited, Management Assurance Services, Corporate Accounts and Aluminum Business. He also worked as CFO – Odisha Bauxite (Aluminum Business) at Vedanta Limited. Recently he has been recognized by the prestigious Institute of Chartered Accountants of India (ICAI) as CA Business leader 40 under 40.

Chief Operating Officer (COO) – Mr. Pankaj Sharma

has more than 25 years of experience in management of Large-Scale Industries and has worked in the areas of planning, implementing business strategies, Standardization of practices and procedures, setting comprehensive goals for business growth and success. He has been associated with the Vedanta group since 1997 and has worked with The Madras Aluminium Co. Ltd (MALCO), The Bharat Aluminium Company Limited (BALCO), Vedanta Aluminium Jharsuguda (VAJ) and is associated with TSPL since 2019. He is qualified in BE Mechanical Engineering and Diploma in Management.

Corporate Information

REGISTERED OFFICE

Talwandi Sabo Power Limited
Village Banawala, Mansa- Talwandi Sabo Road, Mansa, Punjab – 151302, India
CIN: U40101PB2007PLC031035
Tel: +91-165-924-8000
Fax: +91-165-8083
Email: tspl.secretarial@vedanta.co.in
Website: www.tsplindia.co

KEY MANAGERIAL PERSONNEL

As on March 31, 2023:

Chief Executive Officer & Whole-time Director
Mr. Vibhav Agarwal

Chief Financial Officer
Mr. Swapnesh Bansal

Company Secretary
Ms. Shivangi Dhanuka

AUDITORS

Statutory Auditors
M/s S. R. Batliboi & Co. LLP

Internal Auditors
KPMG Assurance and Consulting Services LLP

Secretarial Auditors
M/s Vinod Kothari & Company, Practicing Company Secretaries

Cost Auditors
M/s K G Goyal & Company

Chairman's Statement

Dear Members,

I am delighted to share my thoughts and views with you as the Chairman of the Company. We continuously aim at delivering high performance and follow utmost standards of governance with global benchmarks.

I am proud to mention that the Company has always been on a constant path of growth and expansion with highest standards of safety, technology, and cost efficiency.

The journey of the past one year, which saw us successfully negotiate a multitude of challenges, has left us enthused about the future. It has encouraged us to surge proactively ahead towards realising our vision and delivering on our promises and goals.

This was no small feat and was made possible by the dedication and hard work of our people. I would like to take a moment here to thank them all for standing by us through the turmoil of the times. I credit them for giving us many reasons to celebrate and for shaping TSPL's journey of excellence. We continue to steer the trajectory of our targeted initiatives to nurture a culture of high performance and inclusiveness in our workforce, which finds endorsement in the various awards and accolades we receive year-on-year and validates our people-centric policies and programmes.

On each aspect, we are proud of what we have achieved in FY 2023.

Performance during the year

- Recovery of ~INR 700 Cr from litigated debtors - INR 343 Cr in FM matter including INR 100 Cr LPS (Q4 FY23) & INR 350 Cr in Deemed & Import matter (Q1 FY23)
- Lowest ever GWC of INR 2611 Cr (USD 318 Mn) with reduction of 54 days during the year
- Recovery of INR 24 Cr against underloading dues & 8 Cr against Missing wagon in Q4 FY23
- Lowest ever APC of 6.86%
- Recovery of long pending matters - Ungraded coal – MCL (INR 11.84 Cr), Diverted Rakes – Railways (INR 4.1 Cr), FGD EC Refund - PPCB (INR 2.7 Cr)
- TSPL has shifted 10 LMT from MCL to NCL and signed FSA at NCL for 7.15 LMT
- Winner of National Power Plant Awards '23 by Council of Enviro Excellence in the Best Performing Unit in IPP >500 MW category
- Recognized for 'Efficient Management of Fly Ash' in the >500 MW by Mission Energy Foundation
- 27 occurrences of BTLs resulting in DC loss of 7%

Touching lives of people

TSPL has always stood by the communities in and around our areas of operations. We staunchly believe that their trust is our social licence to operate, and it's our fiduciary duty to operate responsibly and empower them with opportunities and support. The Company has undertaken various initiatives with major focus on quality health care, sustainable women livelihood, children wellbeing & education, sustainable agriculture, sanitation and community asset development amongst others. TSPL's social interventions have instilled over 40,000 smiles across 26 villages in FY 2022-23.

Health, Safety, Environment and Sustainability

Our HSE and sustainability approach is strongly led by the need to address the expectations of our stakeholders at large, while delivering strong business performance. We ensure the safety of our workforce and TSPL has made significant progress towards safety culture improvement by engaging with all levels of employees and contract partners and implemented safety performance standards & Housekeeping drive, imparting safety training by external agency and internal training. Occupational health and safety are non-negotiable factors for the Company, and we are determined to achieve absolute 'Zero Harm' in our operations. We operate as a responsible corporate citizen, focusing on achieving 'zero harm, zero discharge and zero wastage', and thus minimising our adverse environmental impact. Our concerted efforts on the ESG front found resonance in the various accolades and awards earned during the year. These honours make us confident that we are on the right track of delivering on our ESG vision, which encompasses many futuristic goals, including securing CII Award for Energy Efficient Unit and FICCI Water Awards for Community Initiative.

Recognitions to the Company

The Company has bagged various awards and accolades during the year for its initiatives in the areas of CSR, water conservation, energy conservation, HR practices etc.

The CFO of the company has been recognised by the prestigious Institute of Chartered Accountants of India (ICAI) as CA Business leader 40 under 40. The company has been conferred with Apex India CSR Excellence Gold Awards for its Navi Disha Project.

Looking ahead with confidence

Before I conclude, I would like to congratulate all our shareholders, investors, employees, and other stakeholders on the remarkable accomplishments which will pave the way for TSPL to steer its future with greater confidence and strength. We expect to see FY 2023-24 provide us many more reasons to celebrate in terms of both, operational excellence, and financial performance. I am confident that we will continue to deliver on our goals, across every aspect of our business, with your continued cooperation, the sustained support of our people, and a focussed digitalisation drive across the organisation.

Best Wishes,
Agnivesh Agarwal
Chairman

From the CEO's Desk

In retrospect of FY22-23, I take pride in our collective achievements through our electrifying expeditions to conquer the summit of business objectives and come out on top! We invested in our bright talent, robust operations, endearing communities, synergetic & goal driven ethos amongst other dimensions to enable impactful performance & holistic growth! Our avant-garde strategy with unyielding commitment controlled the headwinds caused due to global conflict; we remained deep rooted in Vedanta's philosophy & the direction illuminated by our chairman to beat all odds & triumph over adversities.

We accomplished annual availability of 82% along with the Plant Load Factor (PLF) of 67% which is the highest ever achieved since the commissioning. This trend of high PLF is set to continue & grow given the position in the state's merit order schedule and boost in electricity demand ensuring steady contribution to the state and Nation's development by delivering reliable, cost-effective, and efficient base load supply. I am also delighted to share that prudent strategy & insightful endeavours culminated in realising over ₹700 Cr from Punjab State Power Corporation Limited (PSPCL) besides our regular monthly payments.

Milestones for FY 2022-23

- Plant availability has improved to 82% as compared to previous year of 76%.
- EBITDA delivery of ₹1097 Cr in line with our plan.
- Recovery of ~₹700 Cr from litigated debtors - ₹343 Cr in FM matter including ₹100 Cr LPS (Q4 FY23) & ₹350 Cr in Deemed & Import matter (Q1 FY23).
- Lowest ever GWC of ₹2611 Cr (USD 318 Mn) with reduction of 54 days in FY23.
- Recovery of long pending matters - Ungraded coal – MCL (₹11.84 Cr), Diverted Rakes – Railways (₹4.1 Cr), FGD EC Refund - PPCB (₹2.7 Cr)
- Highest ever materialization (95%) of FSA coal -catering to highest ever PLF of 67%.
- Lowest-ever APC of 6.85% and Best SOC of 0.30 ml/kwh.
- Enhanced DFA Utilization from 53% (FY'22) to 70 % (FY'23)
- TSPL conferred "Great Place to Work – Top 50 Manufacturing Companies in India".

TSPL was recognized with a myriad of awards in community development, safety, people practices, sustainability initiatives, ash utilization, among other segments. These accolades are a testament to our commitment to operational excellence, trailblazing talent pool, unwavering ethical virtue, collaborative work opportunities & multitudes of values ingrained in the organizations 's DNA reinforcing our governance credentials on the highest forum.

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Our relentless resolute to propel the local rural communities is reflected in our persistent efforts as well as their reciprocity & eagerness to establish us as their preferred partner. We have imbued around ₹230 Lakhs via various social interventions in the peripheral communities to upgrade their standard of living. One of our marquee programs – TARA (TSPL Action for Rural Ajeevika), is focused on promoting a circular economy model by equipping women & handholding them to craft file covers for supply in administrative government offices. Our positive impact in the evolution of verticals like healthcare, livelihood, rural asset development, & sports to name a few have been monumental & we will continue to contribute with conviction enriching the contours of rural Punjab.

We have further transformed our sustainability endeavours into a comprehensive ESG (Environmental, Social, and Governance) strategy paving way for our sustainability goals. We understand that fulfilling the diverse ESG expectations of our stakeholders is crucial to achieving our business objectives. Our ongoing ESG initiatives are targeted towards reducing greenhouse gas (GHG) emissions, minimizing water consumption, and maximizing ash utilization without compromising quality & productivity.

Future Outlook

As we gaze ahead at the horizon of another bright year, we are focused on sustaining our formula for operational excellence with Health, Safety & Environment performance at the core of our organizational objective. The overhauling done in FY'23 will help us deliver higher levels of operational pre-eminence in the upcoming FY'24. Our company will keep operating under the highest standards of corporate governance with hawk-eyed focus on digitalisation of processes, which will go a long way in improving the panoramic performance of our Business.

I would like to extend my sincere gratitude to all the Board of Directors, our employees, business partners, customers, stakeholders, bankers, Central and State Government entities for their perpetual support as we move ahead together on this sustainable growth journey.

Stay Positive, Stay Resilient, Stay Safe & Keep Transforming For Good!

Vibhav Agarwal
TSPL CEO & WTD

Corporate Social Responsibility Initiatives

Introduction

TSPL is constantly striving and committed towards holistic development and inclusive growth of the community in the vicinity. More than a corporate social responsibility it is our 'call of duty' to address and engineer projects with special focus on enriching lives and transforming communities for good.

All the initiatives are in line with national objectives and sustainable development goal aims to accelerate positive socio-economic impact, creating maximum value for all stakeholders.

Major areas of intervention include access to quality health care, sustainable women livelihood, children wellbeing & education, sustainable agriculture, sanitation and community asset development amongst others.

TSPL's social interventions have instilled over 40,000 smiles across 26 villages in FY 2022-23

Key Thematic Area

- Sustainable Livelihood
- Health Care Services
- Education & Children Wellbeing
- Computer Literacy
- Women Empowerment
- Rural Infrastructure Development

Glimpse of CSR Impact

CSR Impact
>40k
beneficiaries
26 villages

>2000
farmers under Sustainable Agriculture project

11500
beneficiaries Under Community Health Initiative

2000
Women under SHG Project

>24000
beneficiaries under community asset development

>700
students under quality education initiative

Brief Highlights of CSR Intervention

Navi Disha – Promotion of Sustainable Agriculture

Fostering sustainable agriculture, edifying over 2000 farmers from 26 villages under Project Navi Disha

The Navi Disha program aims at promoting methods and practices that are economically viable, environmentally sound, and in the farmer's interest in the long run by adopting strategies such as intensive awareness camps on chemical reduction & IPM techniques, trainings for organic and sustainable farming, soil and water test, water conservation, residual crop straw management, crop diversification, provision of modern agriculture machinery, promotion of allied income generation activities etc.

Following are the key highlights of Navi Disha Project –

- Govt of Punjab has handpicked TSPL's Navi Disha Project for its best practices for incorporating the same in the state's **new Agriculture Policy**
- **Established a Jaggery Processing Unit** for farmers of the region inaugurated by Mr. Gurpreet Singh Banawali (MLA, Shardulgarh) in presence of officials from District Agriculture Department , Punjab Agro and Krishi Vigyan Kendra
- **Prevention of paddy straw burning at >2700 acres of land** through paddy straw management practices
- Select Farmer associated with TSPL Navi Disha project **felicitated by Hon. Chief Minister, Punjab with Sardar Ujjagar Singh Dhaliwal Memorial award** in kisan mela PAU for adopting new technique of Vegetable Cultivation
- Over **1700 livestock** were diagnosed and provided free medicines through 8 no's of animal health check-up camps.
- Farmers were supported with an **Advance multi crop bed planter** to promote bed plantation culminating in water saving to the tune of over 19 million litres.
- Established a new **Framer Resource centre (FRC)** equipped with agriculture machinery, agriculture related to books, magazine, Agri-inputs like seeds, bio culture kits, waste decomposer etc.
- ~1800 Farmers were supported with various agri inputs such as Trichoderma, kits for organic farming, bio culture kits, bio waste decomposer, vegetable seed kits, Vermicompost bags, mushroom seed kits etc.
- Conducted **over 100 trainings and awareness camps** for the farmers on various topic like improve agriculture practices, model farm, integrated pest management, organic farming, crop management, allied income generation activity etc.







SEHAT - Safe and Effective Health Action by TSPL

Bolstering health eco system , aiding Government PHC and doorstep health care services through health camp – Healing Over 11,000 lives

Project SEHAT-(Safe and Effective Health Action by TSPL) ensures access to quality healthcare services to the community. In line with SDG 3, the health initiative of TSPL enables strengthening of government health ecosystem system by way of supporting a rural primary health centre in village Behniwal with medical (general physician, gynaecology, and dentist), paramedical and laboratory services enabling communities to avail quality health services. Besides supporting the primary health centre periodic health camps were also organised in 8 villages in the vicinity.

Followings are the key highlight of SEHAT Project –

- More than 3000 people availed the health services at PHC Behniwal supported by TSPL in terms of medical, paramedical and lab test facilities.
- Over 3300 community members benefitted through doorstep health care services provided at 28 health camp organized on a periodic basis in 7 villages
- Over 2400 beneficiaries availed the services of expert ophthalmologist at 16 Specialized Eye screening camps organized in 8 villages where free medicines and spectacles provided as per the diagnosis.
- Over 2700 people were enlightened on various crucial health topics like dengue, malaria, chikungunya, hand washing, anaemia, menstrual hygiene, first aid for snake bite, drowning etc. through awareness camps organized in Govt school and community throughout the year


vedanta
TSPL
Free Health Check Up Camp
Doctor


vedanta
TSPL
FREE EYE CARE CHECKUP CAMP
Supported By
Talwandi Sabo Power Limited
A CSR INITIATIVE BY TSPL
Doctor

vedanta
TSPL
Free Health Check Up Camp
Supported By
Talwandi Sabo Power Limited


Project TARA - TSPL Action for Rural Ajeevika Women Empowerment

Transforming the lives of over **2000 rural women from 20 villages** by providing them with entrepreneurial opportunities and making them Atma-Nirbhar in association with **Punjab State Rural Livelihood Mission** under project TARA (TSPL Action for Rural Ajeevika).

Followings are the key highlights of the project –

- Established a **circular economy model** with **Mansa Administration for office file cover unit**. TARA has bagged an order of over 50K file covers fetching them an annual revenue of over ~5 Lakhs. **This is the first of its kind initiative in the state of Punjab.**
- 200 Self Help Groups (formed under PSRLM, Govt. of Punjab) with a membership base of over 2000 rural women have been revived, supported, and strengthened.
- **Over 250 rural SHG women** have been **trained and engaged with different income generation activities** like jute bag making, file cover production, handcrafted items production, stitching of school uniforms etc.

TSPL Gram Nirman Project - Community Infrastructure Development

Changing Contours of Rural Mansa through providing urban amenities in Rural Areas

Rural Infrastructure development contributes towards rural economic growth and improving living standards of the communities. TSPL has undertaken several rural infrastructure development activities in consultation with the community members catering to the needs all sections of the society offering them opportunities for adopting active and healthy lifestyle. Over 24000 populations from 8 villages will be benefitted through these community assets.

Followings community assets have been developed and handed over to the community under TSPL Gram Nirman Project –

- Community Park equipped with children play station in three villages
- Multipurpose community centre
- Community rest shed
- Volleyball court
- Installation of >90 traffic mirrors in 10 villages ensuring road safety
- Installation of solar lights and concrete benches
- Renovation of community marriage hall, sport stadium, bus stop shed etc


Supported by TSPL


vedanta
TSPL


TSPL
A CSR INITIATIVE BY TSPL
WELCOME

Integrated School Development Program & Computer Literacy Program

Unlocking Doors to Power a Brighter Tomorrow - Supported **Govt schools with basic amenities** to build a conducive environment for improved learning and enhanced education ecosystem.

- Sanitation facilities for girls in Raipur Govt. secondary school
- Cycle Stand in Govt senior secondary school, Chehlanwali
- Construction of a new gate and artistic educational painting work at boundary wall in Chehlanwali Govt. Primary school

To promote the computer literacy among rural youth and children, TSPL has launched a new project **'TSPL Computer Literacy Program'** in association with Vedanta Foundation. Various certificate courses will be provided for the students like Diploma in computer application, advance excel etc.

Passion to Serve - Employee Volunteering Program

TSPL encourages employee volunteering through CSR interventions. These opportunities help in establishing greater community connect and bridging the corporate community gap, while contributing towards social well-being. Employees contribute their time, skills and other resources for community welfare thereby gaining deeper understanding of the community ecosystem. Employee volunteerism strengthens the stakeholder relationship thereby endorsing the company brand values of Care and Respect.

In FY 2022-23 TSPL clocked more than 300 volunteering hours. The volunteering activities included blood donation camp, supporting inmates of leprosy ashram and migrants with woollen clothes and blankets, volunteering for Kinnoo picking, safety awareness program with community members etc.

Awards & Accolades for CSR initiatives

TSPL swept 5 National Level CSR award in FY'23 including AIMA Business Excellence Award, FICCI Award.

विधायक ने टीएसपीएल द्वारा निर्मित वॉलीबाल कोर्ट का किया उदघाटन

ਗੁਰਪ੍ਰੀਤ ਸਿੰਘ ਬਣਾਂਵਾਲੀ ਨੇ ਵਾਲੀਬਾਲ ਗਰਾਊਂਡ ਦਾ ਕੀਤਾ ਉਦਘਾਟਨ

टीएसपीएल ने जीता इंडिया सीएसआर अवार्ड

मानसा | सामुदायिक विकास परियोजना 'टीएसपीएल ग्राम निर्माण' के तहत टीएसपीएल संयंत्र के आसपास के गांवों में कई ग्रामीण संपत्तियों को विकसित करने तथा ग्रामीणों को बेहतर सुविधाएं देने, उनके जीवन स्तर को और बेहतर करने हेतु टीएसपीएल को इंडिया सीएसआर अवार्ड से सम्मानित किया गया है। टीएसपीएल द्वारा सरकारी स्कूलों एवं पंचायत के लिए कई आवश्यक परियोजनाएं विकसित की गई है। इन परियोजनाओं के अंतर्गत साइकिल स्टैंड, खेल का मैदान, सरकारी स्कूल में मध्याह्न भोजन शेड, प्ले स्टेशन और ओपन जिम सुविधा से सुसज्जित सामुदायिक पार्क युवाओं के लिए वॉलीबॉल कोर्ट इत्यादि शामिल है। कार्यक्रम में पंकज शर्मा सीओओ टीएसपीएल ने आभार व्यक्त करते कहा हम ग्रामीणों को हर बेहतर सुविधाएं देने हेतु सदैव प्रतिबद्ध हैं, जिसे आगे भी जारी रखेंगे तथा ग्रामीणों के जीवन स्तर को और बेहतर बनाने के लिए मिलकर काम करेंगे। टीएसपीएल द्वारा किए गए कार्यों की प्रशंसा करते हुए गांव बनवाला के सरपंच किशन सिंह ने कहा बच्चों के लिए प्ले स्टेशन एवं सामुदायिक पार्क विकसित करने के लिए वह टीएसपीएल के आभारी हैं, यह बुजुर्गों और महिलाओं सहित समुदाय के सभी वर्गों के लिए एक आकर्षण का केंद्र बन गया है। टीएसपीएल ने महिलाओं के लिए व्यावसायिक प्रशिक्षण केंद्र और किसानों को लाभान्वित करने वाली कृषि परियोजनाओं में भी सहयोग दिया है। वे अपने गांव के संपूर्ण विकास के लिए उनके निरंतर समर्थन की आशा करते हैं।

टीएसपीएल के स्थापित गुड़ बनाने की इकाई का विधायक गुरप्रीत सिंह बनवाली ने किया शुभारंभ

ਗੁਰਪ੍ਰੀਤ ਸਿੰਘ ਬਣਾਂਵਾਲਾ ਵਿਧਾਇਕ ਸਰਦੂਲਗੜ੍ਹ, ਨੇ ਟੀ.ਐੱਸ.ਪੀ.ਐੱਲ. ਵੱਲੋਂ ਸਥਾਪਿਤ ਕੀਤੇ ਗੁੜ ਪ੍ਰੋਸੈਸਿੰਗ ਯੂਨਿਟ ਦਾ ਉਦਘਾਟਨ ਕੀਤਾ।

Unifying The Spirit of Womanhood! Blurring boundaries between urban & rural

Baljit Pal
Mansa, March 11

Punjab Times Special

TSPL organized a special program on International Women's Day to celebrate, felicitate and honour village women leaders and entrepreneurs from the community.

International Women's Day is celebrated with zest and enthusiasm worldwide. This year TSPL's flagship CSR TARA (TSPL Action for Rural Ajeevika) project organized a Women's Day Celebration on 10th March 2022 for community women, saluting the spirit of womanhood. The event was driven by SHG women & senior leadership of TSPL witnessing vivacious participation from the employees & govt. officials engaging in a string of convivial activities for a fun day. Major highlight of the day was cultural performance by rural women joined by TSPL women and volunteers. The celebration was in congruence with this year's theme of 'Embracing Equity' enlightening and encouraging women to rise above the stereotypes evolving into confident women of tomorrow. Addressing the enterprising women from the vicinity, Chief Human Resource Officer (CHRO) - TSPL said, "It is an honor to be a part of these celebrations and interact with women leaders from the community, there is so much to learn and emulate. This reaffirms the faith in the indomitable spirit of womanhood and their ability to beat all odds and rise." Ms. Jaswinder Kaur, PSRLM DPM, was touched with the women's performance and said", It is a matter of great pleasure & honor to be a part of the program on this remarkable day. Times have evolved as women today have no limitations and are ready to take the flight of independence. I would like to congratulate TSPL, Vedanta for celebrating women via such relevant & purposeful programs that pave the way for the women of tomorrow." The day witnessed various programs like poetry, dances, games, & rustic food concluding with 'Gidha boliyan' & felicitation of guests & exceptionally performing SHG women.

Employee Engagements

CEO Townhall

Train the Trainer and Campus to Corporate Training

Women Centric Engagements

Garba Celebration at TSPL with employees and their families

Independence Day Celebration at TSPL

Awards & Recognition

AIMA 9th Business Responsibility Summit & Project Excellence Contest

FICCI Water Awards

Apex India CSR Excellence Gold Award and CSR Award for Project Gram Nirman

TSPL has been conferred with two awards at the **CEE National Award for Excellence in Environmental Sustainability -2022** in **IPP Coal above 500 MW category** and **IPP Fly Ash Utilisation category**

TSPL won the CEE's National Award for Excellence in Water Management 2022 in 'IPP Coal Above 500 MW' category.

