

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of MALCO Energy Limited

### **Report on the Audit of the IND AS Financial Statements**

#### **Opinion**

We have audited the accompanying IND AS financial statements of MALCO Energy Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the IND AS financial statements, including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the director's report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

### **Responsibility of Management for the IND AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the IND AS Financial Statements**

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

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

- ▶ Identify and assess the risks of material misstatement of the IND AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2 (i) (vi) below on reporting under Rule 11(g);
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2 (i) (vi) below on reporting under Rule 11(g).
  - (g) With respect to the adequacy of the internal financial controls with reference to these IND AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statement - Refer note 42 to the Ind-AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person 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 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 such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Company.

- vi. Based on our examination which included test checks, the Company has used 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 except that, audit trail feature is not enabled for direct changes to data in certain tables when using system administrator access rights, as described in note 48 (x) to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

sd/-

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**per Anant Acharya**  
Partner  
Membership Number: 124790  
UDIN: 24124790BKFUFQ2409  
Place of Signature: Mumbai  
Date: April 16, 2024

**Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date:**

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

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

(b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment including Right of use assets during the year ended March 31, 2024.

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

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2024 and no discrepancies were noticed. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) As disclosed in note 23 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

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

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

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

- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to generation and supply of power, met coke, nickel sulphate, nickel metal and cobalt and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, custom duty, employees' state insurance corporation and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of custom duty and service-tax which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Period to which the amount relates	Amount in INR Crores *	Forum where the dispute is pending
Customs Act, 1962	Custom Duty	2011-12, 2012-13 and 2014-15	22.62	Customs Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service tax	2014	0.79	CESTAT Chennai

\*Net of amount paid under protest

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis in the form of related party loans aggregating to Rs. 32.25 crores for long-term purposes representing acquisition of property plant and equipment.

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

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Further, the Company does not have any associate or joint venture.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the note 43 to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order in so far as it relates to section 177 of the Act is not applicable to the Company.

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

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

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



- (xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses amounting to Rs. 85.64 Crores in the current year. The Company has incurred cash loss of Rs. 244.06 crores in immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 51 to the financial statements, the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering the Company's current liabilities exceeds the current assets by INR 480.33 Crores, the Company has obtained the letter of financial support from the Holding Company, nothing has come to our attention, which causes us to believe that Company is not capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.

We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

**For S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

sd/-

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**per Anant Acharya**  
Partner  
Membership Number: 124790  
UDIN: 24124790BKFUFQ2409  
Place of Signature: Mumbai  
Date: April 16, 2024

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE INDAS FINANCIAL STATEMENTS OF MALCO Energy Limited LIMITED**

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

We have audited the internal financial controls with reference to IND AS financial statements of MALCO Energy Limited ("the Company") as of March 31, 2024 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

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

### **Meaning of Internal Financial Controls with Reference to these IND AS Financial Statements**

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

### **Inherent Limitations of Internal Financial Controls With Reference to IND AS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to IND AS 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 IND AS financial statements to future periods are subject to the risk that the internal financial control with reference to IND AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to IND AS financial statements and such internal financial controls with reference to IND AS financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

sd/-

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**per Anant Acharya**  
Partner  
Membership Number: 124790  
UDIN: 24124790BKFUFQ2409  
Place of Signature: Mumbai  
Date: April 16, 2024

**MALCO Energy Limited**  
**Balance Sheet as at 31 March 2024**

Particulars	Notes	As at 31 March 2024 Rs. Crores	As at 31 March 2023 Rs. Crores
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	321.14	318.51
(b) Intangible assets	4	0.15	0.40
(c) Capital Work in Progress	5	11.08	23.01
(d) Right-of-use Asset	6	29.17	21.64
(e) Financial assets			
(i) Investments	7	-	-
(ii) Other financial assets	8	0.12	0.12
(f) Income tax assets (net)	9	7.96	7.09
(g) Other non-current assets	10	19.67	16.32
<b>Total non-current assets</b>		<b>389.29</b>	<b>387.09</b>
<b>Current assets</b>			
(a) Inventories	11	182.72	438.63
(b) Financial assets			
(i) Investments	7	36.86	15.84
(ii) Trade receivables	12	27.51	6.15
(iii) Cash and cash equivalents	13	26.05	24.85
(iv) Other bank balances	14	6.49	6.10
(v) Loans	15	0.10	0.01
(vi) Derivatives	16	2.30	31.21
(vii) Other financial assets	17	12.19	34.84
(c) Other current assets	18	118.27	108.23
<b>Total current assets</b>		<b>412.49</b>	<b>665.86</b>
<b>Total assets</b>		<b>801.78</b>	<b>1,052.95</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	19	4.67	4.67
(b) Other equity	20	(98.68)	15.02
<b>Total equity</b>		<b>(94.01)</b>	<b>19.69</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Lease liabilities	21	2.97	0.19
<b>Total non-current liabilities</b>		<b>2.97</b>	<b>0.19</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	361.97	477.37
(ii) Lease Liabilities	24	6.06	0.06
(iii) Operational buyers' credit / suppliers' credit	22	124.56	141.20
(iv) Trade payables	25		
· Total outstanding dues of micro and small enterprises		5.90	22.12
· Total outstanding dues of creditors other than micro and small enterprises		262.56	279.30
(v) Derivatives		0.10	0.10
(vi) Other financial liabilities	26	72.17	41.29
(b) Other current liabilities	27	58.91	70.64
(c) Provisions	28	0.59	0.99
<b>Total current liabilities</b>		<b>892.82</b>	<b>1,033.07</b>
<b>Total equity and liabilities</b>		<b>801.78</b>	<b>1,052.95</b>

Summary of Material Accounting Policies 2B

The accompanying notes are forming part of the financial statements.

**As per our report of even date**

**For S R B C & CO LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No : 324982E/E300003**

**per Anant Acharya**  
**Partner**  
**Membership No. - 124790**

**Place : Mumbai**  
**Date : 16 April 2024**

**For and on behalf of Board of Directors**

**Navin Kumar Jaju**  
**Director**  
**DIN 00669654**

**Poovannan Sumathi**  
**Director**  
**DIN 07147100**

**Place : Goa**  
**Date : 16 April 2024**

**Place : Tuticorin**  
**Date : 16 April 2024**

**MALCO Energy Limited****Statement of Profit and Loss for the year ended 31 March 2024**

Particulars	Notes	For the year ended 31 March 2024 Rs. Crores	For the year ended 31 March 2023 Rs. Crores
<b>I</b> Revenue from operations	29	615.75	533.72
<b>II</b> Other Operating income	30	31.18	4.39
<b>III</b> Other income	31	21.61	5.05
<b>IV Total income (I+II+III)</b>		<b>668.54</b>	<b>543.16</b>
<b>V Expenses:</b>			
Cost of materials consumed	32	428.78	790.72
Purchases of traded goods		4.63	17.26
Changes in inventories of finished goods	33	121.86	(177.74)
Power & fuel	35	17.85	7.84
Employee benefits expense	34	21.22	14.61
Finance costs	36	50.90	34.05
Depreciation and amortization expense	37	31.78	22.81
Other expenses	38	108.94	100.48
<b>Total expenses</b>		<b>785.96</b>	<b>810.03</b>
<b>VI Profit/(Loss) before tax (IV-V)</b>		<b>(117.42)</b>	<b>(266.87)</b>
<b>VII Tax expense</b>	39	-	-
<b>VIII Profit/(Loss) for the year (VI-VII)</b>		<b>(117.42)</b>	<b>(266.87)</b>
<b>Other Comprehensive income</b>			
Items not to be reclassified to profit and loss			
- Remeasurement gains/(losses) on defined benefit plans		0.02	0.22
- Income tax effect		-	-
Items to be reclassified to profit and loss			
- Effective portion of gains on hedging instrument in cash flow hedges		3.70	(4.46)
<b>IX Other comprehensive income for the year</b>		<b>3.72</b>	<b>(4.24)</b>
<b>X Total comprehensive income for the year (VIII+IX)</b>		<b>(113.70)</b>	<b>(271.11)</b>
<b>XI Earnings per equity share of Rs.2 each</b>			
- Basic & Diluted (Note 46)		(50.25)	(114.21)
Summary of Material Accounting Policies	2B		

The accompanying notes are forming part of the financial statements.

**As per our report of even date**

**For S R B C & CO LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No : 324982E/E300003**

sd/-  
**per Anant Acharya**  
**Partner**  
**Membership No. - 124790**

**Place : Mumbai**  
**Date : 16 April 2024**

**For and on behalf of Board of Directors**

sd/-  
**Navin Kumar Jaju**  
**Director**  
**DIN 00669654**

sd/-  
**Poovannan Sumathi**  
**Director**  
**DIN 07147100**

**Place : Goa**  
**Date : 16 April 2024**

**Place : Tuticorin**  
**Date : 16 April 2024**

**MALCO Energy Limited**  
**Statement of Cash Flow for the year ended 31 March 2024**

Particulars	For the year ended 31 March 2024 Rs. Crores	For the year ended 31 March 2023 Rs. Crores
<b>Cash flows from operating activities</b>		
Profit before tax	(117.42)	(266.87)
<b>Adjustments to reconcile profit before tax to net cash flow:</b>		
Depreciation and amortization expenses	31.78	22.81
Gain on sale/fair valuation of current investment measured at FVTPL	(0.53)	(0.37)
Interest income	(17.49)	(1.54)
Loss on disposal of property, plant and equipment	1.36	-
Liabilities written back	(4.69)	-
Interest Expenses	50.90	34.05
	<b>(56.09)</b>	<b>(211.92)</b>
<b>Movement in working capital</b>		
(Increase)/Decrease in inventories	255.91	(380.99)
(Increase)/Decrease in trade and other receivables	11.77	(93.95)
Increase/(Decrease) in trade and other payable	(39.30)	389.58
	<b>172.29</b>	<b>(297.28)</b>
<b>Cash generation from operation</b>	<b>172.29</b>	<b>(297.28)</b>
Income tax paid (net)	(0.87)	(0.67)
<b>Net cash from operating activities</b>	<b>(A) 171.42</b>	<b>(297.95)</b>
<b>Cash flows from investing activities</b>		
(Increase)/decrease in other bank balances (net)	-	(5.87)
Purchase of Property Plant and Equipment	(32.25)	(33.20)
Proceeds from sale of property, plant and equipment	0.79	-
Purchase of current investments	(215.80)	(140.90)
Proceeds from sale of current investments	195.31	135.17
Interest / investment income received	17.07	1.53
<b>Net cash from/(used in) investing activities</b>	<b>(B) (34.88)</b>	<b>(43.27)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(18.49)	(12.37)
Proceeds from short term borrowings	488.42	404.34
Repayment of short term borrowings	(603.82)	(74.14)
Payment of lease liability	(1.45)	-
<b>Net cash from/(used in) financing activities</b>	<b>(C) (135.34)</b>	<b>317.83</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C) 1.20</b>	<b>(23.39)</b>
Cash and cash equivalents at the beginning of the year	24.85	48.24
<b>Cash and cash equivalents at the end of the year</b>	<b>26.05</b>	<b>24.85</b>
<b>Cash and cash equivalents at the end of the year consist of (Refer note 13)</b>		
Balances with banks	25.00	23.85
Bank deposits with original maturity of less than 3 months (including interest accrued thereon)	1.05	1.00
<b>Total</b>	<b>26.05</b>	<b>24.85</b>
<b>Non-cash Investing and financing transactions</b>		
-Net gain arising on Financial assets measured at FVTPL	0.04	0.01
	<b>0.04</b>	<b>0.01</b>

Summary of Material Accounting Policies

2B

The accompanying notes are forming part of the financial statements.

