S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai – 400 028, India
Tel: +91 22 6819 8000

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, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit 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 Board of Directors report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Ind AS Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including 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;

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

   (f) 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;

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – 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, as disclosed in the note 47 to the Ind-AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, 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, as disclosed in the note 47 to the Ind-AS financial statements, no funds have been received by the company from any persons or entities, 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 that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

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

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

Sd/-

per Anant Acharya
Partner
Membership Number: 124790
UDIN: 23124790BGVIKG8105
Place of Signature: Mumbai
Date: April 25, 2023

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 programme 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) or intangible assets during the year ended March 31, 2023.

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

(ii) (a) The 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, 2023 and no discrepancies were noticed in respect of such confirmations. Discrepancies of 10% or more in aggregate for each class of inventory have been properly dealt with in the books of account.

(b) As disclosed in note 22 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 unaudited books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

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

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

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

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

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

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

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by 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, 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 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) According to the records of the Company, the dues of service-tax, and custom duty 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	23.89	Customs Excise and Service Tax Appellate Tribunal
The Finance Act,1994	Service tax	2014	1.67	Customs Excise and Service Tax Appellate Tribunal

(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 did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(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. 33.22 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 subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

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

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

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

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost 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) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses amounting to Rs. 243.94 Crores in the current year. The Company has not incurred cash losses in the immediately preceding financial year.

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

(xix) On the basis of the financial ratios disclosed in note 49 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 367.21 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 38 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 38 to the financial statements.

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

Sd/-

per Anant Acharya
Partner
Membership Number: 124790
UDIN: 23124790BGVIKG8105
Place of Signature: Mumbai
Date: April 25, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MALCO Energy 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, 2023 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 Over Financial Reporting With Reference to these 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 Over Financial Reporting With Reference to these 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Sd/-

per Anant Acharya
Partner
Membership Number: 124790
UDIN: 23124790BGVIKG8105
Place of Signature: Mumbai
Date: April 25, 2023

MALCO Energy Limited

Balance Sheet as at 31 March 2023

Particulars	Notes	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	318.51	283.12
(b) Intangible assets	4	0.40	0.64
(c) Capital Work in Progress	5	23.01	45.88
(d) Right-of-use Asset	7	21.64	21.95
(e) Financial assets			
(i) Investments	8	-	-
(ii) Other financial assets	9	0.12	0.13
(f) Non current tax assets (net)	10	7.09	6.42
(g) Other non-current assets	11	16.32	15.19
Total non-current assets		**387.09**	**373.33**
Current assets			
(a) Inventories	12	438.63	57.64
(b) Financial assets			
(i) Investments	8	15.84	9.76
(ii) Trade receivables	13	6.15	37.33
(iii) Cash and cash equivalents	14	24.85	48.24
(iv) Other bank balances	15	6.10	0.24
(v) Loans	16	0.01	-
(vi) Derivatives	40	31.21	-
(vii) Other financial assets	17	34.84	0.61
(c) Other current assets	18	108.23	49.08
Total current assets		**665.86**	**202.90**
Total assets		**1,052.95**	**576.23**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	4.67	4.67
(b) Other equity	20	15.02	286.13
Total equity		**19.69**	**290.80**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	21	0.19	-
Total non-current liabilities		**0.19**	**-**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	477.37	147.17
(ii) Lease Liabilities	23	0.06	0.23
(iii) Operational buyers credit/suppliers credit	24	141.20	-
(iv) Trade payables	25		
· Total outstanding dues of micro and small enterprises		22.12	10.81
· Total outstanding dues of creditors other than micro and small enterprises		279.30	51.76
(vi) Derivatives	40	0.10	-
(vi) Other financial liabilities	26	41.29	10.48
(b) Other current liabilities	27	70.64	64.06
(c) Provisions	28	0.99	0.92
Total current liabilities		**1,033.07**	**285.43**
Total equity and liabilities		**1,052.95**	**576.23**

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 : 25 April 2023

For and on behalf of Board of Directors

sd/-
Navin Kumar Jaju
Director
DIN 00669654

sd/-
Poovannan Sumathi
Director
DIN 07147100

Place : Goa
Date : 25 April 2023

Place : Tuticorin
Date : 25 April 2023

MALCO Energy Limited

Statement of Profit and Loss for the year ended 31 March 2023

	Particulars	Notes	For the year ended 31 March 2023 Rs. Crores	For the year ended 31 March 2022 Rs. Crores
I	Revenue from operations	29	533.72	214.32
II	Other Operating income	30	4.39	-
III	Other income	31	5.05	3.76
IV	**Total income (I+II+III)**		**543.16**	**218.08**
V	**Expenses:**			
	Cost of materials consumed	32	790.72	165.52
	Purchases of traded goods		17.26	-
	Changes in inventories of finished goods	33	(177.74)	(34.58)
	Power & fuel	35	7.84	1.16
	Employee benefits expense	34	14.61	5.60
	Finance costs	36	34.05	4.49
	Depreciation and amortization expense	37	22.81	15.62
	Other expenses	38	100.48	44.56
	Total expenses		**810.03**	**202.37**
VI	**Profit / (Loss) before tax (IV-V)**		**(266.87)**	**15.71**
VII	**Tax expense**	39	**-**	-
VIII	**Profit / (Loss) for the year (VI-VII)**		**(266.87)**	**15.71**
	Other Comprehensive Income /(Loss)			
	Items not to be reclassified to profit and loss			
	- Remeasurement gains/(losses) on defined benefit plans		0.22	(0.00)
	- Income tax effect		-	-
	Items to be reclassified to profit and loss			
	- Gains/(Losses) on cash flow hedges		(4.46)	-
IX	**Other Comprehensive Income /(Loss) for the year**		**(4.24)**	**(0.00)**
X	**Total Comprehensive Income /(Loss) for the year (VIII+IX)**		**(271.11)**	**15.71**
XI	**Earnings per equity share of Rs.2 each**	45		
	- Basic		(114.21)	6.72
	- Diluted		(17.21)	1.01