TSPL recognized as Happiest Workplace 2022!

TSPL recognized by Greentech for Greenbelt Development!

Mr. Swapnesh Bansal - CFO,TSPL has been recognized by the prestigious Institute of Chartered Accountants of India (ICAI) as 'CA Business Leader - 40 Under 40' in association with CNBC TV18

TSPL smashed the world record & was bestowed with the Bronze Award by Igus GmbH, Germany for operating the longest 'E Chain system' – a belt of 700m travel length, ensuring that coal is transported via conveyor belts towards the boiler.

TSPL has been declared Winner – Private Sector at **National Power Plant Awards 2023** by **Council of Enviro Excellence** in the **Best Performing Unit** in **IPP - ABOVE 500 MW** category.

CII recognized TSPL as Energy Efficient Unit!

TSPL Recognized by Mission Energy foundation for 'Efficient Management of Fly Ash' in the > 500 MW (private sector) Northern Region

Dear Members,

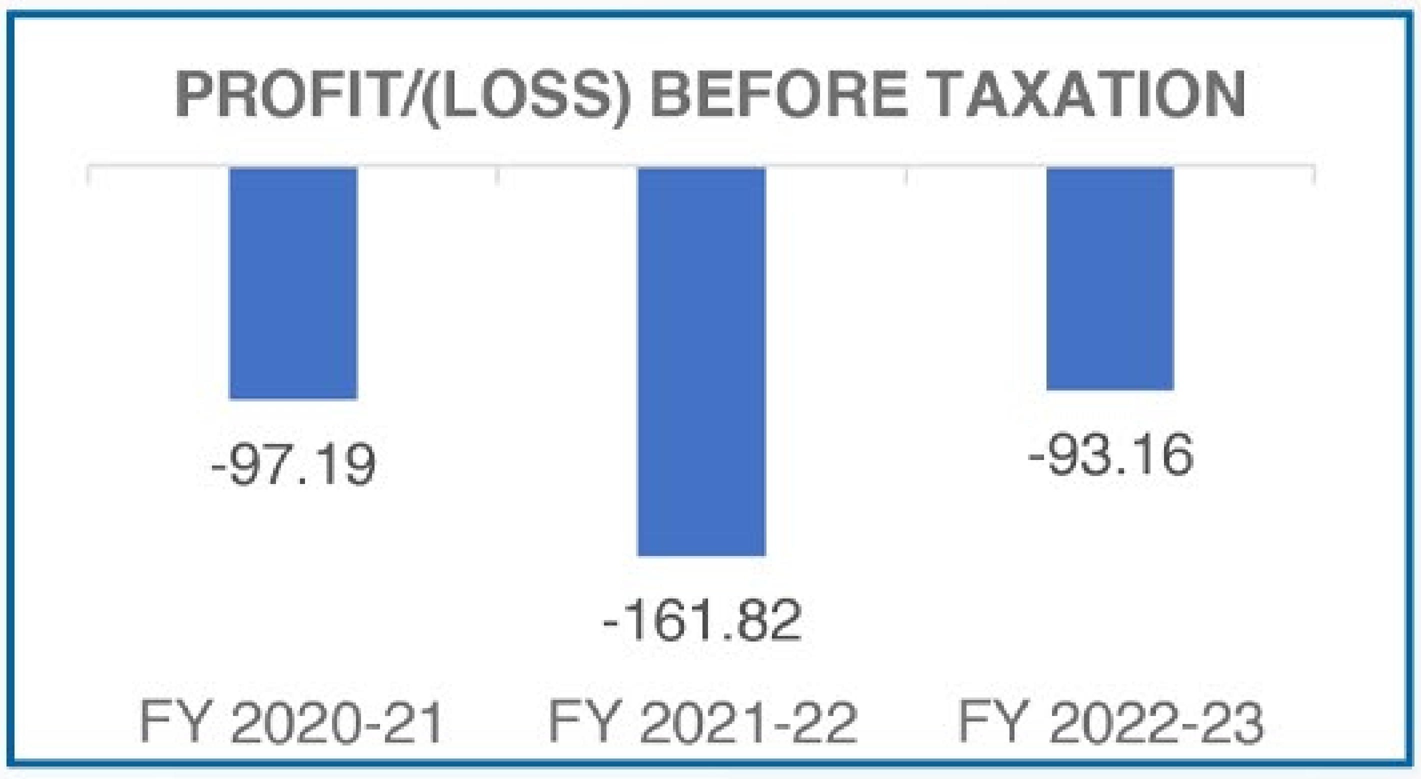
The Board of Directors of Talwandi Sabo Power Limited Company (hereinafter called as the 'Company' or TSPL') hereby present the Board's Report outlining governance and business performance of the Company together with the audited financial statements for the financial year ended March 31, 2023.

Company Overview

TSPL was incorporated as a Special Purpose Vehicle by Punjab State Power Corporation Limited (PSPCL) [formerly known as Punjab State Electricity Board] with the purpose of constructing a 1980 (3*660) MW thermal power plant on build, own and operate (BOO) basis at Village Banawala, Mansa-Talwandi Sabo. TSPL became a wholly owned subsidiary of Vedanta Limited which was selected as the developer of the project based on the Tariff Based Competitive Bidding Process for supply of 100% power to PSPCL for 25 years as per the Power Purchase Agreement.

Company Performance

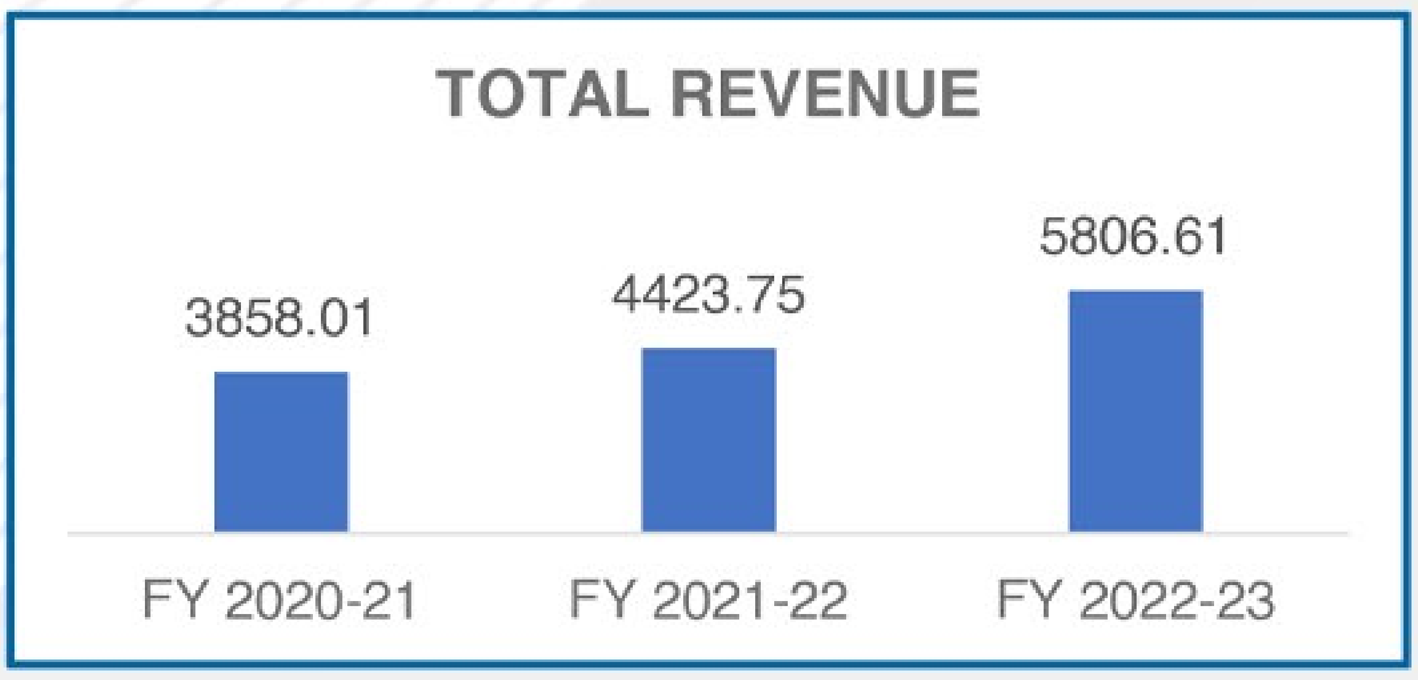
- Highest ever PLF of 67%
- Lowest ever APC of 6.86 for FY-23.
- Highest rakes 2149 handled in FY-23.
- Ever best Rake TAT of 5:51 for Mar-23
- TSPL declared winner - Private Sector at National Power Plant Awards 2023 by Council of Enviro Excellence in the Best Performing Unit in IPP- above 500MW Category.

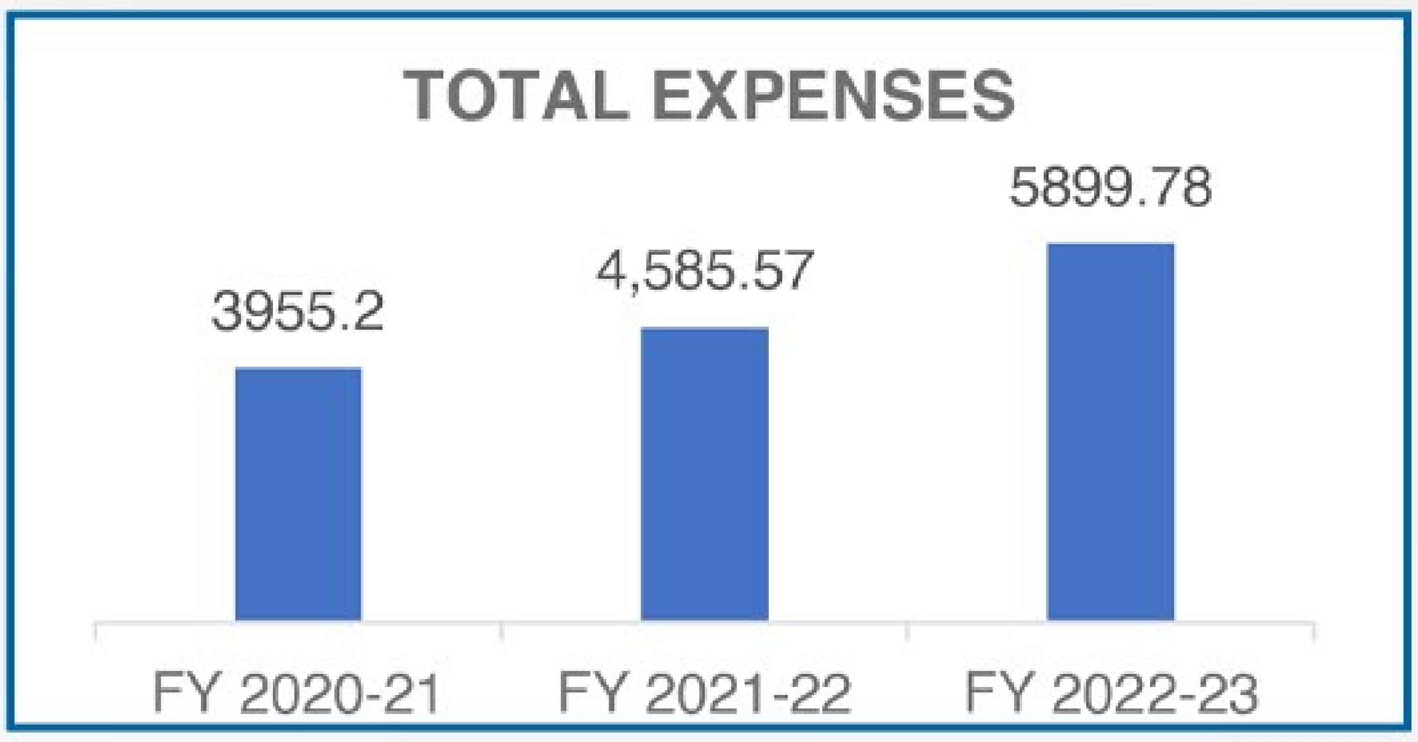


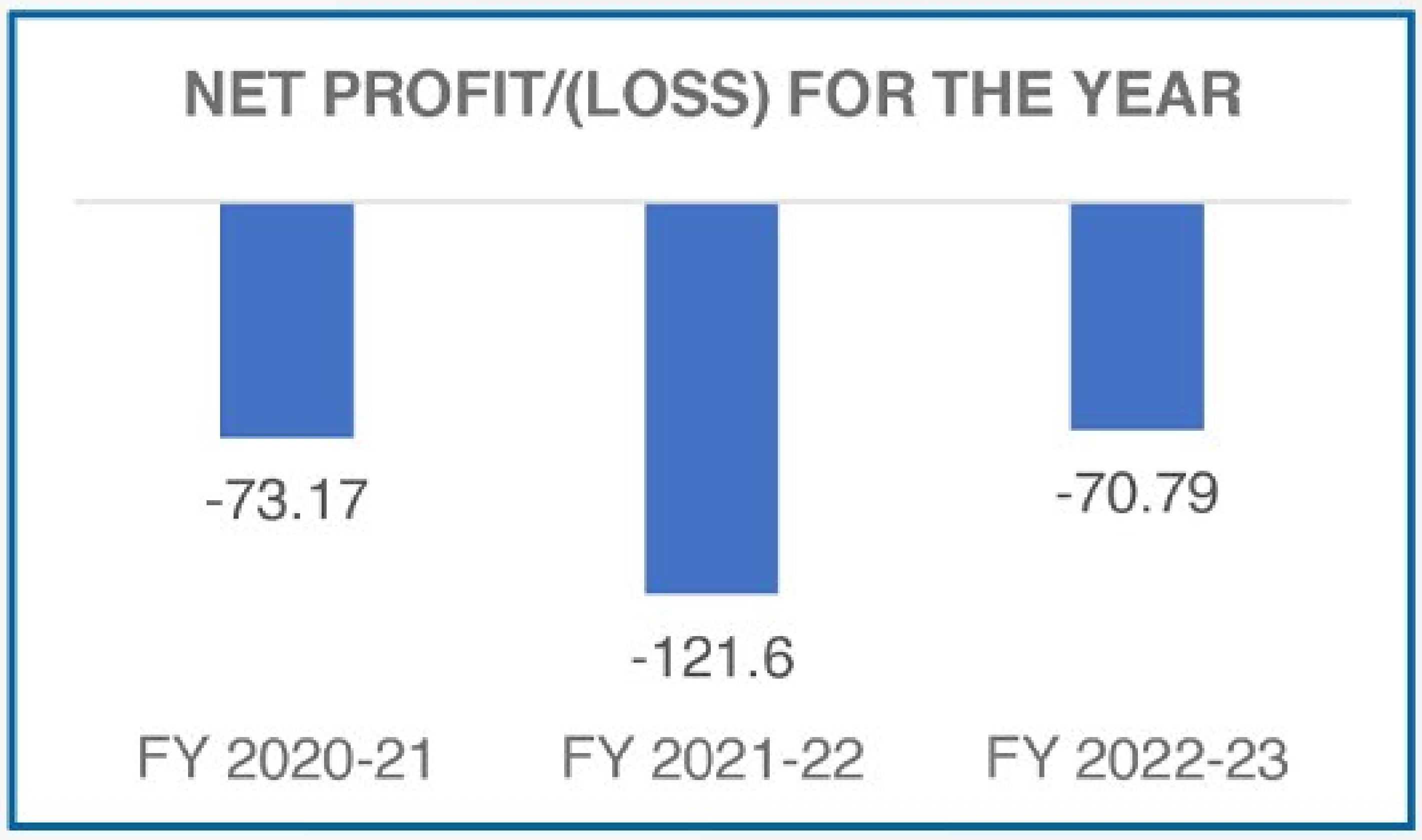
The summarised result for the year is given below:

Heads	FY 2022-23	FY 2021-22
Total Revenue	5806.61	4,423.75
Total Expenses	5899.78	4,585.57
Profit / (Loss) Before Tax	(93.16)	(161.82)
Net Profit / (Loss) for the Year	(70.79)	(121.60)
Earnings Per Share	(0.22)	(0.38)

The three-year trend for the same is given below:







Reserves and Surplus

The net movement in the major reserves of company for the financial year 2021-22 and 2022-23 are provided below:

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Surplus/ Deficit in statement of Profit & Loss		
Balance at the beginning of the year	(115.50)	6.11
Add: Profit and (Loss) for the year	(70.30)	(121.63)
Less: Transfer to Debenture Redemption Reserve	-	-
Other Comprehensive Income	(0.49)	0.03
Closing Balance	**(186.29)**	**(115.50)**

Material Changes and Commitments, if any, affecting the financial position of the Company

No material changes in the financials or commitments during the year ended 31st March 2023.

Deposits

As on March 31, 2023, the Company has not accepted any deposits from the public under the ambit of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

Dividend

The Board of Directors of the Company have not recommended any dividend on equity shares of the Company during the financial year 2022-23.

Loans, Guarantees, Securities and Investments

The Company, being an infrastructure company, is exempt from the provisions applicable to loans, guarantees and securities under section 186 of Companies Act, 2013.

Detail of investments are provided in schedules/ notes to the financial statements under Note 9 and 10.

Foreign Exchange – Earnings and Outgo

During the financial year 2022-23, Foreign exchange payments (Outgo) was ₹62.56 Crores and Foreign exchange earnings was Nil.

Subsidiary/ Joint Venture/ Associate Companies

The Company does not have any subsidiaries, joint ventures, or associate companies.

Share Capital

The authorized share capital of the Company is ₹ 40,00,00,00,000 (Four Thousand Crore Only) divided into 4,00,00,00,000 (Four hundred Crore) number of equity shares of ₹ 10/- (Rupees Ten) each and paid up share capital of ₹ 32,06,60,96,920 divided into 3,20,66,09,692 number of equity shares of ₹ 10/- (Rupee Ten) each.

Secretarial Standards

Pursuant to Section 118 of Companies Act, 2013, the Company has complied with the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

Related Party Transactions

The Company has in place a policy on related party transactions in line with Companies Act, 2013.

During the financial year, all transactions entered by the Company with the related parties were in the ordinary course of business and on an arm's length basis and were in compliance with the provisions of Companies Act.

All Related Party Transactions were subject to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013.

Credit Rating and Borrowings

The Company is rated for long term Loans and Short-term banking facilities by CRISIL and India Ratings & Research Private Ltd. During the year, CRISIL Ratings has revised its rating outlook on bank facilities of Talwandi Sabo Power Ltd (TSPL) to 'Negative' from 'Stable', The rating on the short-term bank facilities and commercial paper programme has been reaffirmed at 'CRISIL A1+ (CE)' and of long-term bank facilities has been reaffirmed to CRISIL AA (CE). India Ratings and Research (Ind-Ra) has affirmed Talwandi Sabo Power Ltd's (TSPL) Long-Term Issuer Rating at 'IND A+' and short-term Issuer Rating at IND A1+ (CE). The Outlook is Stable. The (CE) ratings reflect an irrevocable and unconditional corporate guarantee extended by TSPL's parent, Vedanta Limited.

Risk Management framework

A standardized Risk Management Process and System is in place across the Vedanta Group. In line with that, the Board of Directors of the Company has also adopted risk management policy for:

- Evaluation of internal financial controls and risk management systems.
- Enhancing the risk culture through embedding a consistent and a consistent structure for review and monitoring of treatment actions.
- Ensuring that the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- Identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

As a part of governance philosophy, the Risk Management Committee is formed to frame, implement, and monitor the risk management plan for the Company. There is continuous monitoring to ensure that all risks are identified, and immediate Mitigation plans are evaluated. The Audit Committee has additional oversight in financial risks and controls.

Internal Financial Controls

- As per the provisions of Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust systems/ framework of internal financial controls to provide them with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. To enable the Directors to meet these responsibilities, the Board has devised systems/ frameworks which are operating within the Company.
- In line with best practice, the Board regularly reviews the internal control system to ensure that it remains effective and fit for purpose. Where weaknesses are identified because of the reviews, new procedures are put in place to strengthen controls, and these are in turn reviewed at regular intervals. The systems / frameworks include proper delegation of authority, operating philosophies, policies and procedures, effective IT systems aligned to business requirements, internal audit framework, ethics framework, risk management

framework and adequate segregation of duties to ensure an acceptable level of risk.

Management incorporates controls into financial reporting activities by establishing clear accounting policies and developing and implementing accounting procedures.

- The Company has also adopted SAP GRC (Governance, Risk and Compliance) framework to further strengthen the internal control and segregation of duties/ access. The Company also follows a half yearly process of management certification through the Control Self- Assessment framework including on financial controls / exposures. The Company has documented Standard Operating Procedures (SOPs) for its key processes like procurement, project / expansion management capex, human resources, sales and marketing, finance, treasury, compliance, safety, health, and environment (SHE) and manufacturing etc.

Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future

Details are provided in Note 2 to the financial statements of the company for the year ended March 31, 2023.

Human Resources

Human Resources plays a key role in success of business by professionally managing all business processes. We are young, energetic, and vibrant team with the average age of 31. High performance culture of work force and job diversity is also capitalized. Safety and health requirements of employees and contract manpower are strictly followed.

The HR philosophy ensures, a philosophy of meritocracy; commitment to ensuring that all our workplaces are free from all forms of discrimination or any kind of harassment; complying with all applicable laws of the area where our operations exist; meeting all our responsibilities and HR obligations, as both a direct and indirect employer, and ensuring human rights are not violated; having effective internal systems and processes in place for talent management and engagement; creating a high performance culture – recognizing and rewarding in a fair and equitable manner; striving to drive and achieve industry best practices in our social stewardship; engaging with employees to encourage feedback and address concerns.

HR Mission

To strengthen our brand equity as a preferred employer, we shall work towards the following on an ongoing basis:

- Align HR processes with global benchmarks.
- Be a strategic business partner.
- Promote gender diversity & women empowerment.
- Build competencies & provide opportunities for growth.
- Foster collaboration, creativity, innovation & entrepreneurship.
- Be a responsible corporate citizen.

Our HR Priorities

Organizational growth:

Our approach is focused on ensuring that we have the right person in the right role, along with clear succession planning, with a focus on critical positions. Learning culture is promoted to encourage and support continuous employee learning, critical thinking, and risk taking with new ideas.

Innovation and Digitalization:

Project V-Aikyam is an Initiative launched to digitalize the entire 'hire to retire' employee life cycle with harmonized HR processes along with business partner management in one single platform for entire Vedanta Group. The key objective of this initiative is to improve productivity through digitization of manual processes and enhance employee experience through mobile enabled HR Solution.

Talent development and management:

Our Company emphasizes on talent nurturing, retention and engaging in a constructive relationship with employees with focus on creating high-performance sustainable organization that meets its strategic and operational goals and objectives. ACT-UP (Accelerated Competency Tracking & Up-gradation Process) is conducted in order to identify the fast trackers or high potential in the Organization. Potential of the employees participating in the ACT-UP process is assessed by a reputed third party. The employees who are identified as the High potential at the end of the process are declared as STAR of the business. V-Build is a leadership development program with an aim to identify 5% of the employees through various structured processes like CEO workshop, ACT-UP, Internal Job Postings released within the business level and specific workshops done at the business level anchored by the Business CEO. V-Reach is a transformational Graduate Talent Development initiative to identify the high potential talents among the 5000+ Graduate hires across the Vedanta Group and provide them a fast-track value adding career path. V-Aspire is a structured developmental initiative launched recently specifically for the ICWA employees in Finance. V-Reach Tech 1.0 is one of its kind, flagship programme to identify the crème of crème amongst our young engineers and empower them right from the early stages of their career. V-Lead is a structured initiative to identify the women leaders and develop them to take further enhanced roles.