**As per our report of even date**

**For S R B C & CO LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No : 324982E/E300003**

sd/-

**per Anant Acharya**  
**Partner**  
**Membership No. - 124790**

**Place : Mumbai**  
**Date : 16 April 2024**

**For and on behalf of Board of Directors**

sd/-  
**Navin Kumar Jaju**  
**Director**  
**DIN 00669654**

sd/-  
**Poovannan Sumathi**  
**Director**  
**DIN 07147100**

**Place : Goa**  
**Date : 16 April 2024**

**Place : Tuticorin**  
**Date : 16 April 2024**

**MALCO Energy Limited**  
**Statement of changes in equity for the year ended 31 March 2024**

**Rs. Crores**

Particulars	Equity Share Capital	Other equity					Total other equity	Total equity
		Instruments entirely equity in nature - compulsorily convertible debentures	Reserves and surplus		Items of Other comprehensive income			
			Securities premium	Retained earnings	Remeasurement - Defined Benefit Obligation	Hedging Reserve		
<b>As at 31 March 2022</b>	<b>4.67</b>	<b>6,135.45</b>	<b>99.92</b>	<b>(5,948.90)</b>	<b>(0.34)</b>	<b>-</b>	<b>286.13</b>	<b>290.81</b>
Profit/(Loss) for the year	-	-	-	(266.87)	-	-	(266.87)	(266.87)
Other comprehensive income	-	-	-	-	0.22	(4.46)	(4.24)	(4.24)
Total comprehensive income	-	-	-	(266.87)	0.22	(4.46)	(271.11)	(271.11)
<b>As at 31 March 2023</b>	<b>4.67</b>	<b>6,135.45</b>	<b>99.92</b>	<b>(6,215.78)</b>	<b>(0.12)</b>	<b>(4.46)</b>	<b>15.02</b>	<b>19.69</b>
Profit/(Loss) for the year	-	-	-	(117.42)	-	-	(117.42)	(117.42)
Other comprehensive income	-	-	-	-	0.02	3.70	3.72	3.72
Total comprehensive income	-	-	-	(117.42)	0.02	3.70	(113.70)	(113.70)
<b>As at 31 March 2024</b>	<b>4.67</b>	<b>6,135.45</b>	<b>99.92</b>	<b>(6,333.20)</b>	<b>(0.10)</b>	<b>(0.76)</b>	<b>(98.68)</b>	<b>(94.01)</b>

The accompanying notes are forming part of the financial statements.

**As per our report of even date**

**For S R B C & CO LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No : 324982E/E300003**

sd/-  
**per Anant Acharya**  
**Partner**  
**Membership No. - 124790**

**Place : Mumbai**  
**Date : 16 April 2024**

**For and on behalf of Board of Directors**

sd/-  
**Navin Kumar Jaju**  
**Director**  
**DIN 00669654**

**Place : Goa**  
**Date : 16 April 2024**

sd/-  
**Poovannan Sumathi**  
**Director**  
**DIN 07147100**

**Place : Tuticorin**  
**Date : 16 April 2024**



## **1. Company overview:**

MALCO Energy Limited ('the Company') is a public limited Company domiciled in India and is incorporated under the provisions of Companies Act, 1956. The Company is engaged in the business of generation and supply of power, production of low ash Metallurgical coke, Nickel sulphate, Cobalt and Nickel Cathode.

During financial year 2021-22 MALCO Energy Limited has acquired assets of Gujarat NRE Coke Limited and Nicomet Industries Limited. The detailed note is as below:

The Company had acquired assets of Bhachau and Khambalia blocks of Gujarat NRE Coke Limited, Company under liquidation as per the Insolvency and Bankruptcy Code 2016 for the time being in force for a cash consideration of Rs 165.99 Crores. Stamp Duty paid on the acquisition was Rs. 9.7 Crores. Assets acquired mainly includes Plant and equipment, Freehold Land and Buildings. Acquisition of Gujarat coke assets will enable the company to become one of the largest merchant met coke manufactures in India. Met coke is a vital raw material for steel plant operating through blast furnace route and are also used in Chemical and Zinc plants.

The Company had acquired assets of Nicomet Industries Limited which was under liquidation process as per the Insolvency and Bankruptcy code, 2016 (including all amendments for the time being in force) for a cash consideration of Rs 51.50 Crores and subsequent stamp duty and registration fee of Rs 3.3 Crores. The assets acquired mainly include leasehold land, building and Plant & Machinery of similar value as the cash consideration. Nickel unit is the first and the only Company engaged in manufacturing Nickel and Cobalt through processing of Concentrates in India, which is a vital raw material for manufacturing of EV batteries, High quality steel products and super alloys.

## **2A. Basis of preparation and basis of measurement of financial statements**

### **(a) Basis of preparation:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

Basis the projections prepared by the Company, the management believes that the net current liabilities of Rs. 480.33 crores will be bridged mainly through additional funding by the holding company and internal accruals. Further, Vedanta Limited, the parent Company has through letter of support, agreed to continue to provide financial support to the Company for its continued operations at least for next eighteen months, if the Company is unable to meet its funding requirements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in accounting policy of fair value measurement and financial instruments below. The accounting policies adopted for preparation and presentation of financial statement have been consistently applied. The financial statements are presented in INR and all values are rounded to the nearest Crores, except when otherwise indicated.

### **(b) Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 2B.

## **2B. Material accounting policies:**

### **(a) Revenue Recognition:**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

### **Sale of Power:**

Revenue from sale of power is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery and measured based on rates as per contractual agreements with buyers.

### **Sale of Coke & Nickel:**

Revenue from the sale of coke & Nickel is recognized at the point of time when control of assets is transferred to the customer, measured at the rates as per contractual agreement with the customer. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes. Revenues from sale of by products are included in revenue.

Certain sales contracts of the Company provide for provisional pricing based on the price on the London Metal Exchange (LME) as specified in the contract. Revenue in respect of such contracts is recognised when control passes to the customer and is measured at the amount the entity expects to be entitled – being the estimate of the price expected to be received at the end of the measurement period. Post transfer of control of goods, provisional pricing features are accounted in accordance with Ind AS 109 'Financial Instruments' rather than Ind AS 115 Revenue from contracts with customers and therefore the Ind AS 115 rules on variable consideration do not apply. These 'provisional pricing' adjustments, i.e. the consideration adjusted post transfer of control are included in total revenue from operations on the face of the statement of profit and loss and disclosed by way of note to the financial statements. Final settlement of the price is based on the applicable price for a specified future period. The Company's provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

### **Dividend Income:**

Dividend income is recognised when the right to receive payment is established.

### **Interest income:**

Interest income from a financial assets is recognised using the Effective Interest Rate (EIR).

### **(b) 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

**(c) Foreign Currency:**

The Company's financial statements are presented in INR, which is also the Company's functional currency. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit or Loss.

Non-monetary items denominated in a foreign currency are measured at historical cost and translated at exchange rate prevalent at the date of transaction.

**(d) Income Tax:**

Current Tax:

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the tax are those that are enacted at the reporting date. In financial year 21-22 Company has adopted Section 115BAA of Income Tax Act, 1961 with Statutory rate of 22% plus surcharge of 10% and cess of 4%. Current income tax relating to items recognised outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred Tax:

Deferred Tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

**(e) Property, Plant and Equipment:**

Property, plant and equipment is stated at cost net of accumulated depreciation and accumulated impairment loss, if any. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the Statement of Profit or Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improve the economic benefits expected to arise from the asset.

Assets in the course of construction are stated at cost less impairment loss, if any. Such assets are classified to the appropriate category of property, plant and equipment when completed and ready for intended use.

Gain or loss arising on de-recognition of the asset is included in the Statement of Profit & Loss when the asset is derecognised.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	05-50 years
Plant and equipment	03-40 years
Furniture and fixtures	05-10 years
Vehicles	05-10 years
Office equipment	03-10 years

The management has estimated the above useful life and the same is supported by technical expert.

Major overhaul costs are depreciated over the estimated life of the economic benefit to be derived from the overhaul.

**(f) Intangible Assets:**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised over their estimated useful lives. The estimated useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets representing cost of software capitalised is amortised over its useful life which is estimated to be a period of three years.

**(g) Right-of-Use Asset:**

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

Leasehold Land : 60-80 years

Leasehold plant & equipment : 5 years  
Leasehold Vehicle : 1-2 years

**(h) Inventories:**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on following basis :

Purchased concentrate is recorded at cost on a first-in, first-out ("FIFO") basis; all other materials including stores and spares are valued on a weighted average basis;

finished products are valued at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity and are moved out of inventory on a weighted average basis (except in Nickle business where FIFO basis is followed); and

By-products and scrap are valued at net realisable value.

Net realisable value is determined based on estimated selling price, less further costs expected to be incurred for completion and disposal.

**(i) Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(j) Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**(k) Contingent liabilities and contingent assets**

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

**(l) Retirement and other employee benefits:**

**i) Defined contribution plans**

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognizes contribution payable to the provident fund and superannuation scheme as an expense, when an employee renders the related service.

## **ii) Defined benefit plans**

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the scheme is determined on the basis of actuarial valuation using Projected Unit Credit Method at the date of Balance Sheet.

Remeasurements, comprising actuarial gains and losses and the return on plan assets (excluding net interest), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit or Loss in subsequent periods.

## **iii) Short term and other long term employee benefits**

Benefits accruing to employees in respect of wages, salaries and compensated absences and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit expected to be paid in exchange of related service. Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method at the present value of the estimated future cash flow expected to be made by the Company in respect of services provided by employees up to the reporting date. The Company presents the leave as a current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

## **(m) Financial instruments:**

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

### **(i) Financial assets:**

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial asset

#### **- Financial assets at amortised cost:**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss.

#### **- Financial assets at fair value through other comprehensive income:**

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement

of Profit and Loss.

**- Financial assets at fair value through profit & loss (FVTPL):**

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

Derecognition:

The Company derecognises a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

**(ii) Investment in subsidiary:**

Investment in subsidiary is measured at cost less Impairment, if any, as per Ind AS- 27 'Separate Financial Statement'.

**(iii) Financial Liabilities:**

Initial recognition and measurement:

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

Subsequent measurement:

**- Financial liabilities at fair value through profit & loss:**

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

**- Financial liabilities at amortised cost:**

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

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

Derecognition:

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

**(iv) Offsetting of financial instruments**

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

## **(n) Derivative financial instruments and hedge accounting**

Initial recognition and subsequent measurement In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

### **- Fair value hedges**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit and loss. Hedge accounting is discontinued when the Company revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

### **- Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Amounts recognised in OCI are transferred to the statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in OCI are transferred to the initial carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria



for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

### **(o) Impairment**

#### **(i) Financial assets**

The Company assessed the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the Company's past history of recovery, credit worthiness of the counter party and existing and future market conditions.

For all financial assets other than trade receivables, expected credit losses are measured at an amount equal to the 12-month expected credit loss (ECL) unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. For trade receivables, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the receivables and contract assets. Impairment of Investment in subsidiary, if any, is determined based on value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investment.

#### **(ii) Non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses including impairment on inventories are recognised in the statement of profit and loss. For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

#### **(p) Share Based payments:**

Vedanta Resources Plc ("VRPLC"), the ultimate holding Company, offers certain share based incentives under the Long-Term Incentive Plan ("LTIP") to employees and directors of the Company. VRPLC recovers the proportionate cost (calculated based on the grant date fair value of the options granted) from the Company, which is charged to the Statement of Profit or Loss.

#### **(q) Cash and cash equivalents:**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(r) Lease:**

The Company assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

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

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as described in Note 2(i)

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Financial Liabilities.

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

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

**(s) Buyers' Credit/ Suppliers' Credit and vendor financing:**

The Company enters into arrangements whereby banks and financial institutions make direct payments to suppliers for raw materials and project materials. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled between twelve months (for raw materials) to thirty-six months (for project materials). Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet. Where these arrangements are with a maturity beyond twelve months and up to thirty six months, the economic substance of the transaction is determined to be financing in nature, and these are presented within borrowings in the balance sheet. Interest expense on these are recognised in the finance cost. Payments made by banks and financial institutions to the operating vendors are treated as a non cash item and settlement of due to operational buyer's credit/ suppliers' credit by the Company is treated as an operating cash outflow reflecting the substance of the payment.

**(t) Events after Reporting Period:**

There are no significant events which have occurred after the end of reporting period requiring adjustment of disclosure in Financial Statements.

**2C. Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. The Company considers the following areas as the key sources of estimation uncertainty:

**(i) Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company has Rs. 1,744.59 Crores (31 March 2023: Rs. 1,675.39 Crores) of unabsorbed depreciation and Rs. 335.38 Crores (31 March 2023: Rs 253.04 Crores) of business losses carried forward. The Company neither have any major taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has recognised the deferred tax assets only to the extent of deferred tax liabilities on the taxable temporary differences. Further details on taxes are disclosed in Note 39.

**(iii) Defined benefit plans**

The Company's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 44 to the financial statements.

