

Shridhar & Associates

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of SAMALKOT POWER LIMITED

Report on the Audit of the Financial Statements

We have audited the financial statements of **SAMALKOT POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and Notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information ("hereinafter referred to as Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and profit/loss and other comprehensive income, cash flows and its changes in equity for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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.

- a) We draw attention to Note No.4, 5 & 7 of the financial statements, wherein the Management has represented that the financial statements have been prepared on a Going Concern basis, notwithstanding the fact that the Company has incurred net loss of Rs. 8,933 lakhs during the year ended March 31, 2026, the Company's net worth is negative aggregate Rs. 2,83,195 lakhs, the Company current liabilities exceed its current assets by Rs. 4,54,217 lakhs as at March 31, 2026, the Company has defaulted in the payment of borrowings (principal and interest thereon) aggregating to Rs. 1,81,994 lakhs which is subject to reconciliation and pending final outcome of significant litigations under various laws.

The management plan to assess the going concern of the entity is not adequate. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

- b) We draw attention to Note No.3.11.2 & 5 of the financial statements, the Company has outstanding loan amount of Rs 1,81,994 lakhs from Exim bank due to non-payment of principal with interest before the extended due date this has resulted in an event of default from 1st July 2025 to 31st March 2026 under section 10 of the Exim credit agreement read with clause 9.1.1(b) of the common term schedule (CTS), as per management the matter is under arbitration on the ground that the debt is not due under the A&R agreement dated June 20th 2019. To the extent of this default financial statements in impacted.



Shridhar & Associates

Chartered Accountants

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

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

Responsibility of Management and those charged with Governance for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



Shridhar & Associates

Chartered Accountants

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Shridhar & Associates

Chartered Accountants

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Except for the possible effects of matters described in the Basis for Qualified Opinion section in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) Except for the possible effects of matters described in the Basis of Qualified Opinion section, in our opinion, the aforesaid financial statements comply with the Ind. AS specified under section 133 of the Act. read with the Companies (Indian Accounting Standard) Rules, 2015, as amended
- e) The matters described in the Basis of Qualified Opinion section above, in our opinion, may have an adverse effect on the functioning of the Company
- f) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis of Qualified Opinion section above
- g) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



Shridhar & Associates

Chartered Accountants

- i) With respect to the matter to be included in the Auditors' Report under section 197(16): The remuneration paid to any director is nil hence any excess of the limit laid down under Section 197 of the Act is not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- j) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - i. The Company has vide its Note No 3.11.2 and 7 and 21 disclosed the impact of pending litigations as at March 31, 2026 on its financial position in its financial statements.
 - ii. According to the information and explanation given to us the Company did not have any long-term derivative contracts hence no provision is required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented to us that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries,

(b) The management has represented to us that, to the best of its knowledge and belief no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise that the company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf, of the Ultimate Beneficiaries, and

(c) Based on our audit procedure that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement,

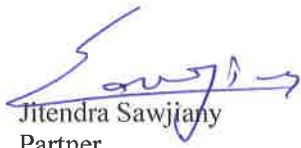


Shridhar & Associates

Chartered Accountants

- v. The company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For Shridhar & Associates
Chartered Accountants
(Firm's Registration No.134427W)


Jitendra Sawjani
Partner

(Membership No.050980)

Date: May 20, 2026

Place: Mumbai

UDIN: 26050980LOWGCO5094



Shridhar & Associates

Chartered Accountants

Annexure A to Auditors' Report

Referred to in our Auditors' Report of even date to the members of SAMALKOT POWER LIMITED on the financial statements for the year ended March 31, 2026

(i) In respect of the company's property, plant and equipment, right of use of assets and intangible assets:

(a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The company does not have any intangible assets.

(b) Based on the records examined by us and information and explanation given to us the Company has a regular program of physical verification of its fixed assets over a period of three years, by which all fixed assets are verified in a phased manner. In our opinion the periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets.

(c) The title deeds of immovable properties, as disclosed in Note 3.1 on Property, plant and Equipment to the financial statements, are held in the name of the Company except as given below: -

Title deeds of Immovable property not held in the name of the company

Sr. No.	Description of property	Area in Acres	Gross carrying value (Rs.in lakh)	Title deeds in the name of	Whether title deeds is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since date (Financial Year)	Reason for not being held in the name of the Company
1	Freehold land	49.75	2,208.65	Andhra Pradesh Industrial Infrastructure Corporation Ltd	No	2011-12	Sale of Agreement entered with APIIC on 2.05.2011. Registration shall be done upon commercial generation of the plant.



Shridhar & Associates

Chartered Accountants

2	Freehold land	1.22	54.15	Manyam Suryanarayana Murthy	No	2016-17	Sale deed executed with seller; The registrar objected for registration stating that the lands are belongs to APIIC. The Seller went to High Court and the matter is pending
3	Freehold land	1	44.39	Manyam Krishna Chaitanya	No	2016-17	Sale deed executed with seller; the registrar objected for registration stating that the lands are belongs to APIIC. The Seller went to High Court and the matter is pending
		51.97	2,307.19				

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment during the year. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against it for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 as amended in 2016 and rules made thereunder.

(ii) (a)Based on the information and explanation given to us the Company has no inventory Accordingly, reporting under clause 3(i)(a) of the Order is not applicable to the Company.

Shridhar & Associates

Chartered Accountants

- (b) Based on the records examined by us and the information and explanation given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided any guarantees or provided any security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. Accordingly, reporting under the clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Based on the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) Based on the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed thereunder. Further, we are informed by the Management of the Company that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard. Accordingly, reporting under the clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, provisions relating to maintenance of cost records as prescribed under sub section (1) of section 148 of the Companies Act, 2013 are not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, duty of customs, and other statutory dues as applicable, with the appropriate authorities during the year and there are no undisputed amounts payable in respect of statutory dues as at March 31, 2026 which are outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, as at March 31, 2026 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount related	Amount involved (Rs in Lakhs)	Amount unpaid (Rs in Lakhs)
Income Tax Act, 1961	Income tax dues	Commissioner of Income Tax (Appeals), Mumbai	A.Y 2014-15	220	220



Shridhar & Associates

Chartered Accountants

Income Tax Act, 1961	Income tax dues	Commissioner of Income Tax (Appeals), Mumbai	A.Y 2015-16	411	411
Income Tax Act, 1961	Income tax dues	Commissioner of Income Tax (Appeals), Mumbai	A.Y 2016-17	1	1
Income Tax Act, 1961	Income tax dues	Commissioner of Income Tax (Appeals), Mumbai	A.Y 2018-19	20	20

- (viii) According to the information and explanations given to us and based on examination of the records of the Company, no income has been surrendered or disclosed as income during the year.
- (ix) (a) According to the information and explanations given to us and based on examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or dues to debenture holders due to restructuring except for the following instances of defaults in repayment of principal and interest amount. The Company did not have any loans or borrowings from government during the year.

SN	Name of Lender	Borrowings		Interest	
		Default as at March 31, 2026		Default as at March 31, 2026	
		Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)
1	US Exim	1,75,006	275	6,988	275

- (b) The Company is not declared a willful defaulter by any Bank or Financial Institution or other Lender.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not obtained any term loans during the year. Accordingly, reporting under the clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and based on our examination of the records of the Company and as explained to us, no funds were raised on a short-term basis during the year 2025-26.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiary,

Shridhar & Associates

Chartered Accountants

associate or joint venture. Accounting, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and based on our examination of the records of the Company, we report that the Company does not have any subsidiary, associate or joint venture. Accounting, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

- (x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause x (a) of paragraph 3 of the Order is not applicable to the company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause x (b) of paragraph 3 of the Order is not applicable to the company.
- (xi) (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year nor have we been informed of any such case by the Management of the Company
- (b) According to the information given to us no report under sub section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report. Accordingly, reporting under the clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management there are no complains as per the Whistle blower policy during the year and up to the date of this report while determining the nature, timing and extent of our audit procedures. Hence, clause 3(xi)(c) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of related party transactions as required by the applicable accounting standards have been disclosed in the financial statements. The details have been disclosed in Note No.12 to the financial statements as required under applicable accounting standards.
- (xiv) (a) Based on the information and explanation provided to us and our audit procedures in our opinion, the Company has an adequate internal audit system commensurate with the size and nature of business.

Shridhar & Associates

Chartered Accountants

- (b) We have considered the internal audit reports for the year under audit, shared by the company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, reporting under the clause 3(xv) of the Order are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not engaged in any non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company
- (xvii) According to the information and explanations given to us, the company has incurred cash losses of Rs 8928 Lakhs during the financial year covered by our audit and Rs 4408 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On account of various matters described in 'Basis for Qualified Opinion' paragraph of the report issued under 143(3) of the Act, we are unable to comment upon whether any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The company is not required to constitute a CSR committee as section 135 is not applicable.