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 : 25 April 2023

For and on behalf of Board of Directors

sd/-
Navin Kumar Jaju
Director
DIN 00669654

Place : Goa
Date : 25 April 2023

sd/-
Poovannan Sumathi
Director
DIN 07147100

Place : Tuticorin
Date : 25 April 2023

MALCO Energy Limited
Statement of Cash Flow for the year ended 31 March 2023

		As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Cash flows from operating activities			
Profit before tax		(266.87)	15.71
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization expenses		22.81	15.62
Gain on sale/fair valuation of current investment measured at FVTPL		(0.37)	(0.38)
Interest income on Bank Deposit		(1.54)	(0.15)
Interest income on Loan to related party		-	(3.12)
Interest Expenses		34.05	4.43
		(211.92)	**32.11**
Movement in working capital			
(Increase)/Decrease in inventories		(380.99)	(55.98)
(Increase)/Decrease in trade and other receivables		(93.95)	(85.44)
Increase/(Decrease) in trade and payable		389.58	77.05
Cash generation from operation		**(297.28)**	**(32.26)**
Income tax paid (net)		(0.67)	(0.47)
Net cash from operating activities	**(A)**	**(297.95)**	**(32.73)**
Cash flows from investing activities			
(Increase)/decrease in other bank balances (net)		(5.87)	(0.01)
Purchase of Property Plant and Equipment		(33.20)	(274.98)
Purchase of current investments		(140.90)	(134.37)
Proceeds from sale of current investments		135.17	126.95
Loan (to)/repaid by related party		-	200.00
Miscellaneuos Income received		1.53	13.47
Net cash from/(used in) investing activities	**(B)**	**(43.27)**	**(68.94)**
Cash flows from financing activities			
Interest Paid		(12.37)	-
Proceeds from short term borrowings		404.34	147.17
Repayment of short term borrowings		(74.14)	-
Increase in Lease liability		-	0.23
Net cash from/(used in) financing activities	**(C)**	**317.83**	**147.40**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	(23.39)	45.73
Cash and cash equivalents at the beginning of the year		48.24	2.51
Cash and cash equivalents at the end of the year (Refer Note 14)		**24.85**	**48.24**

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

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Partner
Membership No. - 124790

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Place : Goa
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Poovannan Sumathi
Director
DIN 07147100

Place : Tuticorin
Date : 25 April 2023

MALCO Energy Limited
Statement of changes in equity for the year ended 31 March 2023

Rs. Crores

	Equity Share Capital	Other equity				Total equity
		Instruments entirely equity in nature - compulsorily convertible debentures	Reserves and surplus		Total other equity	
			Securities premium	Retained earnings		
As at 31 March 2021	**4.67**	**6,135.45**	**99.92**	**(5,964.95)**	**270.42**	**275.09**
Profit/(Loss) for the year	-	-	-	15.71	15.71	15.71
Other Comprehensive Income / (Loss)	-	-	-	(0.00)	(0.00)	(0.00)
Total Comprehensive Income / (Loss)	-	-	-	15.71	15.71	15.71
As at 31 March 2022	**4.67**	**6,135.45**	**99.92**	**(5,949.24)**	**286.13**	**290.80**
Profit/(Loss) for the year	-	-	-	(266.87)	(266.87)	(266.87)
Other Comprehensive Income / (Loss)	-	-	-	(4.24)	(4.24)	(4.24)
Total Comprehensive Income / (Loss)	-	-	-	(271.11)	(271.11)	(271.11)
As at 31 March 2023	**4.67**	**6,135.45**	**99.92**	**(6,220.35)**	**15.02**	**19.69**

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 : 25 April 2023

For and on behalf of Board of Directors

sd/-
Navin Kumar Jaju
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Place : Goa
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Poovannan Sumathi
Director
DIN 07147100

Place : Tuticorin
Date : 25 April 2023

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, Cobalt sulphate 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 rawmaterial for steel plant operating through blast furnace route and 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.

2. Significant accounting policies:

(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. 367.21 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 Company is therefore being viewed as a going concern and 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 2A.

(c) 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 of the Company's sales contracts 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). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial assets to the carrying amount of the financial asset on initial recognition.

(d) 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.

(e) 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.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

(g) 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount 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	05-60 years
Plant and equipment	03-40 years
Furniture and fixtures	5-10 years
Vehicles	5-10 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.

(h) 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.

(i) 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

Right-of-use Asset 60-80 years

(j) 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

(k) 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.

(l) 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.

(m) 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 recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

(n) 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.

(o) 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.

(p) 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.

(q) 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 thoseare 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 amountthat would have been determined, net of depreciation, had no impairment loss been recognised for theasset in prior years. Such reversal is recognised in the statement of profit and loss.

(r) Derivative financial instruments and hedge accounting

The Company is not having any Derivative Financial instruments

(s) Earnings Per Share (EPS):

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

(t) 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.

(u) 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.

(v) Current Versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ noncurrent classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

(w) 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.

(x) 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 instiutions 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 subtsance of the payment.

(y) 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.

2A. 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. 1,630.94 Crores (31 March 2022: Rs. 1,608.37 Crores) of unabsorbed depreciation and Rs 255.53 Crores (31 March 2022: Rs 11.47 Crores) of 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.

MALCO Energy Limited

Notes to the Financial Statements for the year ended 31 March 2023

3 Property, plant and equipment

(Rs. Crores)

	Plant and equipment	Freehold Land	Buildings	Furniture and fixtures	Vehicles	Office equipment	Roads	Total
Cost								
At 31 March 2021	**145.74**	**-**	**-**	**0.26**	**0.00**	**1.15**	**-**	**147.15**
Additions	100.63	77.58	25.09	0.17	2.54	0.33	-	206.34
- On acquistion of GNRE asset (Refer Note 1)	71.07	77.58	24.32	-	2.54	0.20	-	175.71
- On acquistion of Nicomet asset (Refer Note 1)	0.28	-	-	-	-	-	-	0.28
- Other additions	29.28	-	0.77	0.17	-	0.13	-	30.35
Disposals	-	-	-	-	-	-	-	-
At 31 March 2022	**246.37**	**77.58**	**25.09**	**0.43**	**2.54**	**1.48**	-	**353.49**
Additions	40.45	-	14.83	0.20	-	2.16	0.02	57.66
Disposals	-	-	-	-	-	-	-	-
At 31 March 2023	**286.82**	**77.58**	**39.92**	**0.63**	**2.54**	**3.64**	**0.02**	**411.15**
Depreciation								
At 31 March 2021	**53.76**	**-**	**-**	**0.26**	**-**	**0.90**	**-**	**54.92**
Depreciation charge for the year	14.73	-	0.45	0.01	0.23	0.03	-	15.45
Disposals	-	-	-	-	-	-	-	-
At 31 March 2022	**68.49**	**-**	**0.45**	**0.27**	**0.23**	**0.93**	-	**70.37**
Depreciation charge for the year	20.53	-	1.42	0.07	-	0.25	0.00	22.27
Disposals	-	-	-	-	-	-	-	-
At 31 March 2023	**89.02**	**-**	**1.87**	**0.34**	**0.23**	**1.18**	**0.00**	**92.64**
Net book value								
At 31 March 2022	177.88	77.58	24.64	0.16	2.31	0.55	-	283.12
At 31 March 2023	197.80	77.58	38.05	0.29	2.31	2.46	0.02	318.51