**(iv) Contingencies and commitments:**

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements. While considering the possible, probable and remote analysis of taxation, legal and other claims, there is always a certain degree of judgement involved pertaining to the application of the legislation which in certain cases is supported by views of tax experts and/or earlier precedents in similar matters. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability. These are set out in Note 42 to the financial statements.

**2D. Standards notified but not yet effective**

There are no standards that are notified and not yet effective as on the date.

**3 Property, plant and equipment****(Rs. Crores)**

Particulars	Plant and equipment	Freehold Land	Buildings	Furniture and fixtures	Vehicles	Office equipment	Roads	Total
<b>Cost</b>								
<b>At 31 March 2022</b>	<b>246.37</b>	<b>77.58</b>	<b>25.09</b>	<b>0.43</b>	<b>2.54</b>	<b>1.48</b>	-	<b>353.49</b>
Additions	40.45	-	14.83	0.20	-	2.16	0.02	57.66
Disposals	-	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>286.82</b>	<b>77.58</b>	<b>39.92</b>	<b>0.63</b>	<b>2.54</b>	<b>3.64</b>	<b>0.02</b>	<b>411.15</b>
Additions	25.36	-	8.10	0.29	-	0.47	-	34.22
Disposals	2.54	-	-	0.00	-	0.00	-	2.54
<b>At 31 March 2024</b>	<b>309.64</b>	<b>77.58</b>	<b>48.02</b>	<b>0.92</b>	<b>2.54</b>	<b>4.11</b>	<b>0.02</b>	<b>442.83</b>
<b>Depreciation</b>								
<b>At 31 March 2022</b>	<b>68.49</b>	-	<b>0.45</b>	<b>0.27</b>	<b>0.23</b>	<b>0.93</b>	-	<b>70.37</b>
Depreciation charge for the year	20.53	-	1.42	0.07	-	0.25	0.00	22.27
Disposals	-	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>89.02</b>	-	<b>1.87</b>	<b>0.34</b>	<b>0.23</b>	<b>1.18</b>	<b>0.00</b>	<b>92.64</b>
Depreciation charge for the year	25.94	-	2.83	0.04	-	0.48	0.00	29.29
Disposals	0.24	-	-	0.00	-	0.00	-	0.24
<b>At 31 March 2024</b>	<b>114.72</b>	-	<b>4.70</b>	<b>0.38</b>	<b>0.23</b>	<b>1.66</b>	<b>0.00</b>	<b>121.69</b>
<b>Net book value</b>								
At 31 March 2023	197.80	77.58	38.05	0.29	2.31	2.46	0.02	318.51
At 31 March 2024	194.92	77.58	43.32	0.54	2.31	2.45	0.02	321.14

**4 Intangible assets****(Rs. Crores)**

Particulars	Computer Software	Total
<b>Cost</b>		
<b>At 31 March 2022</b>	<b>1.13</b>	<b>1.13</b>
Additions	-	-
Disposals	-	-
<b>At 31 March 2023</b>	<b>1.13</b>	<b>1.13</b>
Additions	-	-
Disposals	-	-
<b>At 31 March 2024</b>	<b>1.13</b>	<b>1.13</b>
<b>Amortisation</b>		
<b>At 31 March 2022</b>	<b>0.49</b>	<b>0.49</b>
Amortisation	0.24	0.24
<b>At 31 March 2023</b>	<b>0.73</b>	<b>0.73</b>
Amortisation	0.25	0.25
<b>At 31 March 2024</b>	<b>0.98</b>	<b>0.98</b>
<b>Net book value</b>		
At 31 March 2023	0.40	0.40
At 31 March 2024	0.15	0.15

5 Capital Work In Progress	(Rs. Crores)	
	Amount	Total
<b>At 31 March 2022</b>	45.88	45.88
Additions	34.82	34.82
Transferred to Property Plant and Equipment	57.69	57.69
Disposals	-	-
<b>At 31 March 2023</b>	<b>23.01</b>	<b>23.01</b>
Additions	33.47	33.47
Transferred to Property Plant and Equipment	45.40	45.40
Disposals	-	-
<b>At 31 March 2024</b>	<b>11.08</b>	<b>11.08</b>

**Capital Work In Progress (CWIP) ageing schedule**

(Rs. Crores)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Projects in Progress	Projects temporarily Suspended	Total	Projects in Progress	Projects temporarily Suspended	Total
Less than 1 year	3.26	1.20	4.46	13.23	3.90	17.13
1-2 year	-	4.11	4.11	5.88	-	5.88
2-3 year	-	2.51	2.51	-	-	-
2-3 year	-	-	-	-	-	-
More than 3 year	-	-	-	-	-	-
<b>Total</b>	<b>3.26</b>	<b>7.82</b>	<b>11.08</b>	<b>19.11</b>	<b>3.90</b>	<b>23.01</b>

**Notes:**

(i) Completion of Capital work in progress is not overdue and the cost of the same has not exceeded the budget, hence disclosure relating to the timelines and budgets has not been given.

6 Right-of-use Asset	(Rs. Crores)			
	Leasehold Land	Leasehold Plant and equipment	Leasehold vehicle	Total
<b>Cost</b>				
<b>At 31 March 2022</b>	22.02	-	-	22.02
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 March 2023</b>	<b>22.02</b>	-	-	<b>22.02</b>
Additions	-	1.10	8.67	9.77
Disposals	-	-	-	-
<b>At 31 March 2024</b>	<b>22.02</b>	<b>1.10</b>	<b>8.67</b>	<b>31.79</b>
<b>Depreciation</b>				
<b>At 31 March 2022</b>	0.07	-	-	0.07
Depreciation charge for the year	0.31	-	-	0.31
Disposals	-	-	-	-
<b>At 31 March 2023</b>	<b>0.38</b>	-	-	<b>0.38</b>
Depreciation charge for the year	0.31	0.10	1.83	2.24
Disposals	-	-	-	-
<b>At 31 March 2024</b>	<b>0.69</b>	<b>0.10</b>	<b>1.83</b>	<b>2.62</b>
<b>Net book value</b>				
At 31 March 2023	21.64	-	-	21.64
At 31 March 2024	21.33	1.00	6.84	29.17

**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

<b>7 Investments</b>	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
<b>Non - current</b>		
<b>Unquoted equity shares</b>		
Investments in subsidiaries (At cost less impairment, if any)		
33,590,300 (31 March 2023: 33,590,300) equity shares of Fujairah Gold FZC	6,136.60	6,136.60
Less : Provision for impairment of investments	(6,136.60)	(6,136.60)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
<b>Investment carried at fair value through Profit and Loss</b>		
<b>Unquoted</b>		
Investment in mutual funds	36.86	15.84
<b>Total</b>	<b>36.86</b>	<b>15.84</b>
Aggregate value of unquoted investments	36.86	15.84
Aggregate amount of impairment in value of investment	6,136.60	6,136.60
<b>8 Others financial assets - non current (at amortized cost)</b>		
	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
Security deposits	0.38	0.38
Less : Impairment allowance	(0.26)	(0.26)
<b>Security deposits (net)</b>	<b>0.12</b>	<b>0.12</b>
<b>Break-up for security details:</b>		
Unsecured considered good	0.12	0.12
Security deposits- credit impaired	0.26	0.26
<b>Total</b>	<b>0.38</b>	<b>0.38</b>
Less : Impairment allowance	(0.26)	(0.26)
<b>Total</b>	<b>0.12</b>	<b>0.12</b>
<b>9 Income tax assets (net)</b>		
	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
Tax with Government Authorities	7.96	7.09
<b>Total</b>	<b>7.96</b>	<b>7.09</b>
<b>10 Other non-current assets</b>		
	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
<b>Unsecured Considered Good</b>		
Balance with government authorities	15.97	15.72
Capital Advances	3.70	0.60
<b>Total</b>	<b>19.67</b>	<b>16.32</b>
<b>11 Inventories (At lower of cost and net realisable value)</b>		
	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
Raw Materials	70.07	214.09
Goods-in transit	-	-
Work-in-progress	40.63	24.84
Goods-in transit	-	-
Finished goods	49.83	187.48
Goods-in transit	-	-
Fuel Stock	0.02	-
Goods-in transit	-	-
Stores and spares	22.17	12.22
Goods-in transit	-	-
<b>Total</b>	<b>182.72</b>	<b>438.63</b>

**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

**12 Trade receivables**

	As at 31 March 2024 Rs. Crores	As at 31 March 2023 Rs. Crores
Trade receivables	27.51	6.15
Less: Impairment allowance	-	-
<b>Trade receivables (net)</b>	<b>27.51</b>	<b>6.15</b>
<b>Break-up of Trade Receivable:</b>		
Secured, considered good	22.95	0.30
Unsecured, considered good	4.56	5.85
Trade receivables- credit impaired	-	0.00
<b>Total</b>	<b>27.51</b>	<b>6.15</b>
Less: Impairment allowance	-	-
<b>Total</b>	<b>27.51</b>	<b>6.15</b>
<b>Movement in impairment allowance on trade receivables:</b>		
Balance at the beginning of the year	-	(5.91)
(Allowances)/write back during the year	-	-
Written off against past provision	-	5.91
Balance at the end of the year	-	-
<b>Aging Schedule of Trade Receivables</b>		
Undisputed Considered good	-	-
Secured Less than 6 months	22.95	0.26
Unsecured less than 6 months	4.53	0.12
Unsecured 6 months - 1 year	-	-
Unsecured 1 - 2 years	0.03	5.77
Unsecured and not due	-	-
	<b>27.51</b>	<b>6.15</b>

**Note :**

- a) The credit period given to customers is upto 30 days.  
b) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.  
c) Refer Note No. 23 for details of receivables pledged as security for borrowing taken from banks.

**13 Cash and cash equivalents**

	As at 31 March 2024 Rs. Crores	As at 31 March 2023 Rs. Crores
Balances with banks	25.00	23.85
Bank deposits with original maturity of less than 3 months (including interest accrued thereon)	1.05	1.00
<b>Total</b>	<b>26.05</b>	<b>24.85</b>

**Changes in liabilities arising from financing activities:**

Particulars	31 March 2023	Cash Flow	Accruals of Interest	Initial Recognition	Written-Back	31 March 2024
Borrowings	477.37	(115.40)	-	-	-	361.97
Interest on Loan	24.50	-	30.29	-	-	54.79
Lease Liability	0.25	(1.70)	0.46	9.77	0.25	9.03
	<b>502.12</b>	<b>(117.10)</b>	<b>30.75</b>	<b>9.77</b>	<b>0.25</b>	<b>425.79</b>

**Changes in liabilities arising from financing activities:**

Particulars	31 March 2022	Cash Flow	Accruals of Interest	Initial Recognition	Written-Back	31 March 2023
Borrowings	147.17	330.20	-	-	-	477.37
Interest on Loan	4.43	-	20.07	-	-	24.50
Lease Liability	0.23	-	0.02	-	-	0.25
	<b>151.83</b>	<b>330.20</b>	<b>20.09</b>	<b>-</b>	<b>-</b>	<b>502.12</b>

**14 Other bank balances**

	As at 31 March 2024 Rs. Crores	As at 31 March 2023 Rs. Crores
Bank deposits with original maturity for > 3 months but < 12 months *	6.49	6.10
<b>Total</b>	<b>6.49</b>	<b>6.10</b>

\*Fixed deposit is against bank guarantee given to government authorities.