Shridhar & Associates

Chartered Accountants

(xxi) The company is not a holding company and hence reporting under this clause3(xxi) is not applicable.

For Shridhar & Associates
Chartered Accountants
(Firm's Registration No.134427W)


Jitendra Sawjani

Partner
(Membership No.050980)
UDIN: 26050980LOWGCO5094
Date: May 20, 2026
Place: Mumbai



Shridhar & Associates

Chartered Accountants

Annexure B to the Independent Auditor's Report on the financial statements of SAMALKOT POWER LIMITED for year ended March 31, 2026

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **SAMALKOT POWER LIMITED** ("the Company") as of March 31, 2026 in conjunction with our audit of the Ind AS 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 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 (herein after referred to as "the Act")

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.



Shridhar & Associates

Chartered Accountants

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Shridhar & Associates

Chartered Accountants

(Firm's Registration No.134427W)



Jitendra Sawjany

Partner

(Membership No.050980)

Date: May 20, 2026

Place: Mumbai

UDIN: 26050980LOWGCO5094



Samalkot Power Limited
Balance Sheet as at March 31, 2026

Particulars	Note No.	Rupees in lakhs	
		As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	4,675	4,680
Capital work-in-progress	3.2	1,65,686	1,33,284
Financial assets			
Other financial assets	3.3	568	364
Non-current tax assets	3.4	232	206
		1,71,161	1,38,534
Current assets			
Financial assets			
Cash and cash equivalents	3.5(a)	552	645
Bank balances other than cash and cash equivalents	3.5 (b)	25,831	26,095
Other financial assets	3.5 (c)	1,226	1,450
Other current assets	3.6	153	287
		27,762	28,477
Total assets		1,98,923	1,67,011
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3.7	2,561	2,561
Instruments entirely equity in nature	3.8	1,08,203	1,08,203
Other equity	3.9	(3,93,959)	(3,85,026)
		(2,83,195)	(2,74,262)
Liabilities			
Non-current liabilities			
Provisions	3.10	139	166
		139	166
Current liabilities			
Financial liabilities			
Borrowings	3.11(a)	2,56,297	2,38,457
Trade Payables			
(i) Total outstanding dues of micro and small enterprises	3.11(b)	4	2
(ii) Total outstanding dues of creditors other than micro and small enterprises		956	831
Other financial liabilities	3.11(c)	2,24,557	2,01,713
Provisions	3.13	126	80
Other current liabilities	3.12	39	24
		4,81,979	4,41,107
Total equity and liabilities		1,98,923	1,67,011
Material accounting policies	2		
Notes to financial statements	3 to 28		

The accompanying notes are an integral part of these financial statements.



Samalkot Power Limited

As per our attached Report of even date

For Shridhar & Associates

Firm Registration No: 134427W

Chartered Accountants



Jitendra Sawjany

Partner

Membership No. 050980

Place: Mumbai

Date: May 20, 2026



For and on behalf of the Board of Directors



Sameer Kumar Gupta

Director

DIN 03486281



Venkata Rao Mutyala

Director

DIN 11433754



Taninicharan Sahu

Chief Financial Officer

Place: Mumbai

Date: May 20, 2026



Samalkot Power Limited
Statement of Profit and Loss for the year ended March 31, 2026

Particulars	Note No.	Rupees in lakhs	
		Year ended March 31, 2026	Year ended March 31, 2025
Other Income	3.14	1,790	2,440
Total Income		1,790	2,440
Expenses			
Employee benefits expense	3.15	437	455
Depreciation	3.1	5	5
Finance costs	3.16	8,034	4,652
Other expenses	3.17	2,247	1,741
Total Expenses		10,723	6,853
Profit/ (loss) before provision for exceptional items and tax		(8,933)	(4,413)
Exceptional Items - Impairment of assets		-	-
Profit/ (loss) before tax		(8,933)	(4,413)
Income tax expense			
Current tax		-	-
Income tax for earlier years		-	-
Profit/ (loss) for the year (A)		(8,933)	(4,413)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plan		(9)	5
Total Other Comprehensive income/ (loss) for the year (B)		(9)	5
Total Comprehensive income/ (loss) for the year (A+B)		(8,942)	(4,408)
Attributable to:			
Equity holders of the parent		-	-
Non-controlling interests		-	-
Profit/ (loss) per equity share: (Face value of Rs. 10 each)			
Basic	16	(34.92)	(17.21)
Diluted	16	(34.92)	(17.21)
Material accounting policies	2		
Notes to financial statements	3 to 28		

The accompanying notes are an integral part of these financial statements



Samalkot Power Limited

As per our attached Report of even date

For Shridhar & Associates

Firm Registration No: 134427W

Chartered Accountants



Jitendra Sawjany

Partner

Membership No. 050980

Place: Mumbai

Date: May 20, 2026



For and on behalf of the Board of Directors



Sameer Kumar Gupta

Director

DIN 03486281



Venkata Rao Mutyala

Director

DIN 11433754



Tarinicharan Sahu

Chief Financial Officer

Place: Mumbai

Date: May 20, 2026



Samalkot Power Limited
Statement of Changes in Equity for the year ended March 31, 2026

A. Share Capital

(i) Equity Share Capital

Rupees in lakhs

Particulars	Note No.	Equity Share Capital
Balance as at April 01, 2024	3.7	2,561
Changes in equity share capital		-
Balance as at March 31, 2025		2,561
Changes in equity share capital		-
Balance as at March 31, 2026		2,561

(ii) (a) Instruments entirely equity in nature

Rupees in lakhs

Particulars	Note No.	Preference Share Capital	Total
Balance as at April 01, 2024	3.8	1,501	1,501
Changes in CCRPS		-	-
Balance as at March 31, 2025		1,08,203	1,08,203
Changes in CCRPS		-	-
Balance as at March 31, 2026		1,08,203	1,08,203

(ii) (b) Instruments entirely equity in nature

Perpetual Inter-Corporate Deposit

Particulars	Note No.	Amount
As at April 01, 2024	3.8	-
Add: Availed during the year		1,06,703
As at March 31, 2025		1,06,703
Add: Availed during the year		-
As at March 31, 2026		1,06,703

Total (ii) (a)+(b)		2,14,906
---------------------------	--	-----------------

B (i). Other Equity

Rupees in lakhs

Particulars	Note No.	Reserves and Surplus		Total
		Securities Premium	Retained Earning	
Balance as at April 01, 2025		1,31,631	(5,12,249)	(3,80,618)
Loss for the year		-	(4,413)	(4,413)
Other comprehensive loss for the year	3.9	-	5	5
Total comprehensive loss for the year		-	(4,408)	(4,408)
Balance as at March 31, 2026		1,31,631	(5,16,657)	(3,85,026)
Loss for the year		-	(8,933)	(8,933)
Other comprehensive loss for the year	3.9	-	(9)	(9)
Total comprehensive loss for the year		-	(8,942)	(8,942)
Balance as at March 31, 2026		1,31,631	(5,25,599)	(3,93,968)

B (ii). Other Equity

Capital contribution by Ultimate Holding Company

Particulars	Note No.	Amount
As at April 01, 2024		-
Add: Contributed during the year	3.9	-
As at March 31, 2025		-
Add: Contributed during the Period	3.9	9
As at March 31, 2026		9

Total As at March 31, 2025 B(i)+(ii)		(3,85,026)
Total As at March 31, 2026 B(i)+(ii)		(3,93,959)

The accompanying notes are an integral part of these financial statements.



Samalkot Power Limited

As per our attached Report of even date

For Shridhar & Associates

Firm Registration No: 134427W

Chartered Accountants



Jitendra Sawjany

Partner

Membership No. 050980

Place: Mumbai

Date: May 20, 2026



For and on behalf of the Board of Directors



Sameer Kumar Gupta

Director

DIN 03486281



Venkata Rao Mutyala

Director

DIN 11433754



Tarinicharan Sahu

Chief Financial Officer

Place: Mumbai

Date: May 20, 2026



Samalkot Power Limited
Statement of Cash Flow for the Year ended March 31, 2026

Particulars	Rupees in lakhs	
	Year ended March 31, 2026	Year ended March 31, 2025
(A) Cash flow from/ (used in) Operating activities		
Profit/ (loss) before tax	(8,933)	(4,413)
Adjusted for:		
Depreciation	5	5
Interest expenses and other finance charges	8,034	4,652
Interest income	(1,775)	(2,047)
Operating Profit/ (loss) before working capital changes	(2,669)	(1,803)
Adjustment for:		
Increase/ (Decrease) in other current financial liabilities & trade Payable	356	(557)
Increase/ (Decrease) in other current liabilities	16	6
Decrease/ (Increase) in other non-current financial assets	(205)	(96)
(Increase)/Decrease in other current financial assets	(13)	(35)
Decrease/ (Increase) in other current assets	134	(20)
Increase/ (Decrease) in provisions	19	31
Taxes paid	(26)	76
Net cash used in Operating activities (A)	(2,388)	(2,398)
(B) Cash flow from/ (used in) Investing activities		
(Increase) / decrease in other bank balances	264	2
Interest received	2,012	2,035
Net cash from/ (used in) investing activities (B)	2,276	2,037
(C) Cash flow from/ (used in) Financing activities		
Inter corporate deposit received	1,065	15,580
Repayment of long term borrowings	-	(33)
Interest and finance charges paid	(1,046)	(15,307)
Net cash generated from financing activities (C)	19	240
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(93)	(121)
Cash and cash equivalents at the beginning of the year		
Bank balances - current account	140	254
Bank balances - deposits account	505	512
Cash and cash equivalents at the end of the year		
Bank balances - current account	202	140
Bank balances - deposits account	350	505