4 Intangible assets

(Rs. Crores)

	Computer Software	Total
Cost		
At 31 March 2021	0.39	0.39
Additions	0.74	0.74
Disposals	-	-
At 31 March 2022	**1.13**	**1.13**
Additions	-	-
Disposals	-	-
At 31 March 2023	**1.13**	**1.13**
Amortisation		
At 31 March 2021	0.39	0.39
Amortisation	0.10	0.10
At 31 March 2022	**0.49**	**0.49**
Amortisation	0.24	0.24
At 31 March 2023	**0.73**	**0.73**
Net book value		
At 31 March 2022	0.64	0.64
At 31 March 2023	0.40	0.40

5 Capital Work In Progress	Amount	Total
		(Rs. Crores)
At 31 March 2021	-	-
Additions	76.23	76.23
Transferred to Property Plant and Equipment	30.35	30.35
Disposals	-	-
At 31 March 2022	**45.88**	**45.88**
Additions	34.82	34.82
Transferred to Property Plant and Equipment	57.69	57.69
Disposals	-	-
At 31 March 2023	**23.01**	**23.01**

Capital Work In Progress (CWIP) ageing schedule (Rs. Crores)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Projects in Progess	Projects temporarily Suspended	Total	Projects in Progess	Projects temporarily Suspended	Total
Less than 1 year	13.23	3.90	17.13	45.88	-	45.88
1-2 year	5.88	-	5.88	-	-	-
2-3 year	-	-	-	-	-	-
2-3 year	-	-	-	-	-	-
More than 3 year	-	-	-	-	-	-
Total	**19.11**	**3.90**	**23.01**	**45.88**	**-**	**45.88**

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 Intangible asset under development	Amount	Total
		(Rs. Crores)
At 31 March 2021	-	-
Additions	0.74	0.74
Transferred to Property Plant and Equipment	0.74	0.74
Disposals	-	-
At 31 March 2022	-	-
Additions	-	-
Transferred to Property Plant and Equipment	-	-
Disposals	-	-
At 31 March 2023	**-**	**-**

7 Right-of-use Asset	ROU Asset - Land	Total
		(Rs. Crores)
Cost		
At 31 March 2021	-	-
Additions	22.02	22.02
Disposals	-	-
At 31 March 2022	**22.02**	**22.02**
Additions	-	-
Disposals	-	-
At 31 March 2023	**22.02**	**22.02**
Depreciation		
At 31 March 2021		
Depreciation charge for the year	0.07	0.07
Disposals	-	-
At 31 March 2022	**0.07**	**0.07**
Depreciation charge for the year	0.31	0.31
Disposals	-	-
At 31 March 2023	**0.38**	**0.38**
Net book value		
At 31 March 2022	21.95	21.95
At 31 March 2023	21.64	21.64

8 Investments

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Non current		
Unquoted equity shares		
Investments in subsidiaries (At cost less impairment, if any)		
33,590,300 (31 March 2022: 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)
Total	**-**	**-**
Current		
Investment carried at fair value through Profit and Loss		
Unquoted		
Investment in mutual funds	15.84	9.76
Total	**15.84**	**9.76**
Aggregate value of unquoted investments	15.84	9.76
Aggregate amount of impairment in value of investment	6,136.60	6,136.60

9 Others financial assets - non current (at amortised cost)

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Security deposits	0.38	0.38
Less : Impairment allowance	(0.26)	(0.25)
Security deposits (net)	**0.12**	**0.13**
Break-up for security details:		
Unsecured considered good	0.12	0.13
Security deposits- credit impaired	0.26	0.25
Total	**0.38**	**0.38**
Less : Impairment allowance	(0.26)	(0.25)
Total	**0.12**	**0.13**

10 Non Current Tax Assets

Tax with Government Authorities	7.09	6.42
Total	**7.09**	**6.42**

11 Other non-current assets

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Unsecured Considered Good		
Balance with government authorities	15.72	15.19
Capital Advances	0.60	-
Total	**16.32**	**15.19**

12 Inventories (At lower of cost and net realisable value)

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Raw Materials	214.09	21.06
Work-in-progress	24.84	-
Finished goods	187.48	34.58
Stores and spares	12.22	2.00
Total	**438.63**	**57.64**

a) Write down of inventories amounting to Rs. 38.44 crore has been charged to the Statement of Profit and Loss during the year (31 March 2022:Nil).

13 Trade receivables

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Trade receivables	6.15	43.24
Less: Impairment allowance	-	(5.91)
Trade receivables (net)	**6.15**	**37.33**
Break-up of Trade Receivable:		
Secured, considered good	0.30	3.77
Unsecured, considered good	5.85	33.56
Trade receivables- credit impaired	0.00	5.91
Total	**6.15**	**43.24**

Less: Impairment allowance	-	(5.91)
Total	**6.15**	**37.33**
Movement in impairment allowance on trade receivables:		
Balance at the beginning of the year	(5.91)	(5.91)
(Allowances)/write back during the year	-	-
Written off against past provision	5.91	-
Balance at the end of the year	**-**	**(5.91)**
Aging Schedule of Trade Receivables		
Undisputed Considered good		
Secured Less than 6 months	0.26	3.77
Unsecured less than 6 months	0.12	-
Unsecured 1 - 2 years	5.77	-
Unsecured and not due	-	33.56
	6.15	**37.33**

Note :

- 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.