**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

<b>15 Financial assets - Loans</b>	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
<b>Unsecured considered good</b>		
Advance to employees	0.10	0.01
	<b>0.10</b>	<b>0.01</b>
<b>16 Financial assets - Derivatives</b>	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
Fair value Derivative Hedging Receivable	2.30	31.21
	<b>2.30</b>	<b>31.21</b>
<b>17 Other financial assets - Current</b>	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
<b>Unsecured, considered good</b>		
Advances to related parties	-	0.20
Security Deposits	4.72	32.17
Interest accrued on investments	0.13	-
Others	7.34	2.47
<b>Total</b>	<b>12.19</b>	<b>34.84</b>
<b>18 Other current assets</b>	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
Unsecured, considered good		
Balance with government authorities	108.69	85.54
Gratuity fund (Refer note 44)	0.24	0.33
Leave encashment fund	0.46	0.47
Prepaid expenses	1.58	0.24
Export Incentive Receivable	0.55	-
Advances to suppliers	3.92	20.39
Advances for related party suppliers (Refer note 43)	2.81	-
Others	0.02	1.26
<b>Total</b>	<b>118.27</b>	<b>108.23</b>

**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

**19 Share capital**

	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
<b>(a) Authorised shares</b>		
880,000,000 (March 31, 2023:	176.00	176.00
1,250,000 (March 31, 2023: 1,250,000) preference shares of Rs. 1000 each	125.00	125.00
<b>(b) Issued, subscribed and fully paid up shares :</b>		
23,366,406 (March 31, 2023: 23,366,406) equity shares of Rs. 2 each	4.67	4.67
Preference shares	-	-
	<b>4.67</b>	<b>4.67</b>
<b>(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:</b>		
	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>No. of shares</b>	<b>Amount Rs. Crores</b>
Balance as at the beginning of the year	23,366,406	23,366,406
<b>Balance as at the end of the year</b>	<b>23,366,406</b>	<b>23,366,406</b>
<b>(d) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates</b>		
Out of equity shares issued by the company, shares held by its holding company is as follows:		
	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>No. of shares</b>	<b>Amount Rs. Crores</b>
Vedanta Limited, the holding company	23,366,406	23,366,406
<b>(e) Shareholders holding more than 5% shares in the company</b>		
	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
	<b>No. of shares</b>	<b>% of holding</b>
Vedanta Limited, the holding company	23,366,406	100%
<b>(f) Terms/ rights attached to equity shares</b>		
The Company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is entitled for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is paid as and when declared by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.		
<b>20 Other equity</b>		
	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
<b>(a) Securities premium account</b>		
Balance as at the beginning of the year	99.92	99.92
<b>Balance as at the end of the year</b>	<b>99.92</b>	<b>99.92</b>
Securities premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares. The Company can use this reserve for issue of bonus shares and for buy back of shares.		
<b>(b) Retained earning</b>		
Balance as at the beginning of the year	(6,220.35)	(5,949.24)
Add: Profit/(Loss) for the year	(117.42)	(266.87)
Other Comprehensive income/(Loss) for the year	3.72	(4.24)
<b>Balance as at the end of the year</b>	<b>(6,334.05)</b>	<b>(6,220.35)</b>
The balance in the retained earnings primarily represents the surplus after payment of dividend (including tax on dividend) and transfer to reserves. The Company can use this reserve for payment of dividend and issue of bonus shares.		
<b>(c) Instruments entirely equity in nature - compulsorily convertible debentures (refer note below)</b>		
As at beginning of the year	6,135.45	6,135.45
Issued during the year	-	-
<b>Balance as at the end of the year</b>	<b>6,135.45</b>	<b>6,135.45</b>
The Company had issued 61,354,483 unsecured compulsory convertible debentures (CCDs) at Rs. 1000 each (including premium of Rs. 900 each). The CCDs carries coupon rate of 0 % and are convertible at the price of Rs. 466/- per share at the end of 10 years from the date of issue of CCDs or at such dates as may be mutually agreed between the parties. Accordingly, CCDs have been classified as equity.		
<b>Total Other Equity (a+b+c)</b>	<b>(98.68)</b>	<b>15.02</b>

**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

<b>21 Lease Liability - Non Current</b>	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
Lease Liability	2.97	0.19
	<b>2.97</b>	<b>0.19</b>
<b>22 Operational buyers' credit / suppliers' credit</b>	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
Buyers' credit/suppliers' credit - Secured	124.56	141.20
Buyers' credit/suppliers' credit - Unsecured	-	-
	<b>124.56</b>	<b>141.20</b>

a) Operational Buyers'/Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate of 6.64% per annum (31 March 2023 : 5.83% per annum) and in rupee from domestic banks at interest rate of 8.12% (31 March 2023 : 7.6% per annum). These trade credits are largely repayable between 90 to 180 days from the date of draw down.

<b>23 Borrowings</b>	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
<b>Secured</b> (Refer note (b))		
Loans from Banks		
- Cash Credit	20.61	-
- Working Capital Loan	-	28.90
<b>Unsecured</b>		
Related Party Loans (Refer note (a))	341.36	448.47
	<b>361.97</b>	<b>477.37</b>

a) Malco Energy has borrowed 341.36 crores from related party in different tranches and the same shall be repayable before expiry of 12 months from the date of execution of loan agreement or may be extended with mutual consent of both the parties.

<b>Particulars</b>	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
Loan from Vedanta Limited 10.3% (31 March 2023: 8.91% to 10.15%)	341.36	448.47
	<b>341.36</b>	<b>448.47</b>

b) Loan from banks and Working Capital Loans of Rs. 20.61 Crores (31 March 2023 : INR 28.90 Crores) is secured by first *pari passu* charge on the current assets and additionally secured by way of Corporate guarantee from Vedanta Limited

c) The quarterly working capital statements filed by the Company with banks are in agreement with the books of accounts

<b>24 Lease Liabilities - Current</b>	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
Lease Liability	6.06	0.06
<b>Total</b>	<b>6.06</b>	<b>0.06</b>

**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

**25 Trade payables**

	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
Trade payables		
(i) Total outstanding dues of micro and small enterprises (Refer note 49)	5.90	22.12
(ii) Total outstanding dues of creditors other than micro and small enterprises	262.56	279.30
<b>Total</b>	<b>268.46</b>	<b>301.42</b>
<b>Aging</b>		
<b>Undisputed dues of MSME</b>		
Not Due	-	15.53
Less than 1 year	5.89	6.59
1-2 year	0.01	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>5.90</b>	<b>22.12</b>
<b>Undisputed dues of Creditors other than MSME</b>		
Unbilled	8.27	9.70
Not Due	4.28	-
Less than 1 year	43.52	268.60
1-2 year	206.18	0.66
2-3 years	0.01	-
More than 3 years	0.30	0.34
<b>Total</b>	<b>262.56</b>	<b>279.30</b>

**26 Other financial liabilities - Current**

	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
Liability for capital expenditure	0.97	8.54
Employee payables	1.94	-
Interest accrued but not due on borrowings	0.59	0.07
Due to Related Parties (Refer note 43)	67.41	31.17
Deposits from Vendors and others	1.26	1.38
Other Liabilities	-	0.13
<b>Total</b>	<b>72.17</b>	<b>41.29</b>

**27 Other current liabilities**

	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
Claims and other payables	51.58	55.11
Statutory liabilities	1.60	7.52
Amount payable to employee provident fund	0.03	0.04
Advance from customers	5.07	6.64
Advance from related party (Refer Note 43)	0.63	0.46
Other liabilities	-	0.87
<b>Total</b>	<b>58.91</b>	<b>70.64</b>

**28 Provisions**

	<b>As at 31 March 2024 Rs. Crores</b>	<b>As at 31 March 2023 Rs. Crores</b>
Provision for Gratuity (Refer Note 44)	0.01	0.74
Provision for Leave encashment	0.58	0.25
<b>Total</b>	<b>0.59</b>	<b>0.99</b>

**MALCO Energy Limited****Notes to the Financial Statements for the year ended 31 March 2024****29 Revenue from operations**

	<b>Year ended 31 March 2024 Rs. Crores</b>	<b>Year ended 31 March 2023 Rs. Crores</b>
Revenue from contract with customers	615.75	533.72
<b>Total</b>	<b>615.75</b>	<b>533.72</b>

- a) Revenue from contract with customers for the year ended 31 March 2024 includes revenue from contracts with customers of Rs. 619.10 Crores (FY 2022-23: Rs. 520.13 Crores) and a net gain/(loss) on mark-to-market of Rs. (3.35) Crores (FY 2022-23: Rs. 13.59 Crores) on account of gains/(losses) relating to sales that were provisionally priced as at the beginning of the year with the final price settled in the current year, gains/(losses) relating to sales fully priced during the year, and marked to market gains/ (losses) relating to sales that were provisionally priced as at the end of the year.

**30 Other Operating income**

	<b>Year ended 31 March 2024 Rs. Crores</b>	<b>Year ended 31 March 2023 Rs. Crores</b>
Scrap Sales	5.17	4.39
Export Incentives	0.55	-
Refund of Electricity charges (Refer Note (a))	20.71	-
Sundry Balances written back	4.69	-
Miscellaneous income	0.06	-
	<b>31.18</b>	<b>4.39</b>

- a) During the year, Power division has received refund of INR 36.26 Crores (including Interest amounting to Rs. 16.91 Crores forming part of other income) from Tamil Nadu electricity Regulatory Commission (TNERC) basis favourable order of Supreme Court dated July 06, 2023, in relation to refund of differential electricity charges paid during the period June 2002 to July 2004 for 13,000 KVA in excess to its request of maximum sanctioned demand of 10,000 KVA (i.e., 23,000 - 10,000 = 13,000 KVA).As the same was paid in earlier years as part of operations of the Company, refund of it is disclosed as other operating income and interest received on refund is disclosed under other income.

**31 Other income**

	<b>Year ended 31 March 2024 Rs. Crores</b>	<b>Year ended 31 March 2023 Rs. Crores</b>
Gain on sale/fair valuation of current investment measured at FVTPL	0.53	0.37
Income from Interest		
- on bank deposits	0.43	1.54
- from customer	0.15	-
- on refund of electricity charges (Refer Note 30(a))	16.91	-
Other non operating income	2.17	3.14
Net gain on foreign currency transactions and translation	1.42	-
<b>Total</b>	<b>21.61</b>	<b>5.05</b>

**32 Cost of Material Consumed**

	<b>Year ended 31 March 2024 Rs. Crores</b>	<b>Year ended 31 March 2023 Rs. Crores</b>
Cost of Material Consumed	428.78	790.72
	<b>428.78</b>	<b>790.72</b>

**33 Changes in inventories of finished goods**

	<b>Year ended 31 March 2024 Rs. Crores</b>	<b>Year ended 31 March 2023 Rs. Crores</b>
<b>Inventory at the beginning of the year</b>		
-Finished Goods	187.48	34.58
-Work in Progress	24.84	-
<b>Inventory at the end of the year</b>		
-Finished Goods	49.83	187.48
-Work in Progress	40.63	24.84
<b>Changes in inventories of finished goods</b>	<b>121.86</b>	<b>(177.74)</b>

**MALCO Energy Limited****Notes to the Financial Statements for the year ended 31 March 2024**

	<b>Year ended 31 March 2024 Rs. Crores</b>	<b>Year ended 31 March 2023 Rs. Crores</b>
<b>34 Employee benefits expense</b>		
Salaries, wages and bonus	18.64	13.47
Contributions to provident and other funds	1.06	0.49
Staff welfare expenses	1.52	0.65
<b>Total</b>	<b>21.22</b>	<b>14.61</b>

**MALCO Energy Limited****Notes to the Financial Statements for the year ended 31 March 2024**

<b>35 Power and Fuel</b>	<b>Year ended 31 March 2024 Rs. Crores</b>	<b>Year ended 31 March 2023 Rs. Crores</b>
Power and fuel charges	17.85	7.84
<b>Total</b>	<b>17.85</b>	<b>7.84</b>

<b>36 Finance costs</b>	<b>Year ended 31 March 2024 Rs. Crores</b>	<b>Year ended 31 March 2023 Rs. Crores</b>
Interest expense on financial liabilities at amortised cost (refer note a)	47.97	31.63
Net interest on defined benefit arrangement	-	0.05
Other finance costs	2.93	2.37
<b>Total</b>	<b>50.90</b>	<b>34.05</b>

a) Includes interest expense on lease liabilities for the year ended 31 March 2024 is Rs. 0.46 Crore (31 March 2023 : Rs. 0.02 Crore)

<b>37 Depreciation and amortization expense</b>	<b>Year ended 31 March 2024 Rs. Crores</b>	<b>Year ended 31 March 2023 Rs. Crores</b>
Depreciation on tangible assets	29.29	22.27
Depreciation on Right-of-use assets	2.24	0.31
Amortization on intangible assets	0.25	0.23
<b>Total</b>	<b>31.78</b>	<b>22.81</b>