Training and Development sessions to enhance the technical, functional and behavioural skills of our people. VRIDDHI initiative to conduct focussed training sessions on different verticals in order to make people aware of cross-functional aspects.

Diversity:

Diversity remains a strong focus. We provide equal opportunities to all our employees, irrespective of race, nationality, religion, gender or age. We are pleased with our progress on gender diversity and women now represent 37.5% of our total workforce.

New Year Celebration, Lohri, Holi, International Women's Day, Teej, Ganesh Chaturthi, Navratri, Diwali, Christmas, and other Cultural and Festive extravaganza are some of the key features aimed at promoting cultural diversity at the workplace.

Empowerment of Women Professionals:

At TSPL, we have Internal Complaints Committee that takes care of timely redressal. To induce a friendly work environment for women, We Council is in place. We conduct workshops on Gender sensitization, Prevention of Sexual Harassment and Self Defence.

Women Council Meet is organised on a quarterly basis with the participation of entire women work force wherein their suggestions and feedbacks are solicited, and grievances are addressed.

Encouraging Work Life Balance:

To encourage Work life balance and Employee Delight we have invested and created superior quality world class infrastructure like Gym, Badminton Court, Hostel, Cafeteria etc.

Employee Engagement:

We at TSPL always believe that it is the degree to which an employee is emotionally bonded to his organization and passionate about his work that really matters. We constantly strive to provide an engaging work environment, with a spirit of common purpose. Across our operations, employees participate in a wide variety of activities to create a sense of shared ownership and participation. This ranges from the formal trainings, chairman's workshops, CEO's town hall, CHRO Connects meetings to broader cultural, sporting, social and leisure activities for employees and their families.

Prevention of Sexual Harassment at Workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company is an equal opportunity employer and believes in providing opportunity and key positions to women professionals. The Group has endeavoured to encourage women professionals by creating proper policies to tackle issues relating to safe and proper working conditions and create and maintain a healthy and conducive work environment that is free from discrimination. This includes discrimination on any basis, including gender, as well as any form of sexual harassment.

In compliance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, the company has constituted an Internal Complaint Committee (ICC) to consider and address sexual harassment complaints in an effective manner.

During the financial year ended on March 31, 2023, the Company had received no complaint under POSH.

Technology and Digitalization

The digital revolution is cascading across industries. Traditional business models are being disrupted with digital and software-based business models. By changing processes from analog to digital, geographical boundaries of the organization are expanded which further reinvent the processes, improve the quality, and promote consistency. The Company strive towards continuous improvement and optimization of business processes.

In TSPL we have successfully implemented few business process automations during FY 2022-23:

Online Vibration System

Start-up engagement for Online vibration measurement for all conveyers & wagon triplers. Real time vibration analysis.

APM – Asset Performance Management

- Generation loss due to leakage
- Boiler Tube leak prediction and management
- Boiler performance optimization

License Tracker -Legal

Automated tracker for all the Licenses – Reminder Mails, no error rate, no manual tracking required, no non-compliance due to early reminding.

OI/UI Dashboard

- Data accessibility

VSAP Tracker

- Auto reminders to the concerned - on time

LIMS –Coal Phase 1

- Less man hours
- timely reporting, easily accessible,
- Data availability

LIMS – Mill Fineness & UBC reporting Phase 2

- Less man hours
- timely reporting, easily accessible,
- Data availability

V-Unified – Phase 1 – Enablon application

- Eliminating need of excel sheet for data repository and circulations
- Transparency & visibility across management levels
- Data Analytics for better decision making
- Man-days savings

NSHR report development

- Ontime report generation and system availability
- Auto NSHR calculation on daily basis
- Very less exceptions
- Manhours decreased

PTW development

- Data availability as per user's requirement
- Unit wise data segregation method
- Ease in report generation

Darwin BOX

- Complete HRMS centralization & upgradation

Scrap Sale process & Approval Automation

- All approval flows to be integrated with SAP FIORI
- Easiness of approving facility
- Time savings

Water Dashboard

- Data fetching from Water system
- Auto Daily consumption calculation

Security MoM automation

- Accessibility
- Performance analysis
- Auto reminders to the concerned

Plant Action status automation

- Timely reminders
- Updating facility
- Data analysis

Acoustic BTLD Sensor

Acoustic sensor installed at different elevation to detect Tube leakage.

IIOT based sensor for Drain temp mapping

Drain Pass temp. detection through LORA communication.

Automation of Critical plant reports

- All Mill current seeded in PI system and daily auto triggering mail to show Mill availability %.
- For all SWAS parameter, a Graphics page developed in PI System with trends.

Operations and Maintenance

With Strong focus on asset integrity, ESG, use of digital tools like advance pattern recognition, asset performance management and continuous improvement in O&M practices through

through innovation and automation we have achieved Lowest ever Auxiliary power consumption of 6.86% in FY 23 as compared to 7.13% in FY 22 which is lower by 4%.

Plant load factor of 67%, which is the highest ever and above FY 21 of 51% by 31 %. Achieved highest ever coal rakes handling of 2149 in FY 23.

A paradigm shift towards elimination of hazards and better engineering control is being driven with full passion and enthusiasm. All this has made TSPL one of the safest places to work.

Sustainability

The Company believes in motto of zero harm, zero waste and zero discharge. It is committed towards sustainable operations, protection of human life, health, and environment, ensures social well-being, and add values to the Communities.

The TSPL Transformation office has been established In line with Vedanta's ESG Commitment & Structure pillars of Transforming Planet, Communities & the Workplace.

The Office reviews and implements various Communities of Practices (CoP) initiatives.

The CoPs are Carbon & Energy, Water, Health & Safety, Waste to Wealth, Biodiversity, People, Communication. Each CoP is led by the senior leader of the concerned department who drives the sustainability initiatives in their community.

In FY 2022-23, a total of 111 projects were identified and works are in progress.
TSPL focuses on Vedanta Sustainability Assurance Program (VSAP) implementation through module SPOA & Champions, conducting training, internal audits & review of framework implementation.

In FY23 the VSAP Score improved to 75.

Health, Safety & Environment

Health, Safety, Environment and Sustainability are one of the key pillars and predominant value of TSPL Operations.

In FY 22-23 TSPL embraced Vedanta's Vihan Critical Risk Management Program, High-Risk Observation Reporting & mitigation program and integrated the same in Safety Management system as one of the key programs for Serious Injury Prevention.

TSPL continued its Other Serious Injury Prevention Programmes such as Catastrophic Risk Management, Safety Alerts Learning Implementation, Vedanta Safety Standard Implementation, and Infrastructure development / Engineering Control to mitigate safety Risk.

In the FY22-23 TSPL took various infrastructural improvement and development initiatives to mitigate safety risks such as Full-Length Conveyor Guarding (Phase3) in CHP, interlocking of all Full-Length Conveyor Guarding at CHP, Heavy Vehicle & Employee movement segregation at Main Gate-1, Carbon Monoxide Analyzer, and its display at CCR to mitigate safety risk at Coal Mill for 2 units, Wire mesh was provided in all water tank handrails to mitigate drowning risk.

Senior Management drove safety culture through Quarterly CEO&WTD Townhall sessions, Senior Management Visible Felt Leadership programs, Safety Standdown on Monthly basis, participation in various safety campaigns and programmes.

Various Internal & External Training on Safety, Occupational Health &

Environment are being imparted on continuous basis.

Key Safety Performance

Key Parameter	FY 2022-23	FY 2021-22	FY 2020-21
Fatality	0	0	1
TRIFR as per Vedanta Management Standard MS11	0.96	1.45	1.80
LTIFR as per Vedanta Management Standard MS11	0.96	1.09	1.12
Near Miss incident Reporting	1387	793	983

Zero Waste:

- Judicious utilization of ash in various avenues is one of the major targets of TSPL and in furtherance of which it has taken various initiatives for utilization of fly ash. Fly ash generated at TSPL is used by brick manufacturers, cement companies and road construction projects. TSPL have also signed various MOU'S with cement manufacturing units to increase ash utilization. TSPL's evacuated Fly Ash through 134 number of Rail Racks to be evacuated to cement industries which are at far distance.

Zero Discharge:

- TSPL maintains zero liquid discharge through recycling and reuse of treated wastewater. Various initiatives are taken for recycling and reuse of water such as increasing the cycle of concentration of cooling tower to 7 and recycle of water from ash dyke to ash handling system with solar pump.
- Effluent treatment plant (oil treatment plant, coal treatment plant, IWWS) and Sewage treatment plant installed in plant treats the wastewater generated in the plant and then treated water goes to central effluent monitoring basin where it is reused for sprinkling, horticulture, and other plant operations.
- Installed Reedbed technology i.e., natural eco-friendly sewage treatment plant to treat the sewage. This system also reduces the carbon footprints.

Zero Discharge:

- TSPL is continuously working on reduction of its emissions into the atmosphere and a year wise short-, medium- and long-term plan is prepared to achieve the goal.
- TSPL ensures availability of all environment monitoring and protection equipment in service.
- Various projects were taken for energy saving such as High Energy Efficiency Booster Pump Installation at Unit#02, CWP Motor Speed reduction in one unit, Energy Saving Maintenance work in Unit.

Biodiversity and Green Belt

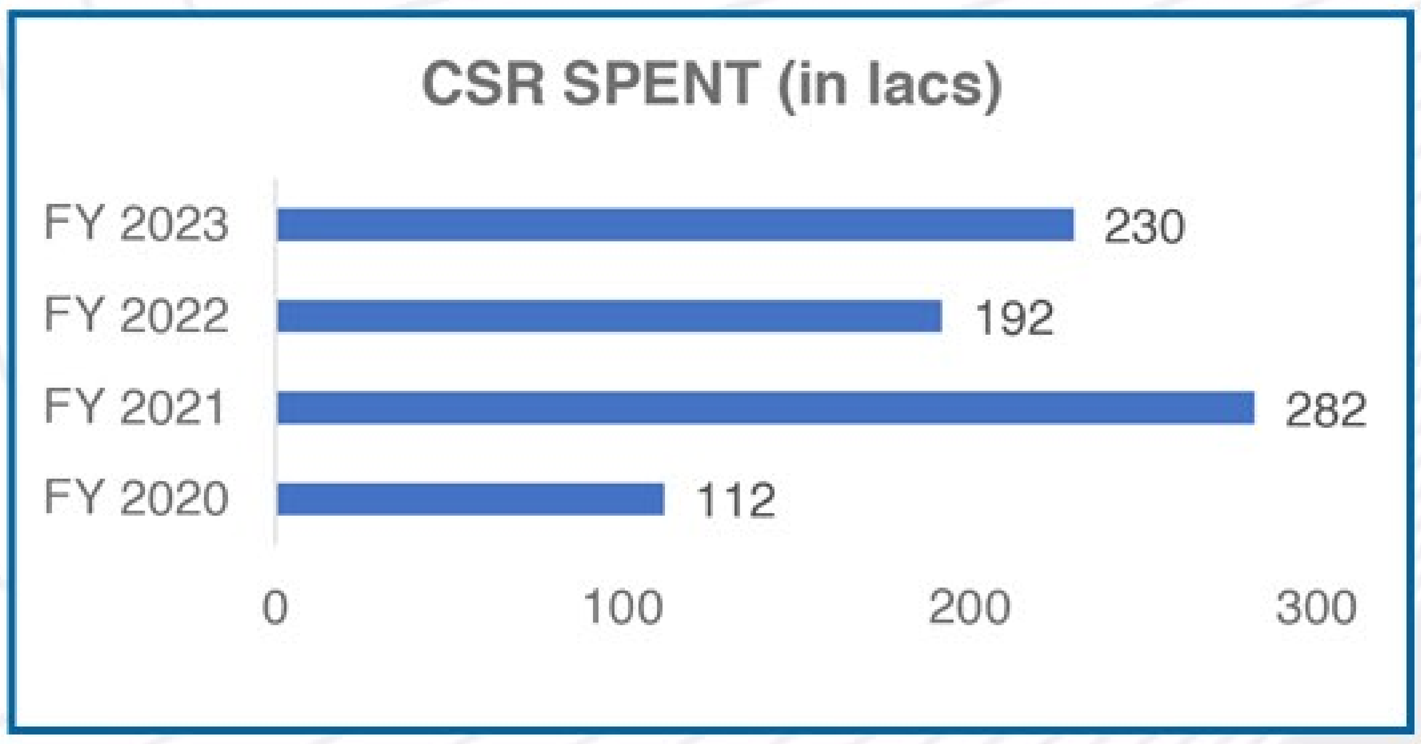
- TSPL has developed a diversified green belt by planting more than 4.8 lakhs saplings in 824 acres which includes more than 33 species of trees which is maintained through dedicated maintenance activities. In the FY 22-23 it had planted 22,513 tree saplings inside plant premises and neighbouring Communities.
- The annual total CO2 sequestration potential of all trees in the TSPL premises is around 17388.43 tons.
- Of the total increase in trees cover/TOF areas in Mansa district, 84.4 % increase has been contributed only by TSPL. The huge plantation results into ecosystem management through control over soil erosion, nutrients, water cycling and biodiversity conservation.
- Continuous awareness training is imparted among its employees and other stakeholders to enhance their

knowledge and understanding on biodiversity and its conservation issues where applicable.

Corporate Social Responsibility

A detailed section on CSR forms part of the earlier section of this Annual Report.

Pursuant to the provisions of Section 135 of the Companies Act 2013, the Company has CSR policy in place and available on Company's website at CSR Policy. In the given period, the Company spent ₹230 lacs on CSR activities details of which are covered in Annual Report on Corporate Social Responsibility Activities and forms part of this report as **Annexure - 1**.



Energy Conservation and Technology Absorption

The information on conservation of Energy and Technology Absorption as stipulated under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 is attached as **Annexure – 2**.

Board of Directors and Key Managerial Personnel

As on March 31, 2023, following are the Board of Directors of the Company:

S. No.	Name of Director	Designation
1	Mr. Agnivesh Agarwal	Non-Executive Director – Chairman
2	Mr. Vibhav Agarwal	Chief Executive Officer & Whole-time Director
3	Mr. R Kannan	Non-Executive Independent Director
4	Mr. Mahendra Singh Mehta	Non-Executive Independent Director
5	Mr. Baldev Krishan Sharma	Non-Executive Director
6	Ms. Sonal Choithani	Non-Executive Director

As on March 31, 2023, following are the Key Managerial Personnel (KMPs) of the Company:

S. No.	Name of Director	Designation
1	Mr. Vibhav Agarwal	Chief Executive Officer & Whole-time Director
2	Mr. Swapnesh Bansal	Chief Financial Officer
3	Ms. Shivangi Dhanuka	Company Secretary

Following were the changes in the position of Directors and Key Managerial Personnel (KMPs) of the Company during the financial year 2022-23

- Mr. BK Sharma was re-appointed as Non-Executive Director effective from July 01, 2022.
- Mr. R Kannan and Mr. MS Mehta were re-appointed as Independent Director effective from July 01, 2022, and March 30, 2023, respectively.
- Mr. Vikas Sharma retired from the Board a Whole Time Director and CEO of the Company effective from close of business hours on June 30, 2022.
- Mr. Vibhav Agarwal was appointed as a Whole Time Director and designated as CEO effective from July 1, 2022.

Annual Performance Evaluation of Board as a Whole, its Committees and Individual Directors

A robust evaluation framework has been laid down by the Nomination & Remuneration Committee of the Company for annually evaluating the performance of Board as a whole, its committees and individual directors.

During the year, an evaluation was carried out through a secured online questionnaire platform to capture the views of each Director. The evaluation was carefully structured and pragmatically designed to bring about a genuine debate on issues that were relevant; check on progress against matters identified in the previous evaluation; and assist in identifying any potential for improvement in the Board's processes, as given below:

Evaluation of Board	Evaluation of Committees	Peer Evaluation
Parameters: • Company's Health • Board structure, composition and quality • Board meetings • Board environment • Board & Committees effectiveness	Parameters: • Committee meetings • Committee composition and operation • Committee responsibilities • Progress against development areas	Parameters: • Preparation & participation • Personality & conduct • Quality of value added

Responses were analysed and results were discussed in the Nomination & Remuneration Committee and in the Board, meeting held on April 21, 2023. Board discussed the performance evaluation reports and took note of the suggestions/ inputs of the Independent Directors.

Overall evaluation of all the Directors, Board as a whole and its committees have remained satisfactory during the financial year 2022-23.

Company's policy on Director's appointment and remuneration

In terms of the provisions of Section 178 (3) of the Companies Act, 2013, the Nomination & Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes, and independence of a Director. NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel, and other employees.

In line with the above requirement, the Board has adopted the Nomination and Remuneration Policy on Board Diversity and Director Attributes, which is displayed on the website of the Company under the link: **NRC Policy**

Audit Reports and Auditors

Audit Reports

The Auditors' report is enclosed with the financial statements in this Annual Report.

The Secretarial Auditors' Report for FY 2022-23 in form MR-3 is enclosed as **Annexure - 3** to this Board's Report.

Statutory Auditors

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No: 301003E) were re-appointed as Statutory Auditors of the Company at its 14th AGM held on July 27, 2021 for a term of five consecutive years i.e. until the conclusion of 19th AGM.

The report of the Statutory Auditors along with notes to Schedules is enclosed to this Report. The observations made in their report read with notes to accounts are self-explanatory and therefore, do not call for any further comments or explanation under Section 134 (3)(f) of the Act.

Further to it, under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, no fraud was reported by the Auditor under sub-section (12) of Section 143 in the FY 2022-23.

The Company has also received a certificate that they are not disqualified and continue to remain eligible to act as the auditors of the Company.

The auditors have also furnished a declaration confirming their independence to the Company. The Audit Committee reviews the independence and objectivity of the auditors and the effectiveness of the audit process.

Cost Auditor

In terms with Section 148 of the Companies Act, 2013 read with rules made thereunder, the Company is required to have the audit of cost records relating to electricity generation for the financial year 2022-23 conducted by a Cost Accountant in practice.

The Board, on recommendation of Audit Committee, has appointed M/s K G Goyal & Co., Practicing Cost Accountants (Firm Registration No. 000017) as the Cost Auditor of the Company for the financial year 2022-23 at a remuneration approved by Board and ratified by Members of the Company at the 15th AGM.

The Company had received a certificate confirming their eligibility and consent to act as the Cost Auditors.

The cost accounts and records of the Company are duly prepared and maintained by the company as required under Section 148(1) of the Act and rules made thereunder pertaining to cost audit.

Secretarial Auditor

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Vinod Kothari & Company, Practicing Company Secretaries as the Secretarial Auditors of the Company to undertake the Company's Secretarial Audit for the financial year 2022-23.

The Company had received a certificate confirming their eligibility and consent to act as the Secretarial Auditors.

The Secretarial Audit Report for the financial year 2022-23 forms part of the Board Report as Annexure – 3 and confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.

Annual Return

Pursuant to Section 92 of the Companies Act, 2013 read with Rule 12 of The Companies (Management and Administration) Rules, 2014 and Section 134 (3) (a), the copy of Annual Return can be accessed on the website of the Company at **https://www.tsplindia.co**.

Compliance Management Framework

With the effective implementation of the automated compliance management tool "e-nForce Plus", the Company has remained committed to its compliance obligations. TSPL has a robust compliance framework which involves self-reporting by the process owners of respective departments on monthly / quarterly / half-yearly / annual basis. The internal compliance team/ third party verify the compliance status submitted by the process owners and observations are corrected in a time bound manner by taking mitigative/remedial measures by the respective departments. In furtherance to the same, regular audits by Internal Audit team and Third-Party Audit team are conducted by TSPL to identify the gaps and take corrective measures to strengthen compliance mechanism. All the non-compliances along with the action plan are presented to the Board on a quarterly basis. Code of Conduct, which forms an essential wing of the compliance management framework, has been ensured through continuous sessions of awareness and knowledge sharing to the stakeholders of the organization.

Awareness Sessions/Workshop on Compliances and Ethics

The commitment to Ethics and Compliance is core to the Vedanta Group philosophy and is an integral part of all the processes. The responsibility of employees in demonstrating ethical and professional behaviour is reinforced by the awareness sessions being conducted on a regular basis. While awareness sessions on compliance cover various aspects of Electricity Laws, Industrial Laws, Labour Laws and other rules and regulations applicable to the company, the awareness sessions on Ethics & Governance cover the internal policies, procedures and reporting mechanism to ensure ***"Zero Tolerance"*** and sensitize the employees to uphold uncompromising Business Ethics at the Company.

Corporate Governance

The Company ensures maintenance of highest standards of Corporate Governance and adherence to the Corporate Governance requirements set out in the Companies Act, 2013.

The Report on Corporate Governance detailing the following is attached and forms part of Statutory Report, marked as Report on Corporate Governance:

- Company Philosophy on Corporate Governance
- Meeting of Board of Directors and attendance of directors at the meetings held during financial year 2022-23
- Meeting of Committees of Board of Directors and attendance of members of Committee held during the financial year 2022-23
- Composition of Committees of Board
- General Body Meetings and Special Resolutions passed thereat
- Disclosures
- Means of Communication
- General Shareholders Information

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, i.e., March 31, 2023 and of the profit and loss of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;

- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by Independent Directors

All Independent Directors of the Company have submitted the requisite declarations confirming that they continue to meet the criteria of independence as provided under section 149 (6) of the Companies Act, 2013 and are in compliance with the Code for Independent Directors as specified under provided under section 149 (6) of the Companies Act, 2013 and are in compliance with the Code for Independent Directors as specified under Schedule IV of the Act. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

In the opinion of the Board, Mr. R Kannan and Mr. MS Mehta exhibited rich veracity and diverse experience in the various areas. Based on their multidisciplinary stints and experience, your Board believes that their induction continues to nurture the Board in broadening its overall efficiency and expertise.

Acknowledgement

The board of directors wishes to place on record their deep appreciation to the Central Government, State Government, various ministries, Central and State Electricity Regulatory Authorities, Municipal Corporation of Punjab, other regulatory authorities, and communities in the areas of operation for their continued support and assistance extended.

The Board also extends its appreciation to employees at all levels for their continuing support, unstinting efforts, and commitment towards the company in ensuring the performance of the company both financially as well as operationally.

The Directors would also like to thank our Stakeholders, Customers, Business Partners, Vendors, Bankers, Financial Institutions, Academic Institutions, Investors, and others associated with the Company.

For and on behalf of Board of Directors Talwandi Sabo Power Limited

Agnivesh Agarwal	**Vibhav Agarwal**
Chairman	**Whole-time Director**
DIN: 00038950	**DIN: 03174271**
Place: Fujairah - UAE	Place: Delhi
Date: April 21, 2023	Date: April 21, 2023

Annexure - 1

1. Brief outline on CSR Policy of the Company

The Corporate Social Responsibility (CSR) Policy was revised by the Board of Directors on April 22, 2021 detailing the CSR activities of the Company. The Policy is available for public on the Company's website **https://www.tsplindia.co**. The focus areas are identified as- Health, Education, Livelihood, Women Empowerment and Rural Development. The Company's CSR policy and initiatives delineate the vision, mission, thrust areas and key requirements aligned with the Schedule VII of Section 135 of the Companies Act.