14 Cash and cash equivalents

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Balances with banks	23.85	48.24
Bank deposits with original maturity of less than 3 months (including interest accrued thereon)	1.00	-
Total	**24.85**	**48.24**

Changes in liabilities arising from financing activities:

Particulars	31 March 2022	Cash Flow	Accruals of Interest	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
	151.83	**330.20**	**20.09**	**502.12**

15 Other bank balances

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Bank deposits with original maturity of more than 3 months but less than 12 months *	6.10	0.24
Total	**6.10**	**0.24**

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

16 Financial assets - Current - Loans (at amortised cost)

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Unsecured, considered good		
Advance to Employees	0.01	-
Total	**0.01**	**-**

17 Other financial assets - Current (at amortised cost)

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Unsecured, Considered good		
Advances other than capital advances		
Advances to related parties	0.20	-
Security Deposits	32.17	0.61
Others	2.47	-
	34.84	**0.61**

18 Other current assets

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Unsecured, considered good		
Balance with government authorities	85.54	12.03
Gratuity fund (Refer Note 44)	0.33	0.21
Leave encashment fund	0.47	0.39
Prepaid expenses	0.24	0.21
Advances to suppliers	20.39	35.25
Others	1.26	0.99
Total	**108.23**	**49.08**

19 Share capital

		As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
(a)	**Authorised shares**		
	880,000,000 (March 31, 2022: 880,000,000) equity shares of Rs. 2 each	176.00	176.00
	1,250,000 (March 31, 2022: 1,250,000) preference shares of Rs. 1000 each	125.00	125.00
(b)	**Issued, subscribed and fully paid up shares :**		
	23,366,406 (March 31, 2022: 23,366,406) equity shares of Rs. 2 each	4.67	4.67
		4.67	**4.67**

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	31 March 2023		31 March 2022	
	No. of shares	Amount Rs. Crores	No. of shares	Amount Rs. Crores
Balance as at the beginning of the year	23,366,406	4.67	23,366,406	4.67
Balance as at the end of the year	**23,366,406**	**4.67**	**23,366,406**	**4.67**

(d) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates
Out of equity shares issued by the company, shares held by its holding company is as follows:

	31 March 2023		31 March 2022	
	No. of shares	Amount Rs. Crores	No. of shares	Amount Rs. Crores
Vedanta Limited, the holding company	23,366,406	4.67	23,366,406	4.67

(e) Shareholders holding more than 5% shares in the company

	As at 31 March 2023 Rs. Crores		As at 31 March 2022 Rs. Crores	
	No. of shares	% of holding	No. of shares	% of holding
Vedanta Limited, the holding company	23,366,406	100%	23,366,406	100%

(f) Terms/ rights attached to equity shares

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.

20 Other equity

		As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
(a)	**Securities premium account**		
	Balance as at the beginning of the year	99.92	99.92
	Balance as at the end of the year	**99.92**	**99.92**

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.

		As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
(b)	**Retained earning**		
	Balance as at the beginning of the year	(5,949.24)	(5,964.95)
	Add: Profit/(Loss) for the year	(266.87)	15.71
	Other comprehensive Income/(Loss) during the year	(4.24)	-
	Balance as at the end of the year	**(6,220.35)**	**(5,949.24)**
(c)	**Instruments entirely equity in nature - compulsorily convertible debentures (refer note below)**		
	As at beginning of the year	6,135.45	6,135.45
	Issued during the year	-	-
	Balance as at the end of the year	**6,135.45**	**6,135.45**

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.

	31 March 2023	31 March 2022
Total Other Equity (a+b+c)	**15.02**	**286.13**

21 Lease Liabilities - Non Current (at amortised cost)

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Lease Liability (Refer Note 51)	0.19	-
Total	**0.19**	**-**

22 Borrowings - Current (at amortised cost)

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Secured		
Loans from Banks	-	-
Working Capital Loan	28.90	-
Unsecured		
Related Party Loans	448.47	147.17
	477.37	**147.17**

a) Malco Energy has borrowed 448.48 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.

Particulars	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Loan from Vedanta Limited 8.91% (31 March 2022: 7.15%)	196.47	147.17
Loan from Vedanta Limited 10.15% (31 March 2022: 7.15%)	252.00	-
	448.47	**147.17**

b) Working capital loan of Rs. 28.90 Cr 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

23 Lease Liabilities - Current (at amortised cost)

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Lease Liability (Refer Note 51)	0.06	0.23
Total	**0.06**	**0.23**

24 Operational Buyers'/Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate of 5.83% per annum and in rupee from domestic banks at interest rate of 7.6% per annum. These trade credits are largely repayable within 180 days from the date of draw down.

25 Trade payables

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Trade payables		
(i) Total outstanding dues of micro and small enterprises (Refer Note 48)	22.12	10.81
(ii) Total outstanding dues of creditors other than micro and small enterprises	279.30	51.76
Total	**301.42**	**62.57**
Aging schedule of Trade Payable		
Undisputed dues of MSME		
Not Due	15.53	-
Less than 1 year	6.59	10.80
1-2 year	-	-
2-3 years	-	-
More than 3 years	-	0.01
Total	**22.12**	**10.81**
Undisputed dues of Creditors other than MSME		
Unbilled	9.70	1.03
Not Due	-	14.87
Less than 1 year	268.60	35.55
1-2 year	0.66	-
2-3 years	-	0.01
More than 3 years	0.34	0.30
Total	**279.30**	**51.76**

26 Others financial liabilities - Current (at amortised cost)

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Current		
Liability for capital expenditure	8.54	6.34
Interest accrued but not due	0.07	-
Due to related parties	31.17	2.47
Deposits from Vendors and others	1.38	1.67
Other Liabilities	0.13	-
Total	**41.29**	**10.48**

27 Other current liabilities

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Claims and other payables	55.11	54.93
Statutory liabilities	7.52	1.45
Amount payable to employee provident fund	0.04	-
Advance from customers	6.64	5.05
Advance from related party	0.46	2.61
Other liabilities	0.87	0.02
Total	**70.64**	**64.06**

28 Provisions

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Provision for Gratuity (Refer Note 44)	0.74	0.74
Provision for Leave encashment	0.25	0.18
Total	**0.99**	**0.92**

29 Revenue from operations

	Year ended 31 March 2023 Rs. Crores	Year ended 31 March 2022 Rs. Crores
Revenue from contract with customers	533.72	214.32
Total	**533.72**	**214.32**

a) Revenue from contract with customers for the year ended 31 March 2023 includes revenue from contracts with customers of Rs. 520.13 crore (FY 2021-22: Rs. 214.32 crore) and a net gain on mark-to-market of Rs. 13.59 crore (FY 2021-22: Nil) 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

	Year ended 31 March 2023 Rs. Crores	Year ended 31 March 2022 Rs. Crores
Scrap sales	4.39	-
	4.39	-

31 Other income

	Year ended 31 March 2023 Rs. Crores	Year ended 31 March 2022 Rs. Crores
Gain on sale/fair valuation of current investment measured at FVTPL	0.37	0.38
Income from Interest		
- on Bank Deposits	1.54	0.15
- on loan to related party	-	3.12
Other non operating income	3.14	0.11
Profit on sale of fixed assets	0.00	-
Total	**5.05**	**3.76**