<b>38 Other expenses</b>	<b>Year ended 31 March 2024 Rs. Crores</b>	<b>Year ended 31 March 2023 Rs. Crores</b>
Consumption of stores and spares	36.14	20.21
Contract Manpower Expenses	30.01	36.97
Repairs and maintenance	4.78	3.82
Rates And taxes	0.02	0.43
Insurance	1.98	2.14
Director Sitting fees	0.02	-
Travelling and conveyance	2.26	1.60
Payment to auditors (refer details below)	0.32	0.21
Security service charges	4.18	1.42
Legal and professional fees	2.42	1.25
Net loss on foreign currency transactions and translation	-	0.13
Mine expenses	1.54	-
Loss on sale/discard of PPE	1.36	-
Carriage outward	4.76	12.86
Business promotion expenses	0.04	0.11
IT Expenses	2.13	0.85
Lease rent	0.68	1.02
Miscellaneous expenses	16.30	17.46
<b>Total</b>	<b>108.94</b>	<b>100.48</b>

**Payment to auditors (exclusive of applicable taxes)**

	<b>Year ended 31 March 2024 Rs. Crores</b>	<b>Year ended 31 March 2023 Rs. Crores</b>
For statutory audit fee	0.30	0.20
Other services - certification fees	0.02	0.01
<b>Total</b>	<b>0.32</b>	<b>0.21</b>

**Details of CSR expenditure**

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

## 39 Tax expenses

## (a) Tax charge/(credit) recognised in profit or loss

	Year ended 31 March 2024 Rs. Crores	Year ended 31 March 2023 Rs. Crores
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of profit or loss	-	-

## (b) A reconciliation of income tax expense applicable to accounting profits before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

	Year ended 31 March 2024 Rs. Crores	Year ended 31 March 2023 Rs. Crores
Accounting profit before tax	(117.42)	(266.87)
Statutory income tax rate*	25.17%	25.17%
Tax at statutory income tax rate	(29.55)	(67.17)
Deferred tax assets not recognised in the absence of virtual certainty	29.55	67.17
<b>Income tax charge for the year</b>	<b>-</b>	<b>-</b>

\*As per section 115BAA of the Income Tax Act, 1961 a company can claim concessional tax rate of 22% plus surcharge and Cess. The company has opted for the same during the year ended March 31, 2022.

## (c) Deferred tax assets/(liabilities):

	As at 31 March 2024 Rs. Crores	As at 31 March 2023 Rs. Crores
<b>Deferred tax liability</b>		
Right of Use assets (net of Lease liabilities)	(5.07)	-
Other	(0.01)	(0.00)
<b>Deferred tax assets</b>		
Property, Plant & Equipment and Intangibles	5.08	0.00
<b>Deferred tax assets/(liabilities)</b>	<b>5.07</b>	<b>-</b>

Deferred tax assets has been recognised to the extent of deferred tax liabilities on taxable temporary differences available in the absence of reasonable certainty of future taxable income against which such deferred tax asset can be realised.

## (d) Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

	As at 31 March 2024 Rs. Crores	As at 31 March 2023 Rs. Crores
Business losses	335.38	253.04
Unabsorbed depreciation	1,744.59	1,675.39
Deductible temporary differences	152.75	209.32

Deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available in the absence of reasonable certainty of future taxable profits against which the carry forward unused tax losses can be utilised.

Unused tax losses for which no deferred tax asset is recognized along with its expiry are as detailed below:

Year ended	Nature of unrecognised deferred tax assets	Within one year	Greater than one year, upto eight years	No expiry date	Rs. Crores
					Total
March 31, 2024	Business Loss	-	335.38	-	<b>335.38</b>
March 31, 2024	Unabsorbed depreciation	-	-	1,744.59	<b>1,744.59</b>
March 31, 2023	Business Loss	-	253.04	-	<b>253.04</b>
March 31, 2023	Unabsorbed depreciation	-	-	1,675.39	<b>1,675.39</b>



**40 Financial instruments**

**A. Financial instruments by category**

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

	Carrying amount			(Rs. Crores)	
	FVTPL <sup>\$</sup>	FVTOCI <sup>\$\$</sup>	Amortised cost	Total carrying value	Total fair Value
<b>As at 31 March 2024</b>					
<b>Financial assets*</b>					
Investments - current	36.86	-	-	36.86	36.86
Trade receivables	19.86	-	7.65	27.51	27.51
Cash and cash equivalents	-	-	26.05	26.05	26.05
Other bank balances	-	-	6.49	6.49	6.49
Loans – Current	-	-	0.10	0.10	0.10
Derivatives	-	2.30	-	2.30	2.30
Other financial asset - current	-	-	12.19	12.19	12.19
Other financial asset - non current	-	-	0.12	0.12	0.12
<b>Total</b>	<b>56.72</b>	<b>2.30</b>	<b>52.60</b>	<b>111.62</b>	<b>111.62</b>
<b>Financial liabilities</b>					
Borrowings	-	-	361.97	361.97	361.97
Lease Liabilities	-	-	9.03	9.03	9.03
Operational buyers' credit/suppliers' credit	-	-	124.56	124.56	124.56
Trade payables	11.15	-	257.32	268.46	268.46
Derivatives	-	0.10	-	0.10	0.10
Other financial liabilities - current	-	-	72.17	72.17	72.17
<b>Total</b>	<b>11.15</b>	<b>0.10</b>	<b>825.05</b>	<b>836.29</b>	<b>836.29</b>
<b>As at 31 March 2023</b>					
<b>Financial assets*</b>					
Investments - current	15.84	-	-	15.84	15.84
Trade receivables	0.12	-	6.03	6.15	6.15
Cash and cash equivalents	-	-	24.85	24.85	24.85
Other bank balances	-	-	6.10	6.10	6.10
Loans – Current	-	-	0.01	0.01	0.01
Derivatives	-	31.21	-	31.21	31.21
Other financial asset - current	31.31	-	3.53	34.84	34.84
Other financial asset - non current	-	-	0.12	0.12	0.12
<b>Total</b>	<b>47.27</b>	<b>31.21</b>	<b>40.64</b>	<b>119.12</b>	<b>119.12</b>
<b>Financial liabilities</b>					
Borrowings	-	-	477.37	477.37	477.37
Lease Liabilities	-	-	0.25	0.25	0.25
Operational buyers' credit/suppliers' credit	-	-	141.20	141.20	141.20
Trade payables	29.23	-	272.19	301.42	301.42
Derivatives	-	0.10	-	0.10	0.10
Other financial liabilities - current	-	-	41.29	41.29	41.29
<b>Total</b>	<b>29.23</b>	<b>0.10</b>	<b>932.30</b>	<b>961.63</b>	<b>961.63</b>

\$ - Fair value through profit and loss

\$\$ - Fair value through other comprehensive income

\*Other than investment in subsidiary accounted for in accordance with Ind AS 27 - 'Separate Financial Statements'

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payable and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments

**B. Fair value hierarchy**

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

Level 1: Fair value measurement are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There were no transfers between Level 1 and Level 2 during the year.

	Fair value			(Rs. Crores)
	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2024</b>				
<b>Financial assets*</b>				
Investments - current	36.86	-	-	36.86
Trade receivables	-	19.86	-	19.86
Derivatives	-	2.30	-	2.30
<b>Total</b>	<b>36.86</b>	<b>22.16</b>	<b>-</b>	<b>59.02</b>
<b>Financial liabilities</b>				
Derivatives	-	0.10	-	0.10
Trade payables	-	11.15	-	11.15
<b>Total</b>	<b>-</b>	<b>11.25</b>	<b>-</b>	<b>11.25</b>
<b>As at 31 March 2023</b>				
<b>Financial assets*</b>				
Investments - current	15.84	-	-	15.84
Trade receivables	-	0.12	6.03	6.15
Derivatives	-	31.21	-	31.21
<b>Total</b>	<b>15.84</b>	<b>31.33</b>	<b>6.03</b>	<b>53.20</b>
<b>Financial liabilities</b>				
Derivatives	-	0.10	-	0.10
Trade payables	-	29.23	272.19	301.42
<b>Total</b>	<b>-</b>	<b>29.33</b>	<b>272.19</b>	<b>301.52</b>

\* Other than investment in subsidiary accounted for in accordance with Ind AS 27 - 'Separate Financial Statements'

**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

**C. Financial risk management**

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

**(a) Liquidity**

The company requires funds for short-term operational needs. The table below summaries the maturity profile of the company's financial liabilities based on contractual undiscounted cash obligations.

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

<b>As at 31 March 2024</b>						<b>(Rs. Crores)</b>
<b>Financial liabilities</b>	<b>&lt;1 year</b>	<b>1-3 Years</b>	<b>3-5 Years</b>	<b>&gt; 5 Years</b>		<b>Total</b>
Trade payables	268.46	-	-	-	-	268.46
Derivative liabilities	0.10	-	-	-	-	0.10
Borrowings	361.97	-	-	-	-	361.97
Lease Liability	6.06	2.50	0.33	0.14	-	9.03
Operational buyers credit/suppliers credit	124.56	-	-	-	-	124.56
Other financial liabilities - Current	72.17	-	-	-	-	72.17
<b>Total</b>	<b>833.32</b>	<b>2.50</b>	<b>0.33</b>	<b>0.14</b>		<b>836.29</b>

<b>As at 31 March 2023</b>						<b>(Rs. Crores)</b>
<b>Financial liabilities</b>	<b>&lt;1 year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>&gt; 5 Years</b>		<b>Total</b>
Trade payables	301.42	-	-	-	-	301.42
Derivative liabilities	0.10	-	-	-	-	0.10
Borrowings	477.37	-	-	-	-	477.37
Lease Liability	0.03	0.05	0.02	0.15	-	0.25
Operational buyers credit/suppliers credit	141.20	-	-	-	-	141.20
Other financial liabilities - Current	41.29	-	-	-	-	41.29
<b>Total</b>	<b>961.41</b>	<b>0.05</b>	<b>0.02</b>	<b>0.15</b>		<b>961.63</b>

The Company had access to following funding facilities:

<b>As at 31 March 2024</b>				<b>(Rs. Crores)</b>
<b>Funding facilities</b>	<b>Total Facility</b>	<b>Drawn</b>	<b>Undrawn</b>	
Fund/non-fund based	480.00	279.13	200.87	

**Collateral**

The Company has pledged its current assets at carrying value as per the requirements specified in various financial facilities in place.

**(b) Interest rate risk**

The company is exposed to interest rate risk on financial assets and liabilities. Floating rate financial assets are mutual fund investments which have debt securities as underlying assets. The return from the financial assets are linked to market interest rate movement; However the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

The exposure of company's financial assets and financial liabilities to interest rate risk as follows:

<b>As at 31 March 2024</b>					<b>(Rs. Crores)</b>
	<b>Floating rate financial assets</b>	<b>Fixed rate financial assets</b>	<b>Non interest bearing financial assets</b>		<b>Total financial assets</b>
Other financial assets	-	-	0.12	-	0.12
<b>Total financial assets - non current</b>	<b>-</b>	<b>-</b>	<b>0.12</b>		<b>0.12</b>
Investments - current*	36.86	-	-	-	36.86
Trade and other receivables	-	-	39.79	-	39.79
Cash and cash equivalents	-	1.00	25.05	-	26.05
Other bank balances	-	6.49	-	-	6.49
Derivatives	-	-	2.30	-	2.30
<b>Total financial assets - current</b>	<b>36.86</b>	<b>7.49</b>	<b>67.14</b>		<b>111.49</b>

  

					<b>(Rs. Crores)</b>
	<b>Floating rate financial liabilities</b>	<b>Fixed rate financial liabilities</b>	<b>Non interest bearing financial liabilities</b>		<b>Total financial liabilities</b>
Lease liabilities - Non Current	-	2.97	-	-	2.97
<b>Total financial Liabilities - non current</b>	<b>-</b>	<b>2.97</b>	<b>-</b>		<b>2.97</b>
Trade and other payables	-	-	340.64	-	340.64
Borrowings	-	361.97	-	-	361.97
Lease Liability	-	6.06	-	-	6.06
Operational buyers' credit/suppliers' credit	-	124.56	-	-	124.56
Derivatives	-	-	0.10	-	0.10
<b>Total financial liabilities - current</b>	<b>-</b>	<b>492.59</b>	<b>340.73</b>		<b>833.33</b>

**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

As at 31 March 2023

	(Rs. Crores)			
	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Other financial assets - non current	-	-	0.12	0.12
<b>Total financial assets - non current</b>	<b>-</b>	<b>-</b>	<b>0.12</b>	<b>0.12</b>
Investments - current*	15.84	-	-	15.84
Trade and other receivables	31.31	0.01	9.67	40.99
Cash and cash equivalents	-	1.00	23.85	24.85
Other bank balances	-	6.10	-	6.10
Financial assets - Current - Loans	-	-	0.01	0.01
Derivatives	-	-	31.21	31.21
<b>Total financial assets - current</b>	<b>47.15</b>	<b>7.11</b>	<b>64.74</b>	<b>119.00</b>

  

	(Rs. Crores)			
	Floating rate financial liabilities	Fixed rate financial liabilities	Non interest bearing financial liabilities	Total financial liabilities
Lease liabilities - Non Current	-	0.19	-	0.19
<b>Total financial Liabilities - non current</b>	<b>-</b>	<b>0.19</b>	<b>-</b>	<b>0.19</b>
Trade and other payables	-	-	342.71	342.71
Borrowings	-	477.37	-	477.37
Lease Liability	-	0.06	-	0.06
Operational buyers' credit/suppliers' credit	-	141.20	-	141.20
Derivatives	-	-	0.10	0.10
<b>Total financial liabilities - current</b>	<b>-</b>	<b>618.63</b>	<b>342.81</b>	<b>961.44</b>

\*Other than investment in subsidiary company

The table below illustrates the impact of a 0.5% to 2.0% increase in interest rates on interest on financial assets assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

	(Rs. Crores)	
Increase in interest rates	Effect on pre-tax profit/(loss) during the year ended 31 March 2024	Effect on pre-tax profit/(loss) during the year ended 31 March 2023
0.50%	0.18	0.24
1.00%	0.37	0.47
2.00%	0.74	0.94

**(c) Counterparty credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The company is exposed to credit risk from trade receivables and other financial instruments.