2. Composition of CSR Committee

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Baldev Krishan Sharma	Chairperson of Committee, Non-Executive Director	2	2
2	Mr. R Kannan	Member of Committee, Independent Director	2	2
3	Ms. Sonal Choithani	Member of Committee, Non-Executive Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company

As provided in Section 1 above.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

5. CSR Requirement

(a) Average net profit of the company as per section 135(5)

Rs. 23.36 crores.

(b) Two percent of average net profit of the company as per section 135(5)

Rs. 46,71,074.93

(c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years.**
Nil

(d) **Amount required to be set off for the financial year, if any**
Nil

(e) **Total CSR obligation for the financial year (7a+7b- 7c)**
Rs. 46,71,074.93

6. CSR Spent or Unspent

(a) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S.No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation-Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District.						Name	CSR Registration number
1.	Project SEHAT-(Health Care services)	Item (i) (iv)promoting health care including preventive health care	yes	Punjab	Mansa	Apr'22-Mar'23	40,00,000	33,25,000	0	No	PHD Rural Development Foundation	CSR00004676
2.	TSPL Navi Disha-(promotion of sustainable agriculture)	Item no (ii) (iv) livelihood enhancement project Item no (iv) (iii) Animal Welfare Item no (iv) (v)Conservation of natural resource and maintaining of quality of soil , air and water	Yes	Punjab	Mansa & Bathinda	Apr'22-Mar'23	38,00,000	36,10,000	0	No	The Nabha Foundation	CSR00000802
3.	TARA- (Women empowerment)	Item no(iii) (ii) empowering women	Yes	Punjab	Mansa	Apr'22-Mar'23	32,00,000	29,01,000	0	no	Ambuja Cement Foundation	CSR00006913
	TOTAL						1,10,00,000	98,36,000				

(b) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number
1.	Integrated School Development Project	Item no (ii) (i)promoting education	Yes	Punjab	Mansa	18,55,000	Yes	-	NA
2.	TSPL Gram Nirman Project (Community Asset Development)	Item no (x) (i)Rural development project	Yes	Punjab	Mansa	66,48,000	Yes	-	NA
3.	Run for the Zero Hunger (VDHM 2022)	Item no (i) Eradicating hunger	No	Delhi	NA	42,56,000	Yes	-	NA
	TOTAL					1,27,59,000			

(c) Amount spent in Administrative Overheads –
4,61,460.2

(d) Amount spent on Impact Assessment, if applicable
Not Applicable

(e) Total amount spent for the Financial Year (8a+8b+8c+8d)
23,056,460.2

(f) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6) (ongoing project amount)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
23,056,460.2	NIL	NA	NA	NIL	NA

(g) Excess amount for set off, if any
Nil

7. Details of CSR amount for the preceding three financial years:

(a)Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6	7	8
Sr. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
1	FY 2021-22	0.00	1182531.69	1182531.69	0.00	0.00	0.00
2	FY 2020-21	15113357.36	15113357.36	13930825.67	0.00	1182531.69	0.00
3	FY 2019-20	0.00	0.00	0.00	0.00	0.00	0.00

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Nil

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)

The Company has met the requirement as specified under Section 135 of the Companies Act read with rules (as amended) made thereunder.

For and on behalf of Board of Directors Talwandi Sabo Power Limited

Mr. Baldev Kishan Sharma
Chairperson – CSR Committee
Non-Executive Director
DIN: 02332983
Date: April 21, 2023
Place: Faridabad

Vibhav Agarwal
Whole-time Director
DIN: 03174271
Place: Delhi
Date: April 21, 2023

Annexure - 2

Conservation of Energy

Conservation of natural resources continues to be the key focus area of our Company. Some of the important steps taken in this direction are as follows:

The steps taken or impact on conservation of energy:

- Successful Recertification from BSI India for Energy management system as per the guidelines of EnMS 50001-2018.
- Energy savings of 121871 GJ achieved in FY'23 through various OPEX & CAPEX projects.
- Identified 16No's of energy savings projects out of which 81% are completed, 3no's Projects are under progress.
- Highest PLF achieved so far in FY23 which is 66.51%.
- Lowest APC achieved so far in FY23 which is 6.86%.
- Lowest SOC achieved so far in FY23 which is 0.303.
- APC reduction by CW pump motor speed reduction completed in all 3 units by increasing number of poles from 16 to 20 which resulted in saving of 1 MW per unit.
- Logic Modification for Part load operation CEP VFD speed reduction was implemented in all units which resulted in APC reduction of 600 KW.
- Higher efficiency TDBFP booster pump installation in U#2.
- CRH to aux header line control valve size changed which resulted into SOC reduction.
- Unit 3 Condenser vacuum problem was resolved which resulted in vacuum improvement of 2.3 kpa.
- Unit 2 & 3 All HP heater parting plate repaired and benefit of 5 kCal/kWh in Heat rate realised.
- New Furnace temperature elements installed in Flue gas for better combustion control & Fine tuning.
- VFD installation completed for VT pump which resulted into saving of 45kW.
- Successful completion of Unit#2 Annual Overhauling with Turbine Heat Rate improvement, Boiler efficiency improvement & Cooling Tower Efficiency improvement.
- Total ash utilization continues to be key priority area for the company. Total Ash Utilization of 83% achieved in FY'23 thereby reducing auxiliary power consumption and generating revenue for the company.
- Boiler Drain pump installation completed in U#3 & start up time reduced by approximately two hours which resulted in reduction in start-up oil & start-up emissions.
- 1000 No's of conventional lighting fixture replacement done with LED lights in FY23 & achieved Power saving of 39.49kW.
- Coal Mill Dirty air test completed for

- uniform velocity across all coal pipes, it resulted in combustion efficiency improvement.
- Anti-Smog gun installed in Wagon tippler C&D area which resulted in water savings.

The steps taken by the Company for utilizing alternate sources of energy:

- 50 MW Solar power plant techno commercial discussion is in progress. The company is deliberating on various opportunity for renewable energy generation.
- Solar pump installation for recovery of Ash Dyke water.

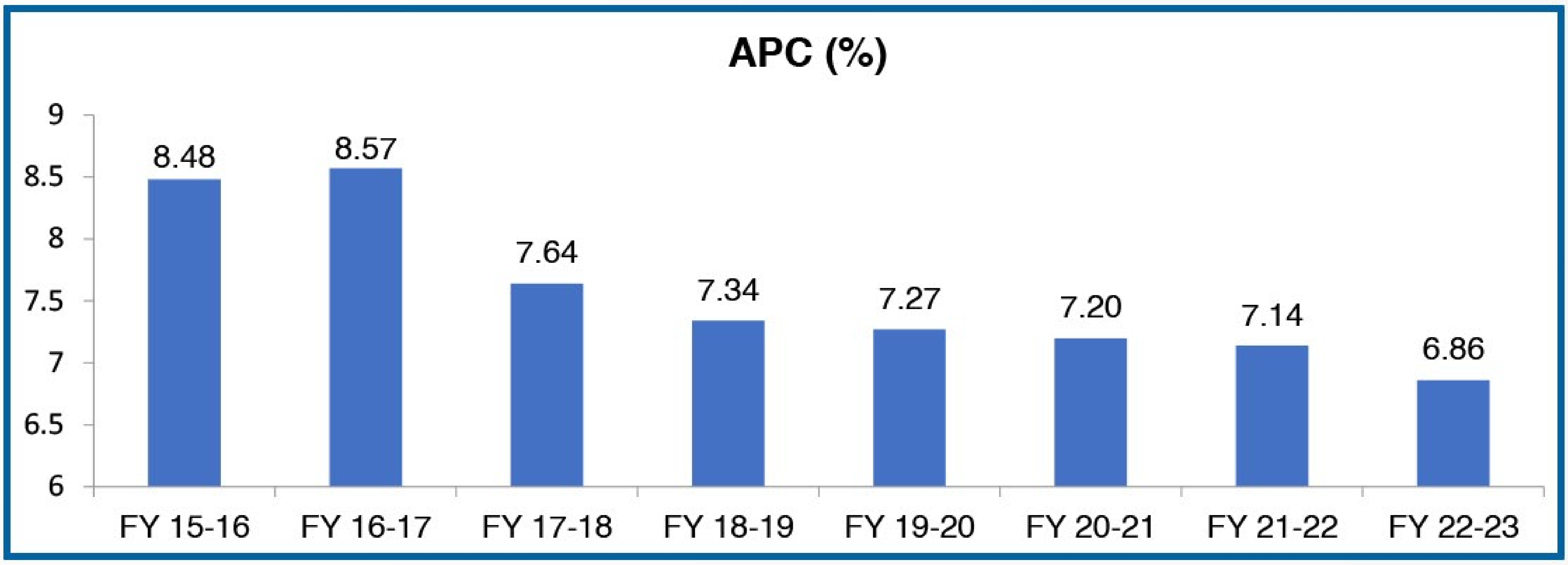
The capital investment on energy conservation equipment (in rupees):

- Higher Efficiency TDBFP Booster pump: 55 Lacs
- Solar pump installation at Ash Dyke: 6 Lacs
- CRH to Aux header line CV optimization: 12 Lacs
- High Energy drain valves: 70 Lacs

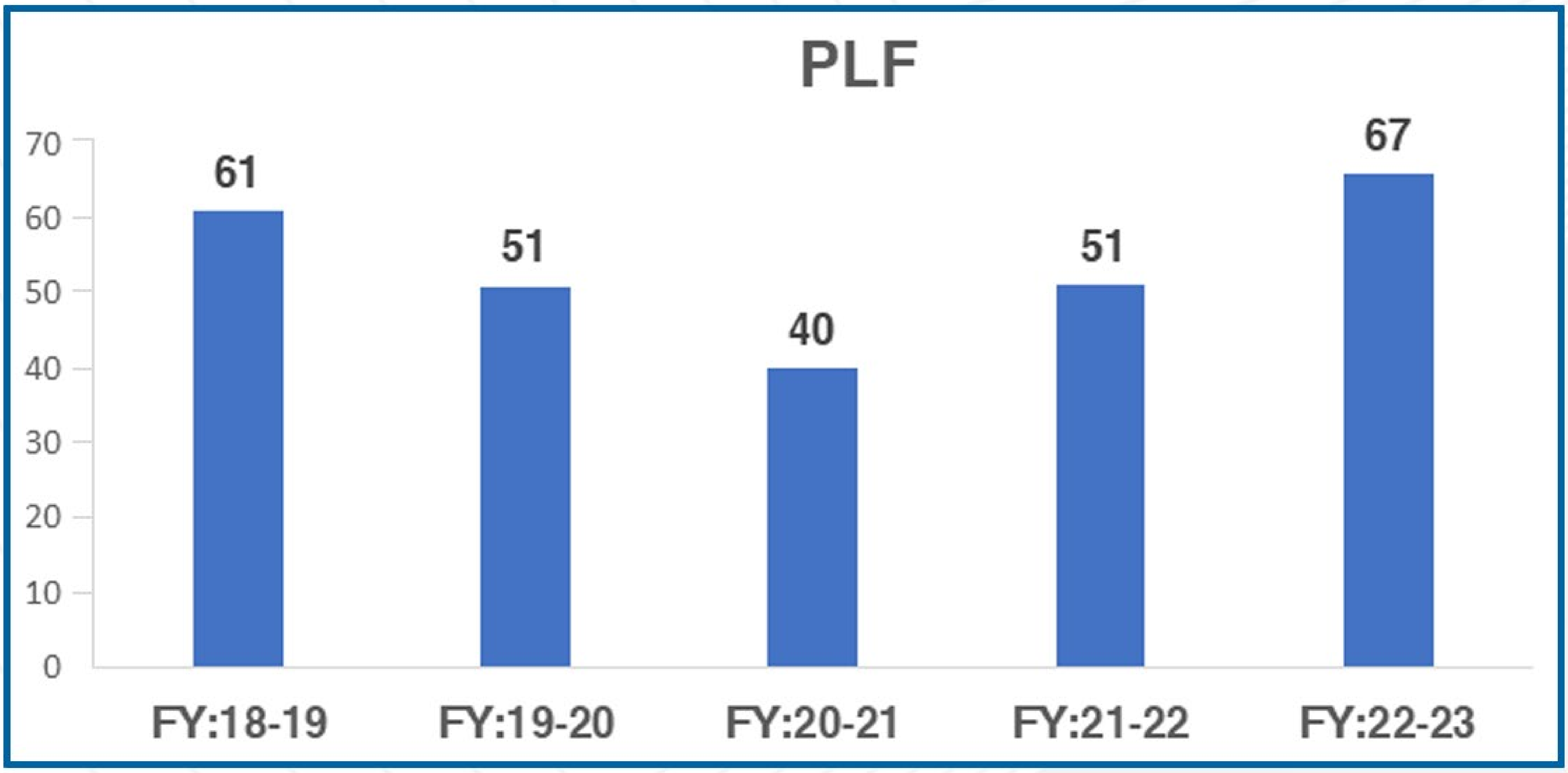
Technology absorption

Efforts in brief made towards technology absorption, adaptation, and innovation:

- Asset performance system (APM) implementation completed for data management.
- IoT Bases temperature sensors installed for identification of passing in high energy drain valved.
- LIMS Software for data management implemented for Coal LAB data.
- Online vibration sensors installation (300No.) completed for CHP Conveyors & Main plant critical equipment's.
- Auxiliary Power consumption is reduced from 8.48 % (FY16) to 6.86% (FY23)



- Highest PLF achieved so far which is 67%



- CW motor RPM reduction completed for 3 units by motor pole changing from 16 to 20 Electrical Pole therefore energy saving of 1MW per unit.

Any benefit(s) derived like product improvement, cost reduction, product development, Linkage Rationalization:

TSPL has shifted ~ 7LMT coal from MCL to NCL and ~ 8LMT coal shifting to be completed by Q1 of FY 24. This has helped to increase overall available GCV at plant as GCV of coal from NCL is better than of MCL. The overall GCV will further improve post Q1 of FY 24, after shifting of coal from MCL to ECL.

Coal cost reduction has been achieved as per below table by improved GCV coal procurement from NCL at competitive cost

# ROM (MCL)	Rs/GCV	1.50
# ROM (NCL)	Rs/GCV	1.39

In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), the following information may be furnished:

N.A.

The expenditure incurred on Research and Development:

N.A.

Annexure - 3

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[*Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*]

To,
The Members,
Talwandi Sabo Power Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Talwandi Sabo Power Limited (hereinafter called "Company") for the financial year ended March 31, 2023 ["Audit Period"] in terms of the engagement letter dated January 01, 2023. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 ('Act') and the rules made thereunder including any re-enactment thereof;
2. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
3. Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:
   a) The Electricity Act, 2003 and rules and regulations made thereunder;
   b) The Energy Conservation Act, 2001 and rules and regulations made thereunder;
   c) The Petroleum Act, 1934 and rules and regulations made thereunder;
   d) The Explosives Act, 1884 and rules and regulations made thereunder;
   e) The Atomic Energy Act, 1962 and rules and regulations made thereunder;
   f) The Boilers Act, 1923 and rules and regulations made thereunder;
   g) The Mines and Minerals (Development and Regulation) Act, 1957 and rules and regulations made thereunder;
   h) The Legal Metrology Act, 2009 and rules and regulations made thereunder

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has complied with the provisions of the Act, rules, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period, were carried out in compliance with the provisions of the Act and other applicable laws.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the meeting(s) convened at shorter notice with due compliance of Act and SS-1. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were unanimous and there was no instance of dissent in Board or Committee Meetings.

We further report that there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not undertaken any specific event/ action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, standards, etc:

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Nitu Poddar
Partner
Membership No.: A37398
CP No.:15113
UDIN: A037398E000162413
Peer Review Certificate No.: 781/2020

Place: New Delhi
Date: April 21, 2023

The report is to be read with our letter of even date which is annexed as **Annexure 'I'** and forms and integral part of this report.

Annexure I

Auditor and Management Responsibility
ANNEXURE TO SECRETARIAL AUDIT REPORT (NON-QUALIFIED)

To,
The Members,
Talwandi Sabo Power Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure II;

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;

4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute. We have conducted online verification & examination of records, as facilitated by the Company;

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;

6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc;

7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;

8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;

9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;

10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure II

List of Documents

1. Minutes for the meetings of the following held during the Audit Period:
   a. Board of Directors;
   b. Audit Committee;
   c. Nomination and Remuneration Committee;
   d. Corporate Social Responsibility Committee;
   e. Finance Standing Committee;
   f. Annual General Meeting;

2. Proof of circulation of draft and signed minutes of the Board and Committee meetings' on a sample basis;

3. Annual Report for financial year 2021-22;

4. Financial Statements and Auditor's Report for financial year 2021-22

5. Directors disclosures under the Act and rules made thereunder;

6. Statutory Registers maintained under the Act;

7. Forms filed with the Registrar;

8. Policies framed under Act, 2013

9. Memorandum of Association and Articles of Association of the Company.

Report on Corporate Governance

CORPORATE GOVERNANCE PHILOSOPHY

Talwandi Sabo Power Limited follows the highest standards of Corporate Governance by adopting the governance best practices. Our corporate governance reflects our value system encompassing our culture, policies, and relationships with our stakeholders at large. To ensure continuously ensure utmost trust and confidence of our stakeholders in us, transparency, accountability, excellence, and safety form a vital part of our operations and practices.

Company Performance

- TRANSPARENCY AND ACCOUNTABILITY
- POLICIES & REGULATORY FRAMEWORK
- MANAGEMENT/ BOARD & COMMITTEES
- VALUES & ETHICS
- MONITORING & INTERNAL CONTROL
- EXECUTING STRATEGY & MANAGING RISK

Through effective corporate governance, your Board seeks to embed and sustain a culture that will enable TSPL to fulfil its purpose and achieve its long-term strategic objectives, by building durable partnerships and upholding its core values of safety, teamwork, excellence, respect, and integrity.

BOARD OF DIRECTORS

The Board holds a fiduciary position, empowered to ensure that all the actions and decisions are aligned with the best interests of its stakeholders at large. It exercises independent judgement and plays a pivotal role in overseeing the management, governance, performance, long-term success of business as a whole and protecting the long-term interests of all the stakeholders.

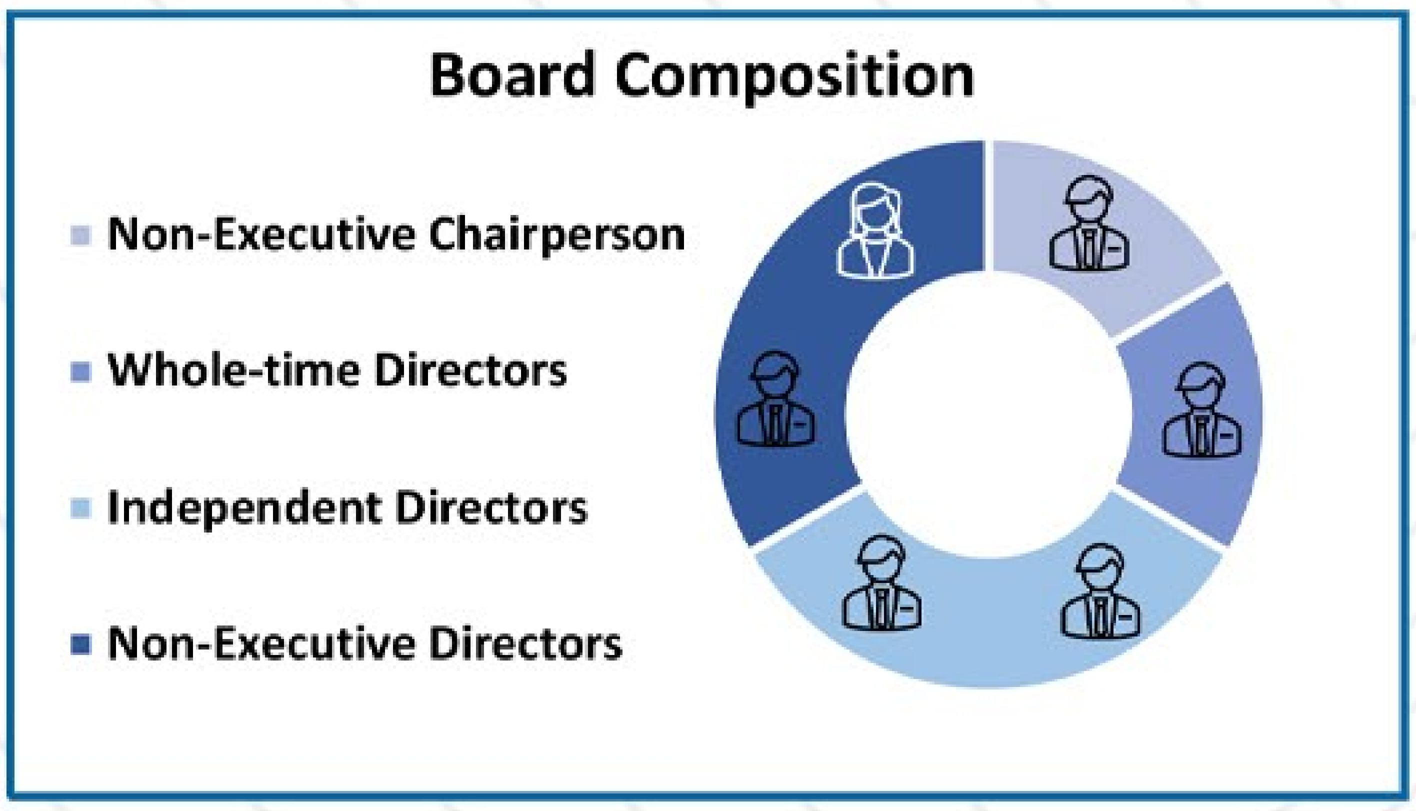
To discharge its obligations effectively, the Board has constituted various board committees. Each of the committees has a clearly laid down charter and is entrusted with discharging its duties, roles, and responsibilities. Further, the details pertaining to each of the committees have been provided in subsequent section of this report.

