

INDEPENDENT AUDITOR'S REPORT

To the Members of Vedanta Aluminium Metal Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Vedanta Aluminium Metal Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements including summary of material accounting policy information and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2025, its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and 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 opinion on the financial statements.

Other Information

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

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

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

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 and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal



financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 section 143(11) of the Act, we report in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;



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- e. On the basis of the written representations received from the directors as on March 31, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
- g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid/provided by the Company to its directors during the year and hence reporting related to the managerial remuneration is not applicable;

- 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 does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

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

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

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

(iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-Clause (I) and (II) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;



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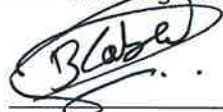
(v) The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable;

(vi)Based on our examination, the Company has not used an accounting software for maintaining its books of account. Hence, reporting related to audit trail is not applicable.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048



Deepak Kabra

Partner

Membership No. 133472

UDIN: 25133472BMOMNS2419



Place: Mumbai

Date: April 17, 2025

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ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Vedanta Aluminium Metal Limited ("the Company") on the financial statements for the year ended March 31, 2025]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) The Company does not have any Property, Plant and Equipment or Intangible Assets. Accordingly, reporting under clause (i) of paragraph 3 of the Order is not applicable.
- (ii) (a) The Company does not hold any inventory. Therefore, reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable.

(b) The Company has not obtained any sanctioned working capital limit during the year, from banks and/or financial institutions. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii) During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause (iii) of paragraph 3 of the Order is not applicable.
- (iv) The provisions of Sections 185 and 186 of the Act are not applicable to the Company as the Company has not granted any loans or made any investment or provided any guarantee or security during the year. Accordingly, reporting under clause (iv) of the paragraph 3 of the Order is not applicable.
- (v) In our opinion, the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The Company is not required to maintain cost records under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is regular in depositing with the appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), income-tax, duty of customs, cess and any other material statutory dues applicable to it, in all cases during the year. Since, the Company does not have any employees, statutory dues in form of provident fund and employees' state insurance are not applicable to the Company.

No undisputed amounts payable in respect of income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues with respect to income tax, GST, customs duty and cess, which have not been deposited on account of any dispute. Since, the Company does not have any employees, there are no dues in the form of provident fund and employees' state insurance.
- (viii) We have not come across any transactions which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.



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- (b) The Company has not taken loans from any bank or financial institution or government or any government authority during the year. Hence, question of the Company being declared wilful defaulter does not arise.
- (c) The Company did not obtain any money by way of term loans during the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have, been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiaries, associates, jointly controlled entities or joint operations, as defined under the Act and hence reporting under clause (ix)(e) of paragraph 3 of the order is not applicable.
- (f) The Company does not have any subsidiaries, associates, jointly controlled entities or joint operations, as defined under the Act and hence reporting under clause (ix)(f) of paragraph 3 of the order is not applicable.
- (x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.

(b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.

(c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with section 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards. Since the Company is not required to constitute an Audit Committee, the provisions of section 177 of the Act are not applicable to the Company.
- (xiv) (a) In our opinion, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Hence, reporting under clause (xiv) of paragraph 3 of the Order is not applicable.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.



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- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) of paragraph 3 of the Order are not applicable.
- (c) As informed by the Company, the Group to which the Company belongs has no CIC as part of the Group.
- (xvii) The Company has incurred cash losses for the current and the immediately preceding financial year amounting to Rs. 2.85 Lakhs and Rs. 1.90 Lakhs respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report and that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048



Deepak Kabra

Partner

Membership No. 133472

UDIN: 25133472BMOMNS2419

Place: Mumbai

Date: April 17, 2025



HARIBHAKTI & CO. LLP

Chartered Accountants

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **Vedanta Aluminium Metal Limited** on the financial statements for the year ended March 31, 2025]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Vedanta Aluminium Metal Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 financial statements.



Continuation Sheet

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Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

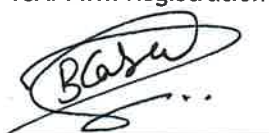
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048



Deepak Kabra

Partner

Membership No. 133472

UDIN: 25133472BMOMNS2419



Place: Mumbai

Date: April 17, 2025

Vedanta Aluminium Metal Limited
Balance Sheet as at 31 March 2025

(All amounts in ₹ Lakhs)

Particulars	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment		-	-
Financial assets			
- Others	3	0.10	-
Other non-current assets		-	-
Total non-current assets		0.10	-
Current assets			
Inventories		-	-
Financial assets		-	-
- Cash and cash Equivalents	4	0.76	1.00
Current tax assets (net)		-	-
Other current assets	5	0.60	0.18
Total current assets		1.36	1.18
Total Assets		1.46	1.18
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	6	1.00	1.00
Other Equity		(4.75)	(1.90)
Total Equity		(3.75)	(0.90)
Liabilities			
Non-current liabilities			
Other non-current liabilities		-	-
Total non-current liabilities		-	-
Current Liabilities			
Financial liabilities			
- Borrowings	7	3.89	-
- Trade payables		-	-
(a) Total outstanding dues of micro and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro and small enterprises	8	0.81	0.81
- Other financial liabilities	9	0.38	0.85
Other current liabilities	10	0.13	0.42
Provisions		-	-
Income tax liabilities (net)		-	-
Total current liabilities		5.21	2.08
Total Equity and Liabilities		1.46	1.18

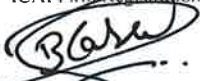
The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 103523W/W100048



Deepak Kabra

Partner

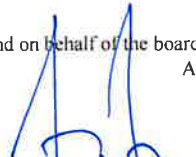
ICAI Membership Number: 133472

Place: Mumbai

Date: 17th April 2025



For and on behalf of the board of directors of Vedanta
Aluminium Metal Limited


Mr. Anup Agarwal
Director
DIN: 08551388


Mr. Pankaj Jha
Director
DIN: 09114381

Place: Delhi

Date: 17th April 2025

Place: Jharsuguda

Date: 17th April 2025

Vedanta Aluminium Metal Limited
Statement of Profit and Loss for the year ended 31 March 2025

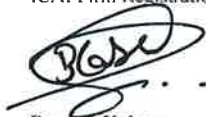
(All amounts in ₹ Lakhs unless stated otherwise)

Particulars	Note	For the year ended 31 March 2025	For the period 06 October 2023 to 31 March 2024
Revenue from operations		-	-
Total Income		-	-
Expenses:			
Finance costs	11	0.51	-
Other expenses	12	2.34	1.90
Total expenses		2.85	1.90
Loss before tax		(2.85)	(1.90)
Tax Expense		-	-
Net Loss after tax (A)		(2.85)	(1.90)
Other Comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income for the period (B)		-	-
Total Comprehensive Income for the period (A+B)		(2.85)	(1.90)
Earnings per share (in ₹)			
- Basic and Diluted	13	(2.85)	(1.90)

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

As per our attached report of even date

Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 103523W/W100048

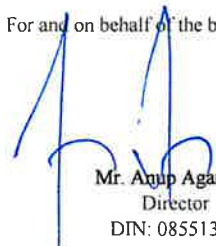



Deepak Kabra
Partner
ICAI Membership Number: 133472

Place: Mumbai
Date: 17th April 2025



For and on behalf of the board of directors of Vedanta
Aluminium Metal Limited

Mr. Anup Agarwal
Director
DIN: 08551388

Mr. Pankaj Jha
Director
DIN: 09114381

Place: Delhi
Date: 17th April 2025

Place: Jharsuguda
Date: 17th April 2025

Vedanta Aluminium Metal Limited
Cash Flow Statement For the year ended 31 March 2025

(All amounts in ₹ Lakhs)

Particulars	For the year ended 31 March 2025	For the period 06 October 2023 to 31 March 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss before taxation	(2.85)	(1.90)
Adjustments for:		
Depreciation, depletion and amortisation	-	-
Provision for doubtful debts/ advance/ bad debts written off	-	-
Interest income	-	-
Interest expense	0.43	-
Changes in assets and liabilities		
Decrease/ (Increase) in trade and other receivables	(0.42)	(0.18)
Decrease/ (Increase) in non current financial assets	(0.10)	-
(Decrease)/ Increase in trade and other payable	(1.19)	2.08
Cash generated from operations	(4.13)	-
Income taxes paid (net)	-	-
Net cash generated from operating activities	(4.13)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment (including intangibles)	-	-
Proceeds from sale of property, plant and equipment	-	-
Interest received	-	-
Dividends received	-	-
Net cash generated from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings (net)	3.89	-
Proceeds from issue of share capital	-	1.00
Net cash used in financing activities	3.89	1.00
Net (decrease)/ increase in cash and cash equivalents	(0.24)	1.00
Cash and cash equivalents at the beginning of the period	1.00	-
Cash and cash equivalents at the end of the period (Refer note 4)	0.76	1.00

Notes :

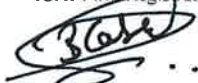
- The figures in parentheses indicate outflow.
- The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - statement of cash flows

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

As per our attached report of even date

Haribhakti & Co. LLP
Chartered Accountants

ICAI Firm Registration Number: 103523W/W100048



Deepak Kabra

Partner

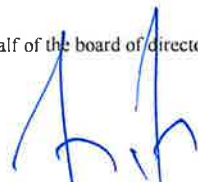
ICAI Membership Number: 133472

Place: Mumbai

Date: 17th April 2025



For and on behalf of the board of directors of Vedanta Aluminium
Metal Limited



Mr. Anup Agarwal

Director

DIN: 08551388



Mr. Pankaj Jha

Director

DIN: 09114381

Place: Delhi

Date: 17th April 2025

Place: Jharsuguda

Date: 17th April 2025

Vedanta Aluminium Metal Limited
Statement of Changes in Equity for the year ended 31 March 2025

(All amounts in ₹ Lakhs)

A. Equity Share Capital (Refer Note No. 6)

Equity shares of ₹ 1/- each issued, subscribed and fully paid up	Number of shares (in lakhs)	Amount
As at 31 March 2025 and 31 March 2024	1.00	1.00

B. Other Equity

Particulars	Reserves and Surplus	Total other equity
	Retained earnings	
Balance as at 06 October 2023	-	-
Loss for the period	(1.90)	(1.90)
Other comprehensive income for the period, net of tax	-	-
Total Comprehensive Income for the period	(1.90)	(1.90)
Balance as on 31 March 2024	(1.90)	(1.90)
Loss for the year	(2.85)	(2.85)
Other comprehensive income for the period, net of tax	-	-
Total Comprehensive Income for the period	(2.85)	(2.85)
Balance as at 31 March 2025	(4.75)	(4.75)

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

As per our attached report of even date

Haribhakti & Co. LLP
Chartered Accountants

ICAI Firm Registration Number: 103523W/W100048


Deepak Kabra

Partner

ICAI Membership Number: 133472

Place: Mumbai

Date: 17th April 2025



For and on behalf of the board of directors of Vedanta Aluminium Metal Limited


Mr. Anup Agarwal

Director

DIN: 08551388

Place: Delhi

Date: 17th April 2025


Mr. Pankaj Jha

Director

DIN: 09114381

Place: Jharsuguda

Date: 17th April 2025

Vedanta Aluminium Metal Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

NOTE 1. CORPORATE INFORMATION

Vedanta Aluminium Metal Limited ("the Company") is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 2013 ("the Act"). The Company was incorporated on 06 October 2023 for carrying out the business activities in the metal and mining sector.

NOTE 2.1 BASIS OF PREPARATION AND BASIS OF MEASUREMENT OF FINANCIAL STATEMENTS

(a) Basis of Preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provisions of the Act (as amended from time to time). These financial statements have been prepared in accordance with the accounting policies, set out below.

All financial information presented in Indian Rupee has been rounded off to the nearest Lakhs except when indicated otherwise.

These financial statements are approved for issue by the Board of Directors on April 17, 2025. The revision to these financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

(b) Basis of Measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting.



NOTE 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of financial statements in conformity with the Indian Accounting Standards requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Accounting for foreign currency transactions

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. For all principal businesses of the Company, the functional currency is Indian rupee. The financial statements are presented in Indian rupee.

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

All exchange differences are included in the statement of profit and loss except those where the monetary item designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

(c) Earnings Per Share

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

(d) Provisions

The assessments undertaken in recognising provisions have been made in accordance with the applicable Ind AS.

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.



(e) Current and non-current classification

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

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits which have a maturity of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(g) Financial assets

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

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

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

For equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.



(h) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans, borrowings and payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

After initial recognition, interest-bearing loans, borrowings and trade and other payables 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.

(i) Equity investment in subsidiaries

At initial recognition, investments representing equity interest in subsidiaries are recognized at Fair value. Subsequently, all fair value changes, excluding dividends, are recognized in the Other Comprehensive Income(OCI). There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

(j) Standards notified but not yet effective

No new standards have been notified during the year ended 31 March 2025.



Vedanta Aluminium Metal Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

(All amounts in ₹ Lakhs unless stated otherwise)

3 Non Current Financial Assets - Others

Particulars	As at 31 March 2025	As at 31 March 2024
Security Deposit	0.10	-
Total	0.10	-

4 Current financial assets - Cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with banks	0.76	1.00
Total	0.76	1.00

5 Other Current Assets

Particulars	As at 31 March 2025	As at 31 March 2024
Input GST	0.60	0.18
Total	0.60	0.18

6 Share capital

Particulars	As at 31 March 2025	As at 31 March 2024
-------------	------------------------	------------------------

A. Authorised Equity Share Capital

1 lakh equity shares of ₹1/- each

1.00 1.00

B. Issued, subscribed and fully paid-up Equity Share Capital

1 lakh equity shares of ₹1/- each

1.00 1.00

Total issued, subscribed and fully paid up share capital	1.00	1.00
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C. Shares held by the Holding Company and its subsidiaries*

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Vedanta Limited and their nominees	1,00,000	100%	1,00,000	100%
Total	1,00,000	100%	1,00,000	100%

* The % of holding has been calculated on the issued and subscribed share capital as at the balance sheet date.

D. Details of shareholders holding more than 5% shares in the Company *

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Vedanta Limited and their nominees	1,00,000	100%	1,00,000	100%
Total	1,00,000	100%	1,00,000	100%

* The % of holding has been calculated on the issued and subscribed share capital as at the balance sheet date.



Vedanta Aluminium Metal Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

(All amounts in ₹ Lakhs unless stated otherwise)

6 Share capital (Continued)

E. Disclosure of Shareholding of Promoters and Promoter Group

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Vedanta Limited	99,994	99.99%	99,994	99.99%
Mr. Anup Agarwal	1	0.00%	1	0.00%
Mr. Pankaj Jha	1	0.00%	1	0.00%
Mr. Sunil Gupta	1	0.00%	1	0.00%
Ms. Mansi Dhiman	1	0.00%	1	0.00%
Mr. Swapnesh Bansal*	1	0.00%	-	0.00%
Mr. Jagdeep Singh*	-	0.00%	1	0.00%
Mr. Mayank Totla	1	0.00%	1	0.00%
Total	1,00,000	100%	1,00,000	100%

Vedanta Limited is the Holding Company of the Company and is the beneficial owner while the nominee shareholders are the registered owners.

* The nominee shareholder has been changed from Mr. Jagdeep Singh to Mr. Swapnesh Bansal with effect from April 26, 2024.

F. Reconciliation of shares:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of Shares	Rs.	Number of Shares	Rs.
At the beginning of period	1,00,000	1,00,000	-	-
Shares issued during the period	-	-	1,00,000	1,00,000
Shares outstanding at the end of the reporting period	1,00,000	1,00,000	1,00,000	1,00,000

G. Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹1 per share. (31 March 2024: ₹1 per share). Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees in accordance with the provisions of the Act. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

H. There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment.

I. There are no unpaid calls from any Directors and officers.

7 Current Financial liabilities - Borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
At amortised cost		
Unsecured		
Loans from related parties (Refer Note 17)	3.89	-
Total	3.89	-

a) Rate of interest and Repayment terms

1. Rate of interest - 10.40%(PY NA)

2.Repayment Terms - Repayable in 1 year as per lenders demand.



Vedanta Aluminium Metal Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

(All amounts in ₹ Lakhs unless stated otherwise)

b) Movement in borrowings during the year:

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance as at April 01, 2024	-	-
Cash Flow	3.89	-
Other non cash changes	-	-
As at March 31, 2025	3.89	-

8 Current Financial liabilities - Trade payables

Particulars	As at 31 March 2025	As at 31 March 2024
Undisputed dues – Micro and Small Enterprises		
Unbilled dues	-	-
Not due	-	-
Less than 1 year	-	-
More than 1 year	-	-
Sub-total	-	-
Undisputed dues - Others		
Unbilled dues	0.81	0.81
Not due	-	-
Less than 1 year	-	-
More than 1 year	-	-
Sub-total	0.81	0.81
Disputed dues - Micro and Small Enterprises		
Unbilled dues	-	-
Not due	-	-
Less than 1 year	-	-
More than 1 year	-	-
Sub-total	-	-
Disputed dues - Others		
Unbilled dues	-	-
Not due	-	-
Less than 1 year	-	-
More than 1 year	-	-
Sub-total	-	-
Total	0.81	0.81

9 Other Financial Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
-Brand Fees Payable (Refer Note 17)	-	0.85
-Accrued interest (Refer Note 17)	0.38	-
Total	0.38	0.85

10 Other Current Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
-TDS Payable	0.13	0.24
-GST Payable	-	0.18
Total	0.13	0.42



Vedanta Aluminium Metal Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

(All amounts in ₹ Lakhs unless stated otherwise)

11 Finance costs

Particulars	Year ended 31 March 2025	For the period 06 October 2023 to 31 March 2024
Interest expense on financial liabilities at amortised cost	0.43	-
Others	0.08	0.00
Total	0.51	-

12 Other Expenses

Particulars	Year ended 31 March 2025	For the period 06 October 2023 to 31 March 2024
Brand License and Strategic Service Fees (Refer Note 17)	1.00	1.00
Others	0.19	-
Remuneration to auditors		
- For Statutory Audit	0.90	0.90
- For other Services	0.25	-
Total	2.34	1.90

13 Earnings per equity share (EPS)

Particulars	Year ended 31 March 2025	For the period 06 October 2023 to 31 March 2024*
Profit / (Loss) after tax for the period attributable to equity share holders for Basic and Diluted EPS	(2.85)	(1.90)
Weighted Average No. of equity shares outstanding during the period for Basic and Dilutive EPS	1,00,000	1,00,000
Basic and Diluted Earnings per share (in ₹)	(2.85)	(1.90)
Nominal value per share (in ₹)	1.00	1.00

**for the period 06 October 2023 to 31 March 2024, not annualised.*

Since the Company does not have any potential dilutive equity shares, both Basic Earning per share and Diluted Earning per share will be same.



Vedanta Aluminium Metal Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

14 Key Financial Ratios

	Ratio Analysis	31 March 2025	31 March 2024	Variance
1	Current Ratio ¹	0.26	0.57	54%
2	Debt Equity Ratio ²	(1.04)	NA*	100%
3	Debt Service Coverage Ratio ²	0.54	NA*	100%
4	Return on Equity Ratio ³	(0.76)	(2.11)	64%
5	Inventory Turnover Ratio	NA*	NA*	NA*
6	Trade Receivables Turnover Ratio	NA*	NA*	NA*
7	Trade Payables Turnover Ratio	NA*	NA*	NA*
8	Net Capital Turnover Ratio	NA*	NA*	NA*
9	Net Profit Ratio	NA*	NA*	NA*
10	Return on Capital employed ³	(20.65)	(2.11)	(8.79)
11	Return on Investment	NA*	NA*	NA*

Note: * Not Applicable due to Company has no Revenue, Inventory, Trade receivables, Investment during the period ended 31 March 2025

¹ The Ratio has decreased due to increase in debt during the current year.

² The Ratio has increased due to new debt taken during the current year.

³ The Ratio has decreased due to increase in net loss during the current year

Formulae for computation of ratios is as follows:

	Ratio	Formula
1	Current Ratio (in times)	Current Assets/ Current Liabilities (excluding current maturities of long-term borrowing)
2	Debt-Equity Ratio (in times)	Gross Debt/ Total Equity
3	Debt Service Coverage Ratio (in times)	Income available for debt service/ (interest expense and principal payments of long term loans), where income available for debt service = Profit before exceptional items and tax + Depreciation, depletion and amortization expense + Interest expense
4	Return on Equity Ratio (%)	Net Profit after tax before exceptional items (net of tax)/ Average Equity
5	Inventory turnover Ratio (in times)	Revenue from operations less EBITDA/ Average Inventory
6	Trade Receivables turnover Ratio (in times)	Revenue from operations/ Average Trade Receivables
7	Trade payables turnover Ratio (in times)	Total Purchases/ Average Trade Payables
8	Net capital turnover Ratio (in times)	Revenue from operations/ Working capital (WC), where WC = Current Assets - Current Liabilities (excluding current maturities of long-term borrowing)
9	Net profit Ratio (%)	Net Profit after tax before exceptional items (net of tax)/ Revenue from operations
10	Return on Capital employed (in times)	Earnings before interest and tax/ Average Capital Employed, where capital employed = Net Debt + Total Equity
11	Return on investment (%)	Income from investments carried at FVTPL/ Average current investments



Vedanta Aluminium Metal Limited**Notes forming part of the financial statements as at and for the year ended 31 March 2025****15 Capital Management**

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowings. The Company believes that it will be able to meet all its current liabilities on timely manner. The Company is yet to initiate any project.

The following table summarizes the capital of the Company:

Particulars	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalents	0.76	1.00
Total cash (a)	0.76	1.00
Non-current borrowings	-	-
Current borrowings	3.89	-
Total borrowings (b)	3.89	-
Net debt c=(b-a)	3.14	-1.00
Total equity	-3.75	-0.90
Total capital (equity + net debt) (d)	-0.62	-1.90
Gearing ratio (times) (c/d)	-5.07	0.52

16 Contingent Liabilities & Commitments:

Based on the information available with the Company, there are no Contingent liabilities and commitments as at the period ended 31 March 2025 (31 March 2024: Nil).

17 Related Party Disclosures:

List of related parties and relationships:

- Entities controlling the Company

Vedanta Incorporated (Ultimate Holding Company)

Vedanta Resources Limited (Intermediate Holding Company)

Vedanta Limited (Holding Company)

- Fellow Subsidiaries:

Vedanta Resources Investments Limited



Vedanta Aluminium Metal Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

17 Related Party Disclosures (Continued)

Related party transactions/balances	For the year ended 31 March 2025	For the period ended 31 March 2024
Transactions for the period		
Vedanta Resources Investments Limited :		
Brand License and Strategic Service Fees *	1.00	1.00
Vedanta Limited :		
Investments received during the period as Share Capital	-	1.00
Short term borrowings taken during the year	8.89	-
Repayment of short term Borrowings	5.00	-
Interest paid during the year	0.43	-
Balances at the year end		
Vedanta Resources Investments Limited	-	0.85
Vedanta Limited		
-Borrowings	3.89	-
-Accrued Interest	0.38	-

* The Company has a Brand license and strategic service fee agreement ("the Agreement") with Vedanta Resources Limited, Vedanta Resources Investments Limited ("VRIL") for the use of brand 'Vedanta' and providing strategic services which envisaged payment to VRIL at the rate of 3% of turnover of the Company or ₹ 1 Lakh, whichever is higher. The Company has recorded an expense of ₹ 1 Lakh (PY ₹1 Lakh) for the year.

18 Subsequent events:

There are no other material adjusting or non-adjusting subsequent events.

19 Financial instruments

Fair values

(a) The carrying amounts of other receivables, cash at bank, borrowings and other payables approximate their fair values.

Categories of financial instruments:

Particulars	As at 31 March 2025	As at 31 March 2024
Financial assets		
Loan and receivables (including cash and cash equivalents)	0.86	1.00
Financial liabilities		
Loans and payables	5.08	1.66

(b) Market Risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(c) Interest Rate Risk Management

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

At 31 March 2025, the Company's net debt of ₹ 3.14 Lakhs (31 March 2024: ₹(1) lakhs) comprises debt of ₹ 3.89 Lakhs (31 March 2024: Nil) offset by cash, bank of ₹ 0.76 Lakhs (31 March 2024: 1 Lakhs).

The Company is not exposed to interest rate risk as all the short-term and long-term borrowings are on fixed interest rate.



Vedanta Aluminium Metal Limited**Notes forming part of the financial statements as at and for the year ended 31 March 2025****19 Financial instruments(Continued)****(d) Currency Risk Management**

The Company is not exposed to the risk that may change in a manner which has material effect on the reported values of the Company's assets which are denominated in other foreign currencies at reporting period.

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

Particulars	Financial Assets	Financial Liabilities
	As at 31 March 2025	As at 31 March 2025
INR	0.86	5.08

Particulars	Financial Assets	Financial Liabilities
	As at 31 March 2024	As at 31 March 2024
INR	1.00	1.66

As at 31 March 2025 the Company does not have any material exposure to foreign currencies and consequently the sensitivity relative to foreign currencies has not been disclosed.

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity

As at 31 March 2025

Payments due by year	Up to 1 Year	Total
Trade Payables	0.81	0.81
Borrowings*	4.28	4.28
Total	5.09	5.09

* Includes accrued interest

As at 31 March 2024

Payments due by year	Up to 1 Year	Total
Trade Payables	0.81	0.81
Borrowings	-	-
Total	0.81	0.81



Vedanta Aluminium Metal Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

19 Financial instruments(continued)

(f) Capital risk management

For the purpose of the capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The capital structure of the Company consists of stated capital, retained earnings and net debt.