The accompanying notes are an integral part of these financial statements

Notes :

- These statement of cash flows have been prepared under the indirect method as set out in Ind As 7 "Statement of Cash Flows"
- Refer Note no 6. -Disclosure pursuant to Para 44A to E of Ind AS 7 – Statement of Cash Flows : Net debt reconciliation



Samalkot Power Limited

As per our attached Report of even date

For Shridhar & Associates

Firm Registration No: 134427W
Chartered Accountants



Jitendra Sawjani
Partner
Membership No. 050980

Place: Mumbai
Date: May 20, 2026



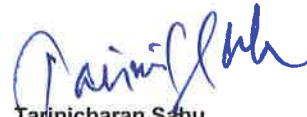
For and on behalf of the Board of Directors



Sameer Kumar Gupta
Director
DIN 03486281



Venkata Rao Mutyala
Director
DIN 11433754



Tarinicharan Sahu
Chief Financial Officer

Place: Mumbai
Date: May 20, 2026



Samalkot Power Limited
Notes to the financial statements as of and for the year ended March 31, 2026

1) General information

Samalkot Power Limited ("the Company") is a subsidiary of Reliance CleanGen Limited which in turn is a wholly owned subsidiary of Reliance Power Limited. The Company had planned to set up a 2,262 (3x754) mega watt (MW) gas based combined cycle power plant at Industrial Development Area, Peddapuram, East Godavari District, Andhra Pradesh.

The Company is a public limited company and is incorporated and domiciled in India under the provisions of the Companies Act. The registered office of the Company is located at Ground Floor, Reliance Centre, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001.

These financial statements were authorised for issue by the Board of Directors on May 19, 2026.

2) Significant accounting policies and critical accounting estimate and judgments:

2.1 Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

Compliance with Ind AS

The financial statements are in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act and rules made thereunder.

Functional and presentation currency

The financial statements are presented in 'Indian Rupees', which is also the Company functional currency. All amounts are rounded to the nearest lakhs, unless otherwise stated.

Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the following:

- Certain financial assets and financial liabilities at fair value;
- Defined benefit plans – plan assets that are measured at fair value;

The financial statements have been prepared under the historical cost convention except certain financial assets and financial liabilities which are measured at fair value.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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

Current vis-à-vis non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year. The deferred tax assets and liabilities are classified as non-current assets and liabilities.



(b) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost which includes capitalised borrowing cost, less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit or loss.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

Construction stores have been valued at weighted average cost.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided to the extent of depreciable amount on Straight Line Method (SLM) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013. The useful lives considered for the purpose of depreciation are as follows:

Property, plant and equipment	Life (in years)
Building	60
Office equipment	5
Plant and equipment	15
Furniture and fixtures	10
Computers	3

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

(c) Impairment of non-financial assets

Assets which are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(d) Trade Receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(e) Financial instruments

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

Investments and other financial assets**i. Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.



For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments in subsidiaries, the Company has elected at the time of initial recognition to account for such equity investments at cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method

Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

The Company has elected to measure all equity investments in subsidiaries at cost. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit and loss are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments are recognised in profit or loss.

iii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



iv. Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v. Income recognition

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 through 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.

Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, 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.

(f) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(g) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(h) Financial liabilities

i. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. Initial recognition and measurement

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.

iii. Subsequent measurement

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



Borrowings: Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade and other payable: These amounts represents obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and payables are subsequently measured at amortised cost using the effective interest method.

iv. Derecognition

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

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 or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(i) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing costs, incurred during an extended period of suspension of activities necessary to prepare an asset for its intended use or sale, are not capitalized.

Other borrowing costs are expensed in the period in which they are incurred.

(j) Provisions, Contingent Liabilities and Contingent Assets:

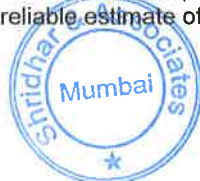
Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.



Contingent Assets:

A contingent asset is disclosed, where an inflow of economic benefits is probable.

(k) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (INR), which is the Company's functional currency and all amounts are rounded to the nearest lakhs, unless otherwise stated.

ii. Transactions and balances

- (i) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.
- (ii) All exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.
- (iii) In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Ind AS 101 to continue the policy adopted in previous GAAP for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding as on March 31, 2016, wherein foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.
- (iv) Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

(l) Employee benefits:

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

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

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund and superannuation fund.



Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Superannuation fund

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the plan beyond its monthly contributions which are contributed to a trust fund, the corpus of which is invested with Reliance Life Insurance Company Limited.

(m) Revenue from Contracts with Customers and Other Income

Revenue is measured at the fair value of the consideration received or receivable and represents amount receivable for goods supplied, stated net of discounts, returns and value added taxes

(i) Service Income

Service income represents income from support service recognised as per the terms of the service agreements entered into with the respective parties.

(ii) Income from Generation Based Incentive

Income from Generation Based Incentive is accounted on accrual basis considering eligibility of project for availing the income.

(iii) For income recognition refer note 2.1 e (v)

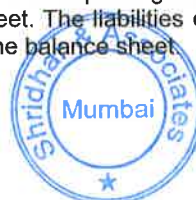
(n) Inventories

Inventories of tools, stores, spare parts, consumable supplies and fuel are valued at lower of weighted average cost, which includes all non-refundable duties and charges incurred in bringing the goods to their present location and condition, and net realisable value after providing for obsolescence and other losses.

(o) Non-current assets held-for-sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.



The sale is considered highly probable when the appropriate level of management has committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by paragraph 9, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

(p) Income tax

Income tax expense comprises current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

(q) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from 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.

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Cash flow statement

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



(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board that makes strategic decisions.

(u) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules from time to time. For the year ended March 31, 2026, MCA has notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, clarifying the accounting treatment when a currency is not exchangeable; Ind AS 1 – Presentation of Financial Statements, revising the requirements for classification of liabilities as current or non-current, including liabilities with covenants; Ind AS 7 – Statement of Cash Flows, introducing additional disclosure requirements for supplier finance arrangements; Ind AS 107 – Financial Instruments: Disclosures, requiring enhanced disclosures on supplier finance arrangements and related liquidity risks; and Ind AS 12 – Income Taxes, introducing guidance and disclosure requirements relating to the OECD Pillar Two global minimum tax rules w.e.f. April 1, 2025. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

2.2 Critical accounting estimate and judgements

Preparing the financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.



Samalkot Power Limited

Notes to the financial statements as of and for the year ended March 31, 2026 (Continued)

3.1 Property, plant and equipment

Particular	Buildings	Plant and equipment	Furniture and fixtures	Freehold land (Refer note 1 below)	Office equipment	Computers	Rupees in lakhs Total
Gross carrying amount							
Carrying cost as at March 31, 2024	635	48	10	4,582	9	6	5,289
Additions during the year	-	2	-	-	-	1	3
Deletion/Discarded during the year	-	-	-	-	-	-	-
Carrying cost as at March 31, 2025	635	50	10	4,582	9	7	5,293
Additions during the year	-	-	-	-	-	-	-
Deletion/Discarded during the period	-	-	-	-	-	-	-
Carrying cost as at March 31, 2026	635	50	10	4,582	9	7	5,293
Accumulated depreciation							
Accumulated depreciation as at March 31, 2024	559	30	7	-	9	3	608
For the year	1	3	0	-	0	1	5
Deletion/Discarded during the year	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2025	560	33	7	-	9	4	613
For the period	0.9	3	-	-	0	1	5
Deletion/Discarded during the period	-	-	-	-	-	-	-
Adjustment during the year	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2026	561	36	7	-	9	5	618
Net carrying value							
As at March 31, 2025	75	17	3	4,582	-	3	4,680
As at March 31, 2026	74	14	3	4,582	-	2	4,675

Notes:

- (1) Freehold land includes land admeasuring 49.75 acres allotted by Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) for Rs. 2,209 lakhs, pending for transfer of legal title
- (2) Refer to note 11 for information on property, plant and equipment pledged as a security by the Company.