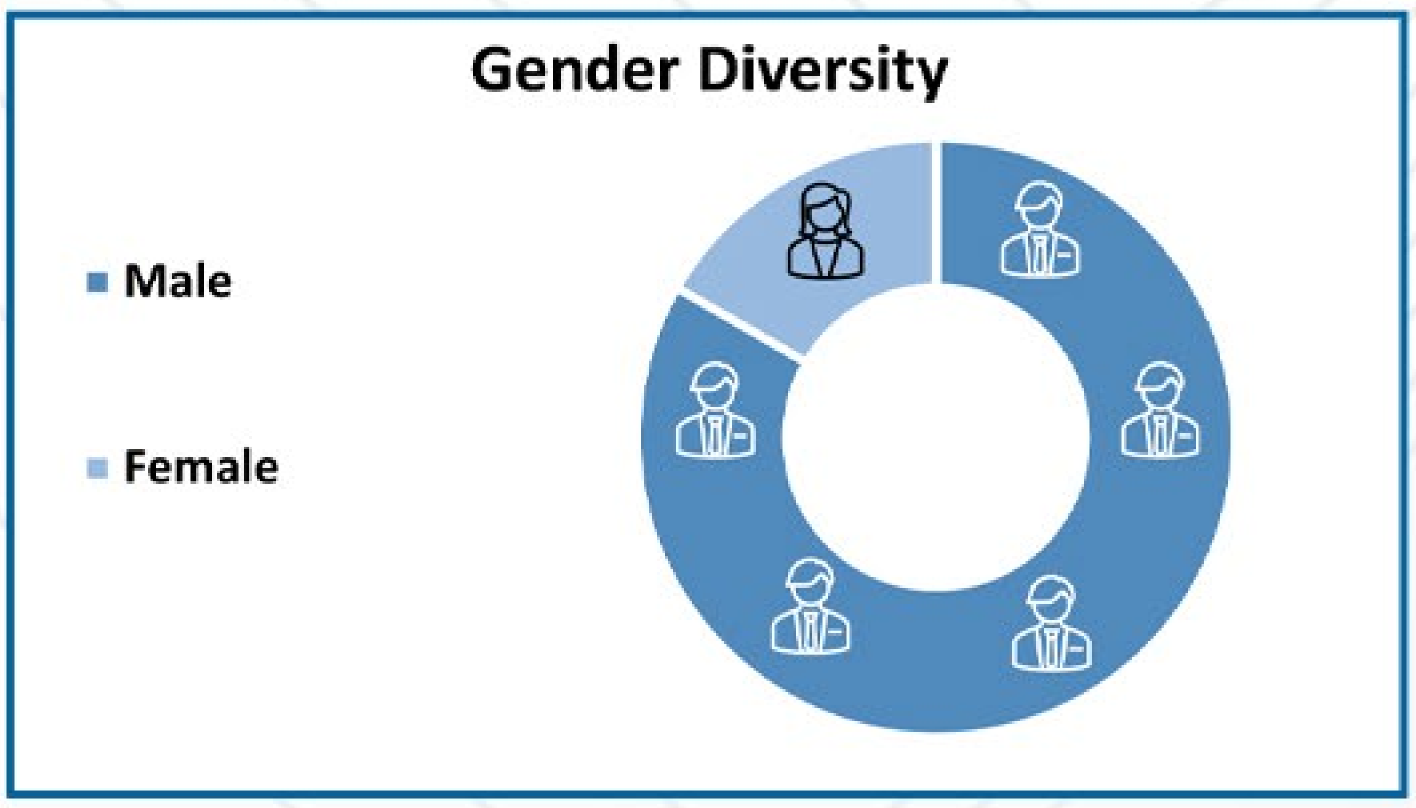
To ensure utmost governance maintain its functions of governance and management, our Board consists of an appropriate mix of executive, non-executive, and independent directors.

The Detailed profile of the Directors is given in the earlier section of this Annual Report and can also be viewed on the website at www.tsplindia.co.

Composition of Board and Diversity

The Board believes that it is essential to have an appropriate balance between Executive, Non-Executive, and Independent Directors to promote shareholder interests and govern the Company effectively. Hence, the Company maintains an optimum combination of Directors in compliance with the Companies Act, 2013 (‘Act’). As on March 31, 2023, the Board comprise of six Directors which includes a Chairman (Non-Executive), One Whole-time Director, Two Independent Directors and Two Non-Executive Directors including one Woman Director. None of the Directors are related to each other or are the promoters of the Company.





An effective board comprises of a diverse group of individuals who possess a variety of complementary skills and a range of experiences, and our Board has the correct mix of members to provide effective oversight and insightful strategic guidance. The Nomination and Remuneration Committee and the Board reviews the Board's composition to recognise the skills required for the Company both in the near term and into the future. Together with these unique perspectives and wide variety of experiences we make our business stronger, enhancing our ability to innovate and respond to the challenges faced by the Company.

Our Board represents a tapestry of complementary skills, attributes, perspectives and includes individuals with financial experience and a diverse background.

Meeting of the Board and its Committees

Schedule of meetings and agenda matters

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy in addition to the statutory and other matters. The Board and Committee meetings are pre-scheduled, and an annual calendar of the meetings is circulated to the Directors well in advance to facilitate planning of their schedule and to ensure meaningful participation in the meetings. However, in case of business exigencies/urgencies resolutions are passed through circulation or additional meetings are conducted.

The Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee Meetings are mostly held on the same dates as Board Meetings. To ensure an immediate update to the Board, the Chairman of the respective committees briefs the Board about the proceedings of the respective committee meetings.

Schedule of meetings and agenda matters

The detailed agenda papers along with the supporting annexures for the meetings are provided within statutory timelines. In special and exceptional circumstances, additional or supplementary agenda item(s) are permitted to be taken up as 'any other item'. However, to address urgent issues, resolutions are passed by way of circulation in line with the provisions of Section 175 of the Companies Act, 2013.

Information presented at meetings

The Board business generally includes consideration of important events including:

- quarterly and annual result announcements.
- oversight of the performance of the business.
- development and approval of overall business strategy.
- review of the functioning of the Committees and
- other strategic, transactional and governance matters as required under the Companies Act, 2013, and other applicable laws.

Conduct and recording of meeting

- Facility of video conferencing / telepresence is provided to the Board members and invitees at various locations across the globe.
- All the meetings conducted through telepresence are recorded and stored as per statutory requirements. The Company Secretary records minutes of the meetings of each Board and Committees.

Post Meeting Summary / Follow Up

- Post conclusion of each of the Board/Committee meeting, the summary of the proceedings of meetings along with the action points, if any are circulated.
- Various decisions taken at Board/Committee meetings are promptly communicated to the concerned departments/divisions.
- Draft minutes and signed minutes are circulated to Board/Committee members within the timelines prescribed under Secretarial

Meetings conducted during FY 2022-23

Following meetings were conducted during the year:

Meeting	April – June	July – September	October - December	January - March
Board	22-April-2022 31-May-2022 15-June-2022	22-Jul-2022	20-Oct-2022	20-Jan-2022
Audit Committee	22-April-2022	22-Jul-2022	20-Oct-2022	20-Jan-2022
Nomination & Remuneration Committee	22-April-2022 31-May-2022 15-June-2022	22-Jul-2022	-	20-Jan-2022
Corporate Social Responsibility Committee	22-April-2022	-	20-Oct-2022	-

- *The Board approved 6 matters by passing resolution by circulation.*
- *The Audit Committee approved 2 matters by passing resolution by circulation.*
- *The Nomination & Remuneration Committee approved 1 matter by passing resolution by circulation.*
- *The maximum interval between any two board meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.*

Composition of Committees

Name of the Director	Board	Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee
Mr. Agnivesh Agarwal	Chairperson			
Mr. Baldev Krishan Sharma [1]	Member	Member	Member	Chairperson
Mr. R Kannan [2]	Member	Chairperson	Chairperson	Member
Mr. Mahendra Singh Mehta [3]	Member		Member	
Mr. Vibhav Agarwal [4]	Member	Member		
Ms. Sonal Choithani	Member			Member

Chairperson **Member**

1. Mr. BK Sharma was re-appointed as non-executive director for another term of two years effective July 1, 2022.
2. Mr. R Kannan was re-appointed as an independent director for another term of two years effective July 1, 2022.
3. Mr. MS Mehta was re-appointed as an independent director for another term of two years effective July 1, 2022.
4. Mr. Vikas Sharma retired from the Board effective June 30, 2022. In place of Mr. Sharma, the Board approved appointment of Mr. Vibhav Agarwal as Whole time Director and CEO effective July 1, 2022. He was also appointed as member of Audit Committee.

Attendance for Board & Committee Meetings held during FY 2022-23

Name of the Director	Whether attended AGM on July 29, 2022	Board (Attended / Entitled)	Audit Committee (Attended / Entitled)	Nomination & Remuneration Committee (Attended / Entitled)	Corporate Social Responsibility Committee (Attended / Entitled)
Mr. Agnivesh Agarwal	No	4/6	-	-	-
Mr. Baldev Krishan Sharma	Yes	6/6	4/4	5/5	2/2
Mr. R Kannan	Yes	6/6	4/4	5/5	2/2
Mr. Mahendra Singh Mehta	Yes	6/6	-	5/5	-
Ms. Sonal Choithani	Yes	6/6	-	-	2/2
Mr. Vikas Sharma[1]	NA	3/3	1/1	-	-
Mr. Vibhav Agarwal [1]	Yes	3/3	3/3	-	-

1. Mr. Vikas Sharma retired from the Board effective June 30, 2022. In place of Mr. Vikas Sharma, the Board approved appointment of Mr. Vibhav Agarwal effective July 1, 2022. He was also appointed as member of Audit Committee.

Selection/ Appointment Procedure

As per the Company's Nomination and Remuneration Policy, following steps are carried out for selection of new Board Members:

- The Nomination and Remuneration Committee (NRC) takes into consideration the knowledge, professional & functional expertise and background, industry orientation, diverse academic, professional, or technical qualification and more before recommending a new member to the Board for their approval for appointment.

- In case of appointment of Independent Directors, the NRC additionally satisfies itself regarding the independence of the Directors.
- In case of re-appointment, performance evaluation and engagement level are considered by the NRC and recommended to the Board for approval.

Code of Business Conduct and Ethics

The Company has in place a comprehensive Code of Conduct (COC) applicable to all Board Members, Senior Management, and other employees of the Company. The COC provides guidance and support required for conducting the business in an ethical manner.

The declaration by whole-time director on code of business conduct and ethics of the Company is enclosed to this

Independent Directors

In compliance with the Section 149 (6) of the Companies Act, 2013, the Board consists of 2 (two) Independent Directors. The Company has issued letters of appointment to all Independent Directors that sets out the roles, functions, duties and responsibilities and performance evaluation process.

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration confirming their independence and that he/she meets the eligibility criteria. The declaration is also placed before the Board for information.

BOARD COMMITTEES

Audit Committee

The prime objective of the Audit Committee is to monitor and provide effective supervision of the financial reporting; the effectiveness of the system of risk management and robustness of internal financial controls and risk management framework, adequacy and effectiveness of the Company's legal, regulatory and ethical compliance & governance programmes, monitoring the qualifications, expertise, resources and independence of both the internal and external auditors; and assessing the auditors' performance and effectiveness each year.

Pursuant to Section 177 of the Companies Act, 2013 ('Act') the Audit Committee acts in accordance with the Terms of Reference (TOR) as specified by the Board.

Terms of Reference

- Recommend the appointment, remuneration and term of appointment of Auditors of the Company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statement and auditor's report thereon.
- Approve or subsequently modify transactions of the Company with related parties.
- Scrutinize inter-corporate loans and investments.
- Undertake valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluate internal financial controls and risk management systems.
- Monitor the end use of funds and related matters.
- Discuss with the auditors periodically about internal control systems, the scope of audit including observations of the auditors.
- To issue certification under applicable laws and regulations applicable to the Company and / or its holding companies.

Powers of the Audit Committee

- Investigate any activity within its terms of reference
- Seek any information that it requires from any employee of the Company, and all employees are directed to cooperate with any request made by the Committee
- Obtain outside legal or other professional advice
- Secure attendance of outsiders with relevant expertise
- Access sufficient resources to carry out its duties

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews

- Management Discussion and Analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management.
- Management letters/letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses; and
- Appointment, removal, and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

Composition and Meetings of Audit Committee

Pursuant to Section 177 read with Rule 4 (2) (b) (Appointment and Qualification of Directors) Rules, 2014 the provisions as to constitution of Audit Committee is not applicable to our company. However, as a good governance practice we have constituted an Audit Committee. The details of the composition and meetings have been given in the earlier section of this report. All the members of the Audit Committee are financially literate.

The Company Secretary is the Secretary to the Committee. The CFO, CEO, MAS team and Statutory Auditors are the permanent invitees to the Audit Committee Meetings.

Selection/ Appointment Procedure

The Nomination & Remuneration Committee (NRC) is responsible for overseeing key processes through which it can make recommendations to the Board on the structure, size, composition and remuneration of the Board, Key Managerial Personnel (KMP) and Senior Management, ensure that the appropriate mix of skills, experience, diversity, and independence is present on the Board and senior level for it to function effectively.

Terms of Reference

- Assist the Board in identifying, interviewing, and recruiting candidates including criteria for the independence evaluation of the Board of Directors.
- Formulate the criteria for determining qualifications, positive attributes, and independence of a director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel, and other employees.
- Annually evaluate and report to the Board on the performance and effectiveness of the Board to facilitate the directors fulfilling their responsibilities in a manner that serves the interests of members of the Company.
- Review, at least once a year, the independence of the members of the Board of Directors.
- Obtain or perform an annual evaluation of the Committee's performance and make applicable recommendations.

- Review the framework and processes for motivating and rewarding performance at all levels of the Company and make appropriate proposals for Board approval.
- Recommend all forms of compensation to be granted to Directors, senior management, and other employees of the company.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment, or modification, as may be applicable.
- Regularly review and make recommendations about changes to the charter of NRC

Composition and Meetings of Nomination & Remuneration Committee

Pursuant to Section 178 read with Rule 4 (2) (b) (Appointment and Qualification of Directors) Rules, 2014 the company is not required to constitute a Nomination and Remuneration Committee. However, as a good governance practice we have constituted the committee in compliance with the requirements of Section 178 of the Companies Act, 2013. The details of composition and meetings have been given in the earlier section of this report.

The Company Secretary is the Secretary to the Committee. The CFO, CEO and other directors are the permanent invitees to the NRC Meetings.

Remuneration Policy for Directors

Nomination & Remuneration Policy has been framed and adopted by the NRC for determining and recommending the remuneration of the Directors, KMPs and Senior Management to the Board.

The Non-Executive Directors of the Company are paid remuneration by way of sitting fees and commission as well. The appointment letter covering the terms and conditions of appointment of Independent Directors is available on the Company's website at **https://www.tsplindia.co**.

No stock options were issued to the Non-Executive Independent Directors of the Company during the financial year 2022-23.

Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) Committee is formed to fulfil the social responsibility of the Company that positively impacts the society at large in an ethical and environment friendly manner and ensures the Company operates on a consistent and compliant basis.

As a responsible corporate citizen, we believe that those who reside in our operational areas are our partners and we seek to foster a mutually benefitting relationship with all our stakeholders. It is this integration of business and CSR which provides us the social licence to operate and ushers in a different developmental paradigm towards sustainable change in society. The role of CSR Committee is to formulate and monitor the CSR Policy of the Company along with recommending the CSR Budget.

Terms of Reference

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in line with the provisions of Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred to in the Policy.
- Monitor the CSR Policy of the Company from time to time.
- To institute transparent monitoring mechanism for implementation of the

Corporate Social Responsibility projects or programs or activities undertaken by the Company.

- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

Composition and Meetings of Corporate Social Responsibility Committee

The composition of the Corporate Social Responsibility (CSR) Committee meets the requirements of Section 135 of the Companies Act, 2013. The details of composition and meetings have been given in the earlier section of this report.

The Company Secretary is the Secretary to the Committee. The CFO, CEO and other directors are the permanent invitees to the Corporate Social Responsibility Committee Meetings.

Committee of Directors

To cater various day to day requirements and to facilitate seamless operations, the Company has formed a committee known as Committee of Directors. The Committee meets as and when deem necessary to cater to the Company's Day to day requirements of the company.

The Committee comprise of one Whole-time Director and two Non-Executive Directors.

The Company Secretary is the Secretary to the Committee. The CFO, CEO are the permanent invitees to the Committee Meetings.

During the financial year 2022-23, the committee conducted a meeting on July 22, 2022.

GENERAL BODY MEETING

Details of last three Annual General Meetings

Year	AGM	Day, Date & Time	Venue	Special Resolutions passed
2021-22	15th AGM	Friday, July 29, 2022, 4:10 PM	Through video conferencing	▪ Re-appointment of Mr. Vikas Sharma (DIN: 00761202) as Whole-Time Director and CEO and payment of remuneration. ▪ Re-appointment of Mr. B.K. Sharma (DIN: 02332983) as a Non-Executive Director of the Company ▪ Re-appointment of Mr. R Kannan (DIN: 00227980) as an Independent Director of the Company. ▪ Appointment of Mr. Vibhav Agarwal (DIN: 03174271) as a Whole-Time Director and CEO of the company.
2020-21	14th AGM	Tuesday, July 27, 2021, 12.30 PM	Through video conferencing	▪ Appointment of Mr. Mahendra Singh Mehta (DIN: 00019566) as an Independent Director of the Company ▪ Payment of remuneration to Whole-time Director & CEO ▪ Payment of remuneration to Independent / Non-Executive Directors
2019-20	13th AGM	Friday, July 23, 2020, 12 PM	Through video conferencing	None

Special Resolution by Postal Ballot

During the financial year 2022-23, no special resolution has been passed through the exercise of postal ballot.

Details of Extra – Ordinary General Meeting held during the financial year 2022-23

No extra-ordinary general meeting of shareholders was held during the Financial Year 2022-23.

DISCLOSURES

The Board has received disclosures from senior management relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Employees and Directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The said policy has been posted on the Company's website: **www.tsplindia.co**.

- Company affirms that no personnel have been denied access to the Chairman of the Audit Committee.
- The Company follows Accounting Standards laid down by The Institute of Chartered Accountants of India in the preparation of its financial statements.

The Company follows all the mandatory requirements of the Companies Act, 2013. The provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 are not applicable to the company. However, as a Good Governance Practice company has voluntarily adopted few provisions of the regulation.

S. No.	Particulars	Section / Chapter	Compliance Status Yes/No/N. A.	Compliance observed
1.	Board of Directors and Key Managerial Personnel	Chapter XI, XII, XIII	Yes	▪ Composition ▪ Meetings ▪ Review of Compliance Report ▪ Duties of Directors ▪ Disclosure of Interest by directors and KMP ▪ Fees to Non-Executive / Independent Directors ▪ Risk assessment and management ▪ Performance evaluation of Independent Directors ▪ Related Party Transactions ▪ Appointment and Remuneration of KMPs. Board Evaluation
2.	Annual General Meeting	Sec. 96 - 121	Yes	▪ Notice along with Explanatory Statement ▪ Corporate Representative ▪ Transaction of Special Business and passing Special Resolution ▪ Recording of Minutes and Reporting of AGM

S. No.	Particulars	Section / Chapter	Compliance Status Yes/No/N. A.	Compliance observed
				▪ Filing of Resolution & Agreements
3.	Audit Committee	Sec. 177	Yes	▪ Composition ▪ Meetings ▪ Powers of the Committee ▪ Role of the Committee and review of information by the Committee
4.	Nomination and Remuneration Committee	Sec. 178	Yes	▪ Composition ▪ Chairperson ▪ Role of the Committee ▪ Performance Evaluation of Directors
5.	Corporate Social Responsibility Committee	Sec. 135	Yes	▪ Composition ▪ Chairperson ▪ Role of the Committee ▪ Approval and Reporting of CSR Budget and Activities
6.	Vigil Mechanism	Sec. 177	Yes	▪ Formulation of Vigil Mechanism ▪ Direct access to Chairperson of Audit Committee
7.	Related Party Transactions	Sec. 188	Yes	▪ Policy on Related Party Transactions and dealing with Related Party Transactions ▪ Approval including omnibus approval of Audit Committee ▪ Review of Related Party Transactions ▪ There were no material Related Party Transactions
8.	Obligations with respect to Independent Directors	Sec. 149 & 165	Yes	▪ Minimum no. of Directors ▪ Maximum directorships and tenure ▪ Meetings of Independent Directors ▪ Familiarisation of Independent Directors
9.	Obligations with respect to Directors and KMPs	Chapter XI & XIII	Yes	▪ Disclosure & Declaration by Directors & KMPs respectively ▪ Memberships / Chairmanships in Committees ▪ Affirmation on compliance of Code of Conduct by Directors, KMPs
10.	Obligations with respect to audits.	Chapter X, Sec. 138 & 204	Yes	▪ Appointment of Internal auditor, Statutory auditor, Cost auditor and Secretarial Auditor.
11.	Other Corporate Governance Requirements		Yes	▪ Filing of Forms & Returns ▪ Maintenance of Registers & Records ▪ Intimations to Investors

MEANS OF COMMUNICATION

Financial Results

The detailed financial results of the Company are intimated to the stakeholders through annual reports which is uploaded on the website of the company.

Website

The Company's website **https://www.tsplindia.co** has a separate section of "Investor Relations" which contains all the information for the investors like financial results, policies & codes, stock exchange filings, press releases, annual reports etc. enabling the investors to remain informed and updated.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting for the FY 2022-23

It is scheduled to be held on July 29, 2022, through video conferencing.

Registrar and Transfer Agent

KFin Technologies Limited *(formerly known as KFin Technologies Private Limited)*
Selenium Building, Tower- B, Plot No 31 & 32, Gachibowli, Financial District Nanakramguda, Serilingampally, Hyderabad Rangareddi - 500032, Telangana.

Tel: +91 40 6716 2222; **Toll Free No.:** 1800 425 8998

Fax: +91 40 2311 4087; **Website:** www.kfintech.com

Shareholding pattern as on March 31, 2023

S. No.	Name of Natural persons/ Directors/ Beneficiaries	Date of Allotment/ Date of registration of transfer of share*	Number of Shares held
1	Vedanta Limited	1st September 2008	3,20,66,09,686
2	Mr. Mantosh Sinha	2nd February 2022*	1
3	Mr. Vibhav Agarwal	6th July 2022*	1
4	Mr. Anand Mandrik	13th December 2022*	1
5	Mr. Pankaj Kumar Sharma	17th January 2020*	1
6	Mr. Swapnesh Bansal	1st September 2020*	1
7	Ms. Krittika Bhatt	1st September 2020*	1
		Total	3,20,66,09,692

*Note: * From S. No. 2 to 7, shareholders are the Nominee Shareholders only, who do not hold any beneficial interest in these shares. Vedanta Limited is the 100 % shareholder of the Company.*

DECLARATION BY WHOLE-TIME DIRECTOR ON CODE OF BUSINESS CONDUCT AND ETHICS OF THE COMPANY

As the Whole-time Director of Talwandi Sabo Power Limited, I, **Vibhav Agarwal**, hereby declare that all the Members of Board and Key Managerial Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the financial year 2022-23.

For Talwandi Sabo Power Limited

Vibhav Agarwal
CEO & Whole-time Director
DIN: 03174271

Place: Delhi
Date: April 21, 2023

Independent Auditor's Report

To the Members of Talwandi Sabo Power Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Talwandi Sabo Power Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance withthe accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind As financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal

control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2) As required by Section 143(3) of the Act, we report that:

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

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

iii) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account ;

iv) In our opinion, the aforesaid Ind As financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

v) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

vi) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

vii) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

viii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(a) The Company has disclosed the impact of pending litigations on its financial position in its Ind As financial statements – Refer Note 33 to the Ind As financial statements;

(b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(d) i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 15 to the Ind As financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 15 to the Ind As financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the

iii) Based on such audit procedures

that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

e) No dividend has been declared or paid during the year by the Company.

3) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable."

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:
301003E/E300005

per Ajay Bansal
Partner
Membership Number: 502243
UDIN: 22502243AHORXW1218

Place of Signature: Gurugram
Date: April 21, 2023

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

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

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

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

(b) Property, Plant and Equipment have been physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

(c) Title deeds in respect of freehold land having gross and net book value of Rs. 391 crores and building having gross book value of Rs. 265 crores and net book value of Rs. 143 crores included in plant, property and equipment are in the name of the company but are not physically available with the Company. Same has been pledged with Vistra ITCL (India) Limited.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. There was no inventory lying with third parties.

(b) As disclosed in Note 15 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

iii. (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the generation of power, and are of the opinion that prima facie, the specified accounts and records havebeen made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount* (Rs. in crore)	Financial year to which it relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	0.91	Assessment year 2012-2013	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	0.68	Assessment year 2012-2013	Deputy Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	1.65	Assessment year 2014-2015	Deputy Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	0.04	Assessment year 2017-2018	Commissioner of Income Tax (Appeals)

*During the previous years, the Company has deposited Rs 1.48 Crore under protest in connection with a dispute with Income tax authorities for the assessment year 2012-13, 2014-15 and 2017-18.