19 Scheme of Arrangement

The Board of Directors of holding company, i.e., Vedanta Limited, in its meeting held on 29 September 2023, had approved a Scheme of Arrangement ("the Original Scheme") for demerger of various businesses of the holding Company, namely, demerger of the holding company's Aluminium (represented by the Aluminium segment), Merchant Power (represented by the Power segment), Oil & Gas (represented by the Oil and Gas segment), Base Metals (represented by the Copper and Zinc International segment) and Iron Ore (represented by Iron Ore segment and Steel business) Undertakings, resulting in 6 separate companies (including Vedanta Limited, being the demerged Company), with a mirrored shareholding and consequent listings at BSE Limited and National Stock Exchange of India Limited ("the Stock Exchanges"). The Board of Directors of the Company in the meeting held on 13 October 2023, had also approved the Scheme. The Stock Exchanges gave their observation letter / no adverse observation letter to the Scheme in July 2024.

A first motion application, in respect of the Original Scheme, was filed by demerged company (i.e., Vedanta Limited) and four resulting companies (i.e., Vedanta Aluminium Metal Limited ("VAML"), Malco Energy Limited ("MEL"), Vedanta Base Metals Limited ("VBML") and Vedanta Iron and Steel Limited ("VISL") before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") on 06 August 2024 (VEDL 1st Motion). The Hon'ble NCLT, vide order dated 21 November 2024 ("VEDL NCLT Order"), inter alia directed: (i) Vedanta Limited to convene a meeting of its equity shareholders, secured creditors and unsecured creditors within 90 days of the date of receipt of the order; (ii) MEL to convene a meeting of its secured creditors and unsecured creditors within 90 days of the date of receipt of the order; and (iii) dispensed with the meeting of: (a) equity shareholders of VAML, MEL, VBML and VISL; and (b) secured creditors and unsecured creditors of VAML, VBML and VISL.

Subsequent to the above, in December 2024, by way of Board Resolutions dated 20 December 2024 and 23 December 2024, the Board of Vedanta Limited and other five resulting companies (including the Company), respectively, decided not to proceed with the implementation of Part V of the Original Scheme i.e., demerger of Base Metal undertaking into VBML, along with making appropriate updates to the Original Scheme ("Updated Scheme"). The non-implementation of the demerger of the Base Metals undertaking shall not affect any other parts of the Original Scheme described above.

A separate first motion application had been filed by Talwandi Sabo Power Limited ("TSPL"), one of the resulting companies, with the Hon'ble NCLT, Mumbai on 22 October 2024 ("TSPL 1st Motion"), given TSPL's registered office (RO) was in the process of being changed from Mansa, Punjab to Mumbai, Maharashtra at the time of filing VEDL 1st Motion. The Hon'ble NCLT, by its order dated 04 March 2025, disposed the TSPL 1st Motion rejecting the Scheme presented by TSPL pursuant to TSPL 1st Motion ("TSPL NCLT Order"). TSPL has filed an appeal against the TSPL NCLT Order before the Hon'ble National Company Law Appellate Tribunal, New Delhi (NCLAT) on 3 April, 2025.

In compliance with the VEDL NCLT Order, the meeting of the equity shareholders, secured creditors and unsecured creditors of Vedanta Limited and secured creditors and unsecured creditors of MEL was successfully held on 18 February 2025 and the Updated Scheme was approved by the equity shareholders, secured creditors and unsecured creditors of Vedanta Limited and secured and unsecured creditors of MEL.

On 05 March 2025, Vedanta Limited along with VAML, MEL and VISL, filed a second motion petition before the Hon'ble NCLT inter alia seeking sanction of the Updated Scheme. The same is currently pending for admission before the Hon'ble NCLT.



Vedanta Aluminium Metal Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

Additional Regulatory Information

- 1 The Company does not own any immovable property during the year.
- 2 The Company does not have any Capital Work in progress or Intangible assets under development during the year.
- 3 The Company does not have Property, Plant or Equipment and hence no revaluation has been done accordingly during the year.
- 4 The Company has not granted any loans or advances to promoters, directors, key managerial personnel (KMPs) and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are :
(a) Repayable on demand or
(b) Without specifying any terms or period of repayment
- 5 The Company has not availed any borrowings from banks or financial institutions based on the security of current assets of other companies / entities within the same Group as the reporting entity.
- 6 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 7 The Company has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 8 The Company has not traded or invested in any crypto or virtual currency.
- 9 The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities.
The Company has not received any fund from any person(s) or entity(ies), including foreign entities.
- 10 The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- 11 The Company does not have any secured external borrowings during the period and hence registration of charges or satisfaction not required.
- 12 The Company does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 during the year.
- 13 In accordance Sec 135 and 198 of the Companies Act, 2013, the Company is incurring losses since the date of incorporation and hence the Company is not required to incur any expenditure in pursuance of the CSR Policy for the FY 2024-25 (31 March 2024: Nil).

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

As per our attached report of even date

Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 103523W/W100048



Deepak Kabra

Partner

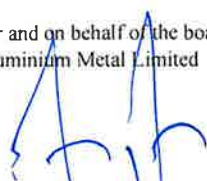
ICAI Membership Number: 133472

Place: Mumbai

Date: 17th April 2025



For and on behalf of the board of directors of Vedanta Aluminium Metal Limited



Mr. Anup Agarwal

Director

DIN: 08551388



Mr. Pankaj Jha

Director

DIN: 09114381

Place: Delhi

Date: 17th April 2025

Place: Jharsuguda

Date: 17th April 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Talwandi Sabo Power Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Talwandi Sabo Power Limited ("the Company"), which comprise the Balance sheet as at March 31 2025, 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 financial statements, including a summary of material 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 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, 2025, 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 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 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 financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether 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 the Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act



with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph h(vi) below on reporting under Rule 11(g):



- (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note 33 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts 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 46 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 46 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.
 - vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature for direct changes to data in certain database tables was enabled for part of the year from March 03, 2025,



S.R. BATLIBOI & Co. LLP

Chartered Accountants

as described in note 51 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where audit trail has been enabled. Additionally, the audit trail of relevant prior year has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in the respective year, as stated in note 51 to the financial statements.

For S.R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Amit Kumar Jain

Partner

Membership Number: 097214

UDIN: 25097214BMNSIS8639

Place of Signature: New Delhi

Date: April 22, 2025



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

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The Title deeds in respect of freehold land having gross and net book value of Rs. 390 crores are in the name of the Company but are not physically available with the Company. The same has been pledged with Vistra ITCL (India) Limited.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. There was no inventory lying with third parties. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.
- (b) As disclosed in Note 15 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.



(e) There were no loans or advances in the nature of loans 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) There are no loans, investments, guarantees, and securities given in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, related to the generation 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, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount (Rs. in crore)	Financial year to which it relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	0.91	Assessment year 2012-2013	Income tax Appellate Tribunal
Income tax Act, 1961	Income tax	0.68	Assessment year 2012-2013	Deputy Commissioner of Income Tax
Income tax Act, 1961	Income tax	1.65	Assessment year 2014-2015	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	0.04	Assessment year 2017-2018	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax	0.10	Assessment year 2015-2016	Deputy Commissioner of Income Tax



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Goods and Services Act	Indirect tax	3.63	Assessment Year 17-18, Assessment Year 18-19	CGST (Appeals)
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During the previous years, the Company has deposited INR 2.14 Crore under protest in connection with a dispute with authorities for the assessment year 2012-13, 2014-15, 2017-18 and 2018-19.

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

(ix) (a) The Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the Ind AS 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 subsidiaries, associates or joint ventures.

(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/ material fraud by the Company or no fraud / material 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 secretarial auditor, 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) to (c) of the Order is not applicable to the Company.



- (xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given by the management, 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 are no other companies as part of the Group. Hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 45 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to Sub-section 5 of Section 135 of the Act. This matter has been disclosed in Note 32 to the financial statements.



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

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Amit Kumar Jain

Partner

Membership Number: 097214

UDIN: 25097214BMNSIS8639

Place of Signature: New Delhi

Date: April 22, 2025



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF Talwandi Sabo Power 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 financial statements of Talwandi Sabo Power Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls With Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation



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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Amit Kumar Jain**

Partner

Membership Number: 097214

UDIN: 25097214BMNSIS8639

Place of Signature: New Delhi

Date: April 22, 2025



Balance Sheet as at March 31, 2025

(₹ in Crore)

	Particulars	Notes	As at March 31, 2025	As at March 31, 2024
I	ASSETS			
1	Non-current assets			
	(a) Property, plant and Equipment	3	7,120.20	7,489.23
	(b) Capital work-in-progress	3	1.03	3.05
	(c) Intangible assets	3	2.63	2.76
	(d) Financial assets			
	(i) Trade receivables	4	1,691.35	1,619.79
	(ii) Other financial assets	5	45.85	7.59
	(e) Deferred tax assets (Net)	43	128.20	106.57
	(f) Other non-current assets	6	6.02	1.77
	(g) Income tax assets		2.23	2.45
	Total non-current assets		8,997.51	9,233.21
2	Current assets			
	(a) Inventories	7	248.77	292.49
	(b) Financial Assets			
	(i) Trade receivables	8	959.58	547.10
	(ii) Cash and cash equivalents	9	33.52	168.01
	(iii) Other bank balances	10	-	38.27
	(iv) Other financial assets	11	1.11	0.65
	(c) Other current assets	12	39.13	15.41
	(d) Income tax assets		9.59	5.03
	Total current assets		1,291.70	1,066.96
	Total Assets		10,289.21	10,300.17
II	EQUITY AND LIABILITIES			
A	Equity			
	(a) Equity share capital	13	3,206.61	3,206.61
	(b) Other equity	14	447.98	416.15
	Total Equity		3,654.59	3,622.76
B	LIABILITIES			
1	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	4,333.66	4,871.57
	(ii) Lease Liability	16	38.89	2.14
	(b) Provisions	17	0.96	1.06
	Total non-current liabilities		4,373.51	4,874.77
2	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18	1,444.89	1,178.75
	(ii) Lease Liability	16	8.30	1.36
	(iii) Trade finance	19	450.78	375.13
	(iv) Trade payables	20		
	(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		8.98	1.56
	(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		116.12	36.35
	(v) Derivatives	40	0.04	-
	(vi) Other financial liabilities	21	228.19	203.24
	(b) Other current liabilities	22	3.72	6.14
	(c) Provisions	23	0.09	0.11
	Total current liabilities		2,261.11	1,802.64
	Total Liabilities		6,634.62	6,677.41
	Total Equity and Liabilities		10,289.21	10,300.17

See accompanying notes forming part of financial statements

In terms of our report attached
For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

per Amit Kumar Jain
Partner
Membership No.: 097214

Place : New Delhi
Date : April 22, 2025

For and on behalf of Board of Directors

Agnivesh Agarwal
Chairman
DIN: 00038950
Place: Fujairah

Nitesh Malani
Chief Financial Officer
Place : Mansa
Date : April 22, 2025

Rajinder Singh Ahuja
Chief Executive Officer
Place : New Delhi

Shivangi
Shivangi Dhanuka
Company Secretary
ICSI Mem No.A70586
Place : Mansa

Pankaj Kumar Sharma
Whole Time Director
DIN: 10277510
Place: Mansa





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Talwandi Sabo Power Limited
CIN - U40101MH2007PLC433557



Statement of Profit and Loss for the period ended March 31, 2025

(₹ in Crores)

Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
I Revenue from operations	24	5,223.40	5,256.05
II Other Operating Income	25	17.11	36.81
III Other income	26	3.70	16.14
IV Total Income (I+II+III)		5,244.21	5,309.00
V Expenses:			
Power and fuel charges		3,835.83	3,875.28
Employee benefits expense	27	24.05	25.51
Finance costs	28	619.08	667.70
Depreciation and amortisation expense	29	441.99	456.46
Other expenses	30	313.06	322.52
Total expenses		5,234.01	5,347.47
VI Profit before tax (IV-V)		10.20	(38.47)
VII Exceptional Items	50	-	794.26
VIII Profit before tax (VI+VII)		10.20	755.79
IX Tax expense/(benefit):	43		
On other than exceptional items			
Deferred tax		2.90	(46.26)
Deferred tax adjustment for previous years		(24.54)	-
On Exceptional items			
Deferred tax		-	199.90
Net Tax (credit)/charge:		(21.64)	153.64
X Net Profit for the year (VIII-IX)		31.84	602.15
XI Other Comprehensive Income (net of taxes)			
A (i) Items that will not be reclassified to profit or loss:			
Re-measurement gain/(loss) on defined benefit obligation (net of taxes)		(0.01)	0.27
XII Total Comprehensive Income for the year (X+XI)		31.83	602.42
XIII Earnings per equity share (in ₹):	35		
- Basic and Diluted		0.10	1.88

See accompanying notes forming part of financial statements.

In terms of our report attached

For S. R. Batliboi & Co. LLP

ICAI Firm Registration No. : 301003E/E300005

Chartered Accountants

per Amit Kumar Jain
Partner
Membership No.: 097214

Place : New Delhi
Date : April 22, 2025

For and on behalf of Board of Directors

Agnivesh Agarwal
Chairman
DIN: 00036950
Place: Fuzairah

Nitesh Malani
Chief Financial Officer
Place : Mansa
Date : April 22, 2025

Rajinder Singh Ahuja
Chief Executive Officer
Place : New Delhi

Shivangi
Shivangi Dhanuka
Company Secretary
ICSI Mem No.A70586
Place : Mansa

Pankaj Kumar Sharma
Whole Time Director
DIN: 10277510
Place: Mansa



Cash Flow Statement for the year ended March 31, 2025

(₹ in Crore)

	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A	Cash flows from operating activities		
	Net Profit before tax	10.20	755.79
	Adjusted for :		
	Unrealised exchange (gain) / loss	-	4.38
	Depreciation and amortisation expense	441.99	456.46
	Interest Expenses	619.08	667.70
	Exceptional (Gain)/ Loss	-	(794.26)
	Income on lease modification	-	(0.81)
	Interest and Dividend Income	(3.66)	(3.02)
	Realised gain from investments measured at FVTPL	(0.04)	(0.25)
	Loss on sale of property, plant and equipment written off	4.78	0.00
	Sundry Balances written back	-	(0.84)
	Operating profit before working capital changes	1,072.35	1,085.15
	Adjustments for change in assets and liabilities		
	(Increase) / Decrease in inventories	43.72	(67.80)
	(Increase) / Decrease in trade receivables	(484.04)	121.56
	(Increase) / Decrease in other financial and other assets	(28.43)	21.93
	Increase / (Decrease) in payables and provisions	168.31	(56.76)
	Cash generated from operations	771.91	1,104.08
	Income taxes paid	(4.34)	16.79
	Net cash from operating activities (i)	767.57	1,120.87
B	Cash flows from investing activities		
	Purchases of property, plant and equipment (including intangibles)	(29.97)	(22.87)
	Sale of property, plant and equipment (including intangibles)	0.28	0.05
	Proceeds from maturity / redemption of short term bank deposits	38.27	0.02
	Investment in bank deposits	(38.26)	(0.01)
	Purchase of short term Investment (Mutual Funds)	(110.00)	(515.97)
	Proceeds from sale of short term Investments (Mutual Funds)	110.04	516.23
	Interest received	3.66	2.67
	Net cash used in investing activities (ii)	(25.98)	(19.88)
C	Cash flows from financing activities		
	Proceeds from short term loan	548.53	324.00
	Repayment of short term loan	(77.00)	(100.00)
	Proceeds from long term borrowings	-	1,498.91
	Repayment of long term borrowings	(748.45)	(2,059.25)
	Repayment of lease liability	(4.24)	(0.10)
	Interest paid	(594.92)	(636.44)
	Net cash used in financing activities (iii)	(876.08)	(972.88)
	Net (decrease) / increase in cash and cash equivalents (i+ii+iii)	(134.49)	128.11
	Cash and cash equivalents at beginning of the year	168.01	39.90
	Cash and cash equivalents at close of the year (Refer note 9)	33.52	168.01

Notes:

- The figures in bracket indicates outflows.
- The above cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 - Statement of Cash Flows.
- Refer Note 15 for Change in liabilities arising from financing activities and for non-cash financing and investing activities.

See accompanying notes forming part of financial statements

In terms of our report attached
For S. R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Kumar Jain
Partner
Membership No.: 097214

Place : New Delhi
Date : April 22, 2025

For and on behalf of Board of Directors

Agnivesh Agarwal
Chairman
DIN: 00038950
Place: Fujairah

Nitesh Malani
Chief Financial Officer
Place : Mansa
Date : April 22, 2025

Rajinder Singh Ahuja
Chief Executive Officer
Place : New Delhi

Shivangi
Shivangi Dhanuka
Company Secretary
ICSI Mem No.A70586
Place : Mansa

Pankaj Kumar Sharma
Whole Time Director
DIN: 10277510
Place: Mansa





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Talwandi Sabo Power Limited
CIN - U40101MH2007PLC433557

Statement of Changes in Equity for the year ended March 31, 2025

a. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount (₹ in Crore)
As at March 31, 2025 and March 31, 2024	3,206,609,692	3,206.61

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

b. Other equity

(₹ in Crore)

Particulars	Reserves and Surplus
Balance as on 31st March 2023	(186.27)
Profit for the year	602.15
Other Comprehensive Income	0.27
Balance as on 31st March 2024	416.15
Profit for the year	31.84
Other Comprehensive Income	(0.01)
Balance as on 31st March 2025	447.98

See accompanying notes forming part of financial statements

In terms of our report attached
For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

per Amit Kumar Jain
Partner
Membership No.: 097214

Place : New Delhi
Date : April 22, 2025



For and on behalf of Board of Directors

Agnivesh Agarwal
Chairman
DIN: 00038960
Place: Fuznrah

Nitesh Malani
Chief Financial Officer
Place : Mansa
Date : April 22, 2025

Rajinder Singh Ahuja
Chief Executive Officer
Place : New Delhi

Shivangi
Shivangi Dhanuka
Company Secretary
ICSI Mem No.A70586
Place : Mansa

Pankaj Kumar Sharma
Whole Time Director
DIN: 10277510
Place: Mansa



1 Company's Overview :

Talwandi Sabo Power Limited (herein after referred as "TSPL" or "the Company") was incorporated as a Special Purpose Vehicle by Punjab State Power Corporation Limited (herein after referred as "PSPCL") [formerly known as Punjab State Electricity Board (PSEB)] to construct a 3*660 MW coal based thermal power plant (The Plant) on Build, Own and Operate (BOO) basis. TSPL became a wholly owned subsidiary of Vedanta Limited (herein after referred as "VL") [formerly known as Sesa Sterlite Limited (SSL)] pursuant to the selection of VL as the successful bidder after going through a tariff based International Competitive Bidding (ICB) process. The Share Purchase Agreement (SPA), Power Purchase Agreement (herein after referred as "PPA") for sale of power from the Plant to PSEB for a period of 25 years and other necessary documents were signed between VL, TSPL and PSPCL on September 01, 2008. The address of the registered office is 1st floor, C wing, Unit 103, Corporate Avenue Atul Projects, Chakala, Andheri (East), Mumbai, Maharashtra, 400093 and principal place of business is in village Banawala, Mansa - Talwandi Sabo Road, Mansa, Punjab - 151302

The Financial Statements were approved for issuance by the Board of Directors on April 22, 2025.

2 Basis of Preparation and Material Accounting Policies :

2.A. BASIS OF PREPARATION

(a) Basis of Preparation and Compliance with Ind AS

- (i) These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act, 2013 (the Act).
- (ii) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- (iii) Certain Comparative figures appearing in these Financial statements have been regrouped and/ or reclassified to better reflect the nature of those items.

(b) Basis of Measurement

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

2.B. MATERIAL ACCOUNTING POLICIES

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

(a) Functional and presentation Currency

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

(b) Revenue from Contract with Customer

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

Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreement with its sole customer i.e. PSPCL. Late Payment Surcharge Cess ("LPSC") if any received by the Company from PSPCL as per the contract is recorded as revenue from sale of power. Revenues from sale of by-products are included in revenue.

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

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

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

Lease Income

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

Interest Income

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



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(c) **Property, Plant and Equipment**

(i) **Property, Plant and Equipment**

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

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

Subsequent costs and disposal:

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

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

(ii) **Capital Work in Progress**

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

(iii) **Depreciation**

Assets during development or construction and freehold land are not depreciated. Property plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use. Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line method over its expected useful lives.

The estimated useful lives of assets are as follows:

• Buildings	3-25 years
• Roads	5-10 years
• Plant and machinery	5-25 years
• Furniture and fixtures	5-10 years
• Vehicles*	4-8 years
• Railway siding	15 years
• Office equipment	5 years
• Computers and data processing un	3-6 years
• Laboratory equipment	10 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment and furniture and fixtures over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

*Useful life of vehicles is taken as per the tenure of Finance Lease.

(d) **Intangible Assets**

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

Intangible assets are amortised over their estimated useful life on a straight-line basis. Software is amortised over the estimated useful life of software of 3-6 years. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

(e) **Lease**

Company as a lessee

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

(i) **Right-of-use assets**

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

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



(ii) **Lease Liabilities**

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

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

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

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

Company as a Lessor

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

(f) **Current and Non Current Classification**

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

An asset is treated as current when it is:

- 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
- Held primarily for the purpose of trading
- 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

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

(g) **Financial Instruments**

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

Financial assets – recognition

Initial recognition and measurement

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

Subsequent Measurement

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

(i) **Debt Instruments at amortised cost**

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

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

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



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

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

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

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

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

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

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

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

Financial assets – derecognition

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

Impairment of financial assets

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

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

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

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

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

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

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

The balance sheet presentation for financial instruments is described below:

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

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



Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through 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.

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

Subsequent measurement

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

• Financial liabilities at amortised cost (Loans & Borrowings)

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

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

• Financial liabilities at fair value through profit or loss

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

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

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

Financial Liabilities- Derecognition

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

Equity Instruments

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

Offsetting of financial instruments

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

Supplier finance arrangements

The Company has established supplier finance arrangements. The Company evaluates whether financial liabilities covered such arrangements continue to be classified within trade payables, or they need to be classified as a borrowing or as part of other financial liabilities/ as a separate line item on the face of the balance sheet. Such evaluation requires exercise of judgment basis specific terms of the arrangement.

The Company classifies financial liabilities covered under supplier finance arrangement within trade payables in the balance sheet only if (i) the obligation represents a liability to pay for goods and services, (ii) is invoiced and formally agreed with the supplier, (iii) is part of the working capital used in its normal operating cycle, (iv) the company is not legally released from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (iv) there is no substantial modification to the terms of the liability.

If one or more of the above criteria are met, the Company derecognises its original liability toward the supplier and recognise a new liability toward the bank which is classified as bank borrowing or other financial liability, depending on factors such as whether the Company (i) has obligation toward bank, (ii) is getting extended credit period such that obligation is no longer part of its working capital cycle, (iii) is paying interest directly or indirectly, (iv) has provided guarantee or security, and/or (v) is recognized as borrower in the bank books.

Cash flows related to liabilities arising from supplier finance arrangements that continue to be classified in trade payables in the standalone balance sheet are included in operating activities in the standalone statement of cash flows, when the Company finally settles the liability.

In cases, where the Company has derecognised its original liability toward the supplier and recognise a new liability toward the bank, the Company has assessed that the bank is acting as its agent in making payment to the supplier. Accordingly, the Company presents operating cash outflow and financing cash inflow, when bank made payment to the supplier. The payment made by the Company to the bank toward interest, if any, as well as on settlement is presented as financing cash outflow.



(h) Derivative Financial Instruments

Initial recognition and subsequent measurement

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

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

(i) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

(j) Borrowing Costs

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

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

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

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

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

(k) Impairment of Non-Financial Assets

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

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

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



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

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

An impairment loss is recognised in the Statement of Profit and Loss. Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised. Company has done the impairment assessment as at March 31, 2025 and concluded that no impairment indicators exist for the current year reporting.

(l) Inventories

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

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

(m) Taxation

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

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

- deferred income tax is not recognised on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

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

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

(n) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund. The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), 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 profit or loss in subsequent periods.

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

The date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

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

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurement gains/losses are immediately taken to the statement of profit and loss and are not deferred.



(a) Provision for liabilities and charges, contingent liabilities and contingent assets

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements (Refer note 33).

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

(p) Foreign Currency Translation

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

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

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

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

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

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

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

(q) Earnings per share

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

(r) Cash and cash equivalents

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

(s) Cash Flow Statement

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

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

(t) Segment Reporting

The Company operates only in one segment namely power generation and there are no reportable segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker i.e., Board of Directors.

(u) Share-based payments

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



2.C. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statement in conformity with Ind AS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and future periods affected.

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

Critical estimates and judgements in applying accounting policies

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

Critical estimates:

- Useful life of property, plant and equipment

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

Critical judgements:

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

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

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

The Company has assessed the nature of operating lease payments received as a lessor. Management has assessed that the entire lease payments as disclosed in Note 24 are contingent in nature as the payments are based on the number of units of electricity made available by the Company. This is subject to variation on account of various factors like availability of coal, water, etc. of the plant.

- Contingencies and commitments

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

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

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

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

- Revenue Recognition of disputed dues:

The Company has evaluated the provisions of Ind-AS 115, which states that revenue should be recorded if it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services has been transferred to the customer. Management has assessed the recognition of revenue and recoverability of disputed dues with PSPCL as disclosed in Note 47 as highly probable due to the following reasons:

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



Climate Related Matters:

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment: When reviewing the residual values and expected useful lives of assets, the Company considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.

- Impairment of non-financial assets: The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Company's products. The Company has concluded that no climate-related assumption will have impact on FY 2024-25 test of impairment.