Samalkot Power Limited

Notes to the financial statements as of and for the year ended March 31, 2026 (Continued)

3.2 Capital work-in-progress (Refer note 4)

Rupees in lakhs

A	Capital Work-in-Progress as at March 31, 2024	1,25,400
B	Additions/Deduction during the year Foreign exchange loss/ (gain) (net)	7,884
C	Capital Work-in-Progress as at March 31, 2025 (A+B)	1,33,284
D	Additions/Deduction during the year Foreign exchange loss/ (gain) (net)	32,402
	Capital Work-in-Progress as at March 31, 2026 (C+D)	1,65,686

Ageing of Capital work-in-progress (CWIP)

CWIP as on March 31, 2026

Particulars	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Project in Process	32,402	7,884	4,080	1,21,320	1,65,686
Total	32,402	7,884	4,080	1,21,320	1,65,686

CWIP as on March 31, 2025

Particulars	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Project in Process	7,884	4,080	-	1,21,320	1,33,284
Total	7,884	4,080	-	1,21,320	1,33,284

Note : Management has appointed an independent valuer for valuation of movable assets (available at under-construction 2 x 754 MW combined-cycle gas based thermal power plant at Industrial Development Area of Peddapuram, Samalkot Mandal, East Godavari District, Andhra Pradesh, India to assess the Fair Value of the said assets), based on analysis as above, there is no impairment.



Samalkot Power Limited

Notes to the financial statements as of and for the year ended March 31, 2026 (Continued)

Particulars	Rupees in lakhs	
	As at March 31, 2026	As at March 31, 2025
3.3 Other non-current financial assets		
Security deposits	568	364
	<u>568</u>	<u>364</u>
3.4 Non-current tax assets		
Advance income tax and tax deducted at source (Net of provision for tax) (Refer note 10)	232	206
	<u>232</u>	<u>206</u>
3.5(a) Cash and cash equivalents		
Balance with banks:		
In current accounts	202	140
Deposits with original maturity of less than three months	350	505
	<u>552</u>	<u>645</u>
3.5 (b) Bank balances other than cash and cash equivalents		
Deposits with original maturity of more than three months but less than twelve months	25,831	26,095
	<u>25,831</u>	<u>26,095</u>
3.5 (c) Other financial assets (Unsecured and considered good unless stated otherwise)		
Advances to vendor	165	152
Interest accrued on fixed deposit	1,061	1,298
	<u>1,226</u>	<u>1,450</u>
3.6 Other current assets		
Prepaid Insurance	153	287
	<u>153</u>	<u>287</u>



Particulars	Rupees in lakhs	
	As at March 31, 2026	As at March 31, 2025
3.7 Equity share capital		
Authorised share capital		
26,025,000 (March 31, 2025 : 26,025,000) equity shares of Rs. 10 each	2,603	2,603
	<u>2,603</u>	<u>2,603</u>
Issued, subscribed and fully paid up capital		
25,609,400 (March 31, 2025 : 25,609,400) equity shares of Rs. 10 each fully paid up	2,561	2,561
	<u>2,561</u>	<u>2,561</u>
3.7.1 Reconciliation of number of equity shares		
Balance at the beginning of the year 25,609,400 shares of Rs.10 each	2,561	2,561
Add: Issued and allotted during the year Nil (March 31, 2025 : Nil) shares of Rs.10 each	-	-
Balance at the end of the year 25,609,400 (March 31, 2025 : 25,609,400) shares of Rs. 10 each	<u>2,561</u>	<u>2,561</u>

3.7.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of the equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

3.7.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Percentage of share holding	No. of Shares	Percentage of share holding
Equity shares				
Reliance Power Limited - Ultimate Holding Company	60,00,000	23%	60,00,000	23%
Reliance CleanGen Limited - Holding Company	1,96,09,400	77%	1,96,09,400	77%
	<u>2,56,09,400</u>	<u>100%</u>	<u>2,56,09,400</u>	<u>100%</u>

3.7.4 Shares held by Holding Company and Ultimate Holding Company

	As at March 31, 2026	As at March 31, 2025
Equity shares		
Reliance CleanGen Limited - 19,609,400 (March 31, 2025 : 19,609,400) equity shares of Rs. 10 each.	1,961	1,961
(Of the above, 19,609,394 ((March 31, 2025 : 19,609,394) shares are held by Reliance CleanGen Limited, the Holding Company and 6 Shares are jointly held by Reliance CleanGen Limited and its nominee)		
Reliance Power Limited - 6,000,000 (March 31, 2025 : 6,000,000) equity shares of Rs. 10 each	600	600
	<u>2,561</u>	<u>2,561</u>



3.8 Instruments entirely equity in nature

Compulsory convertible redeemable non-cumulative preference shares

	As at March 31, 2026	Rupees in lakhs As at March 31, 2025
Authorised share capital		
15,025,000 (March 31, 2025 : 15,025,000) preference shares of Rs. 10 each	1,503	1,503
	<u>1,503</u>	<u>1,503</u>
Issued, subscribed and fully paid up capital		
15,009,400 (March 31, 2025 : 15,009,400) preference shares of Rs. 10 each fully paid up [Refer note 3.9.2]	1,501	1,501
Perpetual Inter Corporate Deposits (Refer Note 3.8.2(b) & Note 12)	1,06,703	1,06,703
	<u>1,08,203</u>	<u>1,08,203</u>

3.8.1 Reconciliation of number of preference shares

Balance at the beginning of the year 15,009,400 (April 01, 2025 : 15,009,400) shares of Rs.10 each	1,501	1,501
Balance at the end of the year 15,009,400 (March 31, 2025 : 15,009,400) shares of Rs.10 each	<u>1,501</u>	<u>1,501</u>

3.8.2(a) Terms/ rights attached to preference shares

Preference shares

7.5% Compulsory convertible redeemable non-cumulative preference shares (CCRPS)

Pursuant to the terms of issue, the Company shall have a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e. face value and premium). The holders of CCRPS however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the shareholder has not exercised their options, CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs. 10 each at a premium of Rs. 990 share. If during the tenure of CCRPS, the Company declares equity dividend, CCRPS holders shall also be entitled to dividend on their shares at the same rate as the equity dividend and this dividend will be over and above the coupon rate of 7.5%. These preference shares shall continue to be non cumulative.

3.8.2(b) Terms to perpetual inter-company Deposit

During the year ended March 31, 2025, the Company has converted inter-company deposits of Rs.1,06,703 lakhs, due and received from Reliance Power Limited, the holding Company, into perpetual inter-company Deposit.
The facility shall be perpetual in nature with no maturity obligation and interest free. However, the Borrower may if so desire, repay the said deposit at its discretion
This facility is considered to be in the nature of equity and is not classified as " Debt".

3.8.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Percentage of share holding	No. of Shares	Percentage of share holding
Preference shares [refer note 3.8.2]				
Reliance CleanGen Limited - Holding Company	1,50,09,400	100%	1,50,09,400	100%
	<u>1,50,09,400</u>	<u>100%</u>	<u>1,50,09,400</u>	<u>100%</u>

3.8.4 Shares held by Holding Company

	As at March 31, 2026	As at March 31, 2025
Preference shares [refer note 3.8.2]		
Reliance CleanGen Limited - 15,009,400 (March 31, 2025 : 15,009,400) preference shares of Rs.10 each	1,501	1,501
	<u>1,501</u>	<u>1,501</u>



Samalkot Power Limited

Notes to the financial statements as of and for the year ended March 31, 2026 (Continued)

Particulars	Rupees in lakhs	
	As at March 31, 2026	As at March 31, 2025
3.9 Other equity		
Balance at the end of the year		
3.9.1 Securities premium reserve	1,31,631	1,31,631
3.9.2 Retained earnings	(5,25,599)	(5,16,657)
3.9.3 Capital contribution by Ultimate Holding Company	9	-
	<u>(3,93,959)</u>	<u>(3,85,026)</u>
3.9.1 Securities premium reserve		
Balance at the beginning of the year	1,31,631	1,31,631
Balance at the end of the year	<u>1,31,631</u>	<u>1,31,631</u>
3.9.2 Retained earnings		
Balance at the beginning of the year	(5,16,657)	(5,12,249)
Profit/ (loss) for the year	(8,933)	(4,413)
Less: Other comprehensive income/(loss) arising out of remeasurement of net defined benefit obligation	(9)	5
Balance at the end of the year	<u>(5,25,599)</u>	<u>(5,16,657)</u>
3.9.3 Capital contribution by Ultimate Holding Company		
Balance at the beginning of the year	-	-
Add: Contributed during the Period	9	-
Balance at the end of the Period	<u>9</u>	<u>-</u>
	<u>(3,93,959)</u>	<u>(3,85,026)</u>
3.10 Non-current provisions		
Provision for gratuity (Refer note 9)	89	111
Provision for leave entitlement (Refer note 9)	50	55
	<u>139</u>	<u>166</u>
3.11(a) Borrowing		
Current maturities of long-term borrowings (Refer note 3.11.1 and 3.11.2)	1,75,006	1,58,231
Inter-corporate deposits (Holding Company)	80,226	80,226
Inter-corporate deposits (Ultimate Holding Company)	1,065	-
(Both the ICD are Interest free, repayable on demand) (Refer note 12)	<u>2,56,297</u>	<u>2,38,457</u>