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

ix. (a) The Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender.
(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
(c) Term loans were applied for the purpose for which the loans were obtained.
(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a nidhi Company as per the provisions of the

Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

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

xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.
(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

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

xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

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

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

xix. On the basis of the financial ratios disclosed in Note 45 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:
301003E/E300005

per Ajay Bansal
Partner
Membership Number: 502243
UDIN: 22502243AHORXW1218

Place of Signature: Gurugram
Date: April 21, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TALWANDI SABO POWER LIMTED

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

We have audited the internal financial controls with reference to financial statements of Talwandi Sabo Power Limited ("the Company") as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these financial statements to future periods are subject to the risk that the internal financial control with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number:
301003E/E300005

per Ajay Bansal
Partner
Membership Number: 502243
UDIN: 22502243AHORXW1218

Place of Signature: Gurugram
Date: April 21, 2023

BALANCE SHEET

As at March 31, 2023

(₹ in Crores)

	Particulars	Notes	As at March 31, 2023	As at March 31, 2022
I	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant, and equipment	3	8,383.37	8,773.03
	(b) Capital work-in-progress	3	1.62	5.79
	(c) Intangible assets	3	0.50	0.67
	(d) Financial assets			
	(i)Trade receivables	4	1476.43	1,725.24
	(ii) Other financial assets	5	45.86	46.43
	(e) Deferred tax assets (Net)	43	260.30	237.27
	(f) Other non-current assets	6	2.40	0.10
	(g) Income tax assets		1.48	1.48
	Total non-current assets		**10,171.96**	**10,790.01**
2	**Current assets**			
	(a) Inventories	7	224.69	161.91
	(b) Financial Assets			
	(i) Trade receivables	8	812.02	581.55
	(ii) Cash and cash equivalents	9	39.90	50.56
	(iii) Bank balances	10	0.01	1.06
	(iv) Other financial assets	11	0.36	31.50
	(c) Other current assets	12	37.00	190.85
	(d) Income tax assets		22.44	19.13
	Total current assets		**1,136.42**	**1,036.56**
	Total Assets		**11,308.38**	**11,826.57**
II	**EQUITY AND LIABILITIES**			
A	**Equity**			
	(a) Equity share capital	13	3,206.61	3,206.61
	(b) Other equity	14	(186.27)	(115.50)
	Total Equity		**3,020.34**	**3,091.11**
B	**LIABILITIES**			
1	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	15	5,496.12	6,171.52
	(ii) Other financial liabilities	16	1,245.18	769.19
	(b) Provisions	17	1.26	0.78
	Total non-current liabilities		**6,742.56**	**6,941.49**
2	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	18	881.99	916.59
	(ii) Trade finance	19	411.26	168.21
	(iii) Trade payables	20		

	(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		3.99	3.59
	(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		47.33	130.43
	(iv) Derivatives	41	-	16.98
	(v) Other financial liabilities	21	193.89	551.58
	(b) Other current liabilities	22	6.91	6.37
	(c) Provisions	23	0.11	0.22
	Total current liabilities		**1,545.48**	**1,793.97**
	Total Liabilities		**8,288.04**	**8,735.46**
	Total Equity and Liabilities		**11,308.38**	**11,826.57**

See accompanying notes forming part of financial statements

For and on behalf of Board of Directors

As per our report of even date
For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

Agnivesh Agarwal
Chairman
DIN: 00038950
Place: Fujairah - UAE

Vibhav Agarwal
Chief Executive Officer & Whole Time Director
DIN: 03174271
Place: New Delhi

per Ajay Bansal
Partner Membership No.: 502243
Place : Gurugram
Date : April 21, 2023

Swapnesh Bansal
Chief Financial Officer
Place: Mansa
Date: April 21, 2023

Shivangi Dhanuka
Company Secretary
Mem No. A70586
Place: Mansa

STATEMENT OF PROFIT & LOSS

For the year ended March 31, 2023

(₹ in Crores)

	Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from operations	24	5,745.69	4,340.42
II	Other Operating Income	25	54.92	65.63
III	Other income	26	6.00	17.69
IV	**Total Income (I+II+III)**		**5,806.61**	**4,423.74**
V	**Expenses:**			
	Power and fuel charges		4,374.07	3,049.64
	Employee benefits expense	27	25.71	23.36
	Finance costs	28	711.94	740.70
	Depreciation and amortisation expense	29	460.32	455.30
	Other expenses	30	327.72	316.57
	Total expenses		**5899.76**	**4,585.57**
VI	**Profit/(loss) before exceptional items and tax (IV-V)**		**(93.15)**	**(161.83)**
VII	Exceptional Items		-	-
VIII	**Profit/(loss) before tax (VI+VII)**		**(93.15)**	**(161.83)**
IX	**Tax expense/(benefit):**	43		
	On other than exceptional items			
	Deferred tax		(22.87)	(40.19)
	On Exceptional items			
	Deferred tax		-	-
	Net Tax expense/(benefit):		**(22.87)**	**(40.19)**
X	**Net Profit/(Loss) for the year (VIII-IX)**		**(70.28)**	**(121.64)**
XI	**Other Comprehensive Income/(Loss) (net of taxes)**			
	(i)Items that will not be reclassified to profit or loss- Re-measurement gain/(loss) on defined benefit obligation (net of taxes)		(0.49)	`0.03
XII	**Total Comprehensive Income/(Loss) for the period (X+XI)**		**(70.77)**	**(121.61)**
XIII	**Earnings/(Loss) per equity share (in ₹):**	35		
	- Basic and Diluted		(0.22)	(0.38)

See accompanying notes forming part of financial statements

For and on behalf of Board of Directors

As per our report of even date
For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. :
301003E/E300005
Chartered Accountants

Agnivesh Agarwal
Chairman
DIN: 00038950
Place: Fujairah - UAE

Vibhav Agarwal
Chief Executive Officer
& Whole Time Director
DIN: 03174271
Place: New Delhi

per Ajay Bansal
Partner Membership No.: 502243
Place : Gurugram
Date : April 21, 2023

Swapnesh Bansal
Chief Financial Officer
Place: Mansa
Date: April 21, 2023

Shivangi Dhanuka
Company Secretary
Mem No. A70586
Place: Mansa

CASH FLOW STATEMENT

For the year ended March 31, 2023

(₹ in Crores)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	**Cash flows from operating activities**		
	Net Profit / (Loss) before tax	(93.15)	(161.83)
	Adjusted for :		
	Unrealised exchange (gain) / loss	8.63	4.04
	Depreciation and amortisation expense	460.32	455.30
	Interest Expenses	711.94	740.70
	Interest and Dividend Income	(3.66)	(12.54)
	Exceptional Interest income (Refer Note 26)	(0.35)	-
	(Profit)/ Loss on sale of property, plant and equipment	(0.02)	0.05
	Other provisions	(33.71)	
	Sundry Balances written back	(1.38)	(3.75)
	Operating profit before working capital changes	**1048.62**	**1,021.97**
	Adjustments for change in assets and liabilities		
	(Increase) / Decrease in inventories	(62.78)	115.54
	(Increase) / Decrease in trade receivables	51.98	(283.09)
	(Increase) / Decrease in other financial and other assets	183.26	(65.83)
	Increase / (Decrease) in payables and provisions	167.85	(86.22)
	Cash generated from operations	**1388.93**	**702.37**
	Income taxes paid	(1.30)	(18.06)
	Net cash from / (used) operating activities (i)	**1387.63**	**684.31**
B	**Cash flows from investing activities**		
	Purchases of property, plant and equipment (including intangibles)	(19.63)	(90.78)
	Sale of property, plant and equipment (including intangibles)	0.07	0.37
	Proceeds from maturity / redemption of short term deposits	153.95	489.67
	Purchases of short term deposits	(152.93)	(489.64)
	Purchase of short term Investment (Mutual Funds)	(357.98)	(924.96)
	Proceeds from sale of short term Investments (Mutual Funds)	358.33	925.84
	Interest received	1.75	11.65
	Net cash from / (used) investing activities (ii)	**(16.44)**	**(77.85)**

C	**Cash flows from financing activities**		
	Net (Repayment) / Proceeds from short term loan	(306.18)	466.00
	Proceeds from current borrowings	-	75.00
	Repayment of current borrowings	(75.00)	-
	Proceeds from Long Term borrowings	-	1621.44
	Repayment of Long Term borrowings	(326.22)	(2273.82)
	Repayment of lease liability	(4.12)	(3.24)
	Interest Paid	(670.33)	(862.28)
	Net cash from / (used) in financing activities (iii)	**(1381.85)**	**(976.90)**
	Net increase / (decrease) in cash and cash equivalents (i+ii+iii)	**(10.66)**	**(370.44)**
	Cash and cash equivalents at beginning of the year	**50.56**	**421.00**
	Cash and cash equivalents at close of the year [Refer Note 9]	**39.90**	**50.56**

Notes:
1. The figures in bracket indicates outflows.
2. The above cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 - Statement of Cash Flows.

See accompanying notes forming part of financial statements

For and on behalf of Board of Directors

As per our report of even date
For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

Agnivesh Agarwal
Chairman
DIN: 00038950
Place: Fujairah - UAE

Vibhav Agarwal
Chief Executive Officer & Whole Time Director
DIN: 03174271
Place: New Delhi

per Ajay Bansal
Partner Membership No.: 502243
Place : Gurugram
Date : April 21, 2023

Swapnesh Bansal
Chief Financial Officer
Place: Mansa
Date: April 21, 2023

Shivangi Dhanuka
Company Secretary
Mem No. A70586
Place: Mansa

Statement of Changes in Equity

For the year ended March 31, 2023

a. Equity share capital

(₹ in Crores)

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount (₹ in Crore)
As at March 31, 2023 and March 31, 2022	320,66,09,692	3,206.61

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

b. Other equity

(₹ in Crores)

Particulars	Reserves and Surplus		Total
	Retained earnings	Debenture Redemption Reserve	
Balance as at March 31, 2022	**(115.50)**	**-**	**(115.50)**
Loss for the year	(70.28)	-	(70.28)
Other Comprehensive Loss	(0.49)	-	(0.49)
Balance as at March 31, 2023	**(186.27)**	**-**	**(186.27)**

See accompanying notes forming part of financial statements

For and on behalf of Board of Directors

As per our report of even date
For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. :
301003E/E300005
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Agnivesh Agarwal
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per Ajay Bansal
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Swapnesh Bansal
Chief Financial Officer
Place: Mansa
Date: April 21, 2023

Shivangi Dhanuka
Company Secretary
Mem No. A70586
Place: Mansa

Note 1 - Company's Overview

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

The Financial Statements were approved for issuance by the Board of Directors on April 21, 2023.

Note 2 - Basis of Preparation and Significant accounting policies

2.A. BASIS OF PREPARATION

a) Basis of preparation and compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act, 2013 (the Act).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Going Concern

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

2.B. SIGNIFICANT ACCOUNTING POLICIES

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

a) Functional and presentation currency

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

b) Revenue from Contract with Customer

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

Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreement with its sole customer i.e. PSPCL. Late Payment Surcharge Cess ("LPSC") if any received by the company from PSPCL as per the contract is recorded as revenue from sale of power. Revenues from sale of by-products are included in revenue. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer.

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

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

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

Lease Income

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

Interest income

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

Dividends

Dividend income is recognised in the income statement only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

c) Property, plant and equipment

i. Property, plant and equipment

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

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

Subsequent costs and disposal:

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

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

ii. Capital work in progress

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

iii. Depreciation

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

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

The estimated useful lives of assets are as follows:

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

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

d) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised over their estimated useful life on a straight-line basis. Software is amortised over the estimated useful life of software of 3-6 years. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

e) Lease

Company as a lessee

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

i) Right-of-use assets

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

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

ii) Lease Liabilities

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

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

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

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

Company as a lessor

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

f) Current and Non-Current Classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when it is:

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

All other liabilities are classified as non-current. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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

g) Financial instruments

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

Financial assets – recognition

Initial recognition and measurement

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

Subsequent Measurement

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

(i) Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

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

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

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

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

Financial assets – derecognition

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

Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables;
- Financial assets that are debt instruments and are measured as at FVTOCI;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115;

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

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

The balance sheet presentation for financial instruments is described below:

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

- *Financial liabilities at amortised cost (Loans & Borrowings)*

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

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

- *Financial liabilities at fair value through profit or loss*

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

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

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

Financial Liabilities- Derecognition

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

Equity Instruments

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

Offsetting of financial instruments

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

h) Derivative financial instruments

Initial recognition and subsequent measurement

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

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

Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

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

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

i) Borrowing costs

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

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

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

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

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

j) Impairment of non-financial assets

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

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

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

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

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

An impairment loss is recognised in the Statement of Profit and Loss. Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised. Company has done the impairment assessment as at March 31, 2023 and concluded that no impairment indicators exist for the current year reporting.

costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

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

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

An impairment loss is recognised in the Statement of Profit and Loss. Any reversal of the previously recognised impairment loss is limited to the extent

that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised. Company has done the impairment assessment as at March 31, 2023 and concluded that no impairment indicators exist for the current year reporting.

k) Inventories

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

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

l) Taxation

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

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

- deferred income tax is not recognised on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

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

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

m) Retirement benefit schemes

The Company operates or participates in a number of defined benefits and defined contribution schemes, the assets of which (where funded) are held in separately administered funds. For defined benefit pension schemes, the cost of providing benefits under the plans is determined by actuarial valuation separately for each plan using the projected unit credit method by independent qualified actuaries as at the year end.

Re-measurements including, effects of asset ceiling and return on plan assets (excluding amounts included in interest on the net defined benefit liability) and actuarial gains and losses arising in the year are recognised in full in other comprehensive income and are not recycled to the profit or loss. For defined contribution schemes, the amount charged to the Statement of Profit and Loss in respect of provident fund, pension costs and other post-retirement benefits are the contributions payable in the year, recognised as and when the employee renders related services and the Company has no further obligations other than the contributions made

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

- The date of the planned amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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

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

n) Provision for liabilities and charges, contingent liabilities and contingent assets

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

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

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

o) Foreign currency translation

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

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

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

The Company had applied paragraph 46A of AS 11 as prescribed under the accounting standards notified pursuant to section 133 of the Act read together with Rule 7 of the Companies (Accounts) Rules 2014. On transition to Ind AS, the Company had elected the option, whereby a first time adopter could continue its accounting policy for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary liabilities recognised upto March 31, 2016 which were obtained for acquisition of property, plant and equipment, have been adjusted to the cost of PPE.

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

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

The insertion of Appendix B of Ind AS 21 provides clarification on recording foreign currency transactions when consideration is paid or received in advance. The Appendix B would apply when a Company:

- Pays or receives consideration denominated or priced in a foreign currency, and
- Recognises a non-monetary prepayment asset or deferred income liability.

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

If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

p) Earnings per share

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

q) Cash and cash equivalents

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

r) Cash flow statement:

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

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

s) Segment reporting

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

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

t) Share-based payments

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

2.C SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and future periods affected.

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

Critical estimates and judgements in applying accounting policies

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

Critical estimates:

- **Useful life of property, plant and equipment**

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

Critical judgements:

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

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

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

- **Contingencies and commitments**

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

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

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

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

- **Revenue Recognition of disputed dues:**

The Company has evaluated the provisions of Ind-AS 115, which states that revenue should be recorded If is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. Management has assessed the recognition of revenue and recoverability of disputed dues with PSPCL as disclosed in note 43 as highly probable due to the following reasons:

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

Note 3 - Property Plant and Equipment

Previous year ended March 31, 2023

(₹ in Crores)

Particulars	Gross Block					Accumulated depreciation and amortisation				Net Block
	Balance as at March 31, 2022	Additions	Disposals / Adjustments	Foreign exchange difference	Balance as at March 31, 2023	Balance as at March 31, 2022	Depreciation charge	Deductions	Balance as at March 31, 2023	Balance as at March 31, 2023
a) Tangible Assets										
Freehold Land	**390.60**	-	-	-	**390.60**	**-**	-	-	**-**	**390.60**
ROU Land (Refer note 2.B(e))	**10.18**	12.00	10.18	**-**	**12.00**	**9.91**	4.27	10.18	**4.00**	**8.00**
Buildings	**265.01**	0.33	-	-	**265.34**	**107.86**	13.99	-	**121.85**	**143.49**
Plant and Machinery	**10,940.01**	22.16	-	34.74	**10,996.91**	**2,954.94**	414.79	-	**3,369.73**	**7,627.18**
Furniture and Fittings	**2.83**	-	0.01	-	**2.82**	**1.77**	0.20	0.00	**1.97**	**0.85**
Motor Vehicles	**0.66**	0.56	0.11	-	**1.11**	**0.13**	0.16	0.09	**0.20**	**0.91**
Railway Siding and Locomotives	**418.16**	-	-	-	**418.16**	**190.29**	23.78	-	**214.07**	**204.09**
Office and Equipment	**8.24**	0.33	0.01	-	**8.56**	**6.99**	0.41	0.00	**7.40**	**1.16**
Computers and Data Processing	**7.00**	0.42	0.05	-	**7.37**	**5.53**	0.38	0.04	**5.87**	**1.50**
Laboratory Equipment	**28.29**	-	-	-	**28.29**	**20.53**	2.17	-	**22.70**	**5.59**
Total	**12,070.98**	**35.80**	**10.36**	**34.74**	**12,131.17**	**3,297.95**	**460.15**	**10.31**	**3,747.79**	**8,383.37**
						b) Capital work in progress				1.62
								Total		**8,384.99**
b) Intangible Assets										
Computer software	**3.79**	-	-	-	**3.79**	**3.12**	0.17	-	**3.29**	**0.50**
Total	**3.79**	-	-	-	**3.79**	**3.12**	**0.17**	**-**	**3.29**	**0.50**

Previous year ended March 31, 2022

Particulars	Gross Block					Accumulated depreciation and amortisation				Net Block
	Balance as at March 31, 2021	Additions	Disposals / Adjustments	Foreign exchange difference	Balance as at March 31, 2022	Balance as at March 31, 2021	Depreciation charge	Deductions	Balance as at March 31, 2022	Balance as at March 31, 2022
a) Tangible Assets										
Freehold Land	**390.60**	-	-	-	**390.60**	**-**	-	-	**-**	**390.60**
ROU Land (Refer note 2.B(e))	**10.18**	-	**-**	**-**	**10.18**	**6.61**	3.30	**-**	**9.91**	**0.27**
Buildings	**263.04**	1.97	-	-	**265.01**	**93.50**	14.36	-	**107.86**	**157.15**
Plant and Machinery	**10,868.63**	60.14	28.96	40.20	**10,940.01**	**2,550.77**	410.62	6.45	**2,954.94**	**7,985.07**
Furniture and Fittings	**2.85**	0.02	0.04	-	**2.83**	**1.59**	0.21	0.03	**1.77**	**1.06**
Motor Vehicles	**0.40**	0.49	0.23	-	**0.66**	**0.11**	0.12	0.10	**0.13**	**0.53**
Railway Siding and Locomotives	**419.14**	-	0.98	-	**418.16**	**166.94**	23.35	-	**190.29**	**227.87**
Office and Equipment	**7.66**	0.67	0.09	-	**8.24**	**6.53**	0.55	0.09	**6.99**	**1.25**
Computers and Data Processing	**6.94**	0.12	0.06	-	**7.00**	**5.11**	0.48	0.06	**5.53**	**1.47**
Laboratory Equipment	**28.29**	-	-	-	**28.29**	**18.36**	2.17	-	**20.53**	**7.76**
Total	**11,997.73**	**63.41**	**30.36**	**40.20**	**12,070.98**	**2,849.52**	**455.16**	**6.73**	**3,297.95**	**8,773.03**
						b) Capital work in progress				5.79
								Total		**8,778.82**
b) Intangible Assets										
Computer software	**3.38**	0.41	-	**-**	**3.79**	**2.98**	0.14	-	**3.12**	**0.67**
Total	**3.38**	**0.41**	**-**	**-**	**3.79**	**2.98**	**0.14**	**-**	**3.12**	**0.67**

Notes:

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

Title deeds in respect of freehold land having gross and net book value of ₹390.60 Crores and building having gross book value of ₹265.01 Crores and net book value of ₹143.49 Crores included in plant, property and equipment are in the name of the company but are not physically available with the Company. Same has been held with Vistra ITCL (India) Limited working as trustee appointed by banks against charge created on borrowings taken for Banks and Financial Institutions. Although, there is no such property wherein there is an issue with the title.

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

Year ended March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.46	1.16	-	-	**1.62**
Projects temporarily suspended	-	-	-	-	**-**

Year ended March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5.02	-	-	0.77	**5.79**
Projects temporarily suspended	-	-	-	-	**-**

Note 4 - Trade receivables - Non-current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - Unsecured (Refer Note 42)	1,476.43	1,725.24
Trade Receivables - Credit impaired	0.05	33.71
Less: Provision for Trade Receivables - Credit impaired (Refer Note 40)	(0.05)	(33.71)
Total	**1,476.43**	**1725.24**

Note 5 - Other financial assets - Non-current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank Deposits with remaining maturity of more than 12 months (including interest accrued thereon) (Refer note below)	38.27	38.34
Security deposits (Unsecured, considered good)	7.59	8.09
Total	**45.86**	**46.43**

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

Note 6 - Other non-current assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured considered good		
Prepaid Expenses	2.40	0.10
Total	**2.40**	**0.10**

Note 7 - Inventories

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Fuel Stock	115.81	23.29
Goods-in transit	52.16	63.99
Stores and Spares	56.54	74.63
Goods-in transit	0.18	-
Total	**224.69**	**161.91**

Notes: For method of valuation of inventories, refer note 2.B(k)

Note 8 - Trade receivables - Current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - Unsecured (Refer note 42)	812.02	581.55
Total	**812.02**	**581.55**

Notes: The Company offers a credit period of 45-60 days to its customers.

Note 9 - Cash and cash equivalents

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in current account	39.90	50.56
Total	**39.90**	**50.56**

Note 10 - Financial Assets- Current : Other Bank Balances

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits with original maturity for more than 3 months but less than 12 months (including interest accrued thereon)	0.01	0.15
Bank deposits with original maturity for more than 12 months but remaining maturity of less than 12 months (including interest accrued thereon)	-	0.79
Escrow Account (CSR)	-	0.12
Total	**0.01**	**1.06**

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

Note 11 - Other financial assets - Current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables from related parties (Refer note 37)	0.35	0.09
Claims and other receivables	0.01	31.41
Total	**0.36**	**31.50**

Note 12 - Other current assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to suppliers	17.87	165.69
Prepaid expenses	19.13	22.45
Claims and other receivables	-	2.70
Balance with central excise and government authorities	-	0.01
Total	**37.00**	**190.85**

Note 13 - Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount (₹ in Crore)	Number of shares	Amount (₹ in Crore)
Authorised Equity Share Capital Equity Shares of ₹ 10 each, with voting rights	400,00,00,000	4,000.00	400,00,00,000	4,000.00
Issued, Subscribed and Fully Paid up Equity Shares of ₹ 10 each, with voting rights	320,66,09,692	3,206.61	320,66,09,692	3,206.61
Total	**320,66,09,692**	**3,206.61**	**320,66,09,692**	**3,206.61**

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

Particulars	Equity Shares as at March 31, 2023		Equity Shares as at March 31, 2022	
	Number of shares	Amount (₹ in Crore)	Number of shares	Amount (₹ in Crore)
Shares outstanding at the beginning of the year	320,66,09,692	3,206.61	320,66,09,692	3,206.61
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	**320,66,09,692**	**3,206.61**	**320,66,09,692**	**3,206.61**

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

320,66,09,692 (previous year: 320,66,09,692) Equity Shares i.e. 100% of the equity shares are held by the Holding Company, Vedanta Limited and its nominees.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Vedanta Limited and its nominees	320,66,09,692	100	320,66,09,692	100

Other disclosures :

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

Note 14 - Other equity (Refer Statement of changes in Equity):

Debenture redemption reserve: As per Section 71(4) of the Companies Act, 2013, companies that issue debentures were required to create a debenture redemption reserve from annual profits until such debentures are redeemed. The amounts credited to the debenture redemption reserve may not be utilized except to redeem debentures. However, as per MCA notification G.S.R. 574(E) dated August 16, 2019, the creation of Debenture Redemption Reserve for listed companies is no longer required. Thus, the Company has not created any debenture redemption reserve thereafter.