32 Cost of Material Consumed

	Year ended 31 March 2023 Rs. Crores	Year ended 31 March 2022 Rs. Crores
Consumption of Raw Material	790.72	165.52
	790.72	**165.52**

33 Changes in inventories of finished goods & Work-in-Progress

	Year ended 31 March 2023 Rs. Crores	Year ended 31 March 2022 Rs. Crores
Inventory at the beginning of the year		
- Finished Goods	34.58	-
- Work in Progess	-	-
Inventory at the end of the year		
- Finished Goods	187.48	34.58
- Work in Progess	24.84	-
Total	**(177.74)**	**(34.58)**

34 Employee benefits expense

	Year ended 31 March 2023 Rs. Crores	Year ended 31 March 2022 Rs. Crores
Salaries, wages and bonus	13.47	5.28
Contributions to provident and other funds	0.49	0.22
Staff welfare expenses	0.65	0.10
Total	**14.61**	**5.60**

35 Power and Fuel

	Year ended 31 March 2023 Rs. Crores	Year ended 31 March 2022 Rs. Crores
Power and fuel charges	7.84	1.16
Total	**7.84**	**1.16**

36 **Finance costs**	**Year ended 31 March 2023 Rs. Crores**	**Year ended 31 March 2022 Rs. Crores**
Interest expense on financial liabilities at amortised cost (Note a)	31.63	4.43
Net interest on defined benefit arrangement	0.05	-
Other finance costs	2.37	0.06
Total	**34.05**	**4.49**

a) Includes interest expense on lease liabilities for the year ended 31 March 2023 is Rs. 0.02 crore.

37 **Depreciation and amortization expense**	**Year ended 31 March 2023 Rs. Crores**	**Year ended 31 March 2022 Rs. Crores**
Depreciation on tangible assets	22.27	15.45
Depreciation on Right-of-use assets	0.31	0.07
Amortization on intangible assets	0.23	0.10
Total	**22.81**	**15.62**

38 **Other expenses**	**Year ended 31 March 2023 Rs. Crores**	**Year ended 31 March 2022 Rs. Crores**
Consumption of stores and spares	20.21	3.29
Contract Manpower expenses	36.97	18.98
Repairs and maintenance	3.82	4.52
Rates And taxes	0.43	0.80
Insurance	2.14	1.18
Travelling and conveyance	1.60	0.58
IT related expenses	0.85	0.56
Payment to auditors (refer details below)	0.22	0.06
Security service charges	1.42	2.55
Net loss on foreign currency transactions and translation	0.13	-
Legal and professional fees	1.25	1.65
Carriage outward	12.86	5.56
Business promotion expenses	0.11	0.03
Lease rent	1.02	-
Miscellaneous expenses	17.46	4.80
Total	**100.48**	**44.56**

Payment to auditors (exclusive of applicable taxes)

	Year ended 31 March 2023 Rs. Crores	**Year ended 31 March 2022 Rs. Crores**
For statutory audit fee	0.20	0.05
Other services - certification fees	0.01	0.01
Total	**0.21**	**0.06**

Details of CSR expenditure

	Year ended 31 March 2023 Rs. Crores	**Year ended 31 March 2022 Rs. Crores**
(a) Gross amount required to be spent by the Company during the year	-	-
(b) Amount approved by the Board to be spent during the year	-	-
(c) Amount spent during the year on		
(i) Construction/acquisition of any asset		
- in cash	-	-
- yet to be paid in cash	-	-
- Total (i)	-	-
(ii) On purposes other than (i) above		
- in cash	-	-
- yet to be paid in cash	-	-
- Total (ii)	-	-
Total (i+ii)	-	-

MALCO Energy Limited

Notes to the Financial Statements for the year ended 31 March 2023

39 Tax expenses

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

	Year ended 31 March 2023 Rs. Crores	Year ended 31 March 2022 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 2023 Rs. Crores	Year ended 31 March 2022 Rs. Crores
Accounting profit before tax	(266.87)	15.71
Statutory income tax rate*	25.17%	25.17%
Tax at statutory income tax rate	(67.17)	3.95
Impairment on investment- disallowable expense	-	-
Utilisation of tax losses	-	(3.95)
Deferred tax assets not recognised in the absence of vitual certainity	67.17	-
Income tax charge for the year	**-**	**-**

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

	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
Bsuiness losses	255.53	11.47
Unabsorbed depreciation	1,630.94	1,555.02
Deductible temporary differences	132.03	357.98

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 alogn with its expiry are as detailed below:

Year ended	Nature of unrecognised deferred tax assets	Within one year	Greater than one year, less than eight years	No expiry date	Total
March 31, 2023	Business Loss	-	255.53	-	**255.53**
March 31, 2023	Unabsorbed depreciation	-	-	1,630.94	**1,630.94**
March 31, 2022	Business Loss	-	11.47	-	**11.47**
March 31, 2022	Unabsorbed depreciation	-	-	1,608.37	**1,608.37**

MALCO Energy Limited
Notes to the Financial Statements for the year ended 31 March 2023

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)
As at 31 March 2023	**FVTPL$**	**FVTOCI$$**	**Amortised cost**	**Total carrying value**	**Total fair Value**
Financial assets*					
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
Total	**47.27**	**31.21**	**40.64**	**119.12**	**119.12**
Financial liabilities					
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
Total	**29.23**	**0.10**	**932.30**	**961.63**	**961.63**

	Carrying amount				(Rs. Crores)
As at 31 March 2022	**FVTPL$**	**FVTOCI$$**	**Amortised cost**	**Total carrying value**	**Total fair value**
Financial assets *					
Investments - current	9.76	-	-	9.76	9.76
Trade receivables	-	-	37.33	37.33	37.33
Cash and cash equivalents	-	-	48.24	48.24	48.24
Other bank balances	-	-	0.24	0.24	0.24
Other financial asset - current	-	-	0.61	0.61	0.61
Other financial asset - non current	-	-	0.13	0.13	0.13
Total	**9.76**	**-**	**86.55**	**96.31**	**96.31**
Financial liabilities					
Borrowings	-	-	147.17	147.17	147.17
Lease Liability	-	-	0.23	0.23	0.23
Trade payables	-	-	62.57	62.57	62.57
Other financial liabilities - current	-	-	10.48	10.48	10.48
Total	**-**	**-**	**220.45**	**220.45**	**220.45**

$ - 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 mangement 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)
As at 31 March 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets*				
Investments - current	15.84	-	-	15.84
Trade receivables	-	0.12	6.03	6.15
Derivatives	-	31.21	-	31.21
Total	**15.84**	**31.33**	**6.03**	**53.20**
Financial liabilities				
Borrowings	-	477.37	-	477.37
Derivatives	-	0.10	-	0.10
Trade payables	-	29.23	272.19	301.42
Total	**-**	**506.70**	**272.19**	**778.89**

	Fair value			(Rs. Crores)
As at 31 March 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets*				
Investments - current	9.76	-	-	9.76
Total	**9.76**	**-**	**-**	**9.76**
Financial liabilities				
Borrowings	-	147.17	-	147.17
Total	**-**	**147.17**	**-**	**147.17**

* 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 2023

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.