Particulars	As at March 31, 2026	Rupees in lakhs As at March 31, 2025
3.11.1 Nature of security for term loan		
a) Term loan from a bank of Rs. 175,006 lakhs (March 31, 2025: Rs. 158,231 lakhs) is secured by first charge on all the immovable and movable assets and intangible asset of the Company and pledge of 100% of the total issued share capital of the Company held by the Holding Company and Ultimate Holding Company. The carrying amount of financial asset and non-financial assets pledged as security are disclosed in Note 11.		
b) The Ultimate Holding Company, Reliance Power Limited has given financial commitments/ guarantees to the lender of the Company. [Refer note 12(iii),(iv)].		
c) Current maturities of long term borrowings have been classified as other current financial liabilities (Refer note 3.11(a))		
3.11.2 Term of repayment and interest		
a) The Company has availed a long-term financing facility from Exports-Import Bank of The United States (US Exim). During the period from July 01, 2025 to March 31, 2026, the Company was liable to pay Rs.4,839 Lakh towards the interest, including penal interest. The said amount remained unpaid as at the year end.		
b) In accordance with terms of financing agreement, the term loan from US Exim was originally repayable in 23 semi-annual instalments commencing from October 25, 2014 at a fixed interest of 2.65% per annum. Based on subsequent amendment to financing agreement dated September 24, 2016, the outstanding balance as on June 30, 2017 was payable in 16 equal quarterly instalments commencing from December 31, 2017. The rate of interest for the term loan continued to be 2.65 % per annum. The US Exim however, vide their letter dated April 3, 2018, has deferred the repayment of quarterly instalments (inclusive of Interest) due on January 31, 2018 and April 02, 2018 of USD 27,369,500 and USD 27,179,667, respectively, to April 25, 2018. Further based on the Amended and Restated Credit Agreement dated June 28, 2019 the outstanding balance as of date is to be payable in 3 equal yearly instalments commencing from June 30, 2020. The rate of interest for the term loan were continued to be 2.65 % per annum payable quarterly beginning from June 30 2019.		
c) Thereafter, US Exim rescheduled the instalment due on June 30, 2021 to June 30, 2022 to June 30, 2023 to June 30, 2024 and to June 30, 2025 vide 4 Subsequent amendments, "Amendment No 1" dated June 18,2021, "Amendment No 2" dated May 31, 2022, "Amendment No 3" dated June 1, 2023, "Amendment No 4" dated May 14, 2024 respectively, resulting in USD 231.31 million to be paid on June 30, 2025. However, the Company has paid US\$ 46.42 Million out of the said principal hence the outstanding principal as on March 31, 2026 is US\$ 184.89 Million (Rs 1,75,006 Lakh)). (refer note 5). US Exim declined to grant the requested extension and demanded repayment of the entire outstanding.		
d) Thereafter, The Company, initiated arbitration proceedings against US Exim Bank and Citibank N.A. (Facility Agent) on June, 29, 2025 in accordance with Clause 11.03 of the of the Amended and Restated Credit Agreement (A&R Credit Agreement), and Clause 9(f) of the Marketing Agreement dated 09.09.2020, before the London Court of International Arbitration on the ground that debt is not due.		
e) The Tribunal in both arbitrations was constituted on 9 January 2026, pursuant to the LCIA (London Court of International Arbitration) Rules. The Respondents i.e. US EXIM and Citi, filed an application dated 16.01.2026 under Article 22.1(viii) of the LCIA Rules in LCIA Arbitration No. 256638 (A&R Credit Agreement Arbitration), seeking early determination and dismissal of the arbitration on the ground that the Tribunal allegedly lacks jurisdiction. which was opposed by the company. following which the Respondents filed their rejoinder on 20.03.2026.		
f) A hearing on the said application was conducted before the Tribunal on 06.04.2026, The Tribunal's decision on the Respondents' early determination application is presently awaited. Pending such determination, the proceedings in LCIA Arbitration No. 256661 (Marketing Agreement Arbitration) remain stayed. Further, the timeline for filing the Statement of Claim shall be determined after the Tribunal decides the early determination application. The arbitration proceedings under these agreements are ongoing as of March 31, 2026.		
g) Further US Exim has filed an application under Section 7 of IBC, 2016 against Reliance Power Limited alleging default of debt (net debt US\$ 165.10 million) by The Company for guarantee provided by the Reliance Power Limited. this matter is sub judice, as The company has already filed an application on June 29, 2025 with LCIA as above on the ground that the debt is not due and the same is pending for adjudication.		
h) The rate of interest for the period till June 30, 2025 are 2.65 % to 3.65%, and for period beyond June 30, 2025 are 4.30% to 5.30%.		



Samalkot Power Limited
Notes to the financial statements for the year ended March 31, 2026 (Continued)

3.11(b) Trade Payables

Trade payables	As at March 31,2026	Rupees in lakhs As at March 31,2025
Total Outstanding dues of micro enterprises and small enterprises (Refer Note 17)	4	2
Total Outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note 12)	956	831
	960	833

Particulars	Outstanding as at 31.03.2026 for following periods from due date of payment				
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
(i) MSME	4	-	-	-	4
(ii) Others	190	88	-	678	956
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	194	88	-	678	960

Particulars	Outstanding as at 31.03.2025 for following periods from due date of payment				
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
(i) MSME	2	-	-	-	2
(ii) Others	153	-	-	678	831
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	155	-	-	678	833



Samalkot Power Limited

Notes to the financial statements as of and for the year ended March 31, 2026 (Continued)

Particulars	Rupees in lakhs	
	As at March 31, 2026	As at March 31, 2025
3.11(c) Other current financial liabilities		
Interest accrued and due on borrowings (Refer note 3.11.1 and 3.11.2)	6,988	-
Creditors for capital expenditure (Refer note 12)	2,13,960	1,98,333
Payable to holding company & Ultimate Holding Company (Refer note 12)	3,490	3,250
Others Payables	119	113
Advance from Customer	-	17
	2,24,557	2,01,713
3.12 Other current liabilities		
Statutory dues	39	24
	39	24
3.13 Current provisions		
Provision for gratuity (Refer note 9)	84	48
Provision for leave entitlement (Refer note 9)	42	32
	126	80



Samalkot Power Limited

Notes to the financial statements as of and for the year ended March 31, 2026 (Continued)

Particulars	Rupees in lakhs	
	Year ended March 31, 2026	Year ended March 31, 2025
3.14 Other income		
Interest income:		
Bank deposits	1,770	2,033
Other Interest	5	14
Liabilities written back	-	3
Sale of surplus material	15	390
	1,790	2,440
3.15 Employee benefits expense		
Salaries, bonus and other allowances	374	362
Contribution to provident and other funds (Refer note 9)	29	27
Gratuity (Refer note 9)	17	18
Leave compensation (Refer note 9)	8	48
Share - based Payments	9	-
	437	455
3.16 Finance costs		
Interest on:		
Foreign currency loans	8,033	4,650
Other finance charges	1	2
	8,034	4,652
3.17 Other expenses		
Port charges	68	93
Rent expenses	586	547
Repairs and maintenance		
- Plant and equipment	319	46
- Others	18	2
Printing and stationery	1	1
Legal and professional charges (Refer note 8)	340	197
Travelling and conveyance	32	20
Rates and taxes	33	3
Insurance	480	494
Security expenses	129	117
Electricity expenses	172	162
Miscellaneous expenses	69	59
	2,247	1,741



4) Project Status

The management had planned to set up a gas-based power plant consisting of 3 modules of 754 MW each at Samalkot (Andhra Pradesh), with gas being sourced from KG-D6 basin. After making significant progress in the construction of the said plant, the Company stopped further construction of the plant due to severe domestic gas shortage and non-availability of long-term domestic gas linkage.

The Company sold one module (Module 1) equipment to Samsung C&T (South Korea) in the financial year 2021-22.

The assets for balance two module to be carried forward as capital work in progress as per the guidance under Ind AS 105.

The Company has received binding offer to Purchase Project Equipment for 1500 MW (2 x 750 MW) Combined Cycle Power Plant Equipment (Module 2 and Module 3) from an interested party i.e AM Green Energies. B.V. Further Discussion with AM Green Energies. B.V on Finalization of binding Equipment Sale Agreement (ESA) and Letter of Credit are under progress, subject to final approval of the Board of Directors and lenders. The company is confident of closing the deal at the earliest subject to all approvals and clear the outstanding loans with the lenders.