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings		
Balance at the beginning of the year	(114.64)	(19.03)
Add: Loss for the period	(70.28)	(121.64)
Transfer from debenture redemption reserve	-	26.03
Less: Transfer to Re-measurement Reserve	-	-
Closing Balance	**(184.92)**	**(114.64)**
Debenture Redemption Reserve		
Balance at the beginning of the year	-	26.03
Add: Transferred to Retained earnings	-	(26.03)
Closing Balance	**-**	**-**
Other Comprehensive Income		
Remeasurement Reserve		
Balance at the beginning of the year	(0.86)	(0.89)
Add: Remeasurement gain/(loss) on defined benefit obligation	(0.49)	0.03
Closing Balance	**(1.35)**	**(0.86)**
Total other equity	**(186.27)**	**(115.50)**

Note 15 – Non-current financial liabilities - Borrowings

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured : At amortised cost		
(a) Term Loan (Refer note (iv) below)		
(i) From banks:		
Indian currency loans	2,438.17	2,384.55
Foreign currency loans	-	242.58
(ii) From Other than Banks (Indian currency loan)	3,730.17	3,870.98
Total Borrowings	**6,168.34**	**6,498.11**
Less : Current maturities of long-term borrowings (Refer note 18)	(672.22)	(326.59)
Total	**5,496.12**	**6,171.52**

Notes:

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

(ii) Bank loans availed by the Company are subject to certain covenants relating to debt service coverage ratio, total outside liabilities to total net worth and fixed assets coverage ratio. The Company has complied with the covenants as per the terms of the loan agreement.

Notes: No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(₹ in Crores)

Particulars	Issued on	Security	As at March 31, 2023	As at March 31, 2022
(a) From Banks:				
Indian currency loans				
State Bank of India	December 2015	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	1,520.94	1,625.62

Particulars	Issued on	Security	As at March 31, 2023	As at March 31, 2022
Canara Bank	September 2017	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	228.95	244.29
ICICI Bank Limited	March 2019	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	461.33	507.01
ICICI Bank Limited*	September 2017	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	220.01	-
ICICI Bank Limited*	May 2020	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	6.94	7.63
Total			**2,438.17**	**2,384.55**
Foreign currency loans				
ICICI Bank Limited	September 2017	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	-	242.58
Total			**-**	**242.58**
(b) From other than banks:				
Power Finance Corporation Limited	June 2020	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	3,730.17	3,870.98
Total			**3,730.17**	**3,870.98**
Total Term Loan			**6,168.34**	**6,498.11**

Repayment terms of Term loan outstanding as on March 31, 2023:

Particulars	Weighted Average Interest Rate	Total Carrying Value	<1 year	1-3 years	3-5 years	>5 years	Unamortised cost/ MTM
Indian Rupee term loan	9.63%	6,168.34	672.22	1,450.96	1,020.46	3,042.82	(18.12)
Total		**6,168.34**	**672.22**	**1,450.96**	**1,020.46**	**3,042.82**	**(18.12)**

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

(iv) Movement of borrowings during the year:

(₹ in Crores)

Particulars	Borrowings due within one year	Borrowings due after one year	Total
As at March 31, 2022	**916.59**	**6,171.52**	**7,088.11**
Cash Flow	-	(326.22)	(326.22)
Other non cash changes	(244.37)	(349.18)	(593.55)
As at March 31, 2023	**672.22**	**5,496.12**	**6,168.34**

Other non-cash changes comprises of amortisation of borrowing costs, foreign exchange differences on borrowings and reclassification between borrowings due within one year and borrowings due after one year.

Note 16 – Other financial liabilities – Non-current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Liability for capital expenditure (Refer note below)	1,240.90	769.19
Lease liability (Refer note below)	4.28	-
Total	**1,245.18**	**769.19**

Note:

(i) During the current year, the Company transferred entire amount of Rs. 1,240.90 Cr. to Non current liability since it is estimated that the said liability is not payable in the next 12 months.

(ii) **The movement in lease liabilities is as follows:**

Opening balance	0.36
Additions	12.00
Repayments	(4.48)
Interest	0.81
Closing balance	8.69

Lease liabilities carry an interest rate at 9.80% p.a.

Note 17 – Provisions - Non-current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
- Provision for gratuity	0.46	0.02
- Provision for compensated absences	0.80	0.76
Total	**1.26**	**0.78**

Note 18 – Borrowings - Current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Secured		
-Short-term loan (Refer note (i) below)	110.00	515.00
- Current Maturities of Long term Borrowings (Refer Note 15)	672.22	326.59
Unsecured		
Short Term Borrowings (Refer note (ii) below)	99.77	-
Loans from Related Parties (Refer note (iii) below)	-	75.00
Total	**881.99**	**916.59**

Summary of current borrowing arrangements:

(i) Loan from banks

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

The Company has been sanctioned working capital limits from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

The above outstanding loans carry interest rate of 8.68% p.a. (previous year 7.70% p.a.)

The company has been santioned short term loan from Power Finance Corporation during the year to meet its operational and working capital requirements secured by Corporate Guarantee received from its Holding Company, Vedanta Limited. The outstanding loan carries an interest rate of 8.50%.

(ii) Loans from Related Parties

During the year, the company has repaid the inter corporate loan obtained from its Parent company, Vedanta Limited during previous year FY 21-22 amounting to Rs. 75 Cr.

Note 19 – Trade Finance

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade finance with banks - Secured (Refer note below)	411.26	168.21
Total	411.26	**168.21**

Notes: Trade finance represents bills discounted by vendors under bill discounting facility availed by the Company from the bank settled within 120 days and is secured by first pari passu charge on current assets and second pari passu charge on fixed assets of the Company, both present and future.

Note 20 – Trade payables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer note (b) below)	3.99	3.59
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	47.33	130.43
Total	**51.32**	**134.02**

Notes:
(a) Trade payables are non-interest bearing and are normally settled upto 180 days terms.
(b) Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	3.99	3.59
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv)The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note 21 – Other financial liabilities - Current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	35.63	19.52
Lease liability (Refer note 16)	4.41	0.36
Other Payables		
Project creditors (Refer note 16)	1.72	397.11
Retention money	20.78	9.10
Due to related parties (Refer note 37)	121.88	120.43
Earnest money deposit	9.44	5.05
Other Liabilities	0.03	0.01
Total	**193.89**	**551.58**

Note 22 – Other current liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers*	1.54	1.13
Other Payables:		
Statutory liabilities	4.61	4.21
Other liabilities	0.76	1.03
Total	**6.91**	**6.37**

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

Note 23 – Provisions - Current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for compensated absences	0.11	0.22
Total	**0.11**	**0.22**

Note 24 – Revenue from operations

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Energy Sales (Refer note below)	5,745.69	4,340.42
Total	**5,745.69**	**4,340.42**

Notes: Energy sales includes contingent rentals of ₹ 1,542.63 Crore (previous year ₹ 1,381.21 Crore). The balance revenue of ₹4,203.06 Crore (previous year ₹ 2,959.21 Crore) relates to sale of power w.r.t. contract with customer and is recorded at a point in time. Also, refer note 2.B(b).

Note 25 – Other Operating Revenue

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Scrap Sales	2.56	6.21
Sale of fly ash	17.91	29.93
Miscellaneous income	34.45	29.49
Total	**54.92**	**65.63**

Note 26 – Other Income

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income from financial assets at amortised cost		
- Bank Deposits	1.30	2.57
- Others	0.35	0.12
Realised Gains from investments measured at FVTPL	0.35	0.88
Interest on outstanding income tax refunds	2.01	-
Interest from Customer (Refer note 31)	-	8.97
Miscellaneous income	1.99	5.15
Total	**6.00**	**17.69**

Note 27 – Employee benefits expense

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and Bonus	24.23	22.11
Contribution to provident fund	0.62	0.50
Staff welfare expenses	0.17	0.20
Gratuity expenses (Refer note 36)	0.19	0.15
Contribution to super annuation	0.50	0.40
Total	**25.71**	**23.36**

Note 28 – Finance cost

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expenses	682.84	709.28
Other finance costs	29.10	31.42
Total	**711.94**	**740.70**

Note 29 – Depreciation and amortisation expense

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of tangible assets (Refer note 3)	460.15	455.15
Amortisation of intangible assets (Refer note 3)	0.17	0.15
Total	**460.32**	**455.30**

Note 30 – Other expenses

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spare parts	45.02	37.69
Plant running and maintenance expenses	159.74	165.48
CSR expenses (Refer note 32)	2.31	1.94
Legal and professional fees (Refer note 34)	9.78	7.72
Electronic data processing expenses	2.08	2.84
Insurance	32.31	27.22
Rates and taxes	1.18	1.07
Security expenses	0.08	0.17
Travelling	2.83	1.92
Books and periodicals	0.13	0.25
Director sitting fees (Refer note 37)	0.58	0.57
Net loss on foreign currency transactions and translation	17.76	27.97
Loss on Asset Written off	-	0.05
Brand Fees (Refer note 37)	51.04	38.99
Miscellaneous expenses	2.88	2.69
Total	**327.72**	**316.57**

Note 31 – Commitments:

(i) Commitments:

Estimated amounts of contracts remaining to be executed on capital account not provided for (net of advances) amount to ₹0.94 Crore (previous year ₹9.42 Crore).

(ii) Other Commitments:

The Company entered into Power Purchase Agreement ("PPA") with Punjab State Power Corporation Limited ("PSPCL") for twenty-five year PPA which has been identified as arrangement containing lease as per Ind AS 116. The arrangement has been classified as operating lease as per the policy of the Company. The contingent rent recognized as income during the year is ₹1,542.63 Crore (previous year ₹1,381.21 Crore).

(ii) Guarantees:

a) The Company has advanced bank guarantees to regulators of India amounting to ₹0.01 Crore (previous year ₹0.01 Crore) relating to payment of import duties on purchases of raw material and capital goods.

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

c) Other bank guarantee amounting to ₹0.20 Crore (previous year ₹0.20) given to 'National Stock Exchange of India' against any possible occurence of any default in any of the listed debt securities and other obligations as per SEBI Circular.

Note 32 – Corporate Social Responsibility

(₹ in Crores)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
Amount of expenditure incurred by the company during the year on:	**Payment made in-cash**	**Payment yet to be Paid in cash**	**Payment made in-cash**	**Payment yet to be Paid in cash**
i) Capital work-in-progress	0.08	0.60	0.15	0.70
ii) General expenses	0.73	0.43	0.69	0.31
iii)Salaries & Wages	0.04	0.01	0.09	-
Total Amount of expenditure incurred	**0.85**	**1.04**	**0.93**	**1.01**

As per provisions of Companies Act, 2013, the Company is required to spend an amount of ₹0.47 crore (previous year ₹1.70 crore) towards CSR expenditure. However, company has spent ₹1.89 crores towards CSR expenditure. Out of ₹0.47 Crores the Company has paid the entire amount till 31st March 2023.

Balance of CSR provision/ CSR expenses not yet paid in

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Balance	1.13	1.51
Provision made during the year	1.89	1.94
Payments made during the year	1.98	2.32
Total	**1.04**	**1.13**

Closing balance of Rs.1.04 Cr. includes additional expenses incurred during the year over and above the statutory limit for FY'23 which will be paid during FY 23-24. The payments made during the year amounting to Rs. 1.97 Cr. includes R. 0.12 Cr. which was deposited in schedule bank account w.r.t FY 21.

Nature of amount – General Expenses

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Health Care	0.34	0.27
Agriculture & Animal Husbandry	0.36	0.29
Children's Wellbeing & Education	0.17	-
Women Empowerment	0.29	0.32
Drinking water & Sanitation	-	0.11
Others	-	0.02
Total	**1.16**	**1.01**

Note 33 - Contingent Liabilities

Claims against the Company not acknowledged as debt

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

In February 2018, Punjab State Electricity Regulatory Commission ("PSERC") unfavourably disposed the petition and directed calculation of the penalty for four instances in January 2017 at normative availability of 80% amounting to ₹ 127.32 Crore (previous year ₹ 127.32 crore). On May 26, 2022, the matter was listed and the bench noted that pleadings are complete in the matter and the matter can be taken up for final hearing in due course in its turn as per List-B of Final Hearing. TSPL filed early hearing application and APTEL allowing the said application has directed that the matter be included in the “List of Priority”. The next date of hearing is yet to be notified.

The Company has also filed a Writ Petition before the Punjab and Haryana High Court challenging the validity of the regulation on grounds of being arbitrary and disproportionate which is yet to be listed. On the basis of merits of the case and backed by the legal opinion, no provision has been considered necessary at this stage.

Note 34 – Auditors' Remuneration included under Legal & Professional Services

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Audit Fees	0.23	0.23
Limited Review	0.14	-
Reporting for Parent Company consolidation	0.07	0.26
Other Services	0.02	0.02
Out of Pocket Expenses	0.01	0.01
Total	**0.47**	**0.52**

Note 35 – Earnings/(Loss) Per Share (EPS)

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net profit/(loss) after tax attributable to equity shareholders for basic and diluted EPS (₹ in Crore)	(70.28)	(121.64)
Weighted average number of Equity shares for Basic and Diluted EPS	320,66,09,692	320,66,09,692
Basic and Diluted Earnings/(Loss) Per Share (₹)	**(0.22)**	**(0.38)**
Nominal value per share (₹)	**1.00**	**1.00**

Note 36 – Employee Benefits

a) Defined contribution plan

The Company contributed a total of ₹1.12 Crore for the year ended March 31, 2023 (previous year ₹0.90 Crore) to the following defined contribution plans:

Central provident fund

In accordance with the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2022 and 2021) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI) or to independently managed and approved funds. The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred. Where the contributions are made to independently managed and approved funds, shortfall in actual return, if any, from the return guaranteed by the State are made by the employer, these are accounted for as defined benefit plans. The benefits are paid to employees on their retirement or resignation from the Company.

Superannuation

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

b) Defined Benefit Plan:

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

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

Actuarial assumptions

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salary growth (p.a.)	5.50%	5.50%
Expected rate of Return on Plan Assets (p.a.)	7.14%	6.90%
Discount rate (p.a.)	7.39%	7.14%
Mortality rate	100% IALM(2012-14)	100% IALM(2012-14)

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

Expenditure recognized during the period

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	0.19	0.15
Interest cost	0.00	0.02
Total	**0.19**	**0.17**

Amount recognized in Other Comprehensive Income during the period

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Remeasurement of the net defined benefit obligation:-		
Actuarial losses / (gains) arising from changes in financial assumptions	(0.05)	(0.04)
Actuarial losses / (gains) arising from experience adjustments	0.71	0.01
Actuarial losses / (gains) on assets	-	-
Total	**0.66**	**(0.03)**

Movement in present value of defined benefit obligation

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Obligation at the beginning of the year	1.67	1.56
Current service cost	0.17	0.15
Interest cost	0.12	0.11
Actuarial losses / (gains)	0.66	(0.03)
Benefits paid	(0.76)	(0.11)
Obligation at the end of the year	**1.86**	**1.68**

Movement in present value of plan assets

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Fair value at the beginning of the year	1.65	1.25
Actual return on plan assets	0.12	0.09
Contribution	0.39	0.42
Benefits paid	(0.76)	(0.11)
Fair value at the end of the year*	**1.40**	**1.65**

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

Amount Recognized in the Balance Sheet

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Present value of obligation at the end of the year	1.86	1.68
Less: Fair value of plan assets at the end of the year	(1.40)	(1.65)
Net liability recognized in the Balance Sheet	**0.46**	**0.03**

The contribution expected to be made by the Company during the financial year 2023-24 as ascertained by the management is ₹ 0.26 Crore (previous Year ₹ 0.29 Crore)

(₹ in Crores)

Sensitivity analysis	March 31, 2023	March 31, 2022
Increase / (Decrease) in defined benefit obligation		
Discount rate		
Increase by 0.50%	(0.09)	(0.09)
Decrease by 0.50%	0.10	0.09
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	0.10	0.09
Decrease by 0.50%	(0.09)	(0.09)

Movement in present value of defined benefit obligation

(₹ in Crores)

Year	March 31, 2023	March 31, 2022
0-1 years	0.04	0.24
1-2 years	0.03	0.03
2-3 years	0.03	0.03
3-4 years	0.26	0.03
4-5 years	0.03	0.03
5-6 years	0.10	0.02
More than 6 years	1.36	1.30
Total	**1.85**	**1.68**

Risk analysis

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

Interest risk

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

Longevity risk / Life expectancy

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

Salary growth risk

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

Investment risk

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

Note 37 – Related Party Disclosures

List of related parties and relationships

(a) Entities controlling the company (Holding Companies):		
Immediate:	Vedanta Limited	
Intermediate:	Vedanta Resources Limited (formerly Vedanta Resources Plc.)	
Ultimate:	Volcan Investments Limited *	
(b) Fellow subsidiaries with whom transactions have taken place:		
Fellow Subsidiaries:	Bharat Aluminium Company Limited	
	ESL Steel Limited (formerly Electrosteel Steels Limited) *	
	Hindustan Zinc Limited	
	Sterlite Power Grid Ventures Limited/ Sterlite Power Transmissions Limited **(Post Merger)**	
	Vizag General Cargo Berth Private Limited	
	Ferro Alloys Corporation Limited (FACOR)	
(c) Key Managerial Personnel:	Mr. Vikas Sharma	Chief Executive Officer and Whole Time Director (upto close of business hours on June 30, 2022)
	Mr. Vibhav Agarwal	Chief Executive Officer and Whole Time Director((from July 1, 2022)
	Mr. Swapnesh Bansal	Chief Financial Officer (from May 19, 2020)
	Mr. Agnivesh Agarwal	Chairman
	Mr. R Kannan	Independent Director (from July 1, 2020)
	Mr. Baldev Krishan Sharma	Non-Executive Director (from August 13, 2021)
	Ms. Sonal Choithani	Non- Executive Director (from March 5, 2022)
	Mr. Mahendra Singh Mehta	Independent Director (from March 30, 2021)
	Ms. Dashmeet Rana	Company Secretary & Compliance Officer (upto close of business hours on January 20, 2023)
	Ms. Shivangi Dhanuka	Company Secretary (from January 21, 2023)

* No transaction with parties during the year.

Terms and conditions of transactions with related parties:
The Company enters into transactions in the normal course of business with its related parties, including its parent Vedanta Limited. A summary of all related party transactions for the year ended March 31, 2023 and 2022 are noted below.

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

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
1) Net Recovery from / (Reimbursement) of employee cost and other expenses		
(i) Vedanta Limited	(9.65)	(10.17)
(ii) Hindustan Zinc Limited	0.34	(0.29)
(iii) Bharat Aluminium Company Limited	0.12	(0.17)
(iv) Vizag General Cargo Berth Private Limited	-	(0.02)
(v) Sterlite Power Grid Ventures Limited/ Sterlite Power Transmissions Limited **(Post Merger)**	0.02	0.02
(vi) ESL Steel Limited	0.17	-
(vii) Ferro Alloys Corporation Limited (FACOR)	-	(0.12)
2) Net Sale / (Purchase) of Consumables and Capex items		
(i) Vedanta Limited	0.18	0.14
(ii) Bharat Aluminium Company Limited	0.09	-
(iii) Hindustan Zinc Limited	0.01	(0.12)
3) Management and Brand Fees paid (excluding GST)		
(i) Vedanta Resources Limited	(43.25)	(33.04)
4) Interest and Guarantee Commission		
(i) Vedanta Limited	(24.76)	(26.39)
5) Loans taken during the year		
(i) Vedanta Limited	-	75.00
6) Loans repaid during the year		
(i) Vedanta Limited	75.00	-

b. Details of balances with related parties :

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
1) Balance Receivable as at the end of the year		
(i) Sterlite Power Grid Ventures Limited/Sterlite Power Transmissions Limited **(Post Merger)**	-	0.02
(ii) Hindustan Zinc Limited	-	0.01
2) Balance Payable as at the end of the year		
(i) Vedanta Limited	116.95	95.94
(ii) Bharat Aluminium Company Limited	0.01	0.00
(iii) Vedanta Resources Limited	4.57	24.02
3) Bank Guarantees/Corporate Guarantee issued on our behalf and outstanding as at the end of the year		
(i) Vedanta Limited	6,293.44	6,512.68

b. Details of balances with related parties :

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Short-term employee benefits	4.37	3.91
Post employment benefits	0.27	0.18
Share based payments	1.53	0.20
Total	**6.17**	**4.29**

Note:

a) The company has paid ₹ 0.20 Crore (previous year ₹ 0.22 Crore) as sitting fees & has also accrued ₹ 0.38 Crore (previous year ₹ 0.34 Crore) as commission to its directors.

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

Note 38 – Capital management

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

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

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

The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.

Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises all the components including other comprehensive income.

The following table summarizes the capital of the Company: (₹ in Crores except ratio)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Share Capital (Refer Note 13)	3206.61	3,206.61
Other Equity (Refer Note 14)	(186.27)	(115.50)
Total Equity (a)	**3,020.34**	**3,091.11**
Cash and cash equivalents (Refer Note 9)	39.90	50.56
Other Bank Balances (Refer Note 10)	0.01	1.06
Non-Current Bank Deposits (Refer Note 5)	38.27	38.34
Total cash (b)	**78.18**	**89.86**
Short-term borrowings (Including current maturities) (Refer Note 18)	881.99	916.59
Long-term borrowings (Refer Note 15)	5,496.12	6,171.52
Total debt (c)	**6,378.11**	**7,088.11**
Net debt (d=(c-b))	**6,299.93**	**6,998.15**
Net debt to equity ratio (d/a)	2.09	2.26

Note 39 – Financial instruments

Financial assets and liabilities:

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

March 31, 2023

(₹ in Crores)

Financial assets	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Trade receivables - Current	-	812.02	**812.02**	**812.02**
Trade receivables - Non Current	-	1,476.43	**1,476.43**	**1,476.43**
Other non-current financial assets	-	45.86	**45.86**	**45.86**
Other current financial assets	-	0.36	**0.36**	**0.36**
Cash and cash equivalents	-	39.90	**39.90**	**39.90**
Other bank balances	-	0.01	**0.01**	**0.01**
Total	**-**	**2,374.58**	**2,374.58**	**2,374.58**

March 31, 2022

(₹ in Crores)

Financial assets	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Trade receivables – Current	-	581.55	**581.55**	**581.55**
Trade receivables - Non Current	-	1725.24	**1,725.24**	**1,725.24**
Other non-current financial assets	-	46.43	**46.43**	**46.43**
Other current financial assets	-	31.50	**31.50**	**31.50**
Cash and cash equivalents	-	50.56	**50.56**	**50.56**
Other bank balances	-	1.06	**1.06**	**1.06**
Total	**-**	**2,436.34**	**2,436.34**	**2,436.34**

March 31, 2023

(₹ in Crores)

Financial liabilities	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Long-term borrowings	-	5,496.12	**5,496.12**	**5,496.12**
Short-term borrowings	-	881.99	**881.99**	**881.99**
Trade finance	-	411.26	**411.26**	**411.26**
Trade payables	-	51.32	**51.32**	**51.32**
Other non-current financial liabilities	-	1,245.18	**1,245.18**	**1,245.18**
Derivative liability	-	-	**-**	**-**
Other current financial liabilities	-	193.89	**193.89**	**193.89**
Total	**-**	**8,279.76**	**8,279.76**	**8,279.76**

March 31, 2022

(₹ in Crores)

Financial liabilities	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Long-term borrowings	-	6,171.52	**6,171.52**	**6,171.52**
Short-term borrowings	-	916.59	**916.59**	**916.59**
Trade finance	-	168.21	**168.21**	**168.21**
Trade payables	-	134.01	**134.01**	**134.01**
Other non-current financial liabilities	-	769.19	**769.19**	**769.19**
Derivative Liability	16.98	-	**16.98**	**16.98**
Other current financial liabilities	-	551.58	**551.58**	**551.58**
Total	**16.98**	**8,711.10**	**8,728.08**	**8,729.35**

Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The below table summarises the categories of financial assets and liabilities as at March 31, 2023 and March 31, 2022 measured at fair value.