None of the company's cash or cash equivalents and other bank balances are past due or impaired. Regarding other financial assets (both current and non current), there were no indications as at March 31, 2024 that defaults in payment obligation will occur except as described in Note 9 & Note 13 for other financial assets - non current & trade receivables respectively.

Below mentioned other financial assets and Trade receivables are not considered impaired as at 31 March 2024 and 31 March 2023;

	As at 31 March 2024 Rs. Crores	As at 31 March 2023 Rs. Crores
Not past due	4.68	34.62
Due less than 1 month	27.55	6.12
Due between 1-3 months	7.54	0.00
Due between 3-12 months	-	0.25
More than 12 months	0.15	-
<b>Total</b>	<b>39.92</b>	<b>40.99</b>

**(d) Foreign currency risk**

Fluctuations in foreign currency exchange rates may have an impact on the statement of profit and loss, the statement of changes in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The carrying amount of the company's financial assets and liabilities in different currencies are as follows:

**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

<b>Financial Assets</b>	<b>As at 31 March 2024</b>		
	<b>INR</b>	<b>USD</b>	<b>Total</b>
Trade and other receivable	17.57	22.23	39.79
Other non current financial assets	0.12	-	0.12
Other bank balances	6.49	-	6.49
Investments	36.86	-	36.86
Cash and Cash Equivalent	26.05	-	26.05
Derivatives	0.23	2.07	2.30
<b>Total</b>	<b>87.32</b>	<b>24.29</b>	<b>111.61</b>

  

<b>Financial Liabilities</b>	<b>As at 31 March 2024</b>		
	<b>INR</b>	<b>USD</b>	<b>Total</b>
Trade and other payables	329.49	11.15	340.64
Lease liability	9.03	-	9.03
Buyers Credit	22.05	102.51	124.56
Borrowings	361.97	-	361.97
Derivatives	0.10	-	0.10
<b>Total</b>	<b>722.64</b>	<b>113.66</b>	<b>836.30</b>

  

<b>Financial Assets</b>	<b>As at 31 March 2023</b>		
	<b>INR</b>	<b>USD</b>	<b>Total</b>
Trade and other receivable	9.68	31.31	40.99
Other non current financial assets	0.12	-	0.12
Other bank balances	6.10	-	6.10
Investments	15.84	-	15.84
Cash and Cash Equivalent	24.85	-	24.85
Derivatives	-	31.21	31.21
<b>Total</b>	<b>56.59</b>	<b>62.52</b>	<b>119.11</b>

  

<b>Financial Liabilities</b>	<b>As at 31 March 2023</b>		
	<b>INR</b>	<b>USD</b>	<b>Total</b>
Trade and other payables	312.22	30.49	342.71
Lease liability	0.25	-	0.25
Buyers Credit	73.32	67.88	141.20
Borrowings	477.37	-	477.37
Derivatives	0.10	-	0.10
<b>Total</b>	<b>863.26</b>	<b>98.37</b>	<b>961.63</b>

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	<b>Change in USD Rate</b>	<b>Effect on profit before tax</b>	<b>Effect on pre-tax equity</b>
31 March 2024	10%	8.94	8.94
31 March 2023	10%	3.58	3.58

**(e) Commodity price risk**

On 31 March 2024, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was Rs. 20.28 Crores (31 March 2023: 53.22 Crores). These instruments are subject to price movements at the time of final settlement.

**D. Derivative financial instruments**

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

**Cash flow hedge**

The Company enters into forward exchange and commodity price contracts for hedging highly probable forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognised in equity through OCI until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to profit or loss. These hedges have been effective for the year ended 31 March 2024.

**Fair value hedge**

The fair value hedges relate to foreign currency forward contracts taken to hedge currency exposure on purchase of raw materials. The fair value of company's derivative positions recorded under derivatives - financial assets and derivatives - financial liabilities are as follows:

Derivative Financial Instrument	As at 31 March 2024		As at 31 March 2023	
	Assets	Liabilities	Assets	Liabilities
- Commodity contracts	2.07	-	31.16	-
- Forward foreign currency contracts	0.23	0.10	0.05	0.10
<b>Total</b>	<b>2.30</b>	<b>0.10</b>	<b>31.21</b>	<b>0.10</b>

**E. Derivative contracts executed by the Company and outstanding as at Balance Sheet date**

(i) To hedge currency risks and interest related risks, the Company has executed various derivatives contracts. The category wise break up of amount outstanding as at Balance Sheet date is given below :

Particulars	(Rs. In Crores)	
	As at	As at
	31 March 2024	31 March 2023
Forex forward cover (buy)	48.44	19.89
Forex forward cover (sell)	108.95	230.17
	<b>157.39</b>	<b>250.06</b>

(ii) For hedging commodity related risk :- Category-wise break up is given below

Particulars	As at 31 March 2024		As at 31 March 2023	
	Purchases	Sales	Purchases	Sales
Nickel (MT)	96.00	474.00	24.00	1,230.00
	96.00	474.00	24.00	1,230.00

**41 Capital management**

The Company's objectives when managing capital is to safeguard continuity and maintain a healthy capital ratios in order to support its business and provide adequate return to shareholders through continuous growth. The Company sets the amount of capital required on the basis of annual business. The funding requirements are met through a mixture of equity, borrowings and internal accruals.

The Company monitors capital using gearing ratio; being the ratio of net debt as a percentage of total capital employed. The Company is not subject to any externally imposed capital requirements.

Net debt are short term debts as reduced by cash and cash equivalents, other bank balances and short term investments. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Company:

Particulars	(Rs. Crores)	
	31 March 2024	31 March 2023
Cash and cash equivalents	26.05	24.85
Other bank balances	6.49	6.10
Short term investments	36.86	15.84
<b>Total cash (a)</b>	<b>69.40</b>	<b>46.79</b>
Short-term borrowings	361.97	477.37
Lease Liability	9.03	0.25
<b>Total debt (b)</b>	<b>371.00</b>	<b>477.62</b>
<b>Equity</b>	(94.01)	19.69
<b>Net debt (c= b-a)</b>	<b>301.60</b>	<b>430.83</b>
<b>Debt Equity Ratio</b>	<b>(3.96)</b>	<b>24.25</b>

**42 Contingent liabilities and Commitments**

**(a) Contingent Liabilities**

(I) Claims not acknowledged by the company	(Rs. Crores)	
	31 March 2024	31 March 2023
(i) Electricity tax on self generated power (refer note 1 below)	93.51	93.51
(ii) Electricity duty, tax and additional duty on the surplus power wheeled (refer note 2 below)	8.76	8.76
(iii) Electricity tax on sale of electricity to TNEB (refer note 3 below)	28.80	28.80
(iv) Remitting the excess claim for the period from Oct,2014 to May, 2015 for the excess units (refer note 4 below)	8.58	8.58
(v) Water charges (refer note 5 below)	11.09	11.09
(vi) Railway land license fees demand (refer note 6 below)	4.27	4.27
(vii) Customs duty	8.75	8.75
	<b>163.76</b>	<b>163.76</b>

**Note :**

- In an earlier year, Tamil Nadu Electricity Board ('TNEB') issued a demand of Rs. 93.51 Crores towards electricity tax on consumption of self-generated power for the period May 1999 to June 2003. The Company had filed a writ petition in Honourable High Court of Madras stating that the Industry in which the Company operates should also be considered, being power intensive industry, for exemption from payment of electricity tax as other power intensive industries were considered for exemption and a stay was granted by Honourable High Court in this matter in April 2013. Based on the direction of Honourable High Court, fresh representation is made before Energy Department and an order is awaited from the Government.
- TNEB has also demanded Rs 8.76 Crores towards electricity duty, tax and additional duty on the surplus power wheeled to an associate company (now holding Company), which is being contested by the company. The Company's representation to the Tamil Nadu Government that no duty, tax or additional duty is leviable as the Company is not a licence has been denied. Aggrieved by the same, the Company filed a writ petition and a stay has been obtained from Honourable High Court, Madras. Based on the direction of Honourable High Court, representation is made before Energy Department. Based on the direction of Honourable High Court, fresh representation is made before Energy Department and an order is awaited from the Government.
- The office of Electrical Inspectorate, Salem, Government of Tamil Nadu, raised a demand towards electricity tax of Rs. 28.80 Crores on sale of electricity to TNEB through Power Trading Corporation ('PTC') during June 2009 and May 2011 on the ground that the company has sold the power to PTC and not to TNEB. The company had filed an writ petition in the Honourable High Court of Madras and Honourable High Court of Madras vide Order Dated 9th July 2021 granted liberty to appeal within 6 weeks from the receipt of order before Secretary Govt of Tamil Nadu, Energy Dept. Appeal has been filed on 17th Aug 2021. Accordingly, an appeal has been filed and the appeal is yet to heard by the Secretary to Government, Energy Department. Based on the advice of external counsel, the Company believes that it has good grounds for success.
- The company has received a demand from Tamilnadu Generation and Distribution Corporation Limited ('TANGDECO') for Rs. 8.58 Crores towards excess amount paid by it in respect of electricity units supplied by the company in excess of the requirements of TANGDECO. The company has filed a writ petition before Honourable High Court of Madras and stay was granted in this matter. The case was heard on 10th Oct 22 and the Hon'ble Court while taking note of the fact that the TNERC has no quorum as on date of passing the Order, directed MALCO to approach the TNERC within one month of receipt of the order copy, since a Legal Member will be appointed shortly. Accordingly, a petition has been filed before the Hon'ble TNERC. Based on the advice of external counsel, the Company believes that it has good grounds for success.
- Tamilnadu Govt passed a GO Ms.No.890 PWD on 09.05.91 raising the water charges from Rs.60 to Rs.500 per 1000 cubic metres. The PWD demanded charges for the contracted quantity of 87,60,000 cubic metre per annum with retrospective effect from May 1991. Malco filed WP 9333/1991 which was disposed of giving opportunity to represent to Govt. Revised Demand of Rs.300/1000 cubic metre from 09.05.91 to 31.03.02 received from PWD for Rs.1.48 Cr. Even after representations, Govt again revised the water charges @ Rs.500/1000 cubic metres. Malco filed WP No.1298/02 in which Stay was obtained with a direction to pay Rs.300 /1000 cubic metres. On 28.02.06 High Court dismissed all WP and directed the petitioners to pay water charges @ Rs.500/1000 cubic metres as per GO 474/13.11.01. WA 516/2008 yet to be listed. All surrounding industries viz., Chemplast have paid rate increase impact with a request to PWD for interest waiver. PWD has issued notice of dis-connection dt 24.10.2008 for non payment of revised charges amounting to Rs.3.31 Crs along with penal interest of Rs.6.49 Crs. Malco filed a fresh WP in Madras High Court WP No.No.6220/2008 and 6229/2008, WA 516/2008 both are pending for further hearing and disposal. We have made payment of Rs.3.31 Crs in view of the disconnection notice from PWD in installments and have requested for waiver of penal interest portion. Since PWD refused to waive the interest we had filed WP 2528/2011 against which an interim stay was granted by the Hon'ble High Court of Madras vide order dated 04.02.2011.
- The issues arising out of licensing of Railway land pertaining to the Railway siding. MEL had entered into a Memorandum of Understanding ("MoU") with the Divisional Railway Manager, Palghat dated 10 Dec 1999, to invest in the Mettur Dam Railway Station (MTDM), towards creation of infrastructural facilities for reception of coal rakes and unloading coal for transfer into MALCO's plant through conveyors. The dispute between MEL and the Southern Railway, Salem Division is with respect to a) period for which the lease land was in possession of MALCO; b) extent of lease land and c) the base value to be adopted for the lease rent. Statement of Claims and Defense statement to Counter Affidavit was filed on 19 March 2024.