2.D. NEW AND AMENDED STANDARDS

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Ind AS 117 Insurance Contracts

The Ministry of Corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 1 April 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 does not have material impact on the Company's separate financial statements as the Company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

(ii) Amendments to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback Transaction

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amended Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback Transaction.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendments do not have a material impact on the Company's financial statements.

2.E. STANDARDS NOTIFIED BUT YET NOT EFFECTIVE

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



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

(₹ In Crore)

Note 3 Property Plant and Equipment
For the year ended March 31, 2025

Particulars	Balance as at March 31, 2024	Additions	Gross Block		Balance as at March 31, 2025	Accumulated depreciation and amortisation				Net Block	
			Disposals/ Adjustments	Foreign exchange		Balance as at March 31, 2024	Depreciation charge	Deductions	Balance as at March 31, 2025	Balance as at March 31, 2025	
a) Tangible Assets											
Freehold land	390.60	-	-	-	390.60	-	-	-	-	390.60	
Buildings	265.42	-	-	-	265.42	135.36	13.44	-	148.80	116.62	
Plant and Machinery	10,565.08	30.07	12.47	-	10,582.68	3,784.84	397.15	7.67	4,174.32	6,408.36	
Furniture and Fittings	2.84	0.00	0.07	-	2.77	2.15	0.19	0.06	2.28	0.49	
Motor Vehicles	1.11	0.19	0.56	-	0.74	0.41	0.22	0.33	0.30	0.44	
Railway Siding and Locomotives	418.16	-	-	-	418.16	237.85	23.78	-	261.63	156.53	
Office and Equipment	8.61	0.03	0.06	-	8.58	7.63	0.23	0.05	7.81	0.77	
Computers and Data Processing	7.90	0.96	0.02	-	8.84	6.35	0.55	0.01	6.89	1.95	
Laboratory Equipment	28.29	-	-	-	28.29	24.87	1.57	-	26.44	1.85	
Total	11,688.01	31.25	13.18	-	11,706.08	4,199.46	437.13	8.12	4,628.47	7,077.61	
								b) Capital work in progress			1.03
								Total			7,078.64

b) Intangible Assets											
Computer software	3.88	0.74	-	-	4.62	3.49	0.32	-	3.81	0.81	
Total	3.88	0.74	-	-	4.62	3.49	0.32	-	3.81	0.81	

c) ROU Assets (Refer note 2.B)(e))											
Land	0.86	-	-	-	0.86	0.18	0.19	-	0.37	0.49	
Plant and Machinery	-	45.90	-	-	45.90	-	3.80	-	3.80	42.10	
Computer software	2.73	-	-	-	2.73	0.36	0.55	-	0.91	1.82	
Total	3.59	45.90	-	-	49.49	0.54	4.54	-	5.08	44.41	



Previous year ended March 31, 2024

(₹ in Crore)

Particulars	Gross Block				Accumulated depreciation and amortisation				Net Block	
	Balance as at March 31, 2023	Additions	Disposals/ Adjustments	Foreign exchange difference	Balance as at March 31, 2024	Balance as at March 31, 2023	Depreciation charge	Deductions	Balance as at March 31, 2024	Balance as at March 31, 2024
a) Tangible Assets										
Freehold Land	390.60	-	-	-	390.60	-	-	-	-	390.60
Buildings	265.34	0.08	-	-	265.42	121.85	13.51	-	135.36	130.06
Plant and Machinery*	10,996.91	20.58	452.41	-	10,565.08	3,369.73	415.11	0.00	3,784.84	6,780.24
Furniture and Fittings	2.82	0.03	0.01	-	2.84	1.97	0.19	0.01	2.15	0.69
Motor Vehicles	1.11	-	-	-	1.11	0.20	0.21	-	0.41	0.70
Railway Siding and Locomotives	418.16	-	-	-	418.16	214.07	23.78	-	237.85	180.31
Office and Equipment	8.56	0.06	0.01	-	8.61	7.40	0.24	0.01	7.63	0.98
Computers and Data Processing	7.37	0.58	0.05	-	7.90	5.87	0.51	0.03	6.35	1.55
Laboratory Equipment	28.29	-	-	-	28.29	22.70	2.17	-	24.87	3.42
Total	12,119.17	21.33	452.48	-	11,888.01	3,743.79	455.72	0.05	4,199.46	7,488.55
* Refer Note 50										
b) Intangible Assets										
Computer software	3.79	0.09	-	-	3.88	3.29	0.20	-	3.49	0.39
Total	3.79	0.09	-	-	3.88	3.29	0.20	-	3.49	0.39

b) Capital work in progress		3.05
Total		7,491.60

c) ROU Assets (Refer note 2.8(e))										
Land	12.00	0.54	11.68	-	0.86	4.00	0.18	4.00	0.18	0.68
Plant and Machinery	-	-	-	-	-	-	-	-	-	-
Computer software	-	2.73	-	-	2.73	-	0.36	-	0.36	2.37
Total	12.00	3.27	11.68	-	3.59	4.00	0.54	4.00	0.54	3.05

Note: i) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 15 on "Borrowings".
 Title deeds in respect of freehold land having Gross and net book value of ₹ 390.60 Crore included in plant, property and equipment are in the name of the company but are not physically available with the Company. Same has been held with Vistra ITCL (India) Limited working as trustee appointed by Banks/ Financial Institutions against charge created on borrowings taken from Banks and Financial Institutions. There is no such property wherein there is an issue with the title.

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

Year ended March 31, 2025							(₹ in Crore)
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total		
Projects in progress	0.92	0.11	-	-	1.03		
Previous year ended March 31, 2024						(₹ in Crore)	
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total		
Projects in progress	3.05	-	-	-	3.05		

There is no project whose completion is overdue or has exceeded its cost compared to its original plan during the financial year 2023-24.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

(₹ in Crore)

Note 4

Trade receivables - Non-current

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - Unsecured (Refer Note 42)	1,691.35	1,619.79
Trade Receivables - Credit impaired	0.05	0.05
Less: Provision for Trade Receivables - Credit impaired (Refer Note 40)	(0.05)	(0.05)
Total	1,691.35	1,619.79

Note 5

Other financial assets - Non-current

Particulars	As at March 31, 2025	As at March 31, 2024
Bank Deposits with remaining maturity of more than 12 months (including interest accrued thereon) (Refer note below)	38.26	-
Security deposits (Unsecured, considered good)	7.59	7.59
Total	45.85	7.59

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

Note 6

Other non-current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid Expenses	6.02	1.77
Total	6.02	1.77

Note 7

Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
Fuel Stock	143.41	149.92
Goods-in transit	37.06	71.97
Stores and Spares	68.30	70.45
Goods-in transit	-	0.15
Total	248.77	292.49

Note: For method of valuation of inventories, refer note 2.B(i)

Note 8

Trade receivables - Current

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - Unsecured (Refer note 42)	959.58	547.10
Total	959.58	547.10

Note: The Company offers a credit period of 0-30 days to its customers.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

(₹ in Crore)

Note 9

Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks	33.52	168.01
Total	33.52	168.01

Note 10

Other Bank Balances

Particulars	As at March 31, 2025	As at March 31, 2024
Bank deposits (remaining maturity of less than 12 months including interest accrued thereon)	-	38.27
Total	-	38.27

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

Note 11

Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Receivables from related parties (Refer note 37)	0.01	0.14
Claims and other receivables	1.10	0.51
Total	1.11	0.65

Note 12

Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Advance to suppliers	21.64	0.47
Advance to related parties (Refer note 37)	1.01	-
Prepaid expenses	16.48	14.94
Total	39.13	15.41

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Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 13

Equity Share Capital :

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount (₹ in Crore)	Number of shares	Amount (₹ in Crore)
Authorised Equity Share Capital				
Equity Shares of ₹ 10 each, with voting rights	400,00,00,000	4,000.00	400,00,00,000	4,000.00
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10 each, with voting rights	3,206,609,692	3,206.61	320,66,09,692	3,206.61
Total	3,206,609,692	3,206.61	320,66,09,692	3,206.61

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

Particulars	Equity Shares as at March 31, 2025		Equity Shares as at March 31, 2024	
	Number of shares	Amount (₹ in Crore)	Number of shares	Amount (₹ in Crore)
Shares outstanding at the beginning of the year	320,66,09,692	3,206.61	320,66,09,692	3,206.61
Movement during the year	-	-	-	-
Shares outstanding at the end of the year	3,206,609,692	3,206.61	320,66,09,692	3,206.61

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

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

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

Name of Shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Vedanta Limited and its nominees	320,66,09,692	100	320,66,09,692	100

Other disclosures :

(iv) The Company has one class of Equity Shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. Dividend proposed (if any) by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of 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.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 14

Other equity (Refer Statement of changes in Equity)

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Retained earnings		
Balance at the beginning of the year	416.15	(184.92)
Add: Profit for the period	31.84	602.15
Add: Transfer from Other Comprehensive Income	(0.01)	(1.08)
Closing Balance	447.98	416.15
Other Comprehensive Income		
Remeasurement Reserve		
Balance at the beginning of the year	-	(1.35)
Add: Remeasurement gain on defined benefit obligation	(0.01)	0.27
Less: Transfer to Retained earnings	0.01	1.08
Closing Balance	-	-
Total other equity	447.98	416.15



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 15

(₹ in Crore)

Non current financial liabilities - Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Secured : At amortised cost		
(a) Term Loan (Refer note (iii) below)		
From Other than Banks (Indian currency loan)	4,871.92	5,616.32
Total Borrowings	4,871.92	5,616.32
Less : Current maturities of long-term borrowings (Refer note 18)	(538.26)	(744.75)
Total	4,333.66	4,871.57

Notes:

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

(ii) Bank loans availed by the Company are subject to certain covenants relating to debt service coverage ratio and debt equity ratio. The Company has complied with the covenants as per the terms of the loan agreement.

(iii) During the previous year, the Company had entered into a Loan refinancing agreement with Power Finance Corporation Limited under which loan amount of all other existing lenders were fully repaid and entire loan was refinanced with Power Finance Corporation Limited. The refinanced loan carries an interest rate of 9.45%.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

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

(₹ in Crore)				
Particulars	Issued on	Security	As at March 31, 2025	As at March 31, 2024
(a) From other than banks:				
Power Finance Corporation Limited	June 2020	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the Company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	2,529.63	3,250.82
Power Finance Corporation Limited	September 2023	Secured by first pari passu charge on fixed assets and second pari passu charge on current assets of the Company, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited.	2,342.29	2,365.50
Total			4,871.92	5,616.32
Total Term Loan			4,871.92	5,616.32

Repayment terms of Term loan outstanding as on March 31, 2025:

Particulars	Weighted Average Interest Rate	Total Carrying Value	<1 year	1-3 years	3-5 years	>5 years	Unamortised cost/MTM
Indian Rupee term loan	9.45%	4,871.92	538.26	872.31	816.18	2,665.90	(20.73)
Total		4,871.92	538.26	872.31	816.18	2,665.90	(20.73)

Repayment terms of Term loan outstanding as on March 31, 2024:

Particulars	Weighted Average Interest Rate	Total Carrying Value	<1 year	1-3 years	3-5 years	>5 years	Unamortised cost/MTM
Indian Rupee term loan	9.45%	5,616.32	744.75	1,076.52	694.12	3,122.01	(21.08)
Total		5,616.32	744.75	1,076.52	694.12	3,122.01	(21.08)

Note:

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

(v) Change in liabilities arising from financing activities and for non-cash financing and investing activities:

(₹ in Crore)					
Particulars	01-Apr-24	Cash flows	New leases	Other	31-Mar-25
Current borrowings	1178.75	(273.23)	-	539.37	1,444.89
Current lease liabilities (note 16)	1.36	(4.24)	-	11.18	8.30
Non-current borrowings	4871.57	(3.70)	-	(534.21)	4,333.66
Non-current lease liabilities (note 16)	2.14	-	45.90	(9.15)	38.89
Total liabilities from financing activities	6053.82	(281.17)	45.90	7.19	5825.74

(₹ in Crore)					
Particulars	01-Apr-23	Cash flows	New leases	Other	31-Mar-24
Current borrowings	881.99	(336.34)	-	633.10	1,178.75
Current lease liabilities (note 16)	4.41	(0.10)	-	(2.95)	1.36
Non-current borrowings	5496.12	-	-	(624.55)	4,871.57
Non-current lease liabilities (note 16)	4.28	-	3.42	(5.56)	2.14
Total liabilities from financing activities	6386.80	(336.44)	3.42	0.04	6053.82

The 'Other' column includes the effect of reclassification of non-current portion of borrowings, including lease liabilities to current due to the passage of time, and the effect of accrued but not yet paid interest on borrowings, including lease liabilities.



Note 16

Lease Liabilities - Non Current

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liability (Refer note below)	38.89	2.14
Total	38.89	2.14

Note:

The movement in lease liabilities is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	3.50	8.69
Additions	45.90	3.42
Reversal	0	(8.68)
Repayments	(4.24)	(0.10)
Interest	2.03	0.17
Closing Balance	47.19	3.50
Non Current Lease Liability	38.89	2.14
Current Lease Liability	8.30	1.36

Lease liabilities carry an interest rate at 9.45% p.a.

Note 17

Provisions - Non-current

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits:		
Gratuity (Refer Note 36)	0.22	0.15
Leave Encashment	0.74	0.91
Total	0.96	1.06

Note 18

Borrowings - Current

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Secured		
-Working Capital Demand Loan (Refer note (i) below)	357.00	434.00
-Current maturities of long-term borrowings (Refer note 15)	538.26	744.75
Unsecured		
Short Term Loan (Refer note (ii) below)	349.63	-
Loans from Related Parties (Refer note (iii) below)	200.00	-
Total	1,444.89	1,178.75

Notes:

(i) Loan from banks

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

The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

The above outstanding loans carry interest rate of 9.50% p.a. (previous year 9.05% p.a.).

(ii) The Company has been sanctioned short term loan from Power Finance Corporation and Aditya Birla Finance Limited during the year, with an unconditional and irrevocable corporate guarantee by Vedanta Limited. The loans carry an average interest rate of 10.14% and are repayable on or before 12 months.

(iii) Loans from Related Parties

The Company has obtained an inter corporate loan from its Parent company, Vedanta Limited during the year amounting to ₹ 200 Crore at an interest rate of 10.40%.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

(₹ in Crore)

Note 19

Trade Finance

Particulars	As at March 31, 2025	As at March 31, 2024
Trade finance with bank		
- Secured (Refer note below)	414.12	375.13
- Unsecured (Refer note below)	36.66	-
Total	450.78	375.13

Note:

a) LC bills payable amounting to ₹ 414.12 Crore to bank with a discounting period of 120 days and is secured by first pari passu charge on current assets and second pari passu charge on fixed assets of the Company, both present and future.

b) Unsecured liability towards bank for bills payable under bill discounting facility availed for MSME vendors with a discounting period of 180 days.

Note 20

Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer note (b) below)	8.98	1.56
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	116.12	36.35
Total	125.10	37.91

Notes:

(a) Trade payables are non-interest bearing and are normally settled upto 180 days terms.

(b) Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006:

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	8.98	1.56
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note 21

Other financial liabilities - Current

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings	30.61	34.17
Other Payables:		
Retention money	15.12	8.81
Due to related parties (Refer note 37)	163.61	146.25
Earnest money deposit	12.45	10.43
Interest on Loan from Related Party (Refer note 37)	3.17	-
Other Liabilities	3.23	3.58
Total	228.19	203.24



Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 22

Particulars	As at March 31, 2025	As at March 31, 2024
Advance from customers*	0.64	1.72
Other Payables:		
Statutory liabilities	3.04	3.55
Other liabilities	0.04	0.87
Total	3.72	6.14

Note 23

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Leave Encashment	0.09	0.11
Total	0.09	0.11



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

(₹ in Crore)

Note 24

Revenue from operations

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from Operations		
Energy Sales (Refer note below)	5,223.40	5,256.05
Total	5,223.40	5,256.05

Note: Energy sales includes operating lease rentals of ₹ 1,386.98 Crore (previous year ₹ 1,423.27 Crore) relating to recovery of Capacity charges. The balance revenue of ₹ 3,836.42 Crore (previous year ₹ 3,832.78 Crore) relates to sale of power in relation to contract with customer and is recorded at a point in time. Also, refer note 2.B(b).

Note 25

Other Operating Revenue

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Scrap Sales	3.34	1.65
Sale of fly ash	12.75	26.35
Miscellaneous income	1.02	8.81
Total	17.11	36.81

Note 26

Other income

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest income from financial assets at amortised cost		
- Bank Deposits	2.57	2.47
- Others	0.25	0.20
Realised gains from investments measured at FVTPL	0.04	0.25
Interest on income tax refunds	0.84	0.35
Miscellaneous income	0.00	12.87
Total	3.70	16.14

Note 27

Employee benefits expense

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries and Bonus	22.20	23.69
Contribution to provident fund	0.68	0.70
Staff welfare expenses	0.48	0.35
Gratuity expenses (Refer note 36)	0.15	0.20
Contribution to superannuation	0.54	0.57
Total	24.05	25.51

Note 28

Finance cost

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest on loan	587.19	635.17
Interest on lease obligation	2.03	0.17
Other finance costs	29.86	32.36
Total	619.08	667.70



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

(₹ in Crore)

Note 29

Depreciation and amortisation expense (Refer note 3)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation of tangible assets	437.13	455.72
Amortisation of intangible assets	0.32	0.20
Amortisation of ROU	4.54	0.54
Total	441.99	456.46

Note 30

Other expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Consumption of stores and spare parts	45.72	56.76
Plant running and maintenance expenses	176.13	170.29
CSR expenses (Refer note 32)	1.30	1.45
Legal and professional fees	14.79	10.91
Electronic data processing expenses	2.52	2.97
Insurance	14.13	20.78
Rates and taxes	0.90	1.10
Security expenses	0.12	0.16
Travelling	2.68	2.84
Books and periodicals	0.32	0.13
Director sitting fees (Refer note 37)	0.45	0.66
Net loss on foreign currency transactions and translation	0.07	4.42
Loss on property plant and equipment written off	4.78	0.00
Brand Fees (Refer note 37)	46.38	46.94
Miscellaneous expenses	2.77	3.11
Total	313.06	322.52

Note 31

Commitments

(i) Capital Commitments:

Estimated amount of contracts remaining to be executed (net of advances) are ₹ 1.28 Crore (previous year ₹ 0.38 Crore).

(ii) Other Commitments:

The Company entered into Power Purchase Agreement ("PPA") with Punjab State Power Corporation Limited ("PSPCL") for twenty five years which has been identified as arrangement containing lease as per Ind AS 116. The arrangement has been classified as operating lease as per the policy of the Company. The contingent rent recognized as income during the year is ₹ 1,386.98 Crore (previous year ₹ 1,423.27 Crore).

(iii) Guarantees:

a) The Company has advanced bank guarantees to regulators of India amounting to ₹ 0.01 Crore (previous year ₹ 0.01 Crore) relating to payment of state taxes (VAT & CST).

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



Sensitivity Information (SI)

Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 32

(₹ in Crore)

Corporate Social responsibility

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	Payment made in Cash	Payment yet to be Paid in Cash	Payment made in Cash	Payment yet to be Paid in Cash
Amount of expenditure incurred by the Company during the year on:				
i) Capital work-in-progress	0.39	0.02	0.25	0.09
ii) General expenses (Refer table below)	0.41	0.43	0.84	0.21
iii) Salaries and wages	0.03	0.02	0.06	0.00
Total amount of expenditure incurred	0.83	0.47	1.15	0.30

As per the provisions of Companies Act, 2013, during the year, the Company was required to spend an amount of ₹ 3.42 Crore (previous year ₹ NIL) towards CSR expenditure. During the year, the Company has adjusted ₹ 2.87 Crore carried forward from previous years and also spent ₹ 1.30 Crore during the year and carried forward the excess spent of ₹ 0.75 Crore to subsequent years.

Balance of CSR provision/CSR expenses not yet paid in cash

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Balance	0.30	1.04
Provision made during the year	1.30	1.45
Less: Payments made during the year	(1.13)	(2.19)
Closing Balance	0.47	0.30

Closing balance of ₹ 0.47 Crore with respect to expenses incurred during the year will be paid in the next financial year.

Nature of amount - General Expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Health care	0.30	0.30
Agriculture & Animal Husbandry	0.29	0.31
Children's Wellbeing & Education	0.04	0.02
Women Empowerment	0.20	0.28
Rural Development	-	0.14
Others	0.01	0.00
Total	0.84	1.05



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 33

Contingent Liabilities

Claims against the Company not acknowledged as debt

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

In November 2017, TSPL filed a petition before Punjab State Electricity Regulatory Commission ("PSERC"). In February 2018, PSERC unfavourably disposed the petition and directed calculation of the penalty for four instances in January 2017 at normative availability of 80% amounting to ₹ 127.32 Crore (previous year ₹ 127.32 Crore). In February 2018, TSPL filed an appeal before Appellate Tribunal for Electricity ("APTEL"). During the year, APTEL pronounced the order in favour of the Company directing PSPCL to refund the deducted penalty along with 'Late Payment Surcharge'. Accordingly, the Company has classified the deducted penalty from non-current trade receivables to current trade receivables as at March 31, 2025.

Note 34

Auditors' Remuneration included under Legal & Professional Services

(₹ in Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Audit Fees	0.25	0.25
Limited Review	0.17	0.16
Reporting for Parent Company consolidation	0.08	0.08
Other Services	0.15	0.04
Out of Pocket Expenses	0.03	0.03
Total	0.68	0.56

Note 35

Earnings Per Share (EPS)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net profit after tax attributable to equity shareholders for basic and diluted EPS (₹ in Crore)	31.84	602.15
Weighted average number of Equity shares for Basic and Diluted EPS	3,206,609,692	3,206,609,692
Basic and Diluted Earnings Per Share (₹)	0.10	1.88
Nominal Value Per share (₹)	10.00	10.00

Note 36

Employee Benefits

a) Defined contribution plan

During the year, the Company contributed a total of ₹ 1.22 Crore (previous year ₹ 1.27 Crore) to the following defined contribution plans:

Central provident fund

In accordance with the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2025 and 2024) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI) or to independently managed and approved funds. The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred. Where the contributions are made to independently managed and approved funds, shortfall in actual return, if any, from the return guaranteed by the State are made by the employer, these are accounted for as defined benefit plans. The benefits are paid to employees on their retirement or resignation from the Company.

Superannuation

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



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 36

Employee Benefits (Contd.)

b) Defined Benefit Plan:

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

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

Actuarial assumptions

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salary growth (p.a.)	5.50%	5.50%
Expected rate of Return on Plan Assets (p.a.)	7.11%	7.38%
Discount rate (p.a.)	7.03%	7.10%
Mortality rate	100% IALM(2012-14)	100% IALM(2012-14)

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

Expenditure recognized during the year

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	0.15	0.20
Interest cost	0.01	0.03
Total	0.16	0.23

Amount recognized in Other Comprehensive Income during the year

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Remeasurement of the net defined benefit obligation:-		
Actuarial losses / (gains) arising from changes in financial assumptions	0.01	0.05
Actuarial losses / (gains) arising from experience adjustments	(0.01)	(0.41)
Total	0.00	(0.36)

Movement in present value of defined benefit obligation

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Obligation at the beginning of the year	1.77	1.86
Current service cost	0.15	0.20
Interest cost	0.13	0.13
Actuarial (gains)/losses	0.00	(0.36)
Benefits paid	(0.47)	(0.06)
Obligation at the end of the year	1.58	1.77

Movement in present value of plan assets

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Fair value at the beginning of the year	1.62	1.40
Actual return on plan assets	0.11	0.10
Contribution	0.00	0.18
Benefits paid	(0.37)	(0.06)
Fair value at the end of the year*	1.36	1.62

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



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 36

Employee Benefits (Contd.)

Amount Recognized in the Balance Sheet

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Present value of obligation at the end of the year	1.58	1.77
Less: Fair value of plan assets at the end of the year	(1.36)	(1.62)
Net liability recognized in the Balance Sheet	0.22	0.15

The contribution expected to be made by the Company during the financial year 2025-26 as ascertained by the management is ₹ 0.19 Crore (previous Year ₹ 0.24 Crore)

Sensitivity analysis	March 31, 2025	March 31, 2024
Increase / (Decrease) in defined benefit obligation		
Discount rate		
Increase by 0.50%	(0.09)	(0.09)
Decrease by 0.50%	0.10	0.10
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	0.10	0.10
Decrease by 0.50%	(0.09)	(0.10)

Maturity profile of defined benefit obligation

Year	March 31, 2025	March 31, 2024
0-1 Years	0.03	0.03
1 - 2 Years	0.03	0.03
2 - 3 Years	0.03	0.30
3 - 4 Years	0.03	0.03
4 - 5 Years	0.02	0.02
5 - 6 Years	0.02	0.02
More than 6 years	1.42	1.34
Total	1.58	1.77

Risk analysis

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

Interest risk

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

Longevity risk/ Life expectancy

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

Salary growth risk

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

Investment risk

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

Note 37

Related Party Disclosures

List of related parties and relationships

(a) Entities controlling the company (Holding Companies):

Immediate:	Vedanta Limited
Intermediate:	Vedanta Resources Limited (formerly Vedanta Resources Plc.)
	Vedanta Resources Investment Limited (VRIL)
Ultimate:	Vedanta Incorporated (formerly Volcan Investments Limited)*




Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 37

Related Party Disclosures (Contd.)