Considering the above facts and financial assistance from the parent company, Reliance Power Limited, the Company's financial statements have been prepared on a going concern assumption.

5) Delay/ Default in repayment of outstanding dues to lenders**Delay / Default in repayment of Borrowings (Current) and Interest**

The Company has delayed/defaulted in the payment of borrowings. The lender wise details are as under

SN	Name of Lender	Borrowings				Interest			
		Delay in repayment during the year ended March 31, 2026		Default as at March 31, 2026		Delay in repayment during the year ended March 31, 2026		Default as at March 31, 2026	
		Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)
1	US Exim	-	-	1,75,006	275	-	-	6,988	275

SN	Name of Lender	Borrowings				Interest			
		Delay in repayment during the year ended March 31, 2025		Default as at March 31, 2025		Delay in repayment during the year ended March 31, 2025		Default as at March 31, 2025	
		Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)
1	US Exim	-	-	-	-	13,139	1163	-	-

The above amount, comprising principal of Rs 1,75,006 lakhs and interest of Rs 6,988 lakhs, has been included in the aforesaid default amount solely to comply with the disclosure requirements of Schedule III to the Companies Act, 2013. Such inclusion is without prejudice to the Ultimate Holding Company's / the Company's legal rights and contentions and shall not be construed as an admission by the Ultimate Holding Company / the Company that any default has occurred or that the guarantee has been validly invoked (Refer Note 3.11.2).



6) Disclosure pursuant to para 44A to E of Ind AS 7- Statement of Cash Flow: Net debt reconciliation

	Rupees in lakhs	
Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Borrowings		
Opening Balance		
- Non Current	-	-
- Current	158,231	154,182
Changes in Fair Value		
- Impact of effective rate of interest	-	-
Effect of foreign exchange fluctuation	16,775	4,081
Repaid during the year/period	-	(32)
Closing Balance		
- Non Current	-	-
- Current	175,006	158,231
Inter corporate deposit		
Opening Balance	80,226	171,348
Availed during the year	1,065	-
Transfer to Perpetual ICD	-	(91,122)
Closing Balance	81,291	80,226
Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Interest expenses		
Interest accrued but not due on borrowing (Opening)	-	-
Interest accrued and due on borrowing (Opening)	-	10,655
Interest Charge as per Statement Profit and Loss / Recoverable from other parties	8,034	4,652
Changes in Fair Value		
- Impact of effective rate of interest	-	-
Interest paid to Lenders	(1,046)	(15,307)
Interest accrued but not due on borrowing (closing)	-	-
Interest accrued and due on borrowing (closing)	6,988	-

7) Contingent liabilities and Commitments

Contingent liabilities

(a) Claims against the Company not acknowledged as debt:

Disputed income tax dues for Assessment Year 2014-15 is Rs. 220 lakhs, for Assessment Year 2015-16 is Rs. 411 lakhs, for Assessment Year 2016-17 is Rs 1 lakhs, for Assessment Year 2018-19 is Rs 20 lakhs.

(b) With respect to Company's liability towards Customs duty on equipment imported for Power Plant, (refer note 21).

8) Payment to the auditors (excluding taxes):

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
For audit	5	5
For other services	@	@
Out of pocket expenses	@	@
@ Amount is below the rounding off norm adopted by the Company		



9) Disclosure under Indian Accounting Standard 19 "Employee benefits" :

The Company has classified various employee benefits as under:

(a) Leave obligations

The leave obligations cover the Company's liability for sick and privileged leave.

Provision for compensated absences	Rupees in lakhs	
	March 31, 2026	March 31, 2025
Current	42	32
Non-current	50	55

(b) Defined contribution plans

- (i) Provident fund
- (ii) Superannuation fund
- (iii) State defined contribution plans
 - Employer's contribution to National Pension Scheme
 - Employer's Contribution to Employees' Pension Scheme, 1995

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner and the superannuation fund is administered by the trust. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

	Rupees in lakhs	
	Year ended March 31, 2026	Year ended March 31, 2025
Contribution to provident fund and employees' pension scheme 1995	21	20
Contribution to employees' superannuation fund	1	1
Employer's contribution to National Pension Scheme	7	6

(c) Post-employment obligations

Gratuity

The Company provides for gratuity according to the provisions of Payment of Gratuity Act, 1972 or the Company's schemes whichever is higher. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. According to the Payment of Gratuity Act, 1972, the amount of gratuity payable on retirement/termination is the employees' last drawn basic salary including dearness allowance, if any, per month computed proportionately for 15 days salary multiplied by the number of years of service with a ceiling at Rs. 20 lakhs. According to the Company's Gratuity Scheme, the amount of gratuity payable varies based on the reasons (retirement, resignation and death) for the termination of employment and the number of continuous year of service with a prescribed ceiling.

(i) Significant estimates: actuarial assumptions

Valuations in respect of gratuity have been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:

	March 31, 2026	March 31, 2025
Discount Rate (Per annum)	6.95%	6.55%
Rate of increase in compensation levels	7.50%	7.50%

The estimate of 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.

(ii) Balance sheet amounts - Gratuity

	Rupees in lakhs	
	Present value of obligations	
April 1, 2024		146
Current service cost		9
Interest cost		9



Total amount recognized in profit and loss account	18
Remeasurements	
loss from change in financial assumptions	4
Experience gains	(9)
Total remeasurements recognized in other comprehensive income	(5)
Benefit payments	-
March 31, 2025	159

	Rupees in lakhs
	Present value of obligations
April 1, 2025	159
Current service cost	8
Interest cost	9
Total amount recognized in profit and loss account	17
Remeasurements	
loss from change in financial assumptions	(2)
Experience loss	10
Total remeasurements recognized in other comprehensive income	8
Benefit payments	(11)
March 31, 2026	173

(iii) The net liability disclosed above relates to unfunded plans are as follows:

	March 31, 2026	Rupees in lakhs March 31, 2025
Present value of obligations (unfunded)	173	159
Current portion	84	48
Non-current portion	89	111

(iv) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Discount rate	0.40%	-0.60%	-1.62%	-1.95%	1.68%	2.03%
Salary growth rate	0.00%	0.00%	1.67%	2.01%	-1.62%	-1.94%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(v) The above defined benefit gratuity plan is unfunded and the Company has not invested in property or securities as at March 31, 2026 / March 31, 2025.

(vi) The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(vii) Defined benefit liability and employer contributions

The Company has no compulsion to pre fund the liability of the plan. The Company's policy is not to externally fund these liabilities but instead recognizes the provision and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Company.

The weighted average duration of the defined benefit obligation is 3.30 years (March 31, 2025: 3.98 years).



10) Income taxes

(i) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	Year ended March 31, 2026	Rupees in lakhs Year ended March 31, 2025
Profit / (loss) before income tax expense	(8,933)	(4,413)
Tax at the Indian tax rate of 26% (2024-25 – 26%)	(2,323)	(1,147)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	2,323	1,147
Expenses disallowed for tax purpose	-	-
Not taxable income	-	-
Income considered as capital receipt	-	-
Other items	-	-
Income tax expense	-	-

(ii) Net tax liabilities/ (Net assets):

Particulars	March 31, 2026	Rupees in lakhs March 31, 2025
Provision / (Advance) for income tax – Opening balances	(206)	(282)
Taxes paid (net of refund)	(26)	76
Current tax payable for the year	-	-
Income tax for earlier years	-	-
Provision / (Advance) for income tax – Closing balances	(232)	(206)

11) Assets pledged as security

Particulars	Notes	March 31, 2026	Rupees in lakhs March 31, 2025
Non-current			
Financial assets			
First charge			
Security deposit	3.3	568	364
Non-financial assets			
First charge			
Property, plant and equipment	3.1	4,675	4,680
Capital work in progress	3.2	1,65,686	1,33,284
Non-current tax assets (net)	3.4	232	206
Total non-current assets pledged as security		171,161	138,534
Current			
Financial assets			
Cash and bank balances	3.5(a)	552	645
Bank balances other than cash and cash equivalents	3.5(b)	25,831	26,095
Other financial assets	3.5(c)	1,226	1,450
Non-financial assets			
Other current assets	3.6	153	287
Total current assets pledged as security		27,762	28,477
Total assets pledged as security		198,923	167,011



12) Related party disclosures:

A. Parties where Control exists:

Ultimate Holding Company
Reliance Power Limited (R Power)

Holding Company
Reliance CleanGen Limited (RCGL)

B. Investing parties/promoters having significant influence on the Company directly or indirectly*:

Companies
Reliance Infrastructure Limited (R Infra)