**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

**(b) Commitments**

Estimated amounts of contracts net of advances, remaining to be executed on capital account and not provided for is Rs.66.41 Crores (31 March 2023: Rs.30.05 Crores).

**(c) Bank guarantees**

The Company has given guarantees in the normal course of business as stated below:

	(Rs. Crores)	
	31 March 2024	31 March 2023
Bank guarantees	8.44	9.19
	<b>8.44</b>	<b>9.19</b>

**43 Related party disclosures**

**(a) Details of related parties**

Description of relationship	Name of the related parties
<b>(i) Where control exists</b>	
Holding Company	Vedanta Limited
Intermediate Holding Company	Volcan Investments Limited Vedanta Resources Holdings Limited Vedanta Resources Limited
Ultimate Holding Company	Vedanta Resources Limited
Subsidiary Company	Fujairah Gold FZC
Fellow Subsidiary	Hindustan Zinc Limited Electrosteel Limited Vizag General Cargo Berth Private Limited Sesa Mining Corporation Limited STL Digital Limited
<b>(ii) Other related parties</b>	
Key management personnel	Mr. Anand Soni - Director (upto October 29, 2022) Ms. A Sumathi - Director Mr. Navin Kumar Jaju - Director Mr. A R Narayanaswamy - Independent Director (w.e.f Oct 29, 2022)

**(b) Transactions with related parties during the year**

(Rs. Crores)

Particulars	31 March 2024	31 March 2023
<b>Vedanta Limited</b>		
Sale of Finished goods	7.51	61.22
Purchase of Goods/Service	20.22	237.76
Reimbursement of expenses	5.06	13.99
Corporate expenses	2.29	2.71
Recovery of expenses	5.59	20.85
Interest Expense	37.11	25.48
Other Expenses	0.02	-
Borrowings received	335.93	369.45
Borrowings repaid	443.06	68.14
<b>Vizag General Cargo Berth Private Limited</b>		
Reimbursement of expenses	0.00	0.03
Recovery of expenses	-	0.01
<b>Hindustan Zinc Limited</b>		
Sale of Finished goods	85.78	242.44
Purchase of Goods/Service	0.05	-
Reimbursement of expenses	0.00	-
<b>Electrosteel Limited</b>		
Sale of Finished goods	-	62.53
Reimbursement of expenses	0.17	0.48
Recovery of expenses	-	0.57
<b>Sesa Mining Corporation Limited</b>		
Purchase of Goods/Service	5.20	-
<b>STL Digital Limited</b>		
Purchase of Goods/Service	0.33	-

**(c) Transactions with Key Managerial Personnel during the year**

(Rs. Crores)

Particulars	31 March 2024	31 March 2023
Director Sitting Fee		
- Mr. A R Narayanaswamy	0.02	0.01

**(d) Outstanding balances at period end**

Particulars	31 March 2024	31 March 2023
<b>Vedanta Limited</b>		
Financial assets and Liabilities		
- Borrowings	341.36	448.48
- Other receivables	-	0.20
- Other payables	12.60	7.33
- Interest payables	54.79	24.50
- Trade payables	226.21	224.93
<b>Total</b>	<b>634.96</b>	<b>705.43</b>
<b>Hindustan Zinc Limited</b>		
- Trade receivables	2.96	5.85
- Other receivables	0.09	-
<b>Electrosteel Limited</b>		
- Other payables	0.63	0.46
<b>STL Digital Limited</b>		
- Trade payables	0.01	-
<b>Sesa Mining Corporation Limited</b>		
- Other receivables	2.72	-

**44 Employee benefit**

**i. Defined contribution plan**

The Company contributed a total of Rs. 1.06 Crore for the year ended March 31, 2024 and Rs. 0.34 Crores for the year ended March 31, 2023 to the following defined contribution plans:

**a. Provident fund**

In accordance with The Employees Provident Funds Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2024 and 2023) of an employee's salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

**b. Superannuation**

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

**ii. Defined benefit plan**

The Company has defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years of more services are eligible for gratuity. The level of benefit provided depends on the member's length of service and salary at retirement date. The Plan is funded with Life Insurance Corporation of India (LIC) in the form of a qualifying insurance policy.

The following tables summaries the component of net benefit expenses recognised in the Statement of Profit and Loss, other comprehensive income, the funded status and the amount recognised in the balance sheet for the gratuity plan:

**Changes in the defined benefit obligation and fair value of plan assets:**

	Funded			Unfunded
	Defined benefit obligations	Fair value of plan assets	Net Status	Defined benefit obligations
<b>At 31 March 2022</b>	<b>(0.41)</b>	<b>0.62</b>	<b>0.21</b>	<b>(0.75)</b>
Current service cost	(0.02)	-	(0.02)	(0.04)
Past service cost including curtailment gains/losses	-	-	-	-
Net interest expense	(0.03)	0.04	0.01	<b>(0.05)</b>
<b>Included in Statement of Profit and Loss</b>	<b>(0.05)</b>	<b>0.04</b>	<b>(0.01)</b>	<b>(0.09)</b>
Actual Return on plan assets (excluding amounts included in net interest expense)	-	(0.00)	(0.00)	-
Actuarial changes arising from changes in demographic assumptions	-	-	-	0.03
Actuarial changes arising from changes in financial assumptions	0.00	-	0.00	(0.08)
Actuarial changes arising from changes in experience adjustments	0.12	-	0.12	0.14
<b>Included in OCI</b>	<b>0.12</b>	<b>(0.00)</b>	<b>0.12</b>	<b>0.10</b>
Benefits paid	-	-	-	-
Contribution by employer	-	0.00	-	-
<b>At 31 March 2023</b>	<b>(0.33)</b>	<b>0.66</b>	<b>0.33</b>	<b>(0.74)</b>
Current service cost	(0.10)	-	(0.10)	(0.06)
Past service cost including curtailment gains/losses	-	-	-	-
Net interest expense	(0.02)	0.05	0.03	(0.05)
<b>Included in Statement of Profit and Loss</b>	<b>(0.12)</b>	<b>0.05</b>	<b>(0.07)</b>	<b>(0.11)</b>
Return on plan assets (excluding amounts included in net interest expense)	-	0.01	0.01	-
Actuarial changes arising from changes in demographic assumptions	-	-	-	(0.04)
Actuarial changes arising from changes in financial assumptions	(0.01)	-	(0.01)	(0.02)
Actuarial changes arising from changes in experience adjustments	(0.10)	-	(0.10)	0.19
<b>Included in OCI</b>	<b>(0.11)</b>	<b>0.01</b>	<b>(0.10)</b>	<b>0.13</b>
Benefits paid	0.11	(0.11)	-	0.74
Contribution by employer	-	0.08	0.08	-
<b>At 31 March 2024</b>	<b>(0.45)</b>	<b>0.69</b>	<b>0.24</b>	<b>(0.01)</b>

The principal assumptions used in determining gratuity obligation for the Company plans are shown below:

	31 March 2024	31 March 2023
Discount rate	7.10%	7.39%
Future salary increase	5.5%-10%	5.5%-9%
Withdrawal rate		
Ages: up to 30 years	3%-14%	3%-28%
from 31 to 44 years	2%-14%	2%-28%
above 44 years	1%-14%	1%-28%
Retirement age	58	58
Mortality rate	IALM (2012 - 14)	IALM (2012 - 14)



**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

A quantitative sensitivity analysis for significant assumption is as shown below:

<b>Assumptions</b>	<b>(Rs. Crores)</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
Sensitivity level		
0.5% Increase in discount rate	(0.03)	(0.02)
0.5% Decrease in discount rate	0.03	0.02
0.5% Increase in future salary increase	0.03	0.02
0.5% Decrease in future salary increase	(0.03)	(0.02)

The above sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Further, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The expected maturity analysis of undiscounted defined benefit obligation (Funded and Unfunded) is as follows:

<b>Year</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Within 1 Year	0.08	0.23
Between 1 and 2 years	0.31	0.14
Between 2 and 3 years	0.06	0.27
Between 3 and 4 years	0.05	0.04
Between 4 and 5 years	0.17	0.03
Beyond 5 years	0.50	0.29

The contribution expected to be made by the Company during the financial year 2024-25 is Rs. 0.20 crores

The average duration of the defined benefit obligation is ranging from 6.23 to 16.80 years and 2.88 to 6.33 years as on March 31, 2024 and March 31, 2023 respectively.

#### 45 Share based compensation plans

The Company offered equity based and cash based option plans to its employees, officers and directors through the Company's stock option plan introduced in 2016, Cairn India's stock option plan now administered by the Company pursuant to merger with the Company and Vedanta Resources Limited (earlier known as Vedanta Resources Plc) plans [Vedanta Resources Long-Term Incentive Plan ("LTIP"), Employee Share Ownership Plan ("ESOP"), Performance Share Plan ("PSP") and Deferred Share Bonus Plan ("DSBP")] collectively referred as 'VRL ESOP' scheme.

The Company introduced an Employee Stock Option Scheme 2016 ("ESOS"), which was approved by the Vedanta Limited shareholders to provide equity settled incentive to all employees of the Company including subsidiary companies. The ESOS scheme includes tenure based, business performance based, sustained individual performance based and market performance based stock options. The maximum value of options that can be awarded to members of the wider management group is calculated by reference to the grade average cost-to-company ("CTC") and individual grade of the employee. The performance conditions attached to the option is measured by comparing Company's performance in terms of Total Shareholder Return ("TSR") over the performance period with the performance of two group of comparator companies (i.e. Indian and global comparator companies) defined in the scheme. The extent to which an option vests will depend on the Company's TSR rank against a group or groups of peer companies at the end of the performance period and as moderated by the Remuneration Committee.

Options granted during the period ended March 31, 2024 includes business performance based, sustained individual performance based and market performance based stock options. Business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA or a combination of these for the respective business/ SBU entities.

Amount recovered by the Parent and recognized by the company in the statement of profit and loss account for the period ended Crores March 31, 2024 was Rs 1.08 Crores (Year ended March 31, 2023 was Rs. 0.06 Crores). The Company considers these amounts as not material and accordingly has not provided further disclosures.

#### 46 Earnings per share

<b>Particulars</b>	<b>(Rs. Crores)</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
Profit attributable to the equity shareholders for Basic EPS	(117.42)	(266.87)
Add: Adjustment for Diluted Instrument	-	-
<b>Profit attributable to equity holders adjusted for Diluted EPS</b>	<b>(117.42)</b>	<b>(266.87)</b>
Weighted average number of Equity Shares for basic EPS	2,33,66,406	2,33,66,406
Effect of Dilution of Convertible debentures	13,16,61,981	13,16,61,981
<b>Weighted average number of Equity shares adjusted for the effect of dilution</b>	<b>15,50,28,387</b>	<b>15,50,28,387</b>
<b>Earning per share - Basic &amp; Dilutive (Rs.) *</b>	<b>(50.25)</b>	<b>(114.21)</b>

\* Effect of potential dilutive ordinary shares related to compulsory convertible debentures (CCDs) is anti-dilutive and hence not considered in determining diluted earnings per share.