(b) Fellow subsidiaries with whom transactions have taken place:

Fellow Subsidiaries:	Bharat Aluminium Company Limited
	ESL Steel Limited
	Hindustan Zinc Limited
	Sterlite Power Transmissions Limited
	Runaya Refining LLP
	STL Digital Limited
	Vedanta Foundation
	Meenakshi Energy Limited
	Resonia Limited
	Sterlite Technologies Limited

(c) Key Managerial Personnel:

Mr. Rajinder Singh Ahuja	: Chief Executive Officer (w.e.f. 9th February 2025)
Mr. Vibhav Agarwal	: Chief Executive Officer (CEO till close of business hours on 8th February 2025)
Mr. Nitesh Malani	: Chief Financial Officer
Mr. Agnivesh Agarwal	: Chairman, Non Executive Director
Mr. Pankaj Kumar Sharma	: Whole time Director
Ms. Sonal Choitani	: Non-Executive Director
Mr. Baldev Krishan Sharma	: Non-Executive Director
Mr. Mahendra Singh Mehta	: Independent Director (ceased to be director w.e.f. close of business hours on 29th March 2025).
Ms. Shivangi Dhanuka	: Company Secretary

* No transaction with parties during the year.

Terms and conditions of transactions with related parties:

The Company enters into transactions in the normal course of business with its related parties, including its parent Vedanta Limited. A summary of all related party transactions for the year ended March 31, 2025 and 2024 are noted below.

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

(₹ in Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1) Recovery of employee cost and other expenses		
(i) Vedanta Limited	0.08	0.23
(ii) Hindustan Zinc Limited	0.04	0.24
(iii) Bharat Aluminium Company Limited	0.11	0.19
(iv) Sterlite Power Transmissions Limited	-	0.01
(v) ESL Steel Limited	-	0.01
(vi) Runaya Refining LLP	-	0.04
(vii) Resonia Limited	0.01	-
2) Reimbursement of employee cost and other expenses		
(i) Vedanta Limited	8.61	9.61
(ii) Vedanta Foundation	0.02	0.01
(iii) STL Digital Limited	1.50	0.78
(iv) Hindustan Zinc Limited	0.05	0.01
(v) Bharat Aluminium Company Limited	0.00	0.00
(vi) ESL Steel Limited	0.02	-
(vii) Runaya Refining LLP	-	0.01
(viii) Meenakshi Energy Limited	0.01	-
3) Sale of Consumables and Capex items		
(i) Hindustan Zinc Limited	-	0.04
(ii) Vedanta Limited	0.35	-
4) Purchase of Consumables and Capex items		
(i) Vedanta Limited	-	0.05
(ii) Hindustan Zinc Limited	-	0.01
(iii) Sterlite Technologies Limited	0.71	-
5) Brand Fees paid		
(i) Vedanta Resources Limited (VRL)	-	46.94
(ii) Vedanta Resources Investment Limited (VRIL)	46.38	-
6) Interest and Guarantee Commission		
Vedanta Limited	22.95	23.95
7) Loans taken during the year		
Vedanta Limited	200.00	-



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 37

Related Party Disclosures (Contd.)

b. Details of balances with related parties :

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1) Loans from Vedanta Limited	200.00	-
2) Balance Receivable as at the end of the year		
(i) Sterlite Power Transmissions Limited	-	0.01
(ii) Resona Limited	0.01	-
3) Advances given as at the end of the year		
Vedanta Resources Investment Limited	1.01	-
4) Balance Payable as at the end of the year		
(i) Vedanta Limited	161.45	140.77
(ii) Hindustan Zinc Limited	0.00	0.00
(iii) ESL Steel Limited	0.01	-
(iv) Sterlite Technologies Limited	0.71	-
(v) STL Digital Limited	0.23	-
(vi) Meenakshi Energy Limited	0.01	-
(vii) Vedanta Resources Limited	5.34	5.34
5) Bank Guarantees/Corporate Guarantee issued on our behalf and outstanding as at the end of the year		
Vedanta Limited	5,242.70	5,637.41

c. Remuneration of key management personnel (KMP)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Short-term employee benefits	5.83	4.86
Post employment benefits	0.38	0.37
Share based payments	0.57	0.41
Total	6.78	5.64

Note:

a. The Company has paid ₹ 0.12 Crore (previous year ₹ 0.14 Crore) as sitting fees & has also accrued ₹ 0.34 Crore (Previous year ₹ 0.51 Crore) as commission to its directors.

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



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 38

Capital management

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

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

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

The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements. Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises all the components including other comprehensive income. The Company does not consider lease liabilities and trade finance as debts for this purpose.

The following table summarizes the capital of the Company:

(₹ in Crore)		
Particulars	Year ended March 31, 2025	Year ended May 31, 2024
Equity Share Capital	3,206.61	3,206.61
Other Equity	447.98	416.15
Total Equity (a)	3,654.59	3,622.76
Cash and cash equivalents	33.52	168.01
Current investments	-	38.27
Total cash (b)	33.52	206.28
Short-term borrowings (including current maturities)	1,444.89	1,178.75
Long-term borrowings	4,333.66	4,871.57
Total debt (c)	5,778.55	6,050.32
Net debt (d=(c-b))	5,745.03	5,844.04
Net debt to equity ratio (d/a)	1.57	1.61



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 39

Financial instruments

(₹ in Crore)

Financial assets and liabilities:

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

March 31, 2025

Financial assets	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Trade receivables - Current	-	959.58	959.58	959.58
Trade receivables - Non Current	-	1,691.35	1,691.35	1,691.35
Other non-current financial assets	-	45.85	45.85	45.85
Other current financial assets	-	1.11	1.11	1.11
Cash and cash equivalents	-	33.52	33.52	33.52
Other bank balances	-	-	-	-
Total	-	2,731.41	2,731.41	2,731.41

March 31, 2024

Financial assets	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Trade receivables - Current	-	547.10	547.10	547.10
Trade receivables - Non Current	-	1,619.79	1,619.79	1,619.79
Other non-current financial assets	-	7.59	7.59	7.59
Other current financial assets	-	0.65	0.65	0.65
Cash and cash equivalents	-	168.01	168.01	168.01
Other bank balances	-	38.27	38.27	38.27
Total	-	2,381.41	2,381.41	2,381.41

March 31, 2025

Financial liabilities	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Long-term borrowings	-	4,333.66	4,333.66	4,333.66
Short-term borrowings	-	1,444.89	1,444.89	1,444.89
Trade finance	-	450.78	450.78	450.78
Trade payables	-	125.10	125.10	125.10
Lease Liability	-	47.19	47.19	47.19
Derivative liability	-	0.04	0.04	0.04
Other current financial liabilities	-	228.19	228.19	228.19
Total	-	6,629.85	6,629.85	6,629.85

March 31, 2024

Financial liabilities	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
Long-term borrowings	-	4,871.57	4,871.57	4,871.57
Short-term borrowings	-	1,178.75	1,178.75	1,178.75
Trade finance	-	375.13	375.13	375.13
Trade payables	-	37.91	37.91	37.91
Lease Liability	-	3.50	3.50	3.50
Derivative liability	-	-	-	-
Other current financial liabilities	-	203.24	203.24	203.24
Total	-	6,670.10	6,670.10	6,670.10



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 39

Financial instruments (Contd.)

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

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

- **Non-current trade receivables:** Fair value has been determined by the Company based on interest rates and recoverability of dues from the customer. Also, refer note 40.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 40

Risk management

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

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

The risk management framework aims to:

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

Treasury management

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

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

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

Additional Information to the Financial Statements :

Financial risk

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

Liquidity Risk:

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



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 40

Risk management (Contd.)

Financial liabilities	As on March 31, 2025				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Borrowings	1,444.89	872.31	816.18	2,665.90	5,799.28
Interest on borrowings	451.60	735.48	588.95	702.76	2,478.79
Trade finance	450.78	-	-	-	450.78
Trade payables	125.10	-	-	-	125.10
Other financial liabilities	228.19	-	-	-	228.19
Lease Liability	12.05	24.45	22.32	0.75	59.57
Financial Instruments-derivatives	0.04	-	-	-	0.04

Financial liabilities	As on March 31, 2024				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Borrowings	1,178.75	1,076.52	694.12	3,122.01	6,071.40
Interest on borrowings	500.68	827.51	660.71	978.16	2,967.06
Trade finance	375.13	-	-	-	375.13
Trade payables	37.91	-	-	-	37.91
Other financial liabilities	203.24	-	-	-	203.24
Lease Liability	1.37	1.42	1.01	0.81	4.61
Financial Instruments-derivatives	-	-	-	-	-

Interest rate risk:

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

As at March 31, 2025				
Particulars	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Financial assets-non current				
Trade Receivables*	-	-	1,691.35	1,691.35
Other financial assets	4.72	38.26	2.87	45.85
Total financial assets-non current	4.72	38.26	1,694.22	1,737.20
Financial assets-current				
Trade receivables*	-	-	959.58	959.58
Cash and cash equivalents	-	-	33.52	33.52
Bank Balances	-	-	-	-
Other financial assets	-	-	1.11	1.11
Total financial assets-current	-	-	994.21	994.21
Total financial assets	4.72	38.26	2,688.43	2,731.41

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



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 40
Risk management (Contd.)

As at March 31, 2024				
Particulars	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	Total financial assets
Financial assets-non current				
Trade Receivables*	-	-	1,619.79	1,619.79
Other financial assets	4.72	-	2.87	7.59
Total financial assets-non current	4.72	-	1,622.66	1,622.38
Financial assets-current				
Trade receivables*	-	-	547.10	547.10
Cash and cash equivalents	-	-	168.01	168.01
Bank Balances	-	38.27	-	38.27
Other financial assets	-	-	0.65	0.65
Total financial assets-current	-	38.27	715.76	754.03
Total financial assets	4.72	38.27	2,338.42	2,381.41

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

The weighted average interest rate on the fixed rate financial assets is 7.00% p.a. (previous year 6.50% p.a.) and the weighted average period for which the rate is fixed is 1.25 years (previous year 0.48 years).

As at March 31, 2025				
Particulars	Floating rate	Fixed rate	Non interest bearing	Total financial
Financial liabilities-non current				
Borrowings	4,333.66	-	-	4,333.66
Lease Liability	-	38.89	-	38.89
Total financial liabilities-non current	4,333.66	38.89	-	4,372.55
Financial liabilities-current				
Borrowings	1,444.89	-	-	1,444.89
Trade finance	-	450.78	-	450.78
Trade payables	-	29.99	95.11	125.10
Other financial liabilities	-	-	228.19	228.19
Lease Liability	-	8.30	-	8.30
Derivative financial liabilities	-	-	0.04	0.04
Total financial liabilities-current	1,444.89	489.07	323.34	2,257.30
Total financial liabilities	5,778.55	527.96	323.34	6,629.85

The weighted average interest rate on the fixed rate financial liabilities is 7.35% p.a. and the weighted average period for which the rate is fixed is 0.45 years.

As at March 31, 2024				
Particulars	Floating rate	Fixed rate	Non interest bearing	Total financial
Financial liabilities-non current				
Borrowings	4,871.57	-	-	4,871.57
Lease Liability	-	2.14	-	2.14
Total financial liabilities-non current	4,871.57	2.14	-	4,873.71
Financial liabilities-current				
Borrowings	1,178.75	-	-	1,178.75
Trade finance	-	375.13	-	375.13
Trade payables	-	-	37.91	37.91
Other financial liabilities	-	-	203.24	203.24
Lease Liability	-	1.36	-	1.36
Derivative financial liabilities	-	-	-	-
Total financial liabilities-current	1,178.75	376.49	241.15	1,796.39
Total financial liabilities	6,050.32	378.63	241.15	6,670.10

The weighted average interest rate on the fixed rate financial liabilities is 7.63% p.a. and the weighted average period for which the rate is fixed is 0.19 years.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 40

Risk management (Contd.)

The table below illustrates the impact of a 0.5% to 2.0% movement in interest rates on interest expense on loans and borrowings for the year ended March 31, 2025. The risk estimate provided assumes that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables remain constant.

(₹ in Crore)

Movement in interest rates	Effect on profit before tax	
	FY 2024-25	FY 2023-24
0.50%	28.89	30.25
1.00%	57.79	60.50
2.00%	115.57	121.01

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 primarily on trade and other receivables and cash and cash equivalents.

Given the nature of PPA, trade receivables are from a single customer Punjab State Power Corporation Limited (PSPCL), with significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Although there are significant disputed trade receivables, classified as non-current with PSPCL, the management has assessed that the company has strong chances of getting the dispute resolved in its favour. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

The carrying value of the financial assets other than cash and investments in bank deposits represents the maximum credit exposure. The Company's maximum exposure to credit risk at March 31, 2025 is ₹ 2,659.64 Crore (previous year ₹ 2,175.13 Crore) of which ₹ 2,650.93 Crore (previous year ₹ 2,166.89 Crore) was from a single customer.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade and other receivables, and other non-current assets, there were no indications as at March 31, 2025, that defaults in payment obligations will occur, except for disputed matters.

Receivables are deemed to be past due or impaired with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions of the agreement with the customer. The Company based on past experiences does not expect any material loss on its receivables. The credit quality of the Company's customer is monitored on an ongoing basis. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

Movement in allowances for Trade receivables (Current & Non-Current) is as follows:

Particulars	Trade Receivables Current	Trade Receivables Non Current	Total
As at March 31, 2024	-	0.05	0.05
Allowances made during the year	-	-	-
Reversal/Write off during the year	-	-	-
As at March 31, 2025	-	0.05	0.05

Particulars	As on March 31, 2025				
	Not past due	Due less than 1 months	Due between 1-3 months	Due between 3-12 months	Due greater than 12 months
Trade receivables - Non Current*	25.26	12.80	22.81	111.97	1,518.51
Trade receivables - Current*	881.72	-	-	-	77.86
Other Financial Assets - Non Current	45.85	-	-	-	-
Other Financial Assets - Current	0.01	-	-	-	1.10
Total	952.84	12.80	22.81	111.97	1,597.47

*Refer Note 42



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 40

Risk management (Contd.)

(₹ in Crore)

As on March 31, 2024					
Particulars	Not past due	Due less than 1 months	Due between 1-3 months	Due between 3-12 months	Due greater than 12 months
Trade receivables - Non Current*	23.69	12.46	24.35	113.79	1,445.50
Trade receivables - Current*	547.10	-	-	-	-
Other Financial Assets - Non Current	7.59	-	-	-	-
Other Financial Assets - Current	0.14	-	-	0.51	-
Total	578.52	12.46	24.35	114.30	1,445.50

*Refer Note 42

Foreign exchange risk

Fluctuations in foreign currency exchange rates may have an impact on the financial statements where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Exposures on foreign currency loans are managed through the Company wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed.

As at March 31, 2025 and March 31, 2024, the Company did not have any significant exposure in foreign currency.

Note 41

As per Ministry of Environment norms, the Company had to comply with timeline of SO2 emission by December 31, 2019. Subsequently the Company received a notice on October 16, 2020 and a corrigendum on November 04, 2020 wherein CPCB extended the timeline for installing the Fuel Gas Desulfurization (FGD) to February 28, 2021 for Unit 1, December 31, 2020 for Unit 2 and October 31, 2020 for Unit 3. As per the notification issued by Ministry of Environment, Forest and Climate Change (MoEF&CC) dated September 05, 2022, the timeline for complying with the SO2 emission norms has been extended to December 31, 2026 for TSPL under category C plants. Recently, MoEF&CC issued another notice dated December 30 2024, where the timeline for SO2 emission compliance have again been extended to December 31, 2029.

(Handwritten signature)



Talwandi Sabo Power Limited
Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 42
Trade Receivables ageing schedule

For the year ended March 31, 2025

(₹ in Crore)

Particulars	Not due	Outstanding for following periods from due date of payment as on March 31, 2025					
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Non-current							
(i) Disputed Trade Receivables-considered good	25.26	74.48	85.64	151.41	251.80	1,102.76	1,691.35
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	0.05	-	0.05
Sub-Total	25.26	74.48	85.64	151.41	251.85	1,102.76	1,691.40
Current							
(i) Un Disputed Trade Receivables-considered good	881.72	-	-	-	-	-	881.72
(ii) Disputed Trade Receivables-considered good						77.86	77.86
Sub-Total	881.72	-	-	-	-	77.86	959.58
Total	906.98	74.48	85.64	151.41	251.85	1,180.62	2,650.98

For the year ended March 31, 2024

Particulars	Not due	Outstanding for following periods from due date of payment as on March 31, 2024					Total
		Less than 6 months	6 months -1-year	1-2 Years	2-3 years	More than 3 years	
Non-current							
(i) Disputed Trade Receivables-considered good	23.69	73.50	77.09	164.23	227.18	1,054.10	1,619.79
(ii) Disputed Trade Receivables – credit impaired	-	-	-	0.05	-	-	0.05
Sub-Total	23.69	73.50	77.09	164.28	227.18	1,054.10	1,619.84
Current							
(i) Un Disputed Trade Receivables-considered good	547.10	-	-	-	-	-	547.10
(ii) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
Sub-Total	547.10	-	-	-	-	-	547.10
Total	570.79	73.50	77.09	164.28	227.18	1,054.10	2,166.94



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 43

(₹ in Crore)

Income tax expenses

(a) Tax charge/(credit) recognised in Statement of Profit and Loss:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current tax		
Current tax on profit for the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary differences- other than exceptional items	2.90	(46.26)
Charge in respect of exceptional item	-	199.90
Tax adjustment for previous years	(24.54)	-
Total deferred tax	(21.64)	153.64
Net tax (credit)/charge	(21.64)	153.64
Profit before tax	10.20	755.79

(b) Reconciliation of income tax expense/credit applicable to accounting profit/(loss) before tax at the statutory income tax rate to tax expense for the year:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Accounting profit before tax	10.20	755.79
Statutory income tax rate	25.17%	25.17%
Tax at Indian statutory income tax rate	2.57	190.22
Tax rate difference		
Business losses on which Deferred tax assets not made in previous years	-	(54.85)
Forex loss adjusted u/s 43A	-	17.90
Deferred tax adjustment for previous years	(24.54)	-
CSR Expenditure Disallowed	0.33	0.37
Total	(21.64)	153.64

Note:

- (i) During the year, the Company has accounted for Deferred tax Liability of ₹ 2.90 Crore and Deferred Tax Asset of ₹ 24.54 Crore in respect to adjustment of previous years.
- (ii) During the previous year, the Company has accounted for Deferred tax Liability on account of exceptional gain for ₹ 199.90 Crore and a Deferred tax Asset ₹ 46.26 Crore.
- (iii) Additionally, basis the Company's projections, there is a convincing evidence that there would be sufficient profits in the future years, to utilise the deferred tax assets.

(c) Deferred tax assets/liabilities

Significant components of deferred tax (assets) & liabilities in the balance sheet are as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Property, plant and equipment and intangible assets:		
Opening balance	849.89	743.02
Charged to profit or loss section	112.92	106.87
Closing balance	962.81	849.89
Unabsorbed depreciation		
Opening balance	(955.78)	(989.71)
Credited to profit or loss	(135.23)	33.93
Charged/(credited) to other comprehensive income (OCI)	-	-
Closing balance	(1,091.01)	(955.78)
Other temporary differences		
Opening balance	(0.68)	(13.61)
Charged to profit or loss	0.68	12.84
Charged/(credited) to other comprehensive income (OCI)	(0.00)	0.09
Closing balance	(0.00)	(0.68)
Net deferred tax assets	(128.20)	(106.57)



Talwandi Sabo Power Limited
Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 4d

Trade Payables ageing schedule

For the year ended March 31, 2025

(₹ in Crore)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	8.98	-	-	-	-	8.98
(ii) Others	69.28	41.59	5.24	0.01	0.00	116.12
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	78.26	41.59	5.24	0.01	0.00	125.10

For the year ended March 31, 2024

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	1.56	-	-	-	-	1.56
(ii) Others	18.18	16.73	1.16	0.27	0.01	36.35
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	19.74	16.73	1.16	0.27	0.01	37.91

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Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 45

Ratios

Particulars	As at March 31, 2025	As at March 31, 2024	% Variance	Remarks (for variances more than 25%)
(a) Current Ratio	0.57	0.59	-3%	
(b) Debt-Equity Ratio	1.34	1.55	-14%	
(c) Debt Service Coverage Ratio	1.16	1.34	-13%	
(d) Return on Equity Ratio	0.01	0.17	-95%	The Return on equity ratio has significantly declined as there was an exceptional gain net of taxes of ₹ 594.36 Crore in previous year.
(e) Inventory turnover ratio	19.30	20.37	-5%	
(f) Trade Receivables turnover ratio	6.93	7.75	-11%	
(g) Trade payables turnover ratio	5.62	6.20	-9%	
(h) Net capital turnover ratio	(5.02)	(6.92)	-27%	Due to decrease in working capital during current year.
(i) Net profit ratio	0.01	0.11	-95%	Due to decrease in profits in current year as exceptional gain net of taxes of ₹ 594.36 Crore in previous year.
(j) Return on Capital employed	0.07	0.15	-55%	
(k) Return on investment	0.07	0.06	4%	

Note 46

Other Statutory Information

(i) No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company has not entered in any transaction with struck off companies during the current year or previous year.

(iii) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has no Cryptocurrency transactions / balances during the current year or previous year.

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

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

(vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.



Talwandi Sabo Power Limited

Notes forming part of the financial statements as at and for the year ended March 31, 2025

Note 47

Disputed Trade Receivables

Punjab State Power Corporation Limited ("PSPCL"), which is the Company's sole customer has withheld payments aggregating to ₹ 1,691.35 Crore (previous year ₹ 1,619.79 Crore) which are on account of various disputes including tax benefits at the time of initial plant setup, procurement of alternate coal, and basis of computation of plant availability amongst others.

In a Mis-declaration matter, APTEL has pronounced the order in favour of the Company on March 18, 2025 directing PSPCL to refund the deducted penalty along with 'Late Payment Surcharge'. The Company has classified the deducted penalty from non-current trade receivables to current trade receivables for the year ended March 31, 2025.

The balance matters are under litigation and the Company has obtained independent legal advice which supports its claims and is thus not expecting any material losses on these balances and believes that it is highly probable that the Company's claims would be upheld. Based on the expected timing of realisation of these balances, which is in turn dependent on the settlement of legal disputes, the Company has bifurcated the receivables into current and non-current. The management has assessed the recoverability of the outstanding balances and does not believe that any material adjustment is required.

Note 48

Segment Information

The Company's activities during the year revolved around operating 3*660 MW Thermal Power Plant at Mansa, Punjab. Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Ind AS 108 - Operating Segments. All the Company's revenues, trade receivables and non-current operating assets are in India. The Company's revenues aggregating to ₹ 5,223.40 Crore (previous year ₹ 5,256.05 Crore) is from a single customer.

Note 49

Share based compensation plans

The Company offers equity-based award plans to its employees and officers through its parent (Vedanta Limited), Employee Stock Option Plan ("ESOP").

Share-based incentives under ESOP of Vedanta Limited (introduced w.e.f. September 2017) are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the individual fixed salary and share-based remuneration consistent with local market practice. The scheme is both tenure and performance based share schemes. The awards are indexed to and settled by parent's shares. The awards have a fixed exercise price denominated in Parent's functional currency (₹ 1 in case of Vedanta Limited), the performance period of each award is three years and is exercisable within a period of six months from the date of vesting beyond which the option will lapse.

Further, in accordance with the terms of the agreement between the Parent and the Company, the cost recognized towards the scheme is recovered by the parent from the Company.

Amount recovered by the parent and recognised by the Company in the statement of profit and loss for the financial year ended March 31, 2025 is ₹ 0.37 Crore (previous year ₹ 1.33 Crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

Note 50

During the previous year ended March 31, 2024, the Company had terminated its contract with one of its major capital contractors (the "Contractor"), due to its persistent failure to fulfil its contractual obligations, which adversely affected the plant's performance since commissioning. Consequently, as of March 31, 2024, the Company had written back creditors amounting to ₹ 1,252 Crore, representing amounts assessed as no longer payable under the terminated contract. The management had assessed that the amount written back comprised of ₹ 794 Crore towards loss of profit due to plant performance in the previous and earlier years and therefore recognised the same as Exceptional gain in the Statement of Profit & Loss and adjusted the balance amount towards the cost of spares and ancillaries capitalised in Property, Plant & Equipment in earlier years.

Subsequently, the Contractor disputed the termination of the contract and claimed dues along with damages arising from the Company's action. The Company issued a counter claim on the Contractor and also initiated arbitration proceedings to enforce its claims. Nominee arbitrators have been appointed by both the parties and on April 3, 2025, the Hon'ble Supreme Court appointed the presiding arbitrator.

Based on its detailed evaluations, merits of the case and independent legal advice obtained, the management continues to believe that the termination of the contract is contractually enforceable. The management also believes that this position is sustainable, when this matter is finally decided by the adjudicating authority. Accordingly, no adjustments are required to be made in these financial statements in respect of the Contractor's claims.



Note 51

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was enabled in the SAP application for direct changes to data in certain database tables for part of the year, i.e., from 03 March 2025. Further, no instance of audit trail feature being tampered was noted in respect of the software. Additionally, the Company preserved audit trail in full compliance with the requirements of section 128(5) of the Companies Act, 2013 to the extent it was enabled and recorded.

In terms of our report attached
For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. : 301003E/E300005
Chartered Accountants

per Amit Kumar Jain
Partner
Membership No.: 097214

Place : New Delhi
Date : April 22, 2025

For and on behalf of Board of Directors

Agnivesh Agarwal
Chairman
DIN: 00038950
Place: Fojairah

Nitesh Malani
Chief Financial Officer
Place : Mansa
Date : April 22, 2025

Rajinder Singh Ahuja
Chief Executive Officer
Place : New Delhi

Shivangi
Shivangi Dhanuka
Company Secretary
ICSI Mem No.A70586
Place : Mansa

Pankaj Kumar Sharma
Whole Time Director
DIN: 10277510
Place: Mansa



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, 2025, 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, 2025, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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



MALCO Energy Limited

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Responsibility of Management for the IND AS Financial Statements

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

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

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

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

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

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

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

*SR*

MALCO Energy Limited

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2 (i) (vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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;

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MALCO Energy Limited

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- (g) In our opinion, the managerial remuneration for the year ended March 31, 2025 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) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2 (i) (vi) below on reporting under Rule 11(g).
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or 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, 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.