As at 31 March 2023 (Rs. Crores)

Financial liabilities	<1 year	1-2 Years	2-5 Years	> 5 Years	Total
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
Total	**961.41**	**0.05**	**0.02**	**0.15**	**961.63**

As at 31 March 2022 (Rs. Crores)

Financial liabilities	<1 year	1-2 Years	2-5 Years	> 5 Years	Total
Trade payables	62.57	-	-	-	62.57
Borrowings	147.17	-	-	-	147.17
Lease Liability	0.23	-	-	-	0.23
Other financial liabilities - Current	10.48	-	-	-	10.48
Total	**220.45**	**-**	**-**	**-**	**220.45**

The Company had access to following funding facilities:

As at 31 March 2023 (Rs. Crores)

Funding facilities	Total Facility	Drawn	Undrawn
Fund/non-fund based	500.00	113.12	386.88

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 managable risk.

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

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
Total financial assets - non current	-	**-**	**0.12**	**0.12**
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
Total financial assets - current	**47.15**	**7.11**	**64.74**	**119.00**

(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
Total financial Liabilities - non current	-	**0.19**	**-**	**0.19**
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
Total financial liabilities - current	**-**	**618.63**	**342.81**	**961.44**

As at 31 March 2022 (Rs. Crores)

	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Other financial assets - non current	-	0.13	-	0.13
Total financial assets - non current	**-**	**0.13**	**-**	**0.13**
Investments - current*	9.76	-	-	9.76
Trade Receivables	-	-	37.33	37.33
Cash and cash equivalents	-	-	48.24	48.24
Other financial assets - current	-	-	0.61	0.61
Other bank balances	-	0.24	-	0.24
Total financial assets - current	**9.76**	**0.24**	**86.18**	**96.18**

(Rs. Crores)

	Floating rate financial liabilities	Fixed rate financial liabilities	Non interest bearing financial liabilities	Total financial liabilities
Trade payables	-	-	62.57	62.57
Borrowings	-	-	147.17	147.17
Lease Liability	-	-	0.23	0.23
Other financial liabilities	-	-	10.48	10.48
Total financial liabilities - current	**-**	**-**	**220.45**	**220.45**

*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 Mar 2023	Effect on pre-tax profit/(loss) during the year ended 31 Mar 2022
0.50%	0.24	0.05
1.00%	0.47	0.10
2.00%	0.94	0.20

(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, 2023 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 2023 and 31 March 2022;

	As at 31 March 2023	As at 31 March 2022
Not past due	34.62	34.16
Due less than 1 month	6.12	3.37
Due between 1-3 months	0.00	0.40
Due between 3-12 months	0.25	-
More than 12 months	-	0.13
Total	**40.99**	**38.06**

(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:

Financial Assets	As at 31 March 2023		
	INR	USD	Total
Trade and other rececivable	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
	56.59	**62.52**	**119.11**

Financial Liabilities	INR	USD	Total
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
Total	**863.26**	**98.37**	**961.63**

As at 31 March 2022, the company is not exposed to foreign currency transaction as there were no foreign currency transactions.

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.

	Change in USD Rate	Effect on profit before tax	Effect on pre-tax equity
31 March 2023	10%	3.58	3.58
31 March 2022	10%	-	-

(e) Commodity price risk

On 31 March 2023, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was Rs. 53.22 crore (31 March 2022: Nil). 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 2023.

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 2023		As at 31 March 2022	
	Assets	Liabilities	Assets	Liabilities
- Commodity contracts	31.16	-	-	-
- Forward foreign currency contracts	0.05	0.10	-	-
Total	**31.21**	**0.10**	**-**	**-**

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 :

(Rs. In Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
Forex forward cover (buy)	19.89	-
Forex forward cover (sell)	230.17	-
	250.06	-

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Purchases	Sales	Purchases	Sales
Nickel (MT)	24.00	1,230.00	-	-
	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:

Rs. Crores

Particulars	31 March 2023	31 March 2022
Cash and cash equivalents	24.85	48.24
Other bank balances	6.10	0.24
Short term investments	15.84	9.76
Total cash (a)	**46.79**	**58.24**
Short-term borrowings	477.37	147.17
Lease Liability	0.25	0.23
Total debt (b)	**477.62**	**147.40**
Equity	19.69	290.80
Net debt (c= b-a)	430.83	89.16
Debt Equity Ratio	24.25	0.51

42 Contingent liabilities and Commitments

(a) Contingent Liabilities **Rs. Crores**

	(I) Claims not acknowledged by the company	31 March 2023	31 March 2022
(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	11.09	11.09
(vi)	Railway land license fees demand	4.27	2.71
(vii)	Customs duty	8.75	8.75
		163.76	**162.20**

Note :

1 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 Honorable 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 Honorable High Court in this matter in April 2013. Based on the direction of Honorable High Court, fresh representation is made before Energy Department and an order is awaited from the Government.

2 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 licencee has been denied. Aggrieved by the same, the Company filed a writ petition and a stay has been obtained from Honorable High Court, Madras. Based on the direction of Honorable 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.

3 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 Honorable High Court of Madras and Honorable High Court of Madras vide Order Dated 9th July 2021 granted liberty to appeal within 6 weeeks 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.

4 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 an writ petition before Honorable 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.

(b) Commitments

Estimated amounts of contracts net of advances, remaining to be executed on capital account and not provided for is Rs.30.05 Crores (31 March 2022: Rs. Nil).