C. Details of transactions during the year and closing balance at the end of the year

		Rupees in lakhs	
	Particulars	March 31, 2026	March 31, 2025
(i)	Transactions during the year :		
	Inter-corporate deposits converted to Perpetual		
	R Power	-	106,703
	Other Payable		
	R Infra	-	88
	Inter-corporate deposits received		
	R Power	1,065	
	Reimbursement of expenses paid by		
	R Power	240	-
(ii)	Closing Balance	March 31, 2026	March 31, 2025
	Equity share capital (excluding premium)		
	R Power	600	600
	RCGL	1961	1961
	Preference share capital		
	RCGL	1501	1501
	Creditors for capital expenditure		
	R Infra	213,960	198,333
	Perpetual Inter Company Deposit		
	R Power	106,703	106,703
	Payable to Holding and Ultimate Holding Company & Other		
	R Power	240	-
	RCGL	3,250	3,250
	Other Payables		
	R Infra	766	766
	Short term borrowings – inter-corporate deposits received		
	RCGL	80,226	80,226
	R Power	1,065	-

@ Amount is below the rounding off norm adopted by the Company

- (iii) The Ultimate Holding Company (R Power) has entered into agreement/ arrangement towards outstanding borrowings / other payables of the Company wherein it has committed/ guaranteed to extend financial support to the Company in the form of equity or debt as per the agreed means of finance, in respect of the project being undertaken, including that for mandatory pre-payments and permitted investments and to meet shortfall in the forex hedging, based on the future outcome of various uncertainties.
- (iv) R Power has given financial guarantee to lender of the Company towards outstanding obligation {(Refer note 3.11.1(b), and 3.11(c) for outstanding amount of borrowing)}
- (v) The above disclosures do not include transactions with public utility service providers, viz, electricity, telecommunications in the normal course of business.



13) Fair value measurements

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

(i) Financial instruments by category

	March 31, 2026 Amortised cost	Rupees in lakhs March 31, 2025 Amortised cost
Financial assets		
Other non-current financial assets		
Security deposit	568	364
Balances held with banks as margin money against the bank guarantee	-	-
Cash and cash equivalents	552	645
Bank balances other than cash and cash equivalents	25,831	26,095
Other financial assets	1,226	1,450
Total financial assets	28,177	28,554

	March 31, 2026 Amortised cost	Rupees in lakhs March 31, 2025 Amortised cost
Financial liabilities		
Foreign currency loan from a bank	175,006	158,231
Current borrowings		
Intercompany deposits	81,291	80,226
Trade payable	960	833
Other current financial liabilities		
Creditors for capital expenditure	213,960	198,333
Payable to holding company	3,250	3,250
Payable to Ultimate holding company	240	-
Interest accrued and due on borrowings	6,988	-
Other Payables	119	113
Advance from Customer	-	17
Total financial liabilities	481,814	441,003

(ii) Fair value of financial assets and liabilities measured at amortized cost

	March 31, 2026		March 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security deposits	568	568	364	364
Balances held with banks as margin money against the bank guarantee	-	-	-	-
Total financial assets	568	568	364	364
Financial liabilities				
Borrowings	175,006	175,006	158,231	158,231
Total financial liabilities	175,006	175,006	158,231	158,231



Notes:

- i. The fair values of current financial assets and financial liabilities are considered to be the same as their carrying amounts, mainly due to their short - term maturities.
- ii. The fair value for borrowings and retention money was calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy. The fair value of fixed deposits was calculated based on the interest rate prevailing as on the date of reporting for same tenure.
- iii. The Company's policy is to recognize transfer into and transfer out of fair value hierarchy levels as at the end of the reporting period.

(iii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities which are measured at amortized cost for which fair values are disclosed	Level 1	Level 2	Rupees in lakhs	
			Level 3	Total
As at March 31, 2026				
Security deposits	-	-	568	568
Balances held with banks as margin money against the bank guarantee	-	-		
Total financial assets	-	-	568	568
Financial liabilities				
Foreign currency loan from a bank	-	-	175,006	175,006
Total financial liabilities	-	-	175,006	175,006
Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Rupees in lakhs	
			Level 3	Total
As at March 31, 2025				
Security deposits	-	-	364	364
Balances held with banks as margin money against the bank guarantee	-	-		
Total financial assets	-	-	364	364
Financial liabilities				
Foreign currency loan from a bank	-	-	158,231	158,231
Total financial liabilities	-	-	158,231	158,231

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3

There are no transfers between any levels during the year.

The Company's policy is to recognize transfer into and transfer out of fair value hierarchy levels as at the end of the reporting period.



14) Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost	Credit ratings	Diversification of deposits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Financial support from the ultimate holding company
Currency risk	Recognised financial assets and liabilities not denominated in Indian Rupee (INR)	Sensitivity analysis	Treasury department monitors foreign exchange fluctuation on a periodical basis for determination of foreign currency requirements.

The Company's risk management is carried out by a central treasury department (group treasury) under policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and investment of excess liquidity.

A. Credit risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions.

For banks and financial institutions, only high rated banks/institutions are accepted.

Liquidity risk

Management monitors the rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. As the Company does not have any operational cash inflows the Company is largely dependent now upon the parent company's support.

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

With the continuing financial support from the ultimate holding company, management believes that the Company would be able to meet its financial and other obligations in the foreseeable future.

The amounts disclosed in the table are the contractual undiscounted cash flows. The tables include both interest and principal cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Rupees in lakhs			
Contractual maturities of financial liabilities March 31, 2026	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	181,994	-	-	181,994
Inter-corporate deposits	81,291	-	-	81,291
Creditors for capital expenditure	213,960	-	-	213,960
Payable to holding & Ultimate Holding Company	3,490	-	-	3,490
Other Payables	119	-	-	119
Trade payable	960	-	-	960
Advance from Customer	-	-	-	-
Total non-derivative liabilities	481,814	-	-	481,814



Contractual maturities of financial liabilities March 31, 2025	Rupees in lakhs			
	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	158,231	-	-	158,231
Inter-corporate deposits	80,226	-	-	80,226
Creditors for capital expenditure	198,333	-	-	198,333
Payable to holding company	3,250	-	-	3,250
Other Payables	113	-	-	113
Trade payable	833	-	-	833
Advance from Customer	17	-	-	17
Total non-derivative liabilities	441,003	-	-	441,003

B. Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign currency risk and b) Interest rate risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises from recognized liabilities denominated in a currency that is not the Company's functional currency (INR).

a) Foreign currency risk exposure:

The Company's total exposure to foreign currency risk (all in USD) at the end of the reporting period expressed in INR, are as follows:

Financial liabilities	Rupees in lakhs	
	March 31, 2026	March 31, 2025
Foreign currency borrowing	181,994	158,231
Capital creditors for expenditure	163,030	147,403
Total foreign currency liability	345,024	305,634

b) Sensitivity

The sensitivity of profit or loss and capital work-in-progress to changes in the exchange rates of foreign currency denominated financial instruments is as under:

USD sensitivity	Impact on profit before tax / capital work in progress	
	March 31, 2026	March 31, 2025
INR / USD - Increase by 6% (March 31, 2025 - 6%)*	(20,282)	(18,338)
INR / USD - Decrease by 6% (March 31, 2025 - 6%)*	20,282	18,338

*Holding all other variables constant

Since the Company has adopted the exemption of capitalizing foreign currency translation differences to fixed assets on transition to Ind AS (Refer Note 20). Accordingly, the sensitivity for foreign currency exposure also includes sensitivity on long term foreign currency monetary items attributable to property plant and equipment/ Capital work-in-progress.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



Samalkot Power Limited**Notes to the financial statements as of and for the year ended March 31, 2026 (Continued)**

a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	Rupees in lakhs	
	March 31, 2026	March 31, 2025
Fixed rate borrowings	181,994	158,231
Total borrowings	181,994	158,231

The fixed rate borrowings mentioned above do not include interest free inter corporate deposits received from the holding company.

b) Sensitivity of interest

The Company has only fixed rate borrowings and hence its profit or loss is not sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

15) Capital management

a) Risk Management

The Company manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimizing the return to stakeholders through the appropriate debt and equity balance.

The Company's capital structure is represented by equity (comprising issued capital and securities premium as detailed in notes 3.7, 3.8 and 3.9 respectively) and debt (borrowings as detailed in note 3.11, and 3.11(a)).

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

	Rupees in lakhs	
	March 31, 2026	March 31, 2025
Debt*	181,994	158,231
Equity	(283,195)	(274,262)
Total	(101,201)	(116,031)

16) Earnings per share:

	Rupees in lakhs	
	Year ended March 31, 2026	Year ended March 31, 2025
Profit attributable to equity shareholders (Rupees in lakhs) (A)	(8,942)	(4,408)
Weighted average number of equity shares for basic earnings per share (B)	25,609,400	25,609,400
Weighted average number of equity shares for diluted earnings per share (C)	25,609,400	25,609,400
Earnings per share - basic (Rupees) (A/B)	(34.92)	(17.21)
Earnings per share - diluted (Rupees) (A/C)	(34.92)	(17.21)
Nominal value of an equity share (Rupees)	10	10

7.5% Compulsory Convertible Non-Cumulative Redeemable Preference Shares had an anti-dilutive effect on earnings per share and hence have not been considered for the purpose of computing dilutive earnings per share.