MALCO Energy Limited
Page 5 of 12

- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature for direct changes to data in certain database tables was enabled for part of the year from March 03, 2025, as described in note 48(x) to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where audit trail has been enabled. Additionally, the audit trail of relevant prior year has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in the respective year, as stated in Note 48(x) to the financial statements.

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


per Anant Acharya
Partner

Membership Number: 124790
UDIN: 25124790BMLDYG9729
Place of Signature: Mumbai
Date: April 23, 2025



MALCO Energy Limited

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

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

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

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

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

(d) The Company has not revalued its Property, Plant and Equipment including Right of use assets during the year ended March 31, 2025.

(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, 2025 and no discrepancies were noticed. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) As disclosed in note 24 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

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

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

*JS.*

MALCO Energy Limited

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- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to generation and supply of power, met coke, nickel sulphate, nickel metal and cobalt and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, custom duty, employees' state insurance corporation and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) 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	24.99	Customs Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service tax	2014	0.90	CESTAT Chennai

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



MALCO Energy Limited

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- (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. 22.39 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) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (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 44 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.

*JS.*

MALCO Energy Limited

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- (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. 145.02 Crores in the current year. The Company had incurred cash loss of Rs. 85.64 crores in immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 51 to the financial statements, the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering the Company's current liabilities exceeds the current assets by INR 659.99 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.



MALCO Energy Limited
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(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 39 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 39 to the financial statements.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003


per Anant Acharya
Partner

Membership Number: 124790

UDIN: 25124790BMLDYG9729

Place of Signature: Mumbai

Date: April 23, 2025



MALCO Energy Limited

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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE INDAS FINANCIAL STATEMENTS OF MALCO Energy Limited LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to IND AS financial statements of MALCO Energy Limited ("the Company") as of March 31, 2025 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.

*Handwritten signature/initials.*

MALCO Energy Limited
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Meaning of Internal Financial Controls with Reference to these IND AS Financial Statements

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

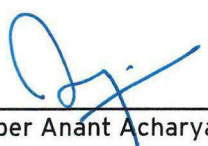
Inherent Limitations of Internal Financial Controls With Reference to IND AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to IND AS financial statements and such internal financial controls with reference to IND AS financial statements were operating effectively as at March 31, 2025, 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/E3000003


per Anant Acharya
Partner
Membership Number: 124790
UDIN: 25124790BMLDYG9729
Place of Signature: Mumbai
Date: April 23, 2025



Particulars	Notes	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	319.17	321.14
(b) Intangible assets	4	-	0.15
(c) Capital Work in Progress	5	4.74	11.08
(d) Right-of-use Asset	6	29.58	29.17
(e) Financial assets			
(i) Investments	7	-	-
(ii) Other financial assets	8	4.96	0.12
(f) Income tax assets (net)	9	7.35	7.96
(g) Other non-current assets	10	16.30	19.67
Total non-current assets		382.10	389.29
Current assets			
(a) Inventories	11	201.60	182.72
(b) Financial assets			
(i) Investments	7	-	36.86
(ii) Trade receivables	12	89.69	27.51
(iii) Cash and cash equivalents	13	92.27	26.05
(iv) Other bank balances	14	0.36	6.49
(v) Loans	15	0.14	0.10
(vi) Derivatives	16	1.89	2.30
(vii) Other financial assets	17	24.24	12.19
(c) Other current assets	18	135.74	118.27
Total current assets		545.95	412.49
Total assets		928.05	801.78
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	4.67	4.67
(b) Other equity	20	(284.83)	(98.68)
Total equity		(280.16)	(94.01)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	21	2.20	2.97
(b) Other Non-Current Liabilities	22	0.07	-
Total non-current liabilities		2.27	2.97
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	441.47	361.97
(ii) Lease Liabilities	25	11.22	6.06
(iii) Operational buyers' credit / suppliers' credit	23	97.53	124.56
(iv) Trade payables	26	-	-
• Total outstanding dues of micro and small enterprises		9.32	5.90
• Total outstanding dues of creditors other than micro and small enterprises		457.65	262.56
(v) Derivatives	41	7.35	0.10
(vi) Other financial liabilities	27	121.95	72.17
(b) Other current liabilities	28	59.12	58.91
(c) Provisions	29	0.33	0.59
Total current liabilities		1,205.94	892.82
Total equity and liabilities		928.05	801.78
Summary of Material Accounting Policies	28		

The accompanying notes are forming part of the financial statements.

As per our report of even date

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

per Charan Acharya
Partner
Membership No. - 124790



Place : Mumbai
Date : 23 Apr 2025

For and on behalf of Board of Directors

Navin Kumar Jaju
Director
DIN 00669654

Poovannan Sumathi
Director
DIN 07147100

Place : Goa
Date : 23 Apr 2025

Place : Tuticorin
Date : 23 Apr 2025



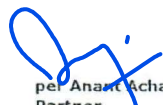
MALCO Energy Limited
CIN - U31300MH2001PLC428719
Statement of Profit and Loss for the year ended 31 March 2025

Particulars	Notes	For the year ended 31 March 2025 Rs. Crores	For the year ended 31 March 2024 Rs. Crores
I Revenue from operations	30	876.60	615.75
II Other Operating income	31	11.89	31.18
III Other income	32	2.84	21.61
IV Total income (I+II+III)		891.33	668.54
V Expenses:			
Cost of materials consumed	33	502.36	428.78
Purchases of traded goods		305.75	4.63
Changes in inventories of finished goods, work-in progress & stock in trade	34	5.09	121.86
Power & fuel	36	14.02	17.85
Employee benefits expense	35	20.93	21.22
Finance costs	37	52.95	50.90
Depreciation and amortization expense	36	43.07	31.78
Other expenses	39	135.25	108.94
Total expenses		1,079.42	785.96
VI Profit/(Loss) before tax (IV-V)		(188.09)	(117.42)
VII Tax expense	40	-	-
VIII (Loss) for the year (VI-VII)		(188.09)	(117.42)
Other Comprehensive income			
Items not to be reclassified to profit and loss			
- Remeasurement gains/(losses) on defined benefit plans		(0.11)	0.03
- Income tax effect on above		0.03	(0.01)
Items to be reclassified to profit and loss			
- Effective portion of gains on hedging instrument in cash flow hedges		2.70	4.95
- Income tax effect on above		(0.68)	(1.25)
IX Other comprehensive income for the year		1.94	3.72
X Total comprehensive income for the year (VIII+IX)		(186.15)	(113.70)
XI Earnings per equity share of Rs.2 each			
- Basic & Diluted (Note 47)		(80.49)	(50.25)
Summary of Material Accounting Policies	2B		

The accompanying notes are forming part of the financial statements.

As per our report of even date

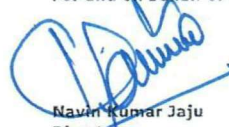
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No : 324982E/E300003

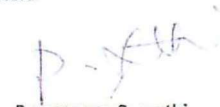

per Anant Acharya
Partner
Membership No. - 124790



Place : Mumbai
Date : 23 Apr 2025

For and on behalf of Board of Directors


Navin Kumar Jaju
Director
DIN 00669654


Poovannan Sumathi
Director
DIN 07147100

Place : Goa
Date : 23 Apr 2025

Place : Tuticorin
Date : 23 Apr 2025



MALCO Energy Limited
CIN - U31300MH2001PLC428719
Statement of changes in equity for the year ended 31 March 2025

A. Equity Share capital

Particulars	No of Shares	Rs. Crores
		Amount
As at 1 April 2023	2,33,66,406	4.67
Changes in Equity share capital	-	-
As at 31 March 2024	2,33,66,406	4.67
Changes in Equity share capital	-	-
As at 31 March 2025	2,33,66,406	4.67

B. Other Equity

Particulars	Other equity					Rs. Crores
	Instruments entirely equity in nature - compulsorily convertible debentures	Reserves and surplus		Items of Other comprehensive income		Total other equity
		Securities premium	Retained earnings	Remeasurement - Defined Benefit Obligation	Hedging Reserve	
As at 31 March 2023	6,135.45	99.92	(6,215.78)	(0.12)	(4.46)	15.02
Profit/(Loss) for the year	-	-	(117.42)	-	-	(117.42)
Other comprehensive income for the year, net of tax	-	-	-	0.02	3.70	3.72
Total comprehensive income for the year, net of tax	-	-	(117.42)	0.02	3.70	(113.70)
As at 31 March 2024	6,135.45	99.92	(6,333.20)	(0.10)	(0.76)	(98.68)
Profit/(Loss) for the year	-	-	(188.09)	-	-	(188.09)
Other comprehensive income for the year, net of tax	-	-	-	(0.08)	2.02	1.94
Total comprehensive income for the year, net of tax	-	-	(188.09)	(0.08)	2.02	(186.15)
As at 31 March 2025	6,135.45	99.92	(6,521.28)	(0.18)	1.26	(284.83)

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

Dr. Anand Acharya
Partner
Membership No. - 124790

Place : Mumbai
Date : 23 Apr 2025



For and on behalf of Board of Directors

Navin Kumar Jaju
Director
DIN 00669654

Place : Goa
Date : 23 Apr 2025

Poovannan Sumathi
Director
DIN 07147100

Place : Tuticorin
Date : 23 Apr 2025



MALCO Energy Limited
CIN - U31300MH2001PLC428719
Statement of Cash Flow for the year ended 31 March 2025

Particulars	For the year ended 31 March 2025 Rs. Crores	For the year ended 31 March 2024 Rs. Crores
Cash flows from operating activities		
Profit before tax	(188.09)	(117.42)
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortization expenses	43.07	31.78
Gain on sale/fair valuation of current investment measured at FVTPL	(0.92)	(0.53)
Interest income	(0.54)	(17.49)
Loss on disposal of property, plant and equipment	2.35	1.36
Liabilities written back	(0.48)	(4.69)
Provision/ (reversal) for doubtful debt/advances/bad debts written off	0.03	-
Finance Costs	52.95	50.90
	(91.63)	(56.09)
Movement in working capital		
(Increase)/Decrease in inventories	(18.88)	255.91
(Increase)/Decrease in trade and other receivables	(94.04)	11.77
Increase/(Decrease) in trade and other payable	194.48	(39.30)
Cash generation from/(used in) operation	(10.07)	172.29
Income tax refund received/(paid)	0.62	(0.87)
Net cash from/(used in) operating activities	(A) (9.45)	171.42
Cash flows from investing activities		
Purchase of Property Plant and Equipment	(22.39)	(32.25)
Proceeds from sale of property, plant and equipment	-	0.79
Purchase of current investments	(355.00)	(215.80)
Proceeds from sale of current investments	392.78	195.31
Interest / investment income received	0.21	17.07
(Investment)/redemption of fixed deposits (net)	4.01	-
Net cash from/(used in) investing activities	(B) 19.61	(34.88)
Cash flows from financing activities		
Interest paid	(15.66)	(18.49)
Proceeds from short term borrowings	393.11	488.42
Repayment of short term borrowings	(313.61)	(603.82)
Payment of lease liability	(7.78)	(1.45)
Net cash from/(used in) financing activities	(C) 56.06	(135.34)
Net increase in cash and cash equivalents	(A+B+C) 66.22	1.20
Cash and cash equivalents at the beginning of the year	26.05	24.85
Cash and cash equivalents at the end of the year	92.27	26.05
Cash and cash equivalents at the end of the year consist of (Refer note 13)		
Balances with banks	92.27	25.00
Bank deposits with original maturity of less than 3 months (including interest accrued thereon)	-	1.05
Total	92.27	26.05
Non-cash Investing and financing transactions		
-Net gain arising on Financial assets measured at FVTPL (MTM on Investment)	(0.06)	0.04
	(0.06)	0.04

Summary of Material Accounting Policies

2B

The accompanying notes are forming part of the financial statements.

As per our report of even date

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

per Anant Asharya
Partner
Membership No. - 124790



Place : Mumbai
Date : 23 Apr 2025

For and on behalf of Board of Directors

Navin Kumar Jaju
Director
DIN 00669654

Poovannan Sumathi
Director
DIN 07147100

Place : Goa
Date : 23 Apr 2025

Place : Tuticorin
Date : 23 Apr 2025



1. Company overview:

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

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

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

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

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

(a) Basis of preparation:

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

Basis the projections prepared by the Company; the management believes that the net current liabilities of Rs. 659.99 crores will be bridged mainly through additional funding by the holding company and internal accruals. Further, Vedanta Limited, the parent Company has through letter of support, agreed to continue to provide financial support to the Company for its continued operations at least for next eighteen months, if the Company is unable to meet its funding requirements.

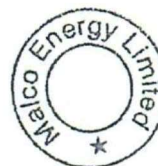
The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in accounting policy of fair value measurement and financial instruments below. The accounting policies adopted for preparation and presentation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

(b) Use of estimates and judgments

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



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2B. Material accounting policies:

(a) Revenue Recognition:

Revenue from contracts with customers is recognized 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 recognized 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 recognized net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes. Revenues from sale of by products are included in revenue.

Certain sales contracts of the Company provide for provisional pricing based on the price on the London Metal Exchange (LME) as specified in the contract. Revenue in respect of such contracts is recognized 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 recognized when the right to receive payment is established.

Interest income:

Interest income from a financial asset is recognized using the Effective Interest Rate (EIR).

(b) Fair Value Measurement

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

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

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

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

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

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



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MALCO Energy Limited
CIN - U31300MH2001PLC428719
Notes to the financial statements for the year ended March 31, 2025
Material accounting policy information to financial statements
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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(c) Foreign Currency:

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

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

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

(d) Income Tax:

Current Tax:

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

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 utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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



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(e) Property, Plant and Equipment:

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

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

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

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

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

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

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

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

(f) Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized 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 capitalized is amortized over its useful life which is estimated to be a period of three years.

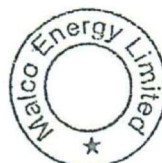
(g) Right-of-Use Asset:

The Company recognizes 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 recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as described below

Leasehold Land : 60-80 years

Leasehold plant & equipment : 5 years

Leasehold Vehicle : 1-2 years



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(h) Inventories:

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

Purchased concentrate is recorded at cost on a first-in, first-out ("FIFO") basis; all other materials including stores and spares are valued on a weighted average basis; finished products are valued at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity and are moved out of inventory on a weighted average basis (except in Nickel business where FIFO basis is followed); and By-products and scrap are valued at net realizable value.

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

(i) Borrowing costs:

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

(j) Provisions:

Provisions are recognized 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 recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(k) Contingent liabilities and contingent assets

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

(l) Retirement and other employee benefits:

i) Defined contribution plans

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

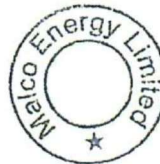
ii) Defined benefit plans

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

Remeasurements, comprising actuarial gains and losses and the return on plan assets (excluding net interest), are recognized 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.



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iii) Short term and other long term employee benefits

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

(m) Financial instruments:

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

(i) Financial assets:

Initial recognition and measurement:

All financial assets are recognized 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 recognized 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 recognized 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.

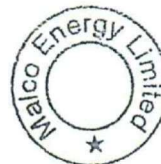
Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, dividend income, impairment losses and reversals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

(iv) Offsetting of financial instruments

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

(n) Derivative financial instruments and hedge accounting

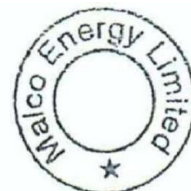
Initial recognition and subsequent measurement In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for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

Such derivative financial instruments are initially recognized 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 recognized 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.



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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 recognized 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 recognized 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 recognized 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 recognized as an asset or liability with a corresponding gain or loss recognized 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 recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit and loss. Amounts recognized 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 recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized 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 recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(o) Impairment

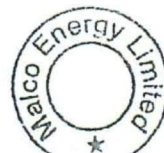
(i) Financial assets

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

For all financial assets other than trade receivables, expected credit losses are measured at an amount equal to the 12-month expected credit loss (ECL) unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. For trade receivables, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the receivables and contract assets. Impairment of Investment in subsidiary, if any, is determined based on value in use.



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MALCO Energy Limited
CIN - U31300MH2001PLC428719

Notes to the financial statements for the year ended March 31, 2025

Material accounting policy information to financial statements

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 recognized 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 recognized 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 recognized 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 recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

(p) Share Based payments:

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

(q) Cash and cash equivalents:

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

(r) Lease:

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

Company as a lessee:

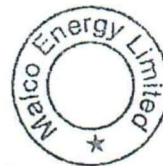
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities towards future lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, 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)



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(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 recognized 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 recognized as expense on a straight-line basis over the lease term.

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

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

(t) Events after Reporting Period:

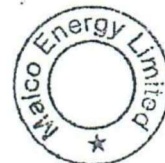
There are no significant events which have occurred after the end of reporting period requiring adjustment of disclosure in Financial Statements.

2C. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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:



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(i) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company has Rs. 1,808.19 Crores (31 March 2024: Rs. 1,744.59 Crores) of unabsorbed depreciation and Rs. 551.12 Crores (31 March 2024: Rs. 405.85 Crores) of business losses carried forward. The Company neither have any major taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has recognized 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 40.

(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 45 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 43 to the financial statements.

2D. Standards notified but not yet effective

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

2E. New and amended standards

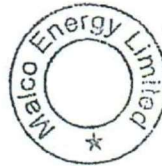
The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Ind AS 117 Insurance Contracts

The Ministry of corporate Affairs (MCA) notified the Ind AS 117, *Insurance Contracts*, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 1 April 2024.



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Ind AS 117 *Insurance Contracts* is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 *Insurance Contracts*. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 had no impact on the Company's financial statements as the Company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

(ii) Amendment to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, *Leases*, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

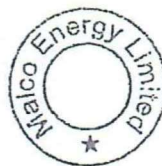
The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendment does not have a material impact on the Company's financial statements.

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3 Property, plant and equipment

								(Rs. Crores)
Particulars	Plant and equipment	Freehold Land	Buildings	Furniture and fixtures	Vehicles	Office equipment	Roads	Total
Cost								
At 31 March 2023	286.82	77.58	39.92	0.63	2.54	3.64	0.02	411.15
Additions	25.36	-	8.10	0.29	-	0.47	-	34.22
Disposals	2.54	-	-	-	-	-	-	2.54
At 31 March 2024	309.64	77.58	48.02	0.92	2.54	4.11	0.02	442.83
Additions	25.66	-	7.20	0.17	0.19	0.51	-	33.75
Disposals	3.16	-	0.47	-	-	-	-	3.63
At 31 March 2025	332.16	77.58	54.75	1.09	2.73	4.62	0.02	472.95
Depreciation								
At 31 March 2023	89.02	-	1.87	0.34	0.23	1.18	-	92.64
Depreciation charge for the year	25.94	-	2.83	0.04	-	0.48	-	29.29
Disposals	0.24	-	-	-	-	-	-	0.24
At 31 March 2024	114.72	-	4.70	0.38	0.23	1.66	-	121.69
Depreciation charge for the year	29.39	-	1.47	0.07	0.01	0.60	-	33.54
Disposals	1.42	-	0.03	-	-	-	-	1.45
At 31 March 2025	142.69	-	6.14	0.45	0.24	2.26	-	153.78
Net book value								
At 31 March 2024	194.92	77.58	43.32	0.54	2.31	2.45	0.02	321.14
At 31 March 2025	189.47	77.58	46.61	0.64	2.49	2.36	0.02	319.17

4 Intangible assets

			(Rs. Crores)
Particulars	Computer Software	Total	
Cost			
At 31 March 2023	1.13	1.13	
Additions	-	-	
Disposals	-	-	
At 31 March 2024	1.13	1.13	
Additions	-	-	
Disposals	-	-	
At 31 March 2025	1.13	1.13	
Amortisation			
At 31 March 2023	0.73	0.73	
Amortisation	0.25	0.25	
At 31 March 2024	0.98	0.98	
Amortisation	0.15	0.15	
At 31 March 2025	1.13	1.13	
Net book value			
At 31 March 2024	0.15	0.15	
At 31 March 2025	0.00	0.00	



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MALCO Energy Limited

CIN - U31300MH2001PLC426719

Notes to the Financial Statements for the year ended 31 March 2025

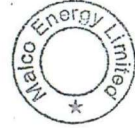
5 Capital Work In Progress	(Rs. Crores)	
	Amount	Total
At 31 March 2023	23.01	23.01
Additions	22.29	22.29
Transferred to Property Plant and Equipment	34.22	34.22
Disposals	-	-
At 31 March 2024	11.08	11.08
Additions	27.40	27.40
Transferred to Property Plant and Equipment	33.75	33.75
Disposals	-	-
At 31 March 2025	4.74	4.74

Capital Work In Progress (CWIP) ageing schedule

Particulars	As at 31 March 2025			As at 31 March 2024		
	Projects in Progress	Projects temporarily Suspended	Total	Projects in Progress	Projects temporarily Suspended	Total
Less than 1 year	4.74	-	4.74	3.26	-	3.26
1-2 year	-	-	-	-	5.31	5.31
2-3 year	-	-	-	-	2.51	2.51
More than 3 year	-	-	-	-	-	-
Total	4.74	-	4.74	3.26	7.82	11.08

(i) There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

6 Right-of-use Asset	(Rs. Crores)				
	Leasehold Land	Leasehold Plant and equipment	Leasehold vehicle	SAP Rise Software	Total
Cost					
At 31 March 2023	22.02	-	-	-	22.02
Additions	-	1.10	8.67	-	9.77
Disposals	-	-	-	-	-
At 31 March 2024	22.02	1.10	8.67	-	31.79
Additions	0.17	-	0.41	2.60	3.18
Modification	-	-	7.50	-	7.50
Disposals	-	-	-	-	-
At 31 March 2025	22.19	1.10	16.59	2.60	42.47
Depreciation					
At 31 March 2023	0.38	-	-	-	0.38
Depreciation charge for the year	0.31	0.10	1.83	-	2.24
Disposals	-	-	-	-	-
At 31 March 2024	0.69	0.10	1.83	-	2.62
Depreciation charge for the year	0.31	0.32	8.78	0.86	10.27
Disposals	-	-	-	-	-
At 31 March 2025	1.00	0.42	10.61	0.86	12.89
Net book value					
At 31 March 2024	21.33	1.00	6.84	-	29.17
At 31 March 2025	21.19	0.68	5.98	1.74	29.58



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MALCO Energy Limited

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Notes to the Financial Statements for the year ended 31 March 2025

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
7 Investments		
Non - current		
Unquoted equity shares		
Investments in subsidiaries (At cost less impairment, if any)		
33,590,300 (31 March 2024: 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	-	36.86
Total	-	36.86
Aggregate value of unquoted investments	-	36.86
Aggregate amount of impairment in value of investment	6,136.60	6,136.60

8 Others financial assets - non current (at amortized cost)

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Security deposits	0.43	0.38
Less : Impairment allowance	(0.25)	(0.26)
Security deposits (net)	0.18	0.12
Balances with banks (Refer Note (a) below)	2.31	-
Deposit with Electricity Department	2.47	-
Total	4.96	0.25
Break-up for security details:		
Unsecured considered good	0.18	0.12
Security deposits- credit impaired	0.25	0.26
Total	0.43	0.38
Less : Impairment allowance	(0.25)	(0.26)
Total	0.18	0.12

(a) It pertains to balance with banks in current account which is marked under lien against outstanding litigation with tax authorities

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
9 Income tax assets (net)		
Income Tax balance with Government Authorities	7.35	7.96
Total	7.35	7.96

10 Other non-current assets

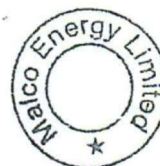
	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Unsecured Considered Good		
Balance with government authorities	16.22	15.97
Capital Advances	-	3.70
Prepaid Expense	0.08	-
Total	16.30	19.67

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

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Raw Materials	93.34	70.07
Work-in-progress	49.14	40.63
Finished goods	36.23	49.83
Fuel Stock	0.02	0.02
Stores and spares	22.07	22.17
Total	201.60	182.72

a) Refer note no 24 for details of inventory pledged as security for borrowings taken from banks.

b) During the year ended March 31, 2025 : Rs 40.68 Crore, (March 31, 2024 : Rs 12.25 Crore) was recognised as an expense for inventories carried at net realisable value.

12 Trade receivables

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Trade receivables	89.69	27.51
Less: Impairment allowance	-	-
Trade receivables (net)	89.69	27.51
Break-up of Trade Receivable:		
Secured, considered good	71.22	22.95
Unsecured, considered good	18.47	4.56
Trade receivables- credit impaired	-	-
Total	89.69	27.51
Less: Impairment allowance	-	-
Total	89.69	27.51
Movement in impairment allowance on trade receivables:		
Balance at the beginning of the year	-	-
(Allowances)/write back during the year	-	-
Written off against past provision	-	-
Balance at the end of the year	-	-
Aging Schedule of Trade Receivables		
Undisputed Considered good	-	-
Secured Less than 6 months	71.22	22.95
Unsecured less than 6 months	18.34	4.53
Unsecured 6 months - 1 year	0.10	-
Unsecured 1 - 2 years	0.03	0.03
Unsecured and not due	-	-
	89.69	27.51

Note :

- a) The credit period given to customers is upto 30 days.
b) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
c) Refer Note No. 24 for details of receivables pledged as security for borrowing taken from banks.