(c) Bank guarantees

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

		(Rs. Crores)
	31 March 2023	**31 March 2022**
Bank guarantees	9.19	0.23
	9.19	**0.23**

43 Related party disclosures

(a) Details of related parties

Description of relationship	**Name of the related parties**
(i) Where control exists	
Holding Company	Vedanta Limited
Ultimate Holding Company	Vedanta Resources Limited
Subsidiary Company	Fujairah Gold FZC
Fellow Subsidiary	Hindustan Zinc Limited
	Electrosteel Limited
(ii) Other related parties	
Key management personnel	Mr. Pankaj Kumar- Director (upto July 21, 2021)
	Mr. Anand Soni - Director (upto October 29, 2022)
	Ms. A Sumathi - Whole Time Director (upto 11 May 2017)
	Mr. Navin Kumar Jaju - Director (w.e.f July 22, 2021)
	Mr. A R Narayanaswamy - Director (w.e.f Oct 29, 2022)

(b) Transactions with related parties during the year **Rs. Crores**

Particulars	**31 March 2023**	**31 March 2022**
Vedanta Limited		
Sale of Finished goods	61.22	24.89
Purchase of Goods/Service	237.76	39.86
Reimbursement of expenses	13.99	11.53
Corporate expenses	2.71	
Recovery of expenses	20.85	0.18
Interest income	-	3.12
Interest Expense	25.48	4.42
Receipt of Loan given	-	200.00
Borrowings	369.45	147.17
Borrowings repaid	68.14	-
Vizag General Cargo Berth Private Limited		
Reimbursement of expenses	0.03	-
Recovery of expenses	0.01	-

44 Employee benefit

i. Defined contribution plan

The Company contributed a total of Rs 0.34 Crores for the year ended March 31, 2023 and Rs. 0.12 Crores for the year ended March 31, 2022 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 2022 and 2021) 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
At 31 March 2021	**(0.36)**	**0.58**	**0.22**	**-**
Current service cost	(0.02)	-	(0.02)	(0.05)
Past service cost including curtailment gains/losses	-	-	-	(0.70)
Net interest expense	(0.03)	(0.00)	(0.03)	**-**
Included in Statement of Profit and Loss	**(0.05)**	**(0.00)**	**(0.05)**	**(0.75)**
Actual Return on plan assets (excluding amounts included in net interest expense)	-	0.04	0.04	-
Actuarial changes arising from changes in demographic assumptions	-	-	-	-
Actuarial changes arising from changes in financial assumptions	0.01	-	0.01	-
Actuarial changes arising from changes in experience adjustments	(0.01)	-	(0.01)	-
Included in OCI	**(0.00)**	**0.04**	**0.04**	**-**
Benefits paid	-	-	-	-
Contribution by employer	-	-	-	-
At 31 March 2022	**(0.41)**	**0.62**	**0.21**	**(0.75)**
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	(0.05)
Included in Statement of Profit and Loss	**(0.05)**	**0.04**	**(0.01)**	**(0.09)**
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
Included in OCI	**0.12**	**(0.00)**	**0.12**	**0.10**
Benefits paid	-	-	-	-
Contribution by employer	-	0.00	-	-
At 31 March 2023	**(0.34)**	**0.66**	**0.32**	**(0.74)**

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

	31 March 2023	31 March 2022
Discount rate	7.39%	7.14%
Future salary increase	5.5%-9%	5.5%-7.5%
Withdrawal rate		
Ages: up to 30 years	3.00%	3.00%
from 31 to 44 years	2%-3%	2%-3%
above 44 years	1%-3%	1%-3%
Retirement age	58	58
Mortality rate	IALM (2012 - 14)	IALM (2012 - 14)

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

		(Rs. Crores)
Assumptions	**31 March 2023**	**31 March 2022**
Sensitivity level		
0.5% Increase in discount rate	(0.02)	(0.04)
0.5% Decrease in discount rate	0.02	0.05
0.5% Increase in future salary increase	0.02	0.05
0.5% Decrease in future salary increase	(0.02)	(0.04)

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:

Year	**31 March 2023**	**31 March 2022**
Within 1 Year	0.23	0.03
Between 1 and 2 years	0.14	0.09
Between 2 and 3 years	0.27	0.03
Between 3 and 4 years	0.04	0.31
Between 4 and 5 years	0.03	0.05
Beyond 5 years	0.29	0.66

The contribution expected to be made by the Company during the financial year 2023-24 is Rs. 0.092 crores (31st March, 2023: Rs 0.115 crores).
The average duration of the defined benefit obligation is 4.6 years and 12.61 years as on March 31, 2023 and March 31, 2022 respectively.

45 Earnings per share

Particulars	**31 March 2023 Rs. Crores**	**31 March 2022 Rs. Crores**
Profit attributable to the equity shareholders for Basic EPS	(266.87)	15.71
Add: Adjustment for Diluted Instrument	-	-
Profit attributable to equity holders adjusted for Diluted EPS	**(266.87)**	**15.71**
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
Weighted average number of Equity shares adjusted for the effect of dilution	**15,50,28,387**	**15,50,28,387**
Earning per share - Basic (Rs.)	**(114.21)**	**6.72**
Earning per share - Dilutive (Rs.)	**(17.21)**	**1.01**

46 Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending:
- Ind AS 1, 'Presentation of Financial Statements' - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies.
- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases.
- Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' – This amendment has introduced a definition of 'accounting estimates' and included amendments to help distinguish changes in accounting policies from changes in accounting estimates.

The same are applicable for financial statements pertaining to annual periods beginning on or after 1st April, 2023. The Company expects that there will be no material impact on the financial statements resulting from the implementation of these amendments.

47 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 person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) The company during the year have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (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

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

Particulars	As at 31 March 2023 Rs. Crores	As at 31 March 2022 Rs. Crores
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	22.12	10.81
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

49 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 2023

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 2023. Since the Power Plant is under care and maintenance, there is no Revenue from operations from this segment.