(₹ in Crores)

As at March 31, 2023	Level 1	Level 2	Level 3
Financial assets - Current			
Derivative financial assets			
- Forward foreign currency contract	-	-	-
Total	**-**	**-**	**-**
Financial liabilities - Current			
Derivative financial liabilities			
- Forward foreign currency contract	-	-	-
Total	**-**	**-**	**-**

(₹ in Crores)

As at March 31, 2022	Level 1	Level 2	Level 3
Financial assets - Current			
Derivative financial assets			
- Forward foreign currency contract	-	-	-
Total	**-**	**-**	**-**
Financial liabilities - Current			
Derivative financial liabilities			
- Forward foreign currency contract	-	16.98	-
Total	-	**16.98**	-

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- **Short-term marketable securities** traded in active markets are determined by reference to quotes from the financial institutions; for example: Net Asset Value (NAV) for investments in mutual funds declared by mutual fund house. Other short term marketable securities are valued on the basis of market trades, poll and primary issuances for securities issued by the same or similar issuer and for similar maturities or based on the applicable spread movement for the security derived based on the aforementioned factor(s).

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

- **Derivative contracts:** The Company enters into Derivative contracts with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts and Interest rate swaps are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques for such derivatives include Forward pricing using present Value calculations, foreign Exchange spot and Forward premium rates.

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

- **Non-current trade receivables:** Fair value has been determined by the company based on interest rates and recoverability of dues from the customer. Also, refer note 42.

Note 40 – Risk Management

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

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

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

Treasury management

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk), credit risk and liquidity risk.

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

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

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury risks. Treasury transactions are normally in the form of forward contracts and these are subject to the Company's guidelines and policies.

During the year, the Company has cancelled all its derivative instruments.

Additional Information to the Financial Statements :

Financial risk

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

Liquidity Risk

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

(₹ in Crores)

Financial liabilities	As on March 31, 2023				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Borrowings	881.99	1,450.96	1,020.46	3,042.82	**6,396.23**
Interest on borrowings	571.02	914.97	689.30	996.40	**3,171.69**
Trade finance	411.26	-	-	-	**411.26**
Trade payables	51.32	-	-	-	**51.32**
Other financial liabilities	189.48	1,240.90	-	-	**1,430.38**
Lease Liability	4.41	4.28	-	-	**8.69**
Financial Instruments-derivatives	-	-	-	-	**-**

(₹ in Crores)

Financial liabilities	As on March 31, 2022				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Borrowings	916.59	1,590.68	1,114.06	3,841.45	**7,102.78**
Interest on borrowings	640.36	1,105.10	821.37	1,412.26	**3,979.09**
Trade finance	168.21	-	-	-	**168.21**
Trade payables	134.01	-	-	-	**134.01**
Other financial liabilities	551.22	769.19	-	-	**1,320.41**
Lease Liability	0.36	-	-	-	**0.36**
Financial Instruments-derivatives	16.98	-	-	-	**16.98**

Interest rate risk

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

(₹ in Crores)

Particulars	As at March 31, 2023			
	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Financial assets-non current				
Trade Receivables*	-	-	1,476.43	1,476.43
Other financial assets	4.72	38.27	2.87	**45.86**
Financial Instruments-Derivatives	-	-	-	**-**
Total financial assets-non current	**4.72**	**38.27**	**1,479.30**	**1,522.29**
Financial assets-current				
Investments	-	-	-	**-**

As at March 31, 2023				
Particulars	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Trade receivables*	-	-	812.02	**812.02**
Cash and cash equivalents	-	-	39.90	**39.90**
Bank Balances		0.01	-	**0.01**
Other financial assets	-	-	0.36	**0.36**
Total financial assets-current	**-**	**0.01**	**852.28**	**852.29**
Total financial assets	**4.72**	**38.28**	**2,331.58**	**2,374.58**

(₹ in Crores)

As at March 31, 2022				
Particulars	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Financial assets-non current				
Trade Receivables*	-	-	1,725.24	**1,725.24**
Other financial assets	4.72	38.34	3.37	**46.43**
Financial Instruments-Derivatives	-	-	-	**-**
Total financial assets-non current	**4.72**	**38.34**	**1,728.61**	**1,771.67**
Financial assets-current				
Investments	-	-	-	**-**
Trade receivables*	-	-	581.55	**581.55**
Cash and cash equivalents	-	-	50.56	**50.56**
Bank Balances		1.06	-	**1.06**
Other financial assets	-	-	31.50	**31.50**
Total financial assets-current	**-**	**1.06**	**663.61**	**664.67**
Total Financial assets	**4.72**	**39.40**	**2,392.22**	**2,436.34**

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

The weighted average interest rate on the fixed rate financial assets is 6.50% p.a. (previous year 3.14% p.a.) and the weighted average period for which the rate is fixed is 1.48 years (previous year 0.64 years).

(₹ in Crores)

As at March 31, 2023				
Particulars	**Floating rate financial liabilities**	**Fixed rate financial liabilities**	**Non interest bearing financial liabilities**	**Total financial liabilities**
Financial liabilities-non current				
Borrowings	5,496.12	-	-	5,496.12
Other Financial liabilities	-	4.28	1,240.90	1,245.18
Derivative financial liabilities	-	-	-	-
Total financial liabilities-non current	**5,496.12**	**4.28**	**1,240.90**	**6,741.30**
Financial liabilities-current				
Borrowings	881.99	-	-	881.99
Trade finance	-	411.26	-	411.26
Trade payables	-	-	51.32	51.32
Other financial liabilities	-	4.41	189.48	193.89
Derivative financial liabilities	-	-	-	-
Total financial liabilities-current	**881.99**	**415.67**	**240.80**	**1,538.46**
Total financial liabilities	**6,378.11**	**419.95**	**1,481.70**	**8,279.76**

(₹ in Crores)

As at March 31, 2022				
Particulars	**Floating rate financial liabilities**	**Fixed rate financial liabilities**	**Non interest bearing financial liabilities**	**Total financial liabilities**
Financial liabilities-non current				
Borrowings	6,171.52	-	-	**6,171.52**
Other Financial liabilities	-	-	769.19	**769.19**
Derivate Financial liabilities	-	-	-	**-**
Total financial liabilities-non current	**6,171.52**	**-**	**769.19**	**6,940.71**
Financial liabilities-current				
Borrowings	841.59	75.00	-	**916.59**
Trade finance	-	168.21	-	**168.21**
Trade payables	-	-	134.01	**134.01**
Other financial liabilities	-	0.36	551.22	**551.58**
Derivative financial liabilities	-	-	16.98	**16.98**
Total financial liabilities-current	**841.59**	**243.57**	**702.21**	**1,787.37**
Total financial liabilities	**7,013.11**	**243.57**	**1,471.40**	**8,728.08**

The weighted average interest rate on the fixed rate financial liabilities is 7.14% p.a. and the weighted average period for which the rate is fixed is 0.25 years.

The table below illustrates the impact of a 0.5% to 2.0% movement in interest rates on interest expense on loans and borrowings for the year ended March 31, 2022. The risk estimate provided assumes that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

Effect on profit before tax
(₹ in Crores)

Movement in interest rates	FY 2022-23	FY 2021-22
0.50%	31.89	35.07
1.00%	63.78	70.13
2.00%	127.56	140.26

Credit Risk

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

Given the nature of PPA, trade receivables are from a single customer Punjab State Power Corporation Limited (PSPCL), with significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by international credit-rating agencies. These exposures are further reduced by having standard International Swaps and Derivatives Association (ISDA) master agreements including set-off provisions with each counter party. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes and bonds.

The carrying value of the financial assets other than cash and current investments represents the maximum credit exposure. The Company's maximum exposure to credit risk at March 31, 2023 is ₹2,296.40 Crore (previous year ₹2,346.38 Crore) of which ₹2,288.45 Crore (previous year ₹2,306.79 Crore) was from a single trade receivable.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade and other receivables, and other non-current assets, there were no indications as at March 31, 2023, that defaults in payment obligations will occur.

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

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

(₹ in Crores)

Particulars	Trade Receivables Current	Trade Receivables Non-Current	Total
As at March 31,2022	**-**	**33.71**	**33.71**
Allowances made during the year	-	0.05	0.05
Reversal/Write off during the year	-	33.71	33.71
As at March 31,2023	**-**	**0.05**	**0.05**

(₹ in Crores)

Particulars	As on March 31, 2023				
	Not past due	Due less than 1 month	Due between 1-3 months	Due between 3-12 months	Due greater than 12 months
Trade receivables - Non-Current*	26.05	14.14	55.55	170.82	1209.87
Trade receivables – Current*	812.02	-	-	-	-
Other Financial Asset - Non-Current	7.59	-	-	-	38.27
Other Financial Asset - Current	0.35	-	-	0.01	-
Total	**846.01**	**14.14**	**55.55**	**170.83**	**1248.14**

(₹ in Crores)

Particulars	As on March 31, 2022				
	Not past due	Due less than 1 month	Due between 1-3 months	Due between 3-12 months	Due greater than 12 months
Trade receivables - Non-Current*	28.46	14.73	30.83	97.12	1,554.12
Trade receivables – Current*	468.18	16.71	28.92	43.51	24.24
Other Financial Asset - Non-Current	8.09	-	-	-	38.34
Other Financial Asset - Current	0.09	4.62	-	26.80	-
Total	**504.82**	**36.06**	**59.75**	**167.43**	**1,616.70**

** Refer Note 42*

Foreign exchange risk

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

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

The Company uses forward exchange contract to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies as well as financing transactions and loans denominated in foreign currencies. The policy of the Company is to determine on a regular basis what portion of the foreign exchange risk on financing transactions and loans are to be hedged through forward exchange contracts and other instruments. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns. However, all new long-term borrowing exposures are being hedged. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the statements of profit or loss and statements of comprehensive income. The exposure summarised below is mitigated by some of the derivative contracts entered by the Company as disclosed under the section on "Derivative financial instruments".

TSPL had entered a contract with SEPCO for set up of power plant for 1980 MW. While the plant has been commissioned and is operational certain aspects like ESP modifications are pending to be completed by Vendor. As per the last MoM dated 15th February 2020 signed with SEPCO, payments would be due post completion of the ESP modification, PG testing and closure of other points. During the current year, it was reviewed that the Company is currently having its foreign currency exposure w.r.t. SEPCO amounting to USD 137.24 Mn. While no USD payment has been made to Sepco since FY 2019-20, we were incurring ~INR 40 Cr. every year on account of forward premium.

There is significant uncertainty in the timing and amount that would finally be settled in respect of SEPCO. Considering there would not be any foreign exchange outgo in next 2 years, it was decided to cancel the forex cover pertaining to project creditor liability in full.

Financial liabilities

(₹ in Crores)

	As at March 31, 2023	As at March 31, 2022
USD	1,127.59	1,279.91

The Company's exposure to foreign currency arises where a Company entity holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity, with US dollar being the major non-functional currency. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, liquidity, and other market changes.

The results of Company's operations may be affected largely by fluctuations in the exchange rates between the Indian Rupee against the US dollar. The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 10% against the functional currency of the Company.

A 10% appreciation/depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in net decrease/increase in the Company's profit or loss and equity for the year ended March 31, 2023 by ₹ 112.76 Crore. (previous year ₹ 127.99 crore).

Note 41 – Derivative financial instruments

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury. Both treasury derivative transactions are normally in the form of forward contracts and these are subject to the Company guidelines and policies.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on quotations obtained from financial institutions or broker. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation. The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities. Derivatives that are designated as hedges are classified as current or non-current depending on the maturity of the derivative.

The Company uses derivative instruments as part of its management of exposures to fluctuations in foreign currency exchange rates. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

TSPL had entered a contract with SEPCO for set up of power plant for 1980 MW. During the current year, it was reviewed that the Company is currently having it's foreign currency exposure w.r.t. SEPCO amounting to USD 137.24 Mn. On the basis of the review conducted, it was decided to cancel all the derivative instruments considering the uncertainty around timing and amount that would be finally settled in respect of its foreign currency exposure against its project creditor's liability towards SEPCO, and also the higher amount of cash outflow in terms of forward premium.

Non-qualifying/economic hedge

The Company enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Fair value changes on such derivative instruments are recognized in the statements of profit or loss.

The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

(₹ in Crores)

Derivative financial instrument	As at March 31, 2023		As at March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Current				
Forward foreign currency contracts	-	-	-	16.98
Non current				
Forward foreign currency contracts	-	-	-	-
	-	**-**	**-**	**16.98**

Note 42 (i) Trade Receivables ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment As on March 31, 2023					
		Less than 6 months	6 months – 1 year	1-2 Years	2-3 years	More than 3 Years	Total
Non-Current							
(i) Disputed Trade Receivables–considered good	26.05	123.57	122.46	226.59	206.49	771.27	**1,476.43**
(ii) Disputed Trade Receivables – credit impaired	-	-	0.05	-	-	-	**0.05**
Sub-Total	**26.05**	**123.57**	**122.51**	**226.59**	**206.49**	**771.27**	**1,476.48**
Current							
(i) Un Disputed Trade Receivables–considered good	812.02	-	-	-	-	-	**812.02**
Sub-Total	**812.02**	**-**	**-**	**-**	**-**	**-**	**812.02**
Total	**838.07**	**123.57**	**122.51**	**226.59**	**206.49**	**771.27**	**2,288.50**

Previous year ended March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment As on March 31, 2022					
		Less than 6 months	6 months – 1 year	1-2 Years	2-3 years	More than 3 Years	Total
Non-Current							
(i) Disputed Trade Receivables–considered good	28.46	83.16	59.51	495.01	281.14	777.97	**1,725.24**
(ii) Disputed Trade Receivables – credit impaired	-	-	-	33.71	-	-	**33.71**
Sub-Total	**28.46**	**83.16**	**59.51**	**528.72**	**281.14**	**777.97**	**1,758.95**
Current							
(i) Un Disputed Trade Receivables–considered good	468.18	87.35	1.78	24.24	-	-	**581.55**
Sub-Total	**468.18**	**87.35**	**1.78**	**24.24**	**-**	**-**	**581.55**
Total	**496.63**	**170.51**	**61.29**	**552.95**	**281.14**	**777.97**	**2,340.50**

Note 43 – Income tax expenses

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

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
Current tax on profit for the year	-	-
Total current tax	**-**	**-**
Deferred tax		
Origination and reversal of temporary differences-other than exceptional items	(22.87)	(40.19)
Charge in respect of exceptional item	-	-
Total deferred tax	**(22.87)**	**(40.19)**
Net tax benefit	**(22.87)**	**(40.19)**
Profit/(Loss) before tax	**(93.15)**	**(161.83)**
Effective income tax rate (%)	**24.55%**	**24.84%**

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

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Tax effect of exceptional items	-	-
Tax benefit-others	(22.87)	(40.19)
Net tax benefit	**(22.87)**	**(40.19)**

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

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit / (loss) before tax	**(93.15)**	**(161.83)**
Statutory income tax rate	25.17%	25.17%
Tax at Indian statutory income tax rate	(23.45)	(40.73)
CSR Expenditure Disallowed	0.58	0.54
Total	**(22.87)**	**(40.19)**

Note: As per the Company's projections, there is a convincing evidence that there would be sufficient profits in the future years and Deferred tax asset is recognised for ₹ 22.87 Crore (Previous Year ₹ 40.19 Crore) only to the extent that it is probable that taxable profit will be available to utilize the same.

Deferred tax assets/liabilities

The deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment and the amortisation of intangible assets, net of losses carried forward by the Company. Significant components of deferred tax (assets) & liabilities in the balance sheet are as follows:

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Property, plant and equipment and intangible assets:		
Opening balance	**646.54**	**531.85**
Charged to statement of profit and loss	96.48	114.69
Closing balance	**743.02**	**646.54**
Unabsorbed depreciation		
Opening balance	**(866.47)**	**(714.42)**
Credited to statement of profit and loss	(123.24)	(152.05)
Charged/(credited) to other comprehensive income (OCI)	-	-
Closing balance	**(989.71)**	**(866.47)**
Other temporary differences		
Opening balance	**(17.34)**	**(14.52)**
Credited to statement of profit and loss	3.90	(2.81)
Charged/(credited) to other comprehensive income (OCI)	(0.17)	(0.01)
Closing balance	**(13.61)**	**(17.34)**
Net deferred tax liabilities/(assets)	**(260.30)**	**(232.27)**

Note 44 – Trade Payable ageing schedule

For the year ended March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1 -2 Years	2-3 Years	More than 3 years	Total
Non-Current						
(i) MSME	3.99	-	-	-	-	**3.99**
(ii) Others	40.78	5.59	0.96	-	-	**47.33**
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**44.77**	**5.59**	**0.96**	-	-	**51.32**

For the year ended March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1 -2 Years	2-3 Years	More than 3 years	Total
Non-Current						
(i) MSME	3.59	-	-	-	-	**3.59**
(ii) Others	66.15	64.15	0.03	0.02	0.07	**130.42**
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**69.74**	**64.15**	**0.03**	**0.02**	**0.07**	**134.01**

Note 45 – Ratio Analysis

Particulars	As at March 31, 2023	As at March 31, 2022	Variance (%)	Remarks
(a) Current Ratio	0.74	0.58	27	Repayment of Working Capital Loan & classification of project creditor liability under non-current
(b) Debt-Equity Ratio	2.04	2.26	-10	
(c) Debt Service Coverage Ratio	1.33	1.11	20	
(d) Return on Equity Ratio	(0.02)	(0.04)	-41	Decrease in losses in the current year.
(e) Inventory Turnover Ratio	29.72	19.76	50	Decrease in average inventory levels
(f) Trade Receivables turnover ratio	8.25	8.83	-7	
(g) Trade payables turnover ratio	11.44	8.77	30	Increase in coal cost during the year although there is no significant change in average trade payables
(h) Net Capital Turnover Ratio	(9.85)	(3.03)	225	increase in revenue and improvement in working capital for the year
(i) Net Profit Ratio	(0.01)	(0.03)	-56	Decrease in losses and increase in revenue for the current year
(j) Return on Capital Employed	0.07	0.06	16	
(k) Return on Investment	0.04	0.02	133	Increase in average rate of interest on Fixed deposits, also there is substantial decrease in average investments during current year

Note 46 – Transactions with Struck off companies

	As at March 31, 2023		
Name of the Struck off Company	Nature of Transactions with Struck-off Companies	Balance Outstanding	Relationship with the Struck-off company, if any, to be disclosed
No Transaction			

Name of the Struck off Company	As at March 31, 2022 Nature of Transactions with Struck-off Companies	Balance Outstanding	Relationship with the Struck-off company, if any, to be disclosed
Igus (India) Pvt. Ltd.	Other Payables	0.59	
Bhag Builders	Other Payables	0.15	

Note 47 – Disputed Trade Receivables

Punjab State Power Corporation Limited ("PSPCL"), which is the Company's sole customer has withheld payments aggregating to ₹ 1,476.43 Crore (previous year ₹ 1,725.24 Crore) which are on account of various disputes including yield loss during washing, tax benefits at the time of initial plant setup, procurement of alternate coal, basis of computation of plant availability, and gross calorific value amongst others. Pursuant to the reservation of order of the Hon'ble APTEL by Hon'ble High Court dated January 30, 2023, the Company has received ₹ 343 Crore from PSPCL against Force Majeure matter on 16th February 2023 including Late payment surcharge of ₹ 98.51 Cr. The balance matters are under litigation and the Company has obtained independent legal advice which supports its claims and is thus not expecting any material losses on these balances and believes that it is highly probable that the Company claims would be upheld. Based on the expected timing of realisation of these balances, which is in turn dependent on the settlement of legal disputes, the Company has bifurcated the receivables into current and non-current. The management has assessed the recoverability of the outstanding balances and does not believe that any material adjustment is required to the same.

Note 48 – Segment Information

The Company's activities during the year revolved around operating 3*660 MW Thermal Power Plant at Mansa, Punjab. Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Ind AS 108 - Operating Segments. All the Company's revenues, trade receivables and non-current operating assets are in India. The company's revenues aggregating to ₹ 5,745.69 Crore (previous year ₹ 4,340.42 Crore) is from a single customer.

Note 49 – Share based compensation plans

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

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

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

Amount recovered by the parent and recognised by the company in the statement of profit and loss for the financial year ended March 31, 2023 is ₹ 0.91 Crore (previous year ₹ 2.40 Crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

Note 50

As per revised Ministry of Environment norms, company had to implement FGD technology by December 31, 2019. In May 2020, CPCB imposed environmental compensation penalty of ₹ 0.18 Crore per month per non-compliant unit w.e.f. January 01, 2020 and added that the compliance status shall be reviewed periodically. Subsequently company received a notice on October 16, 2020, and a corrigendum on November 04, 2020 wherein CPCB extended the timeline for installing the FGD to February 28, 2021 for Unit 1, December 31, 2020 for Unit 2 and October 31, 2020 for Unit 3 & further on September 05, 2022 Ministry of Environment, Forest and Climate Change via notification extended the above-mentioned timelines till December 31,2026.

Note 51 – Previous year's figures

Figures of the previous year are reclassified/regrouped wherever necessary, to confirm to those of the current year presentation.

For and on behalf of Board of Directors

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

Agnivesh Agarwal
Chairman
DIN: 00038950
Place: Fujairah - UAE

Vibhav Agarwal
Chief Executive Officer & Whole Time Director
DIN: 03174271
Place: New Delhi

per Ajay Bansal
Partner Membership No.: 502243
Place : Gurugram
Date : April 21, 2023

Swapnesh Bansal
Chief Financial Officer
Place: Mansa
Date: April 21, 2023

Shivangi Dhanuka
Company Secretary
Mem No. A70586
Place: Mansa

Vedanta's Talwandi Sabo Power Limited (TSPL) is a supercritical 1980 MW world-class thermal Punjab's largest power plant in Banwala, Mansa district, Punjab and supplies 100% of the electricity it generates to Punjab State Power Corporation Ltd. TSPL deploys globally benchmarked environment and safety practices making it Punjab's greenest thermal power plant, and among the foremost zero-harm, zero waste, zero discharge thermal power producers in the country.

ZERO HARM **ZERO WASTE** **ZERO DISCHARGE**

Talwandi Sabo Power Limited

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