13 Cash and cash equivalents

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Balances with banks	92.27	25.00
Bank deposits with original maturity of less than 3 months (including interest accrued thereon)	-	1.05
Total	92.27	26.05

Changes in liabilities arising from financing activities:

Particulars	31 March 2024	Cash Flow	Accruals of Interest	Initial Recognition	Modification	31 March 2025
Borrowings	361.97	79.50	-	-	-	441.47
Interest on Loan	54.79	-	34.94	-	-	89.73
Lease Liability	9.03	(7.78)	1.49	3.18	7.50	13.42
	425.79	71.72	36.43	3.18	7.50	544.62

Changes in liabilities arising from financing activities:

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

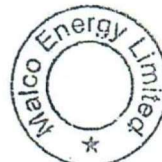
14 Other bank balances

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Bank deposits with original maturity for > 3 months but < 12 months *	0.38	6.49
Total	0.38	6.49

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



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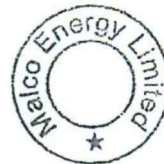


MALCO Energy Limited
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Notes to the Financial Statements for the year ended 31 March 2025

15	Financial assets - Loans	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
	Unsecured considered good		
	Advance to employees	0.14	0.10
		0.14	0.10
16	Financial assets - Derivatives	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
	Derivatives designated as hedging instruments (Refer note 41)	1.89	2.30
		1.89	2.30
17	Other financial assets - Current	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
	Unsecured, considered good		
	Recoverable from related party	0.12	-
	Security Deposits	18.34	4.72
	Interest accrued on investments	0.07	0.13
	Receivable from banks towards cancellation/Rollover of forward contracts	5.71	7.34
	Total	24.24	12.19
18	Other current assets	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
	Unsecured, considered good		
	Balance with government authorities	128.96	108.69
	Gratuity fund (Refer note 45)	0.31	0.24
	Leave encashment fund	0.18	0.46
	Prepaid expenses	0.95	1.58
	Export Incentive Receivable	0.98	0.55
	Advances to suppliers - Other than Related Party	3.70	3.92
	Advances to suppliers - Related Party (Refer Note 44)	0.29	2.81
	Reimbursement receivable towards gratuity and leave encashment	0.35	0.02
	Total	135.74	118.27



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19 Share capital

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
(a) Authorised shares		
880,000,000 (March 31, 2024: 880,000,000) equity shares of Rs. 2 each	176.00	176.00
1,250,000 (March 31, 2024: 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, 2024: 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 2025	31 March 2024
	No. of shares	No. of shares
Balance as at the beginning of the year	23,366,406	23,366,406
Balance as at the end of the year	23,366,406	23,366,406

(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 2025	31 March 2024
	No. of shares	No. of shares
Vedanta Limited, the holding company	23,366,406	23,366,406

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

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
	No. of shares	No. of shares
Vedanta Limited, the holding company	23,366,406	23,366,406

(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 2025 Rs. Crores	As at 31 March 2024 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 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
(b) Retained earning		
Balance as at the beginning of the year	(6,334.05)	(6,220.35)
Add: Profit/(Loss) for the year	(188.09)	(117.42)
Other Comprehensive income/(Loss) for the year	1.94	3.72
Balance as at the end of the year	(6,520.20)	(6,334.05)

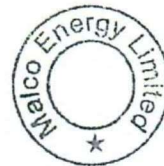
The balance in the retained earnings primarily represents the surplus after payment of dividend (including tax on dividend) and transfer to reserves. The Company can use this reserve for payment of dividend and issue of bonus shares.

(c) Instruments entirely equity in nature - compulsorily convertible debentures (refer note below)

	6,135.45	6,135.45
As at beginning of the year		
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.

Total Other Equity (a+b+c)	(284.63)	(98.68)
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	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
21 Lease Liability - Non Current		
Lease Liability	2.20	2.97
	<u>2.20</u>	<u>2.97</u>
22 Gratuity Payable - Non Current		
Gratuity Payable	0.07	-
	<u>0.07</u>	<u>-</u>
23 Operational buyers' credit / suppliers' credit		
Buyers' credit/suppliers' credit - Secured	97.53	124.56
	<u>97.53</u>	<u>124.56</u>

a) Operational Buyers'/Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate of 6.03% per annum (31 March 2024 : 6.64% per annum) and in rupee from domestic banks at interest rate of 8.00% (31 March 2024 : 8.12% per annum). These trade credits are largely repayable between 90 to 180 days from the date of draw down.

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
24 Borrowings		
<u>Secured</u>		
Loans from Banks		
- Cash Credit (refer note (b))	-	20.61
- Packing Credit (refer note (c))	8.50	-
<u>Unsecured</u>		
Related Party Loans (Refer note (a))	432.97	341.36
	<u>441.47</u>	<u>361.97</u>

a) The company has borrowed Rs 432.97 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 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Loan from Vedanta Limited 10.40% (31 March 2024 10.30%)	432.97	341.36
	<u>432.97</u>	<u>341.36</u>

b) Cash credit from banks of Rs. Nil (31 March 2024 : Rs. 20.61 Crores) carrying interest rate of Nil (31 March 2024 8.8%) is secured by first pari passu charge on the current assets and additionally secured by way of Corporate guarantee from Vedanta Limited.

c) Packing credit loan from banks of Rs. 8.50 Crores (31 March 2024 : Rs Nil) carrying interest rate of 8.9% (31 March 2024 : Nil) is secured by first pari passu charge on the current assets and additionally secured by way of Corporate guarantee from Vedanta Limited.

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

25 Lease Liabilities - Current		
	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Lease Liability	11.22	6.06
Total	<u>11.22</u>	<u>6.06</u>



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26 Trade payables

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Trade payables		
(i) Total outstanding dues of micro and small enterprises (Refer Note 49)	9.32	5.90
(ii) Total outstanding dues of creditors other than micro and small enterprises (Refer Note 44)	457.65	262.56
Total	466.97	268.46
Aging		
Undisputed dues of MSME		
Not Due	3.49	-
Less than 1 year	5.81	5.89
1-2 year	0.02	0.01
2-3 years	-	-
More than 3 years	-	-
Total	9.32	5.90
Undisputed dues of Creditors other than MSME		
Unbilled	0.45	8.27
Not Due	15.37	4.28
Less than 1 year	232.93	43.52
1-2 year	0.04	206.18
2-3 years	187.67	0.01
More than 3 years	21.19	0.30
Total	457.65	262.56

27 Other financial liabilities - Current

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Liability for capital expenditure	1.60	0.97
Employee payables	2.55	1.94
Interest accrued but not due on borrowings from bank	0.35	0.59
Interest accrued and due on borrowings from related party (Refer note 44)	89.73	54.79
Due to Related Parties (Refer note 44)	24.75	12.62
Deposits from Vendors and others	2.96	1.26
Total	121.95	72.17

28 Other current liabilities

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Claims and other payables	51.51	51.58
Statutory liabilities	3.93	1.60
Amount payable to employee provident fund	0.02	0.03
Advance from customers	3.03	5.07
Advance from related party (Refer Note 44)	0.63	0.63
Total	59.12	58.91

29 Provisions

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Provision for Gratuity (Refer Note 45)	-	0.01
Provision for Leave encashment	0.27	0.58
Provision for Super Annuity	0.06	-
Total	0.33	0.59



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30 Revenue from operations

	Year ended 31 March 2025 Rs. Crores	Year ended 31 March 2024 Rs. Crores
Revenue from contract with customers	876.60	615.75
Total	876.60	615.75

a) Revenue from contract with customers for the year ended 31 March 2025 includes revenue from contracts with customers of Rs. 866.30 Crores (FY 2023-24: Rs. 619.10 Crores) and a net gain/(loss) on mark-to-market of Rs. 10.30 Crores (FY 2023-24: Rs. (3.35) Crores) on account of gains/(losses) relating to sales that were provisionally priced as at the beginning of the year with the final price settled in the current year, gains/(losses) relating to sales fully priced during the year, and marked to market gains/ (losses) relating to sales that were provisionally priced as at the end of the year.

31 Other Operating income

	Year ended 31 March 2025 Rs. Crores	Year ended 31 March 2024 Rs. Crores
Scrap Sales	4.68	5.17
Export Incentives	6.05	0.55
Refund of Electricity charges (Refer Note (31a))	-	20.03
Sundry Balances written back	0.48	4.69
Miscellaneous income	0.68	0.74
Total	11.89	31.18

a) During the previous year, the Company had received refund of INR 36.94 Crores (including Interest amounting to Rs. 16.91 Crores forming part of other income) from Tamil Nadu electricity Regulatory Commission (TNERC) basis favourable order of Supreme Court dated July 06, 2023, in relation to refund of differential electricity charges paid during the period June 2002 to July 2004 for 13,000 KVA in excess to its request of maximum sanctioned demand of 10,000 KVA (i.e., 23,000 - 10,000 = 13,000 KVA). As the same was paid in earlier years as part of operations of the Company, refund of it is disclosed as other operating income and interest received on refund is disclosed under other income.

32 Other income

	Year ended 31 March 2025 Rs. Crores	Year ended 31 March 2024 Rs. Crores
Gain on sale/fair valuation of current investment measured at FVTPL	0.92	0.53
Income from Interest		
- on bank deposits	0.44	0.43
- from customer	0.04	0.15
- on refund of electricity charges (Refer Note 31(a))	0.06	16.91
Other non operating income	1.10	2.17
Net gain on foreign currency transactions and translation	0.28	1.42
Total	2.84	21.61

33 Cost of Material Consumed

	Year ended 31 March 2025 Rs. Crores	Year ended 31 March 2024 Rs. Crores
Cost of Material Consumed	502.36	428.78
	502.36	428.78

34 Changes in inventories of finished goods

	Year ended 31 March 2025 Rs. Crores	Year ended 31 March 2024 Rs. Crores
Inventory at the beginning of the year		
-Finished Goods	49.83	187.48
-Work in Progress	40.63	24.84
Inventory at the end of the year		
-Finished Goods	36.23	49.83
-Work in Progress	49.14	40.63
Changes in inventories of finished goods	5.09	121.86



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	Year ended 31 March 2025 Rs. Crores	Year ended 31 March 2024 Rs. Crores
35 Employee benefits expense		
Salaries, wages and bonus	17.77	18.35
Contributions to provident and other funds (Refer note 45)	1.11	1.06
Gratuity Expenses (Refer note 45)	0.16	0.29
Staff welfare expenses	1.89	1.52
Total	20.93	21.23
36 Power and Fuel		
Power and fuel charges	14.02	17.85
Total	14.02	17.85
37 Finance costs		
Interest expense on financial liabilities at amortised cost (refer note a)	49.83	47.97
Other finance costs	3.12	2.93
Total	52.95	50.90

a)

Includes interest expense on lease liabilities for the year ended 31 March 2025 is Rs. 1.49 Crore (31 March 2024 : Rs. 0.46 Crore)

	Year ended 31 March 2025 Rs. Crores	Year ended 31 March 2024 Rs. Crores
38 Depreciation and amortization expense		
Depreciation on Property, Plant and Equipment	41.43	29.29
Depreciation on Right-of-use assets	0.63	2.24
Amortization on intangible assets	1.01	0.25
Total	43.07	31.78
39 Other expenses		
Consumption of stores and spares	52.68	36.14
Contract Manpower Expenses	38.19	30.01
Repairs and maintenance	6.09	4.78
Rates And taxes	0.05	0.02
Insurance	1.80	1.98
Director Sitting fees	0.02	0.02
Travelling and conveyance	2.20	2.26
Payment to auditors (refer note (i) below)	0.61	0.32
Security service charges	3.61	4.18
Legal and professional fees	1.25	2.42
Net loss on foreign currency transactions and translation	1.16	-
Loss on sale/discard of Property Plant and Equipment	2.35	1.36
Carriage outward	8.01	4.76
Business promotion expenses	0.20	0.04
IT Expenses	1.63	2.13
Provision for doubtful trade Receivables / advances	0.03	-
Lease rent (Refer Note 52)	0.48	0.68
Miscellaneous expenses	14.89	17.85
Total	135.25	108.94

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

	Year ended 31 March 2025 Rs. Crores	Year ended 31 March 2024 Rs. Crores
For statutory audit (including Limited review)	0.55	0.30
Other services - certification fees	0.04	0.02
Out of pocket expenses (*)	0.02	0.00
Total	0.61	0.32

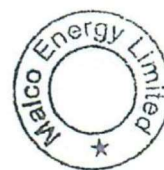
* Amount is below the rounding off norms adopted by the company

(ii) Details of CSR expenditure

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



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40 Tax expenses

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

	Year ended 31 March 2025 Rs. Crores	Year ended 31 March 2024 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 2025 Rs. Crores	Year ended 31 March 2024 Rs. Crores
Accounting profit before tax	(188.09)	(117.42)
Statutory income tax rate*	25.17%	25.17%
Tax at statutory income tax rate	(47.34)	(29.55)
Deferred tax assets not recognised in the absence of virtual certainty	47.34	29.55
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) Deferred tax assets/(liabilities):

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Deferred tax liability		
Right of Use assets (net of Lease liabilities)	(4.07)	(5.07)
Other	-	(0.01)
Deferred tax assets		
Property, Plant & Equipment and Intangibles	4.07	5.08
Deferred tax assets/(liabilities)	-	-

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

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

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Business losses	551.12	405.85
Unabsorbed depreciation	1,808.19	1,744.59
Deductible temporary differences	48.32	152.75

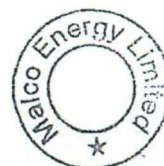
Deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available in the absence of reasonable certainty of future taxable profits against which the carry forward unused tax losses can be utilised.

Unused tax losses for which no deferred tax asset is recognized along with its expiry are as detailed below (refer note 43(a)):

Year ended	Nature of unrecognised deferred tax assets	Within one year	Greater than one year, upto eight years	No expiry date	Total
March 31, 2025	Business Loss	11.47	539.65	-	551.12
March 31, 2025	Unabsorbed depreciation	-	-	1,808.19	1,808.19
March 31, 2024	Business Loss	-	405.85	-	405.85
March 31, 2024	Unabsorbed depreciation	-	-	1,744.59	1,744.59



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41 Financial instruments

A. Financial instruments by category

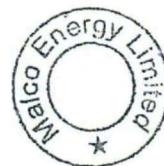
The accounting classification of each category of financial instruments, their carrying value and fair values are set out below:

	Carrying amount			(Rs. Crores)	
	FVTPL [§]	Derivates Designated as Hedging Instruments	Amortised cost	Total carrying value	Total fair value
As at 31 March 2025					
Financial assets					
Investments - current*	-	-	-	-	-
Trade receivables	16.94	-	72.75	89.69	89.69
Cash and cash equivalents	-	-	92.27	92.27	92.27
Other bank balances	-	-	0.38	0.38	0.38
Loans - Current	-	-	0.14	0.14	0.14
Derivatives	-	1.89	-	1.89	1.89
Other financial asset - current	-	-	24.24	24.24	24.24
Other financial asset - non current	-	-	4.96	4.96	4.96
Total	16.94	1.89	194.74	213.57	213.57
Financial liabilities					
Borrowings	-	-	441.47	441.47	441.47
Lease Liabilities	-	-	13.42	13.42	13.42
Operational buyers' credit/suppliers' credit	-	-	97.53	97.53	97.53
Trade payables	22.94	-	444.03	466.97	466.97
Derivatives	-	7.35	-	7.35	7.35
Other financial liabilities - current	-	-	121.95	121.95	121.95
Total	22.94	7.35	1,118.40	1,148.69	1,148.69
As at 31 March 2024					
Financial assets					
Investments - current*	36.86	-	-	36.86	36.86
Trade receivables	19.86	-	7.65	27.51	27.51
Cash and cash equivalents	-	-	26.05	26.05	26.05
Other bank balances	-	-	6.49	6.49	6.49
Loans - Current	-	-	0.10	0.10	0.10
Derivatives	-	2.30	-	2.30	2.30
Other financial asset - current	-	-	12.19	12.19	12.19
Other financial asset - non current	-	-	0.12	0.12	0.12
Total	56.72	2.30	52.60	111.62	111.62
Financial liabilities					
Borrowings	-	-	361.97	361.97	361.97
Lease Liabilities	-	-	9.03	9.03	9.03
Operational buyers' credit/suppliers' credit	-	-	124.56	124.56	124.56
Trade payables	11.15	-	257.32	268.46	268.46
Derivatives	-	0.10	-	0.10	0.10
Other financial liabilities - current	-	-	72.17	72.17	72.17
Total	11.15	0.10	825.05	836.29	836.29

§ - Fair value through profit and loss

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

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



41 Financial Instruments (Continued)

B. Fair value hierarchy

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

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

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

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

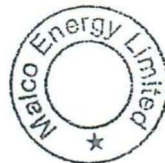
There were no transfers between Level 1 and Level 2 during the year.

	Fair value			(Rs. Crores)
	Level 1	Level 2	Level 3	Total
As at 31 March 2025				
Financial assets*				
Investments - current	-	-	-	-
Trade receivables	-	16.94	-	16.94
Derivatives	-	1.89	-	1.89
Total	-	18.83	-	18.83
Financial liabilities				
Derivatives	-	7.35	-	7.35
Trade payables	-	22.94	-	22.94
Total	-	30.29	-	30.29
As at 31 March 2024				
Financial assets*				
Investments - current	36.86	-	-	36.86
Trade receivables	-	19.86	-	19.86
Derivatives	-	2.30	-	2.30
Total	36.86	22.16	-	59.02
Financial liabilities				
Derivatives	-	0.10	-	0.10
Trade payables	-	11.15	-	11.15
Total	-	11.25	-	11.25

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



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41 Financial Instruments (Continued)

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 summarizes 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 2025					
Financial liabilities	<1 year	1-3 Years	3-5 Years	> 5 Years	(Rs. Crores) Total
Trade payables	466.97	-	-	-	466.97
Derivative liabilities	7.35	-	-	-	7.35
Borrowings	441.47	-	-	-	441.47
Lease Liability	11.22	1.61	0.32	0.26	13.41
Operational buyers credit/suppliers credit	97.53	-	-	-	97.53
Other financial liabilities - Current	121.95	-	-	-	121.95
Total	1,146.49	1.61	0.32	0.26	1,148.68

As at 31 March 2024					
Financial liabilities	<1 year	1-2 Years	2-5 Years	> 5 Years	(Rs. Crores) Total
Trade payables	268.46	-	-	-	268.46
Derivative liabilities	0.10	-	-	-	0.10
Borrowings	361.97	-	-	-	361.97
Lease Liability	6.06	2.50	0.33	0.14	9.03
Operational buyers credit/suppliers credit	124.56	-	-	-	124.56
Other financial liabilities - Current	72.17	-	-	-	72.17
Total	833.32	2.50	0.33	0.14	836.29

The Company had access to following funding facilities:

As at 31 March 2025			
Funding facilities	Total Facility	Drawn	(Rs. Crores) Undrawn
Fund Based/Non-fund Based			
- From Banks	307.10	138.89	168.21
- From Related party	784.77	432.97	351.80

Collateral

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

(b) Interest rate risk

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

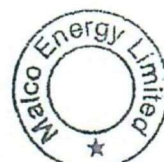
The exposure of company's financial assets and financial liabilities to interest rate risk as follows:

As at 31 March 2025				
	Floating rate financial assets	Fixed rate financial assets	Non interest bearing financial assets	(Rs. Crores) Total financial assets
Other financial assets	-	2.47	2.49	4.96
Total financial assets - non current	-	2.47	2.49	4.96
Investments - current*	-	-	-	-
Trade and other receivables	-	0.00	114.07	114.07
Cash and cash equivalents	-	-	92.27	92.27
Other bank balances	-	0.38	-	0.38
Derivatives	-	-	1.89	1.89
Total financial assets - current	-	0.38	208.23	208.61

	Floating rate financial liabilities	Fixed rate financial liabilities	Non interest bearing financial liabilities	(Rs. Crores) Total financial liabilities
Lease liabilities - Non Current	-	2.20	-	2.20
Total financial Liabilities - non current	-	2.20	-	2.20
Trade and other payables	-	-	588.92	588.92
Borrowings	-	441.47	-	441.47
Lease Liability	-	11.22	-	11.22
Operational buyers' credit/suppliers' credit	-	97.53	-	97.53
Derivatives	-	-	7.35	7.35
Total financial liabilities - current	-	550.22	596.27	1,146.49



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41 Financial Instruments (Continued)
C. Financial risk management (Continued)

As at 31 March 2024

	(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*	36.86	-	-	36.86
Trade and other receivables	-	-	39.79	39.79
Cash and cash equivalents	-	1.00	25.05	26.05
Other bank balances	-	6.49	-	6.49
Derivatives	-	-	2.30	2.30
Total financial assets - current	36.86	7.49	67.14	111.49

	(Rs. Crores)			
	Floating rate financial liabilities	Fixed rate financial liabilities	Non interest bearing financial liabilities	Total financial liabilities
Lease liabilities - Non Current	-	2.97	-	2.97
Total financial Liabilities - non current	-	2.97	-	2.97
Trade and other payables	-	-	340.64	340.64
Borrowings	-	361.97	-	361.97
Lease Liability	-	6.06	-	6.06
Operational buyers' credit/suppliers' credit	-	124.56	-	124.56
Derivatives	-	-	0.10	0.10
Total financial liabilities - current	-	492.59	340.74	833.33

*Other than investment in subsidiary company

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

	(Rs. Crores)	
Increase in interest rates	Effect on pre-tax profit/(loss) during the year ended 31 March 2025	Effect on pre-tax profit/(loss) during the year ended 31 March 2024
0.50%	0.00	0.18
1.00%	0.00	0.37
2.00%	0.00	0.74

(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, 2025 that defaults in payment obligation will occur except as described in Note 8 & Note 12 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 2025 and 31 March 2024;

	As at 31 March 2025 Rs. Crores	As at 31 March 2024 Rs. Crores
Not past due	24.91	4.68
Due less than 1 month	72.86	27.55
Due between 1-3 months	15.24	7.54
Due between 3-12 months	1.03	-
More than 12 months	4.99	0.15
Total	119.03	39.92



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41 Financial Instruments (Continued)
(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	(Rs. In Crores)		
	As at 31 March 2025		
	INR	USD	Total
Trade and other receivable	37.42	76.65	114.07
Other non current financial assets	4.96	-	4.96
Other bank balances	0.38	-	0.38
Investments	-	-	-
Cash and Cash Equivalent	92.27	-	92.27
Derivatives	0.75	1.14	1.89
	135.78	77.79	213.57

Financial Liabilities	(Rs. In Crores)		
	As at 31 March 2025		
	INR	USD	Total
Trade and other payables	570.76	18.16	588.92
Lease liability	13.42	-	13.42
Buyers Credit	14.15	83.38	97.53
Borrowings	441.47	-	441.47
Derivatives	0.17	7.18	7.35
Total	1,039.97	108.72	1,148.69

Financial Assets	(Rs. In Crores)		
	As at 31 March 2024		
	INR	USD	Total
Trade and other receivable	17.57	22.23	39.79
Other non current financial assets	0.12	-	0.12
Other bank balances	6.49	-	6.49
Investments	36.86	-	36.86
Cash and Cash Equivalent	26.05	-	26.05
Derivatives	0.23	2.07	2.30
	87.32	24.30	111.61

Financial Liabilities	(Rs. In Crores)		
	As at 31 March 2024		
	INR	USD	Total
Trade and other payables	329.49	11.15	340.64
Lease liability	9.03	-	9.03
Buyers Credit	22.05	102.51	124.56
Borrowings	361.97	-	361.97
Derivatives	0.10	-	0.10
Total	722.64	113.66	836.30

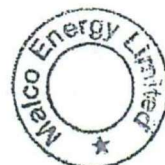
Foreign currency sensitivity

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.

	(Rs. In Crores)		
	Change in USD Rate	Effect on profit before tax	Effect on equity
31 March 2025	10%	3.09	2.31
31 March 2024	10%	8.94	6.69



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41. Financial Instruments (Continued)

(e) Commodity price risk

On 31 March 2025, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was Rs. 11.29 Crores (31 March 2024: 20.28 Crores). These instruments are subject to price movements at the time of final settlement.

D. Derivative financial instruments

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

Cash flow hedge

The Company enters into forward exchange and commodity price contracts for hedging highly probable forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognised in equity through OCI until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to profit or loss. These hedges have been effective for the year ended 31 March 2025.