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

Particulars	Operating Segments				
	Coke	Nickel	Power	Elimination	Total
Revenue					
External Revenue	491.97	41.75	-	-	533.72
Inter Segment Revenue	-	-	-	-	-
Segment Revenue	**491.97**	**41.75**	**-**	**-**	**533.72**
Results					
EBITDA*	(187.60)	(23.18)	(4.44)	-	(215.22)
Depreciation and Amortisation	15.13	3.44	4.25	-	22.82
Other Income	2.17	1.71	9.78	(8.61)	5.05
Segment Results	**(200.56)**	**(24.91)**	**1.09**	**(8.61)**	**(232.99)**
Less: Finance cost	20.68	21.81	0.00	(8.61)	33.88
Net Profit before tax	(221.24)	(46.72)	1.09	-	(266.87)

Particulars	Operating Segments				
	Coke	Nickel	Power	Elimination	Total
Segment Assets					
Financial Asset (Investments)	-	-	15.84	-	15.84
Income tax Asset	0.53	0.17	6.39	-	7.09
Cash & Cash Equivalents (including other bank balance & bank deposits)	8.79	8.73	13.43	-	30.95
Others Financial asset - Non current	-	-	0.12	-	0.12
Other Financial asset - current	0.83	48.16	203.93	(218.08)	34.84
Other Non Current asset	0.60	-	15.72	-	16.32
Total**	**10.75**	**57.06**	**255.43**	**(218.08)**	**105.16**
Segment Liabilities					
Borrowings	131.70	345.67	-	-	477.37
Other Financial Liabilities	15.72	101.87	15.78	(92.08)	41.29
Lease Liability	-	0.25	-	-	0.25
Total ***	**147.42**	**447.79**	**15.78**	**(92.08)**	**518.91**
Capital Expenditure					
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
Total	**212.72**	**67.08**	**83.76**	**-**	**363.56**

MALCO Energy Limited
Notes to the Financial Statements for the year ended 31 March 2023

For the Year ended 31 March 2022

Particulars	**Operating Segments**				
	Coke	**Nickel**	**Power**	**Elimination**	**Total**
Revenue					
External Revenue	214.32	-	-	-	214.32
Inter Segment Revenue	-	-	-	-	-
Segment Revenue	**214.32**	**-**	**-**	**-**	**214.32**
Results					
EBITDA*	38.26	(1.24)	(4.97)	-	32.06
Depreciation and Amortisation	11.31	0.08	4.24	-	15.62
Other Income	0.20	-	3.56	-	3.76
Segment Results	**27.15**	**(1.32)**	**(5.65)**	**-**	**20.18**
Less: Finance cost	2.75	1.74	0.00	-	4.49
Net Profit before tax	24.40	(3.06)	(5.65)	-	15.69

Particulars	**Operating Segments**				
	Coke	**Nickel**	**Power**	**Elimination**	**Total**
Segment Assets					
Financial Asset (Investments)	3.32	-	6.44	-	9.76
Income tax Asset	0.14		6.28	-	6.42
Cash & Cash Equivalents (including other bank balance & bank deposits)	44.30	1.47	2.71	-	48.48
Others Financial asset - Non current	-	-	0.13	-	0.13
Other Financial asset - current	0.60	0.01	204.63	(204.63)	0.61
Other Non Current asset	-	-	15.19	-	15.19
Total**	**48.36**	**1.48**	**235.38**	**(204.63)**	**80.59**
Segment Liabilities					
Borrowings	90.17	57.00	-	-	147.17
Other Financial Liabilities	201.45	11.79	1.87	(204.63)	10.48
Lease Liability	-	0.23	-	-	0.23
Total ***	**291.62**	**69.02**	**1.87**	**(204.63)**	**157.88**
Capital Expenditure					
Property, Plant and Equipment	206.01	0.28	0.03	-	206.32
Capital Work-In-Progress	9.89	35.98	-	-	45.87
Intangibles	0.74	-	-	-	0.74
Right-of-use Asset	-	22.02	-	-	22.02
Total	**216.64**	**58.28**	**0.03**	**-**	**274.95**

* EBITDA is Non GAAP measure

****** Segment Assets does not include Property, Plant and Equipment, Capital Work-In-Progress, Intangible, Inventory, Trade Receivable and other Current Asset balance

******* Segment Liabilities does not include Trade payables, Other current liabilities and Provisions

50 Key Ratios are as follows

Particulars	**Formula**	**FY 22-23**	**FY 21-22**	**Percentage change**	**Reason for change**
a) Current Ratio (in times)	Current Asset/Current Liability	0.64	0.71	-9%	The Ratio's for current year are not comparable to previous year as Nickel division has started operations durign the current year.
b) Debt Equity Ratio (in times)	Gross Debt/Equity	24.25	0.51	NA	
c) Debt service coverage Ratio (in times)	(Profit After tax+Depreciation+Finance cost)/(Interest expense + Principal payments of loans)	(0.42)	0.24	NA	
d) Return on Equity Ratio (%)	Profit After tax/Total Equity	-1355.00%	5.40%	-25184%	
e) Inventory Turnover Ratio (in times)	Revenue from Operations/Average Inventory	2.15	6.02	NA	
f) Trade Receivable Turnover Ratio (in times)	Revenue from Operations/Average Trade Receivable	24.55	11.48	NA	
g) Trade Payable Turnover Ratio (in times)	Revenue from Operations/Average Trade Payable	2.93	6.76	NA	
h) Net Working Capital Turnover Ratio (in times)	Revenue from Operations/Working capital	(1.45)	(2.60)	NA	
i) Net Profit Ratio (%)	Profit after tax/Revenue from operations	-50.00%	7.33%	NA	
j) Return on Capital Employed (in times)	Profit before tax + Finance cost /Capital employed	(0.59)	0.07	-953%	
k) Return on investment (in times)	Income from investment measured at FVTPL/ Average current investment	0.03	0.06	-55%	

51 Leases

The Company has lease contracts for land for its business operations which has lease term of 30 years with an option to extend the same up to 90 years. Generally, the Company is restricted from assigning and subleasing the lease 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:

(Rs. in Cr)

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	0.23	-
Additions	-	0.23
Disposals	-	-
Accretion of interest	0.02	0.00
Balance at the end of the year	**0.25**	**0.23**
Non Current	0.19	-
Current	0.06	0.23

a) The effective interest rate for lease liabilities is 7.58% with maturity of 30 years
b) The maturity analysis of lease liabilities are disclosed in Note 40 (C) "Liquidity risk"

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

(Rs. in Cr)

Particulars	31 March 2023	31 March 2022
Depreciation of Right-of-use asset	0.31	0.07
Accretion of interest on lease liability	0.02	0.00
Epxenses relating to short-term leases and leases of low-value assets (included in other expenses)	-	-
Total amount recognised in profit or loss	**0.33**	**0.07**

52 Previous year's figures have been regrouped 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 : 25 April 2023

For and on behalf of Board of Directors

sd/-
Navin Kumar Jaju
Director
DIN 00669654

Place : Goa
Date : 25 April 2023

sd/-
Poovannan Sumathi
Director
DIN 07147100

Place : Tuticorin
Date : 25 April 2023