**48 Other Statutory Information**

- (i) The Company do not have any Benami Property, where any proceeding has been initiated or pending against the company for holding any Benami Property
- (ii) The Company do not have any transactions with struck off Companies
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the Financial year
- (v) The Company is not having any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act,1961 (such as, search or survey or any other relevant provisions of the Income tax Act, 1961)
- (vi) The company during the year have not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The company during the year have not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (viii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013, read with Companies (restriction on number of layers) Rules, 2017
- (ix) The Company is maintaining its books of accounts in electronic mode and these books of accounts are accessible in India at all the times and the back up of books of accounts has been kept in servers physically located in India on a daily basis from the applicability date of the accounts rules i.e., 5 August, 2022 onwards
- (x) The Company has used 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 except that audit trail feature is not enabled in the SAP application for direct changes to data in certain database tables, which is restricted to certain ID's with system administrator user access in order to optimise system performance. However, these system administrator rights have been disabled subsequent to the year end. Further no instance of audit trail feature being tampered with was noted in respect of software.

**49 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at	As at
	31 March 2024	31 March 2023
	Rs. Crores	Rs. Crores
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	5.90	22.12
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are	-	-

**50 Segment Information**  
**Acquisition (Refer Note 1)**  
**Gujarat NRE**

In FY 21-22, the company acquired Bachau and Khambalia blocks of Gujarat NRE Coke Limited which was under liquidation as per the Insolvency and Bankruptcy Code 2016 for the time being in force for a cash consideration of Rs 165.99 crores and subsequent stamp duty for the transactions for Rs 9.7 crores. The assets acquired mainly included Land, Building and Plant & Machinery of similar value as the cash consideration. Gujarat NRE Coke Limited (GNRE), has two Met Coke plants in Bhachau and Khambalia for a total operating capacity of 400 KTPA and 265 KTPA respectively.

**Nicomet Industries**

In FY 21-22, the Company acquired the assets of Nicomet Industries Limited which was under liquidation process as per the Insolvency and Bankruptcy code,2016 (including all amendments for the time being in force) for a cash consideration of Rs 51.55 crores and subsequent stamp duty and registration fee of Rs 3.3 crores. The assets acquired mainly include land, building and Plant & Machinery of similar value as the cash consideration. Nickel unit is the first and the only company engaged in manufacturing Nickel and Cobalt through processing of Concentrates in India, which is a vital raw material for manufacturing of EV batteries, High quality steel products and super alloys.

The Company acquired assets of Gujarat NRE on 20th May 2021 and Nicomet Industries on 6th Jan 2022. As Malco Energy Limited has no present obligations, the acquisition shall serve to kick start and boost operations. Potential future synergies through vertical integration.

The Company primarily engaged in the business of generation and sale of electricity, production of low ash Metallurgical coke and Nickel and Cobalt sulphate and Nickel Cathode in India. As per the view of Chief Operating Decision maker (CODM), there are three operating segments (a) Generation of electricity (b) Production of coke (c) Production of Nickel sulphate crystal, Nickel Cathode and Cobalt sulphate crystal. Each of the reportable segments has an ability to derive revenue and hence have been identified as reportable segments by the Chief Operating Decision Maker.

Segment Revenue, Results, Assets and Liabilities include respective amount identifiable to each segments. Tax, Depreciation and Amortization and EBITDA are evaluated regularly by the CODM, in deciding how to allocate resources and in assessing performance. The operating segments reported are the segments of the company for which separate financial information is available. The Company's Income taxes are reviewed on an overall basis and are not allocated to operating segments.

The power plant of the company has been put under care and maintenance w.e.f. May 26, 2017 due to prevailing business conditions.

**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

**50 Segment Information (Continued)**

The following table presents revenue and profit information and certain assets and liabilities information regarding the Company's operating segments as at and for the year ended 31 March 2024. Since the Power Plant is under care and maintenance, there is no Revenue from operations from this segment.

<b>For the Year ended 31 March 2024</b>						<b>(Rs. Crores)</b>
<b>Particulars</b>	<b>Operating Segments</b>					
	<b>Coke</b>	<b>Nickel</b>	<b>Power</b>	<b>Elimination</b>	<b>Total</b>	
<b>Revenue</b>						
External Revenue	160.86	454.89	-	-	615.75	
Inter Segment Revenue	-	-	-	-	-	
<b>Segment Revenue</b>	<b>160.86</b>	<b>454.89</b>	<b>-</b>	<b>-</b>	<b>615.75</b>	
<b>Results</b>						
Segment Results (EBITDA)*	(42.32)	(35.09)	19.89	1.15	(56.36)	
Less: Depreciation and Amortisation	(19.48)	(8.07)	(4.23)	-	(31.78)	
Add: Other Income	9.87	3.20	38.12	(29.58)	21.61	
Less: Finance cost					(50.90)	
<b>Net Profit before tax</b>					<b>(117.43)</b>	
<b>Segment Assets</b>						
Segment Assets	293.65	349.44	136.33	(48.60)	730.82	
Financial Asset (Investments)					36.86	
Financial Asset (Loans)					0.10	
Income tax Asset					7.96	
Cash & Cash Equivalents (including other bank balance & bank deposits)					26.04	
<b>Total Assets</b>					<b>801.78</b>	
<b>Segment Liabilities</b>						
Segment Liabilities	22.17	88.19	378.05	(48.60)	439.81	
Borrowings					361.97	
<b>Total Liabilities</b>					<b>801.78</b>	
<b>Capital Expenditure</b>						
Property, Plant and Equipment	189.74	51.88	79.52	-	321.14	
Capital Work-In-Progress	9.64	1.44	-	-	11.08	
Intangibles	0.15	-	-	-	0.15	
Right-of-use Asset	6.84	22.33	-	-	29.17	
<b>Total</b>	<b>206.38</b>	<b>75.64</b>	<b>79.52</b>	<b>-</b>	<b>361.54</b>	

**For the Year ended 31 March 2023** **(Rs. Crores)**

<b>Particulars</b>	<b>Operating Segments</b>				
	<b>Coke</b>	<b>Nickel</b>	<b>Power</b>	<b>Elimination</b>	<b>Total</b>
<b>Revenue</b>					
External Revenue	491.97	41.75	-	-	533.72
Inter Segment Revenue	-	-	-	-	-
<b>Segment Revenue</b>	<b>491.97</b>	<b>41.75</b>	<b>-</b>	<b>-</b>	<b>533.72</b>
<b>Results</b>					
Segment Results (EBITDA)*	(187.60)	(23.18)	(4.44)	0.17	(215.06)
Less : Depreciation and Amortisation	(15.13)	(3.44)	(4.25)	-	(22.81)
Add : Other Income	2.17	1.71	9.78	(8.61)	5.05
Less: Finance cost					(34.05)
<b>Net Profit before tax</b>					<b>(266.87)</b>
<b>Segment Assets</b>					
Segment Assets	465.15	522.49	307.23	(295.81)	999.05
Financial Asset (Investments)					15.84
Income tax Asset					7.09
Cash & Cash Equivalents (including other bank balance & bank deposits)					30.96
<b>Total Assets</b>					<b>1,052.95</b>
<b>Segment Liabilities</b>					
Segment Liabilities	539.50	239.96	72.24	(295.81)	555.89
Borrowings					477.37
<b>Total Liabilities</b>					<b>1,033.26</b>
<b>Capital Expenditure</b>					
Property, Plant and Equipment	193.21	41.54	83.76	-	318.51
Capital Work-In-Progress	19.11	3.90	-	-	23.01
Intangibles	0.40	-	-	-	0.40
Right-of-use Asset	-	21.64	-	-	21.64
<b>Total</b>	<b>212.72</b>	<b>67.08</b>	<b>83.76</b>	<b>-</b>	<b>363.56</b>

\* EBITDA is a Non GAAP measure

**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

**51 Key Ratios are as follows**

Particulars	Formula	FY 23-24	FY 22-23	Percentage change	Reason for change
a) Current Ratio (in times)	Current Asset/Current Liability	0.46	0.64	-28%	The Ratios' for current year are not comparable to previous year due to the following reasons:  i) Nickel division : Started its operations in the mid of FY 22-23 and gradually operations got stabilised during the FY 23-24.  ii) Coke division: During the FY 22-23, Bachau plant of Met coke was in full operation and Khambalia plant was in operation for 3 months. Whereas in FY 23-24, Bachau plant started partial operations from the month of August 2023 and there were no operations in Khambalia plant.
b) Debt Equity Ratio (in times)	Gross Debt/Equity	-3.85	24.25	-116%	
c) Debt service coverage Ratio (in times)	(Profit After tax+Depreciation+Finance cost)/(Interest expense + Principal payments of loans)	(0.08)	(0.42)	-80%	
d) Return on Equity Ratio (%)	Profit After tax/Total Equity	124.90%	-1355.49%	-109%	
e) Inventory Turnover Ratio (in times)	Revenue from Operations/Average Inventory	1.98	2.15	-8%	
f) Trade Receivable Turnover Ratio (in times)	Revenue from Operations/Average Trade Receivable	36.59	24.55	49%	
g) Trade Payable Turnover Ratio (in times)	Revenue from Operations/Average Trade Payable	2.39	4.06	-41%	
h) Net Working Capital Turnover Ratio (in times)	Revenue from Operations/Working capital	(1.28)	(1.45)	-12%	
i) Net Profit Ratio (%)	Profit after tax/Revenue from operations	-19.07%	-50.00%	-62%	
j) Return on Capital Employed (in times)	(Profit before tax + Finance cost)/Capital employed	(0.24)	(0.47)	-49%	
k) Return on investment (in times)	Income from investment measured at FVTPL/ Average current investment	0.02	0.03	-30%	

**MALCO Energy Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

**52 Leases**

The Company has lease contracts for land, Machinery, vehicles and other equipment for its business operations. Generally, the Company is restricted from assigning and subleasing the leased assets.

- i) Details of carrying amount of Right-of-use assets and movement during the period disclosed under Note 7.  
ii) Set out below are the carrying amounts of lease liabilities and the movement during the year:

Particulars	(Rs. Crores)	
	31 March 2024	31 March 2023
Balance at the beginning of the year	0.25	0.23
Additions	9.77	-
Disposals	-	-
Lease payment made during the year	(1.70)	-
Accretion of interest	0.46	0.02
Write back	0.25	-
Balance at the end of the year	<b>9.03</b>	<b>0.25</b>
Non Current	2.97	0.19
Current	6.06	0.06

a) The effective interest rate for lease liabilities ranges from 7.58% to 10.30%.

b) The maturities for lease liabilities are as follows

Particulars	Maturity
Leasehold Land	60-80 years
Leasehold Vehicles	1-2 years
Leasehold Equipment	5 Years

b) The maturity analysis of lease liabilities are disclosed in Note 40 (C) "Liquidity risk"

c) The Company had total cash flows for leases of Rs.1.20 crores for the year ended 31 March 2024 (31 March 2023: Rs.Nil)

- iii) The following are the amounts recognised in profit or loss:

Particulars	(Rs. Crores)	
	31 March 2024	31 March 2023
Depreciation of Right-of-use asset	2.24	0.31
Accretion of interest on lease liability	0.46	0.02
Expenses relating to short-term leases and leases of low-value assets	0.68	1.02
<b>Total amount recognised in profit or loss</b>	<b>3.39</b>	<b>1.35</b>

**53 Going concern**

As at March 31, 2024, the Company has a net current liability of Rs 480.33 Crores and has incurred a loss of Rs. 117.42 Crores during the year ended March 31, 2024. Current liabilities as at March 31, 2024 includes borrowing, interest payable, trade payable and other payable amounting to Rs. 341.36 Crores, Rs. 54.79 Crores, Rs. 226.21 Crores and Rs. 12.60 Crores respectively payable to Holding Company.

Further, the holding Company has provided a commitment in the form of a support letter to provide the necessary financial support to the Company to meets its operational and financial obligations as and when they fall due.

Based on the business plans of the Company, cash flow projections and support letter from holding company, management is confident that the Company will be able to meet its financial obligations as they arise. Accordingly, these financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

- 54** Previous year's figures have been regrouped in case wherever necessary to make them comparable with those of the current year.

**As per our report of even date**

**For S R B C & CO LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No : 324982E/E300003**

sd/-

**per Anant Acharya**  
**Partner**  
**Membership No. - 124790**

**Place : Mumbai**  
**Date : 16 April 2024**

**For and on behalf of Board of Directors**

sd/-

**Navin Kumar Jaju**  
**Director**  
**DIN 00669654**

**Place : Goa**  
**Date : 16 April 2024**

sd/-

**Poovannan Sumathi**  
**Director**  
**DIN 07147100**

**Place : Tuticorin**  
**Date : 16 April 2024**