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	(Rs. In Crores)			
	As at 31 March 2025		As at 31 March 2024	
	Assets	Liabilities	Assets	Liabilities
- Commodity contracts	1.14	7.18	2.07	-
- Forward foreign currency contracts	0.75	0.17	0.23	0.10
Total	1.89	7.35	2.30	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 :

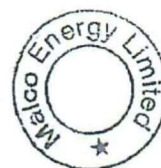
Particulars	(Rs. In Crores)	
	As at	As at
	31 March 2025	31 March 2024
Forex forward cover (buy)	7.54	48.44
Forex forward cover (sell)	121.97	108.95
	129.51	157.39

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Purchases	Sales	Purchases	Sales
Nickel (Quantity in MT)	12.00	354.00	96.00	474.00
Cobalt (Quantity in MT)	-	108.00	-	-
	12.00	354.00	96.00	474.00



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42 Capital management

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

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

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

The following table summarizes the capital of the Company:

Particulars	(Rs. Crores)	
	31 March 2025	31 March 2024
Cash and cash equivalents	92.27	26.05
Other bank balances	0.38	6.49
Short term investments	-	36.86
Total cash (a)	92.65	69.40
Short-term borrowings	441.47	361.97
Lease Liability	13.41	9.03
Total debt (b)	454.88	371.00
Equity		
Net debt (c= b-a)	(280.16)	(94.01)
Debt Equity Ratio	(1.63)	(3.96)

43 Contingent liabilities and Commitments

(a) Contingent Liabilities

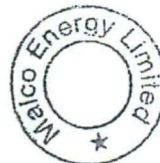
(I) Claims not acknowledged by the company	(Rs. Crores)	
	31 March 2025	31 March 2024
(i) Electricity tax on self generated power (refer note 1 below)	93.51	93.51
(ii) Electricity duty, tax and additional duty on the surplus power wheeled (refer note 2 below)	8.76	8.76
(iii) Electricity tax on sale of 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)	8.58	8.58
(v) Water charges (refer note 5 below)	11.09	11.09
(vi) Railway land license fees demand (refer note 6 below)	4.27	4.27
(vii) Customs duty (refer Note 7 below)	8.75	8.75
(viii) Income Tax (refer Note 8 below)	-	-
	163.76	163.76

Note :

- Tamil Nadu Electricity Board ("TNEB") issued a demand of Rs. 93.51 Crores towards electricity tax on consumption of self-generated power for the period May 1999 to June 2003. The Company had filed a writ petition in Honourable High Court of Madras stating that the Industry in which the Company operates should also be considered, being power intensive industry, for exemption from payment of electricity tax as other power intensive industries were considered for exemption and a stay was granted by Honourable High Court in this matter in April 2013. Based on the direction of Honourable High Court, fresh representation is made before Energy Department and an order is awaited from the Government.
- TNEB has also demanded Rs 8.76 Crores towards electricity duty, tax and additional duty on the surplus power wheeled to an associate company (now holding Company), which is being contested by the company. The Company's representation to the Tamil Nadu Government that no duty, tax or additional duty is leviable as the Company is not a licensee has been denied. Aggrieved by the same, the Company filed a writ petition and a stay has been obtained from Honourable High Court, Madras. Based on the direction of Honourable High Court, representation is made before Energy Department. Based on the direction of Honourable High Court, fresh representation is made before Energy Department and an order is awaited from the Government.
- The office of Electrical Inspectorate, Salem, Government of Tamil Nadu, raised a demand towards electricity tax of Rs. 28.80 Crores on sale of electricity to TNEB through Power Trading Corporation ("PTC") during June 2009 and May 2011 on the ground that the company has sold the power to PTC and not to TNEB. The company had filed an writ petition in the Honourable High Court of Madras and Honourable High Court of Madras vide Order Dated 9th July 2021 granted liberty to appeal within 6 weeks from the receipt of order before Secretary Govt of Tamil Nadu, Energy Dept. Appeal has been filed on 17th Aug 2021. Accordingly, an appeal has been filed and the appeal is yet to heard by the Secretary to Government, Energy Department. Based on the advice of external counsel, the Company believes that it has good grounds for success.



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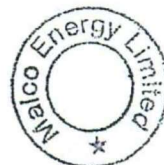


43 Contingent liabilities and Commitments (Continued)

- 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 Honourable High Court of Madras and stay was granted in this matter. The case was heard on 10th Oct 22 and the Hon'ble Court while taking note of the fact that the Tamil Nadu Electricity Regulatory Commission ('TNERC') has no quorum as on date of passing the Order, directed the Company 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.
- 5 Tamilnadu government passed a GO Ms.No.890 PWD on 09.05.91 raising the water charges from Rs.60 to Rs.500 per 1000 cubic metres. The PWD demanded charges for the contracted quantity of 87,60,000 cubic metre per annum with retrospective effect from May 1991. The Company filed WP 9333/1991 which was disposed of giving opportunity to represent to Govt. Revised Demand of Rs.300/1000 cubic metre from 09.05.91 to 31.03.02 received from PWD for Rs.1.48 Cr. Even after representations, Govt again revised the water charges @ Rs.500/1000 cubic metres. The Company filed WP No.1298/02 in which Stay was obtained with a direction to pay Rs.300 /1000 cubic metres. On 26.02.06 High Court dismissed all WP and directed the petitioners to pay water charges @ Rs.500/1000 cubic metres as per GO 474/13.11.01. WA 516/2008 yet to be listed. All surrounding industries viz., Chemplast have paid rate increase impact with a request to PWD for interest waiver. PWD has issued notice of dis-connection dt 24.10.2008 for non payment of revised charges amounting to Rs.3.31 Crs along with penal interest of Rs.6.49 Crs. The Company filed a fresh WP in Madras High Court WP No.No.6220/2008 and 6229/2008, WA 516/2008 both are pending for further hearing and disposal. We have made payment of Rs.3.31 Crs in view of the disconnection notice from PWD in installments and have requested for waiver of penal interest portion. Since PWD refused to waive the interest, The Company had filed WP 2528/2011 against which an interim stay was granted by the Hon'ble High Court of Madras vide order dated 04.02.2011.
- 6 The issues arising out of licensing of Railway land pertaining to the Railway siding. The Company had entered into a Memorandum of Understanding ("MoU") with the Divisional Railway Manager, Palghat dated 10 Dec 1999, to invest in the Mettur Dam Railway Station (MTDM), towards creation of infrastructural facilities for reception of coal rakes and unloading coal for transfer into the Company's plant through conveyors. The dispute between the Company and the Southern Railway, Salem Division is with respect to a) period for which the lease land was in possession of the Company; b) extent of lease land and c) the base value to be adopted for the lease rent. The Arbitration proceedings commenced despite the fact that the Company has taken the objection stating that the matter with respect to constitution of the Arbitrator Tribunal is sub-judice before the Hon'ble Supreme Court. The arbitration proceedings were completed, and the order is reserved. The Hon'ble Supreme Court on 24th January 2025, allowed Special Leave Petition filed by the Company and directed to re-constitute the Arbitrator Tribunal by referring it to the Nani Palkhivala Arbitration Centre, Chennai. The constitution of Arbitrator Tribunal is in process.
- 7 a. The custom authorities have raised demand for levy of custom duty amounting to 7.09 crores wherein Directorate of revenue intelligence (DRI) has contended that coal imported by the Company is bituminous coal and not steam coal basis General Rules of Interpretation [a set of 6 rules for classification of goods in the Tariff Schedule]. However, these rules have to be applied sequentially. Rule-1 gives precedence to the Section notes/Chapter notes while classifying a product. Therefore, When heading itself clearly describes the classification of goods, there is no need to refer further rules for interpretation. The Coal imported by the Company was Steam coal which is classifiable under Tariff Item 27011920 and cleared after extending exemption in terms of serial No. 123 of Notification No. 12/2012-Cus dated 17.3.2012 whereunder steam coal has been specifically included and given total exemption from Basic Customs Duty (BCD) and in excess of 1% from Additional Duty of customs. The Superintendent of Excise & Customs, Salem had conducted an investigation on import of coal at the Company, Mettur on 18.02.2013 and asked the Company to submit all coal related files/emails etc. DRI, Coimbatore also issued a summons dated 20.02.2013 asking the Company to submit complete details of import of coal from March 2012 till date. The Company had formally submitted all Coal related files/emails/other records for the FY 2012-13 to the authorities. Further DRI had instructed the Company to submit entire bill of entry details from March 2012 and to appear before them on 06.03.2013 to which the Company had provided the details and appeared before the Official on 06.03.2013. The company believes that the demand is not tenable under the law and it has good grounds for success.
- b. AC Nagapattinam vide OIO No.111/2016 dtd 08.11.2016 demanded differential duty payment of Rs.1.59 Crores due to coal classification issue. The Company has classified imported coal under steam coal and department has contended that imported coal should be classified under coking coal which will attract 6% CVD instead of 2% CVD. Further, the Company is in non-receipt of OIO due to wrong addressed mentioned by department while sending the OIO. The Company has filed an appeal before commissioner appeal who has passed unfavourable order vide OIA NO.74/2018-TRY Dated 20.04.2018 against which the Company has filed appeal before CESTAT Chennai. The company believes that the demand is not tenable under the law and it has good grounds for success.
- c. Ld. Commissioner Customs (Appeals), Chennai vide Order in Appeal 1196-1197 and 1199 /2013 dated 30.08.2013 have sanctioned us a refund of Rs. 0.08 Crores and has directed Asst Commissioner to verify unjust enrichment aspect in respect of Order in Original No. 15425 dated 25.03.2011. The company believes that the demand is not tenable under the law and it has good grounds for success.
- 8 The Income tax authorities have passed assessment orders containing an addition to total income/disallowances for various assessment years from 2009-10 to 2024-25 amounting to Rs. 715.94 Crores (addition to total income/disallowance amount) [31st March 2024 :Rs. 715.94 Crores (addition to total income/disallowance amount)]. The same has been adjusted against the carry forward business losses. The Company believes that aforesaid adjustment is not tenable under the law and has filed an appeal with higher authorities and matter is pending for disposal.



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43 Contingent liabilities and Commitments (Continued)

(b) Commitments

Estimated amounts of contracts net of advances, remaining to be executed on capital account and not provided for is Rs.27.78 Crores (31 March 2024: Rs.66.41 Crores).

(c) Bank guarantees

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

	(Rs. Crores)	
	31 March 2025	31 March 2024
Bank guarantees	7.17	8.44
	7.17	8.44

44 Related party disclosures

(a) Details of related parties

Description of relationship	Name of the related parties
(i) Where control exists	
Holding Company	Vedanta Limited
Intermediate Holding Company	Volcan Investments Limited
	Vedanta Resources Holdings Limited
Ultimate Holding Company	Vedanta Resources Limited
Subsidiary Company	Fujairah Gold FZC
Fellow Subsidiary	Hindustan Zinc Limited
	Electrosteel Limited
	Vizag General Cargo Berth Private Limited
	Sesa Mining Corporation Limited
	STL Digital Limited
(ii) Other related parties	
Key management personnel	Ms. A Sumathi - Director
	Mr. Navin Kumar Jaju - Director
	Mr. A R Narayanaswamy - Independent Director

(b) Transactions with related parties during the year

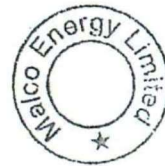
(Rs. Crores)

Particulars	31 March 2025	31 March 2024
Vedanta Limited		
Sale of Finished goods	26.87	7.51
Purchase of Goods/Service	416.08	20.22
Purchase of Assets	0.01	-
Reimbursement of expenses	2.17	5.06
Corporate expenses	2.52	2.29
Recovery of expenses	2.61	5.59
Interest Expense	39.02	37.11
Other Expenses	0.65	0.02
Borrowings received	384.12	335.93
Borrowings repaid	292.51	443.06
Vizag General Cargo Berth Private Limited		
Reimbursement of expenses	-	0.00*

* Amount is below the rounding off norms adopted by the company



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44 Related party disclosures (Continued)

Particulars	31 March 2025	31 March 2024
Hindustan Zinc Limited		
Sale of Finished goods	97.50	85.78
Purchase of Goods/Service	3.72	0.05
Reimbursement of expenses*	0.00	0.00
Electrosteel Limited		
Reimbursement of expenses	0.38	0.17
Sesa Mining Corporation Limited		
Purchase of Goods/Service	5.95	5.20
STL Digital Limited		
Purchase of Goods/Service	-	0.33

(c) Transactions with Key Managerial Personnel during the year

	(Rs. Crores)	
Particulars	31 March 2025	31 March 2024
Director Sitting Fee		
- Mr. A R Narayanaswamy	0.02	0.02

(d) Outstanding balances at period end

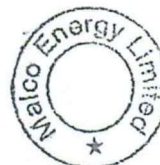
Particulars	31 March 2025	31 March 2024
Vedanta Limited		
Financial assets and Liabilities		
- Borrowings	432.97	341.36
- Other receivables	0.12	-
- Other payables	24.37	12.60
- Interest payables	89.73	54.79
- Trade payables	422.31	226.21
Total	969.26	634.96
Hindustan Zinc Limited		
- Trade receivables	11.87	2.96
- Other receivables	0.23	0.09
Electrosteel Limited		
- Other payables	1.02	0.63
STL Digital Limited		
- Trade payables	-	0.01
Sesa Mining Corporation Limited		
- Other receivables	0.06	2.72

* Amount is below the rounding off norms adopted by the company

(e) Sales made to/purchases made from and other transactions with related parties are on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business. The group mutually negotiates and agrees prices, discount and payment terms with the related parties by benchmarking the same to transactions with non-related parties. Trade receivables and Trade payables outstanding balances are unsecured and require settlement in cash. No guarantee or other security has been received/given against these receivables/payables.



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45 Employee benefit

i. Defined contribution plan

The Company contributed a total of Rs. 1.11 Crore for the year ended March 31, 2025 and Rs. 1.06 Crores for the year ended March 31, 2024 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 2025 and 2024) 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.

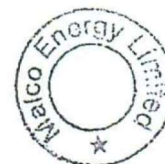
The following tables summaries the component of net benefit expenses recognised in the Statement of Profit and Loss, other comprehensive income, the funded status and the amount recognised in the balance sheet for the gratuity plan:

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

	Funded		
	Defined benefit obligations	Fair value of plan assets	Net Status
At 31 March 2023	(1.07)	0.66	(0.41)
Current service cost	(0.16)	-	(0.16)
Past service cost including curtailment gains/losses	-	-	-
Net interest expense	(0.07)	0.05	(0.02)
Included in Statement of Profit and Loss	(0.23)	0.05	(0.18)
Actual Return on plan assets (excluding amounts included in net interest expense)	-	0.01	0.01
Actuarial changes arising from changes in demographic assumptions	(0.04)	-	(0.04)
Actuarial changes arising from changes in financial assumptions	(0.03)	-	(0.03)
Actuarial changes arising from changes in experience adjustments	0.08	-	0.08
Included in OCI	0.01	0.01	0.02
Benefits paid	0.13	(0.13)	-
Contribution by employer	-	0.82	0.82
At 31 March 2024	(1.16)	1.41	0.25
Current service cost	(0.15)	-	(0.15)
Past service cost including curtailment gains/losses	-	-	-
Net interest expense	(0.08)	0.10	0.02
Included in Statement of Profit and Loss	(0.23)	0.10	(0.13)
Return on plan assets (excluding amounts included in net interest expense)	-	(0.03)	(0.03)
Actuarial changes arising from changes in demographic assumptions	0.04	-	0.04
Actuarial changes arising from changes in financial assumptions	0.04	-	0.04
Actuarial changes arising from changes in experience adjustments	(0.13)	-	(0.13)
Included in OCI	(0.05)	(0.03)	(0.08)
Benefits paid	0.25	(0.25)	-
Acquisition Adjustment	0.20	-	0.20
Contribution by employer	-	0.01	0.01
At 31 March 2025	(1.00)	1.24	0.24
Plan Asset (refer note 18)			0.31
Defined benefit obligation (refer note 22)			-0.07
Net Balance			0.24



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45 Employee benefit (Continued)

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

	31 March 2025	31 March 2024
Discount rate	7.03%	7.10%
Future salary increase	5.50% - 8.50%	5.5%-10%
Withdrawal rate		
Ages: up to 30 years	3% - 25%	3%-14%
from 31 to 44 years	3% - 25%	2%-14%
above 44 years	3% - 25%	1%-14%
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 2025	31 March 2024
Sensitivity level		
0.5% Increase in discount rate	(0.03)	(0.03)
0.5% Decrease in discount rate	0.03	0.03
0.5% Increase in future salary increase	0.03	0.03
0.5% Decrease in future salary increase	(0.03)	(0.03)

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 2025	31 March 2024
Within 1 Year	0.21	0.23
Between 1 and 2 years	0.08	0.14
Between 2 and 3 years	0.06	0.27
Between 3 and 4 years	0.19	0.04
Between 4 and 5 years	0.07	0.03
Beyond 5 years	0.37	0.29

The contribution expected to be made by the Company during the financial year 2025-26 is Rs. 0.15 crores

The average duration of the defined benefit obligation is ranging from 6.23 to 16.80 years and 2.88 to 6.33 years as on March 31, 2025 and March 31, 2024 respectively.



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46 Share based compensation plans

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

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

Options granted during the period ended March 31, 2025 includes business performance based, sustained individual performance based and market performance based stock options. Business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA or a combination of these for the respective business/ SBU entities.

Amount recovered by the Parent and recognized by the company in the statement of profit and loss account for the period ended Crores March 31, 2025 was Rs 0.17 Crores (Year ended March 31, 2024 was Rs. 1.08 Crores). The Company considers these amounts as not material and accordingly has not provided further disclosures.

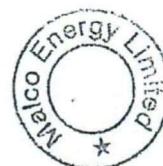
47 Earnings per share

Particulars	(Rs. Crores)	
	31 March 2025	31 March 2024
Profit attributable to the equity shareholders for Basic EPS	(188.09)	(117.42)
Add: Adjustment for Diluted Instrument	-	-
Profit attributable to equity holders adjusted for Diluted EPS	(188.09)	(117.42)
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 & Dilutive (Rs.) *	(80.49)	(50.25)

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



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48 Other Statutory Information

- (i) The Company do not have any Benami Property, where any proceeding has been initiated or pending against the company for holding any Benami Property
- (ii) The Company do not have any transactions with struck off Companies
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the Financial year
- (v) The Company is not having any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income tax Act, 1961)
- (vi) The company during the year have not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The company during the year have not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (viii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013, read with Companies (restriction on number of layers) Rules, 2017
- (ix) The Company is maintaining its books of accounts in electronic mode and these books of accounts are accessible in India at all the times and the back up of books of accounts has been kept in servers physically located in India on a daily basis from the applicability date of the accounts rules i.e., 5 August, 2022 onwards
- (x) The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature for direct changes to data in certain database tables was enabled for part of the year from March 03, 2025. Further no instance of audit trail feature being tampered with was noted in respect of the software. Additionally, the Company has preserved audit trail in full compliance with the requirements of section 128(5) of the Companies Act, 2013, in respect of the financial year ended March 31, 2024 to the extent it was enabled and recorded during the year ended March 31, 2024.

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

Particulars	As at 31 March 2025	As at 31 March 2024
	Rs. Crores	Rs. Crores
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	9.32	5.90
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are	-	-

50 Segment Information
Acquisition (Refer Note 1)
Gujarat NRE

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

Nicomet Industries

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

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

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

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

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



Benali



50 Segment Information (Continued)

The following table presents revenue and profit information and certain assets and liabilities information regarding the Company's operating segments as at and for the year ended 31 March 2025. Since the Power Plant is under care and maintenance, there is no Revenue from operations from this segment.

For the Year ended 31 March 2025					(Rs. Crores)
Particulars	Operating Segments				
	Coke	Nickel	Power	Elimination	Total
Revenue					
External Revenue	506.48	370.11	-	-	876.60
Add : Inter Segment Revenue	-	-	-	-	-
Segment Revenue	506.48	370.11	-	-	876.60
Other Operating Income					
External	5.94	5.23	0.72	-	11.89
Inter Segment	-	-	-	-	-
Total revenue from operations	512.42	375.34	0.72	-	888.49
Expenses					
Cost of materials consumed	202.45	299.91	-	-	502.36
Purchases of Stock-in-Trade	305.75	-	-	-	305.75
Changes in inventories of FG, WIP & Stock in trade	(1.93)	7.02	-	-	5.08
Power & Fuel	1.40	11.68	0.94	-	14.02
Employee benefits expense	6.19	14.09	0.65	-	20.93
Other expenses	38.30	95.42	1.53	-	135.25
Total Expense	552.16	428.12	3.12	-	983.39
Results					
Segment Results (EBITDA)*	(39.74)	(52.77)	(2.40)	-	(94.91)
Less: Depreciation and Amortisation					(43.07)
Add: Other Income					2.84
Less: Finance cost					(52.95)
Net Profit before tax					(188.09)
Other information					
Segment Assets	366.76	383.17	191.08	(112.72)	828.29
Financial Asset (Loans)					0.14
Income tax Asset					7.35
Cash & Cash Equivalents (including other bank balance & bank deposits)					92.27
Total Assets					928.05
Segment Liabilities	541.82	245.47	54.13	(74.68)	766.74
Borrowings					441.47
Total Liabilities					1,208.21
Capital Expenditure	186.10	91.57	75.82	-	353.49



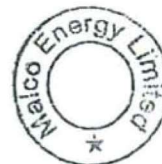
For the Year ended 31 March 2024

Particulars	Operating Segments					(Rs. Crores)
	Coke	Nickel	Power	Elimination	Total	
Revenue						
External Revenue	160.86	454.89	-	-	615.75	
Inter Segment Revenue	-	-	-	-	-	
Segment Revenue	160.86	454.89	-	-	615.75	
Other Operating Income						
External	1.72	4.00	25.46	-	31.18	
Inter Segment	-	-	-	-	-	
Add : other operating income	1.72	4.00	25.46	-	31.18	
Total Revenue from operations	162.57	458.89	25.46	-	646.92	
Expenses						
Cost of materials consumed	80.70	348.08	-	-	428.78	
Purchases of Stock-in-Trade	4.63	-	-	-	4.63	
Changes in inventories of FG, WIP & Stock in trade	78.48	43.38	-	-	121.86	
Power & Fuel	1.00	15.67	1.18	-	17.85	
Employee benefits expense	7.38	12.91	0.93	-	21.22	
Other expenses	32.69	73.95	3.45	(1.15)	108.94	
Total Expense	204.89	493.99	5.56	(1.15)	703.28	
Segment Results (EBITDA)*	(42.32)	(35.09)	19.89	1.15	(56.36)	
Less : Depreciation and Amortisation					(31.78)	
Add : Other Income					21.61	
Less: Finance cost					(50.90)	
Net Profit before tax					(117.43)	
Other information						
Segment Assets	293.65	349.44	136.33	(48.60)	730.82	
Financial Asset (Investments)					36.86	
Financial Asset (Loans)					0.10	
Income tax Asset					7.96	
Cash & Cash Equivalents (including other bank balance & bank deposits)					26.04	
Total Assets					801.78	
Segment Liabilities	22.17	88.19	378.05	(48.60)	439.81	
Borrowings					361.97	
Total Liabilities					895.79	
Capital Expenditure	206.37	75.65	79.52	-	361.54	

* EBITDA is a Non GAAP measure



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51 Key Ratios are as follows

Particulars	Numerator	Denominator	FY 24-25	FY 23-24	Percentage change	Reason for change
a) Current Ratio (in times)	Current Asset	Current Liability	0.45	0.48	-2%	-
b) Debt Equity Ratio (in times)	Gross Debt	Equity	(1.58)	(3.05)	-59%	On account of increase in borrowings and reduction in total equity (due to loss incurred) in financial year 2024-25 compared to financial year 2023-24.
c) Debt service coverage Ratio (in times)	Profit After tax+Depreciation+Finance cost	Interest expense + Principal payments of loans	(0.19)	(0.13)	43%	On account of decrease in earnings available for debt service and increase in borrowings in financial year 2024-25 compared to financial year 2023-24.
d) Return on Equity Ratio (%)	Profit After tax	Average Total Equity	67.14%	124.90%	-46%	On account of increase in loss for the year and corresponding decrease in total equity in financial year 2024-25 compared to financial year 2023-24.
e) Inventory Turnover Ratio (in times)	Cost of Goods Sold	Average Inventory	4.23	1.79	137%	On account of decrease in average inventory in financial year 2024-25 compared to financial year 2023-24.
f) Trade Receivable Turnover Ratio (in times)	Revenue from Operations	Average Trade Receivable	14.96	36.59	-59%	On account of increase in average trade receivable balance in financial year 2024-25 compared to financial year 2023-24.
g) Trade Payable Turnover Ratio (in times)	Cost of Goods Sold + Other Expenses	Average Trade Payable	2.61	4.11	-36%	On account of increase in average trade payable balance in financial year 2024-25 compared to financial year 2023-24.
h) Net Working Capital Turnover Ratio (in times)	Revenue from Operations	Working capital	(1.33)	(1.28)	4%	-
i) Net Profit Ratio (%)	Profit after tax	Revenue from operations	-21.46%	-19.07%	13%	-
j) Return on Capital Employed (%)	Profit before tax + Finance cost	Capital employed	-83.77%	-24.02%	249%	On account of increase in loss and borrowings in financial year 2024-25 compared to financial year 2023-24.
k) Return on investment (%)	Income from investment measured at FVTPL	Average current investment	5.02%	2.02%	148%	On account of decrease in average investment in financial year 2024-25 compared to financial year 2023-24.

52 Leases

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

- i) Details of carrying amount of Right-of-use assets and movement during the period disclosed under Note 6
ii) Set out below are the carrying amounts of lease liabilities and the movement during the year:

Particulars	31 March 2025	31 March 2024
Balance at the beginning of the year	9.03	0.25
Additions	3.18	9.77
Modification	7.50	-
Disposals	-	-
Lease payment made during the year	(7.78)	(1.70)
Accretion of interest	1.49	0.46
Write back	-	0.25
Balance at the end of the year	13.42	9.03
Non Current	2.20	2.97
Current	11.22	6.06

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

b) The maturities for lease liabilities are as follows

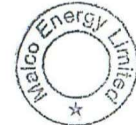
Particulars	Maturity
Leasehold Land	60-80 years
Leasehold Vehicles	1-2 years
Leasehold Equipment	5 Years

c) The maturity analysis of lease liabilities are disclosed in Note 41 (C) "Liquidity risk"

d) The Company had total cash flows for leases of Rs.7.78 crores for the year ended 31 March 2025 (31 March 2024: Rs. 1.70 crores)

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

Particulars	31 March 2025	31 March 2024
Depreciation of Right-of-use asset	0.63	2.24
Accretion of interest on lease liability	1.49	0.46
Expenses relating to short-term leases and losses of low-value assets (included in other expenses)	0.48	0.68
Total amount recognised in profit or loss	2.60	3.38



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53 Going concern

As at March 31, 2025, the Company has a net current liability of Rs 659.99 Crores and has incurred a loss of Rs. 188.09 Crores during the year ended March 31, 2025. Current liabilities as at March 31, 2025 includes borrowing, interest payable, trade payable and other payable amounting to Rs. 432.97 Crores, Rs. 89.73 Crores, Rs. 422.31 Crores and Rs. 24.37 Crores respectively payable to Holding Company.