17) Micro and Small Scale Business Entities

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act.

	Rupees in lakhs	
Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Principal amount due to suppliers as at the year end	4	2
Interest accrued, due to suppliers on the above amount, and unpaid as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed date under Section 16 of MSMED	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-



Samalkot Power Limited**Notes to the financial statements as of and for the year ended March 31, 2026 (Continued)**

Amount of Interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of Interest due and payable for the period of delay in making the payment, which has been paid but beyond the appointed date during the year, but without adding the interest specified under MSMED Act	-	-
Amount of Interest accrued and remaining unpaid at the end of each accounting year to suppliers	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED	-	-

- 18) The area in which the plant is under construction includes land admeasuring 61 acres, owned by R Infra which is under possession of the Company through Memorandum of Understanding. The Company has obtained an affirmation from R Infra that the assets on the land is the property of the Company.

19) Segment reporting

Presently, the Company is engaged in only one segment viz 'Generation of Power' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. The Company does not have any revenue from external customers and non-current assets outside India.

20) Exchange differences on foreign currency monetary items:

In accordance with Para D13AA of Ind AS 101 "First time adoption of Indian Accounting Standards" and the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs. Accordingly, during the year ended March 31, 2026 the Company has adjusted the value of Capital Work-in-Progress by Rs. 32,402 lakhs loss/(Gain) [March 31, 2025: 7,884 lakhs loss/(Gain)] towards the exchange difference arising on long term foreign currency monetary liabilities.

- 21) The Company had entered into an Erection, Procurement and Construction Contract with Rlnfra in the year 2010. As a part of Contract, Rlnfra was procuring and supplying certain offshore equipment by importing from out of India considering that, project has received provisional mega power status certificate from the Ministry of Power / Government of India which, inter alia, entails the project to avail the exemptions/ benefits of Mega power projects, including duty of customs. However, Customs authorities and Customs, Excise and Service Tax Appellate Tribunal have not considered the exemption of custom duty and the Company has filed an appeal before the Honorable Supreme Court of India claiming the benefits of Mega Power project. The Engineering Procurement and Construction (EPC) contract entered into with R Infra, is inclusive of all taxes and duties and hence such custom duty benefit, if granted under the aforesaid scheme will be passed on to R Infra.

On 10th March, 2019, the Company has filed an Interim Application before Honorable Supreme Court seeking direction to Customs to permit Rlnfra to continue to warehouse the goods on behalf of SPL and to permit SPL or Rlnfra on behalf of SPL to re-export the goods from out of India, as due to paucity of natural gas the Project cannot be setup in India. The date of hearing is awaited.

- 22) (a) The company has not advanced or loaned or invested funds to any other person(s) or equity(ies), including foreign (intermediaries) with the understanding that the intermediary shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(b) The companies have not received any fund from person(s) of equity(ies), including foreign entities (Funding Party) with the understanding (Whether recorded in writing or otherwise) that the companies shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (company ultimate beneficiaries) or provide by guarantee, security or the like to or on behalf of the ultimate beneficiaries.

- 23) As per the Section 248 of companies Act , 2013, there are no balance outstanding with stuck off companies.

- 24) During the year company is not declared willful defaulter by any bank or financial institution or other lender.



25) Share Based Payments

(a) Scheme Details

During the year ended March 31, 2026, the Nomination and Remuneration Committee of the Reliance Power Limited granted 1,34,347 Employee Stock Options (ESOPs) under the Reliance Power – Employee Stock Option Scheme, 2024 ("ESOS-2024") to eligible employees of the Company. The ESOPs granted are subject to achievement of specified performance conditions and continued employment and shall vest equally in four annual tranches over a total vesting period of four years from the date of grant. Details of number of options outstanding have been tabulated below:

Sr. no	Financial Year (Year of Grant)	No of options outstanding as at		Financial Year of Vesting	Exercise Price (Rs.)
		March 31, 2026	March 31, 2025		
1	ESOS - 2024	1,34,347	-	2025-26 to 2029-30	Rs. 10.00
	Total	1,34,347	-		

Exercise period would commence from the date of vesting and would expire not later than four years from the Grant Date,

(b) Fair Value on the grant date

The fair value at grant date is determined using "Black Scholes Model" which takes into account the exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended March 31, 2026 are mentioned below.

Sr. no	Particulars	ESOS - 2024
1	Weighted average exercise price	Rs. 10.00
2	Grant date:	November 10, 2025
3	Vesting year:	2025-26 to 2029-30
4	Share Price at grant date:	Rs. 39.19
5	Expected price volatility of Company's share:	55.09% to 57.91%
6	Expected dividend yield:	0%
7	Risk free interest rate:	5.91% to 6.30%

The expected price volatility is based on the historic volatility (based on remaining life of the options)

(c) Movement in share options during the year:

For ESOS - 2024:

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of share options	Weighted average exercise price (Rs.)	Number of share options	Weighted average exercise price (Rs.)
Balance at the beginning of the year	-	-	-	-
Granted during the year	1,34,347	10.00	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	1,34,347	10.00	-	-
Exercisable at the end of the year	-	-	-	-

Weighted average remaining contractual life of the share option outstanding at the end of year is 6.11 years (March 31, 2025 - Nil).

(d) Total expenses arising from share-based payment transactions recognised as part of employee benefit expense are as follows:

Particulars	As at	
	March 31, 2026	March 31, 2025
Share based payment expense	9	-
Total	9	-

(e) Total contribution from holding company arising from share-based payment transactions recognised as part of reserves are as follows:

Particulars	As at	
	March 31, 2026	March 31, 2025
Share based payment expense	9	-
Total	9	-



- 26) The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four Labour Codes, namely the Code on Wages, 2019; the Code on Social Security, 2020; the Industrial Relations Code, 2020; and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes"). Part of the provisions of these Codes have become effective from November 21, 2025. However, the corresponding supporting rules under these Codes are yet to be notified. The Company is in the process of evaluating the overall impact of the New Labour Codes. Based on the assessment carried out so far, the Company has estimated the incremental liability in respect of its own employees, which is not material to the financial results.

27) Ratios

Sr	Particulars	March 31, 2026	March 31, 2025
A	Current ratio	0.06	0.06
B	Debt Equity ratio	(0.91)	(0.87)
C	Debt Service Coverage ratio	(0.11)	0.05
D	Return on Equity ratio	NA*	NA*
E	Inventory turnover ratio	NA	NA
F	Trade Receivables turnover ratio	NA	NA
G	Trade Payables turnover ratio	2.51	2.20
H	Net Capital turnover ratio	NA	NA
I	Net Profit ratio	NA	NA
J	Return on capital employed	(0.33)	(0.12)
K	Return on Investment	(0.00)	(0.00)

Ratios have been computed as under:

- Current Ratio: Current Assets/Current Liabilities
- Debt Equity Ratio = Total Debt / Equity excluding Revaluation Reserve
- Debt Service Coverage Ratio = Earnings before Interest and Tax and exceptional items / (Interest on Long Term and Short Term Debt for the period/year + Principal Repayment of Long Term Debt for the period/ year).
- Return on Equity = Net profit / Shareholder's fund
- Inventory turnover ratio = Turnover / Average inventory
- Trade Receivables turnover ratio = Turnover / Average Receivables
- Trade Payables turnover ratio = Turnover / Average Payables
- Net Capital turnover ratio = Turnover / Capital Employed
- Net Profit ratio = Net Profit / Turnover
- Return on capital employed = Net Profit / (Debt + Equity)
- Return on Investment = Net profit before interest and dividend / Equity

* Due to negative net- worth

- 28) The figures of previous year are regrouped/ re-casted, wherever necessary.



Samalkot Power Limited
Notes to the financial statements as of and for the year ended March 31, 2026 (Continued)

Samalkot Power Limited

As per our attached Report of even date

For Shridhar & Associates

Firm Registration No: 0134427W

Chartered Accountants



Jitendra Sawjanya

Partner

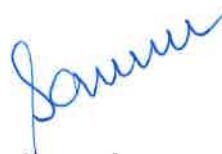
Membership No. 050980



Place: Mumbai

Date: May 20, 2026

For and on behalf of the Board of Directors



Sameer Kumar Gupta

Director

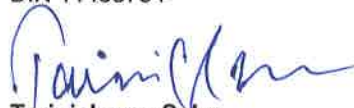
DIN 03486281



Venkata Rao Mutyala

Director

DIN 11433754



Tarinicharan Sahu

Chief Financial Officer

Place: Mumbai

Date: May 20, 2026