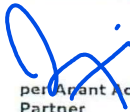
Further, the holding Company has provided a commitment in the form of a support letter to provide the necessary financial support to the Company to meet its operational and financial obligations as and when they fall due.

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

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

As per our report of even date

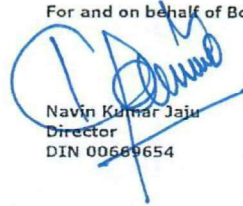
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No : 324982E/E300003


per Arant Acharya
Partner
Membership No. - 124790

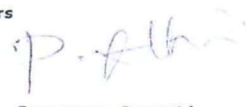


Place : Mumbai
Date : 23 Apr 2025

For and on behalf of Board of Directors


Navin Kumar Jaju
Director
DIN 00689654

Place : Goa
Date : 23 Apr 2025


Poovannan Sumathi
Director
DIN 07147100

Place : Tuticorin
Date : 23 Apr 2025



INDEPENDENT AUDITOR'S REPORT

To the Members of Vedanta Iron and Steel Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Vedanta Iron and Steel Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements including summary of material accounting policy information and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2025, its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and 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 opinion on the financial statements.

Other Information

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

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

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

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 and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal



financial controls with reference to financial statements in place and the operating effectiveness of such controls.

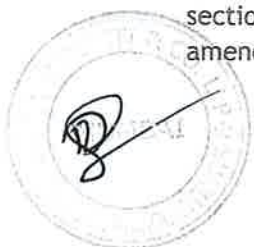
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 section 143(11) of the Act, we report in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;



- e. On the basis of the written representations received from the directors as on March 31, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
- g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid/provided by the Company to its directors during the year and hence reporting related to the managerial remuneration is not applicable;

- 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 does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

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

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

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



HARIBHAKTI & CO. LLP

Chartered Accountants

(iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;

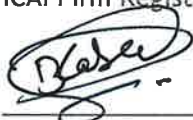
(v) The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable;

(vi) Based on our examination, the Company has not used an accounting software for maintaining its books of account. Hence, reporting related to audit trail is not applicable.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048



Deepak Kabra

Partner

Membership No. 133472

UDIN: 25133472BMOMNU5227



Place: Mumbai

Date: April 17, 2025

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of **Vedanta Iron and Steel Limited** ("the Company") on the financial statements for the year ended March 31, 2025]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) The Company does not have any Property, Plant and Equipment or Intangible Assets. Accordingly, reporting under clause (i) of paragraph 3 of the Order is not applicable.
- (ii) (a) The Company does not hold any inventory. Therefore, reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable.

(b) The Company has not obtained any sanctioned working capital limit during the year, from banks and/or financial institutions. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii) During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause (iii) of paragraph 3 of the Order is not applicable.
- (iv) The provisions of Sections 185 and 186 of the Act are not applicable to the Company as the Company has not granted any loans or made any investment or provided any guarantee or security during the year. Accordingly, reporting under clause (iv) of the paragraph 3 of the Order is not applicable.
- (v) In our opinion, the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The Company is not required to maintain cost records under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is regular in depositing with the appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), income-tax, duty of customs, cess and any other material statutory dues applicable to it, in all cases during the year. Since, the Company does not have any employees, statutory dues in form of provident fund and employees' state insurance are not applicable to the Company.

No undisputed amounts payable in respect of income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

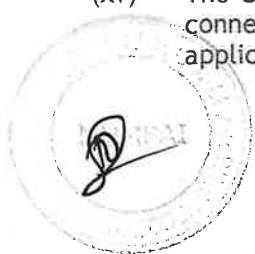
(b) There are no dues with respect to income tax, GST, customs duty and cess, which have not been deposited on account of any dispute. Since, the Company does not have any employees, there are no dues in the form of provident fund and employees' state insurance.
- (viii) We have not come across any transactions which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.



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- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not taken loans from any bank or financial institution or government or any government authority during the year. Hence, question of the Company being declared wilful defaulter does not arise.
- (c) The Company did not obtain any money by way of term loans during the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have, been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiaries, associates, jointly controlled entities or joint operations, as defined under the Act and hence reporting under clause (ix)(e) of paragraph 3 of the order is not applicable.
- (f) The Company does not have any subsidiaries, associates, jointly controlled entities or joint operations, as defined under the Act and hence reporting under clause (ix)(f) of paragraph 3 of the order is not applicable.
- (x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.
- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.
- (c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with section 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards. Since the Company is not required to constitute an Audit Committee, the provisions of section 177 of the Act are not applicable to the Company.
- (xiv) (a) In our opinion, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Hence, reporting under clause (xiv) of paragraph 3 of the Order is not applicable.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.



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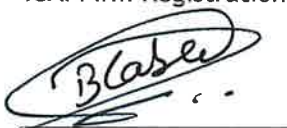
Chartered Accountants

- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) of paragraph 3 of the Order are not applicable.
- (c) As informed by the Company, the Group to which the Company belongs has no CIC as part of the Group.
- (xvii) The Company has incurred cash losses for the current and the immediately preceding financial year amounting to Rs. 2.85 Lakhs and Rs. 1.90 Lakhs respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report and that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048



Deepak Kabra

Partner

Membership No. 133472

UDIN: 25133472BMOMNU5227

Place: Mumbai

Date: April 17, 2025



HARIBHAKTI & CO. LLP

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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **Vedanta Iron and Steel Limited** on the financial statements for the year ended March 31, 2025]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Vedanta Iron and Steel Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation



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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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


Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048



Deepak Kabra

Partner

Membership No. 133472

UDIN: 25133472BMOMNU5227



Place: Mumbai

Date: April 17, 2025

Vedanta Iron and Steel Limited
Balance Sheet as at 31 March 2025

(All amounts in ₹ Lakhs)

Particulars	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment		-	-
Financial assets			
- Others	3	0.10	-
Other non-current assets		-	-
Total non-current assets		0.10	-
Current assets			
Inventories		-	-
Financial assets		-	-
- Cash and cash Equivalents	4	0.76	1.00
Current tax assets (net)		-	-
Other current assets	5	0.60	0.18
Total current assets		1.36	1.18
Total Assets		1.46	1.18
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	6	1.00	1.00
Other Equity		(4.75)	(1.90)
Total Equity		(3.75)	(0.90)
Liabilities			
Non-current liabilities			
Other non-current liabilities		-	-
Total non-current liabilities		-	-
Current Liabilities			
Financial liabilities			
- Borrowings	7	3.89	-
- Trade payables		-	-
(a) Total outstanding dues of micro and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro and small enterprises	8	0.81	0.81
- Other financial liabilities	9	0.38	0.85
Other current liabilities	10	0.13	0.42
Provisions		-	-
Income tax liabilities (net)		-	-
Total current liabilities		5.21	2.08
Total Equity and Liabilities		1.46	1.18

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

As per our attached report of even date

Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 103523W/W100048



Deepak Kabra

Partner

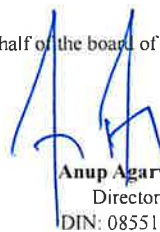
ICAI Membership Number: 133472

Place: Mumbai

Date: 17th April 2025



For and on behalf of the board of directors of Vedanta Iron and Steel Limited


Anup Agarwal
Director
DIN: 08551388


Pankaj Jha
Director
DIN: 09114381

Place: Delhi

Date: 17th April 2025

Place: Jharsuguda

Date: 17th April 2025

Vedanta Iron and Steel Limited
Statement of Profit and Loss for the year ended 31 March 2025
(All amounts in ₹ Lakhs unless stated otherwise)

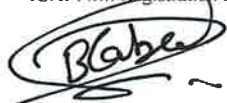
Particulars	Note	For the year ended 31 March 2025	For the period 10 October 2023 to 31 March 2024
Revenue from operations		-	-
Total Income		-	-
Expenses:			
Finance costs	11	0.51	-
Other expenses	12	2.34	1.90
Total expenses		2.85	1.90
Loss before tax		(2.85)	(1.90)
Tax Expense		-	-
Net Loss after tax (A)		(2.85)	(1.90)
Other Comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income for the period (B)		-	-
Total Comprehensive Income for the period (A+B)		(2.85)	(1.90)
Earnings per share (in ₹)			
- Basic and Diluted	13	(2.85)	(1.90)

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

As per our attached report of even date

Haribhakti & Co. LLP
Chartered Accountants

ICAI Firm Registration Number: 103523W/W100048



Deepak Kabra
Partner

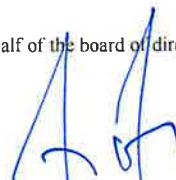
ICAI Membership Number: 133472

Place: Mumbai

Date: 17th April 2025



For and on behalf of the board of directors of Vedanta Iron and Steel Limited



Anup Agarwal
Director
DIN: 08551388



Pankaj Jha
Director
DIN: 09114381

Place: Delhi

Date: 17th April 2025

Place: Jharsuguda

Date: 17th April 2025

Vedanta Iron and Steel Limited
Cash Flow Statement For the year ended 31 March 2025

(All amounts in ₹ Lakhs)

Particulars	For the year ended 31 March 2025	For the period 10 October 2023 to 31 March 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss before taxation	(2.85)	(1.90)
Adjustments for:		
Depreciation, depletion and amortisation	-	-
Provision for doubtful debts/ advance/ bad debts written off	-	-
Interest income	-	-
Interest expense	0.43	-
Changes in assets and liabilities		
Decrease/ (Increase) in trade and other receivables	(0.42)	(0.18)
Decrease/ (Increase) in non current financial assets	(0.10)	-
(Decrease)/ Increase in trade and other payable	(1.19)	2.08
Cash generated from operations	(4.13)	-
Income taxes paid (net)	-	-
Net cash generated from operating activities	(4.13)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment (including intangibles)	-	-
Proceeds from sale of property, plant and equipment	-	-
Interest received	-	-
Dividends received	-	-
Net cash generated from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings (net)	3.89	-
Proceeds from issue of share capital	-	1.00
Net cash used in financing activities	3.89	1.00
Net (decrease)/ increase in cash and cash equivalents	(0.24)	1.00
Cash and cash equivalents at the beginning of the period	1.00	-
Cash and cash equivalents at the end of the period (Refer note 4)	0.76	1.00

Notes :

- The figures in parentheses indicate outflow.
- The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - statement of cash flows

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

As per our attached report of even date

Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 103523W/W100048



Deepak Kabra

Partner

ICAI Membership Number: 133472

Place: Mumbai

Date: 17th April 2025



For and on behalf of the board of directors of Vedanta Iron and Steel Limited


Anup Agarwal
Director
DIN: 08551388


Pankaj Jha
Director
DIN: 09114381

Place: Delhi

Date: 17th April 2025

Place: Jharsuguda

Date: 17th April 2025

Vedanta Iron and Steel Limited
Statement of Changes in Equity for the year ended 31 March 2025

(All amounts in ₹ Lakhs)

A. Equity Share Capital (Refer Note No. 6)

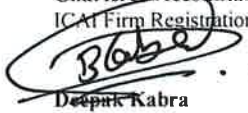
Equity shares of ₹ 1/- each issued, subscribed and fully paid up	Number of shares (in lakhs)	Amount
As at 31 March 2025 and 31 March 2024	1.00	1.00

B. Other Equity

Particulars	Reserves and Surplus	Total other equity
	Retained earnings	
Balance as at 10 October 2023	-	-
Loss for the period	(1.90)	(1.90)
Other comprehensive income for the period, net of tax	-	-
Total Comprehensive Income for the period	(1.90)	(1.90)
Balance as on 31 March 2024	(1.90)	(1.90)
Loss for the year	(2.85)	(2.85)
Other comprehensive income for the period, net of tax	-	-
Total Comprehensive Income for the period	(2.85)	(2.85)
Balance as at 31 March 2025	(4.75)	(4.75)

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

As per our attached report of even date
Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 103523W/W100048


Deepak Kabra
Partner
ICAI Membership Number: 133472

Place: Mumbai
Date: 17th April 2025



For and on behalf of the board of directors of Vedanta Iron and Steel Limited


Anup Agarwal
Director
DIN: 08551388


Pankaj Jha
Director
DIN: 09114381

Place: Delhi
Date: 17th April 2025

Place: Jharsuguda
Date: 17th April 2025

Vedanta Iron and Steel Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

NOTE 1. CORPORATE INFORMATION

Vedanta Iron and Steel Limited ("the Company") is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 2013 ("the Act"). The Company was incorporated on 10 October 2023 for carrying out the business activities in the metal and mining sector.

NOTE 2.1 BASIS OF PREPARATION AND BASIS OF MEASUREMENT OF FINANCIAL STATEMENTS

(a) Basis of Preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provisions of the Act (as amended from time to time). These financial statements have been prepared in accordance with the accounting policies, set out below.

All financial information presented in Indian Rupee has been rounded off to the nearest Lakhs except when indicated otherwise.

These financial statements are approved for issue by the Board of Directors on April 17, 2025. The revision to these financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

(b) Basis of Measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting.



NOTE 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of financial statements in conformity with the Indian Accounting Standards requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Accounting for foreign currency transactions

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. For all principal businesses of the Company, the functional currency is Indian rupee . The financial statements are presented in Indian rupee.

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

All exchange differences are included in the statement of profit and loss except those where the monetary item designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

(c) Earnings Per Share

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



Vedanta Iron and Steel Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

(d) Provisions

The assessments undertaken in recognising provisions have been made in accordance with the applicable Ind AS.

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

(e) Current and non-current classification

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

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits which have a maturity of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.



(g) Financial assets

The company classifies its financial assets in following measurement categories :-

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

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

For equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

(h) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans, borrowings and payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

After initial recognition, interest-bearing loans, borrowings and trade and other payables 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.

(i) Standards notified but not yet effective

No new standards have been notified during the year ended 31 March 2025.



Vedanta Iron and Steel Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

(All amounts in ₹ Lakhs unless stated otherwise)

3 Non Current Financial Assets - Others

Particulars	As at 31 March 2025	As at 31 March 2024
Security Deposit	0.10	-
Total	0.10	-

4 Current financial assets - Cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with banks	0.76	1.00
Total	0.76	1.00

5 Other Current Assets

Particulars	As at 31 March 2025	As at 31 March 2024
Input GST	0.60	0.18
Total	0.60	0.18

6 Share capital

Particulars	As at 31 March 2025	As at 31 March 2024
A. Authorised Equity Share Capital		
1 lakh equity shares of ₹1/- each	1.00	1.00
B. Issued, subscribed and fully paid-up Equity Share Capital		
1 lakh equity shares of ₹1/- each	1.00	1.00
Total issued, subscribed and fully paid up share capital	1.00	1.00

C. Shares held by the Holding Company and its subsidiaries*

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Vedanta Limited and their nominees	1,00,000	100%	1,00,000	100%
Total	1,00,000	100%	1,00,000	100%

* The % of holding has been calculated on the issued and subscribed share capital as at the balance sheet date.

D. Details of shareholders holding more than 5% shares in the Company *

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Vedanta Limited and their nominees	1,00,000	100%	1,00,000	100%
Total	1,00,000	100%	1,00,000	100%

* The % of holding has been calculated on the issued and subscribed share capital as at the balance sheet date.



Vedanta Iron and Steel Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

(All amounts in ₹ Lakhs unless stated otherwise)

6 Share capital (Continued)

E. Disclosure of Shareholding of Promoters and Promoter Group

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Vedanta Limited	99,994	99.99%	99,994	99.99%
Mr. Anup Agarwal	1	0.00%	1	0.00%
Mr. Pankaj Jha	1	0.00%	1	0.00%
Mr. Sunil Gupta	1	0.00%	1	0.00%
Mr. Mayank Totla	1	0.00%	1	0.00%
Mr. Swapnesh Bansal	1	0.00%	-	0.00%
Mr. Jagdeep Singh*	-	0.00%	1	0.00%
Ms. Mansi Dhiman	1	0.00%	1	0.00%
Total	1,00,000	100%	1,00,000	100%

Vedanta Limited is the Holding Company of the Company and is the beneficial owner while the nominee shareholders are the registered owners.

* The nominee shareholder has been changed from Mr. Jagdeep Singh to Mr. Swapnesh Bansal with effect from April 26, 2024.

F. Reconciliation of shares:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of Shares	Rs.	Number of Shares	Rs.
At the beginning of period	1,00,000	1,00,000	-	-
Shares issued during the period	-	-	1,00,000	1,00,000
Shares outstanding at the end of the reporting period	1,00,000	1,00,000	1,00,000	1,00,000

G. Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹1 per share. (31 March 2024: ₹1 per share). Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees in accordance with the provisions of the Act. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

H. There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment.

I. There are no unpaid calls from any Directors and officers.

7 Current Financial liabilities - Borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
At amortised cost		
Unsecured		
Loans from related parties (Refer Note 17)	3.89	-
Total	3.89	-

a) Rate of interest and Repayment terms

1. Rate of interest - 10.40%(PY NA)

2. Repayment Terms - Repayable in 1 year as per lenders demand.



Vedanta Iron and Steel Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

(All amounts in ₹ Lakhs unless stated otherwise)

b) Movement in borrowings during the year:

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance as at April 01, 2024	-	-
Cash Flow	3.89	-
Other non cash changes	-	-
As at March 31, 2025	3.89	-

8 Current Financial liabilities - Trade payables

Particulars	As at 31 March 2025	As at 31 March 2024
Undisputed dues – Micro and Small Enterprises		
Unbilled dues	-	-
Not due	-	-
Less than 1 year	-	-
More than 1 year	-	-
Sub-total	-	-
Undisputed dues - Others		
Unbilled dues	0.81	0.81
Not due	-	-
Less than 1 year	-	-
More than 1 year	-	-
Sub-total	0.81	0.81
Disputed dues - Micro and Small Enterprises		
Unbilled dues	-	-
Not due	-	-
Less than 1 year	-	-
More than 1 year	-	-
Sub-total	-	-
Disputed dues - Others		
Unbilled dues	-	-
Not due	-	-
Less than 1 year	-	-
More than 1 year	-	-
Sub-total	-	-
Total	0.81	0.81

9 Other Financial Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
-Accrued interest (Refer Note 17)	0.38	0.85
Total	0.38	0.85

10 Other Current Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
-TDS Payable	0.13	0.24
-GST Payable	-	0.18
Total	0.13	0.42



Vedanta Iron and Steel Limited**Notes forming part of the financial statements as at and for the year ended 31 March 2025***(All amounts in ₹ Lakhs unless stated otherwise)***11 Finance costs**

Particulars	Year ended 31 March 2025	For the period 10 October 2023 to 31 March 2024
Interest expense on financial liabilities at amortised cost	0.43	-
Bank Charges	0.08	0.00
Total	0.51	0.00

12 Other Expenses

Particulars	Year ended 31 March 2025	For the period 10 October 2023 to 31 March 2024
Brand License and Strategic Service Fees (Refer Note 17)	1.00	1.00
Others	0.19	-
Remuneration to auditors		
- For Statutory Audit	0.90	0.90
- For other Services	0.25	-
Total	2.34	1.90

13 Earnings per equity share (EPS)

Particulars	Year ended 31 March 2025	For the period 10 October 2023 to 31 March 2024
Profit / (Loss) after tax for the period attributable to equity share holders for Basic and Diluted EPS	(2.85)	(1.90)
Weighted Average No. of equity shares outstanding during the period for Basic and Dilutive EPS	1,00,000	1,00,000
Basic and Diluted Earnings per share (in ₹)	(2.85)	(1.90)
Nominal value per share (in ₹)	1.00	1.00

for the period 10 October 2023 to 31 March 2024, not annualised.Since the Company does not have any potential dilutive equity shares, both Basic Earning per share and Diluted Earning per share will be same.*

Vedanta Iron and Steel Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

14 Key Financial Ratios

	Ratio Analysis	31 March 2025	31 March 2024	Variance
1	Current Ratio ¹	0.26	0.57	54%
2	Debt Equity Ratio ²	(1.04)	NA*	100%
3	Debt Service Coverage Ratio ²	0.54	NA*	100%
4	Return on Equity Ratio ³	(0.76)	(2.11)	64%
5	Inventory Turnover Ratio	NA*	NA*	NA*
6	Trade Receivables Turnover Ratio	NA*	NA*	NA*
7	Trade Payables Turnover Ratio	NA*	NA*	NA*
8	Net Capital Turnover Ratio	NA*	NA*	NA*
9	Net Profit Ratio	NA*	NA*	NA*
10	Return on Capital employed ³	(20.73)	(2.11)	-882%
11	Return on Investment	NA*	NA*	NA*

Note: * Not Applicable due to Company has no Revenue, Inventory, Trade receivables, Investment during the period ended 31 March 2025

¹ The Ratio has decreased due to increase in debt during the current year.

² The Ratio has increased due to new debt taken during the current year.

³ The Ratio has decreased due to increase in net loss during the current year.

Formulae for computation of ratios is as follows:

	Ratio	Formula
1	Current Ratio (in times)	Current Assets/ Current Liabilities (excluding current maturities of long-term borrowing)
2	Debt-Equity Ratio (in times)	Gross Debt/ Total Equity
3	Debt Service Coverage Ratio (in times)	Income available for debt service/ (interest expense and principal payments of long term loans), where income available for debt service = Profit before exceptional items and tax + Depreciation, depletion and amortization expense + Interest expense
4	Return on Equity Ratio (%)	Net Profit after tax before exceptional items (net of tax)/ Average Equity
5	Inventory turnover Ratio (in times)	Revenue from operations less EBITDA/ Average Inventory
6	Trade Receivables turnover Ratio (in times)	Revenue from operations/ Average Trade Receivables
7	Trade payables turnover Ratio (in times)	Total Purchases/ Average Trade Payables
8	Net capital turnover Ratio (in times)	Revenue from operations/ Working capital (WC), where WC = Current Assets - Current Liabilities (excluding current maturities of long-term borrowing)
9	Net profit Ratio (%)	Net Profit after tax before exceptional items (net of tax)/ Revenue from operations
10	Return on Capital employed (in times)	Earnings before interest and tax/ Average Capital Employed, where capital employed = Net Debt + Total Equity
11	Return on investment (%)	Income from investments carried at FVTPL/ Average current investments



Vedanta Iron and Steel Limited**Notes forming part of the financial statements as at and for the year ended 31 March 2025****15 Capital Management**

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowings. The Company believes that it will be able to meet all its current liabilities on timely manner. The Company is yet to initiate any project.

The following table summarizes the capital of the Company:

Particulars	As at 31 March 2025	As at 31 March 2024
Cash and cash equivalents	0.76	1.00
Total cash (a)	0.76	1.00
Non-current borrowings	-	-
Current borrowings	3.89	-
Total borrowings (b)	3.89	-
Net debt c=(b-a)	3.13	-1.00
Total equity	-3.75	-0.90
Total capital (equity + net debt) (d)	-0.62	-1.90
Gearing ratio (times) (c/d)	-5.06	0.53

16 Contingent Liabilities & Commitments:

Based on the information available with the Company, there are no Contingent liabilities and commitments as at the period ended 31 March 2025 (31 March 2024: Nil).

17 Related Party Disclosures:

List of related parties and relationships:

- Entities controlling the Company

Vedanta Incorporated (Ultimate Holding Company)

Vedanta Resources Limited (Intermediate Holding Company)

Vedanta Limited (Holding Company)

- Fellow Subsidiaries:

Vedanta Resources Investments Limited



Vedanta Iron and Steel Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

17 Related Party Disclosures (Continued)

Related party transactions/balances	For the year ended 31 March 2025	For the period ended 31 March 2024
<u>Transactions for the period</u>		
Vedanta Resources Investments Limited :		
Brand License and Strategic Service Fees *	1.00	1.00
Vedanta Limited :		
Investments received during the period as Share Capital	-	1.00
Short term borrowings taken during the year	8.89	-
Repayment of short term Borrowings	5.00	-
Interest paid during the year	0.43	-
<u>Balances at the year end</u>		
Vedanta Limited		
-Borrowings	3.89	-
-Accrued Interest	0.38	-

*The Company has a Brand license and strategic service fee agreement ("the Agreement") with Vedanta Resources Limited, Vedanta Resources Investments Limited ("VRIL") for the use of brand 'Vedanta' and providing strategic services which envisaged payment to VRIL at the rate of 3% of turnover of the Company or Rs. 1 Lakh whichever is higher. The Company has recorded an expense of Rs. 1 Lakh for the year. (Rs. 1 lakh 2024).

18 Subsequent events:

There are no other material adjusting or non-adjusting subsequent events.

19 Financial instruments

Fair values

(a) The carrying amounts of other receivables, cash at bank, borrowings and other payables approximate their fair values.

Categories of financial instruments:

Particulars	As at 31st March 2025	As at 31st March 2024
Financial assets		
Loan and receivables (including cash and cash equivalents)	0.86	1.00
Financial liabilities		
Loans and payables	5.08	1.66

(b) Market Risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.



Vedanta Iron and Steel Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

19 Financial instruments(Continued)**(c) Interest Rate Risk Management**

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

At 31 March 2025, the Company's net debt of ₹ 3.13 Lakhs (31 March 2024: ₹(1) lakhs) comprises debt of ₹ 3.89 Lakhs (31 March 2024: Nil) offset by cash, bank of ₹ 0.76 Lakhs (31 March 2024: 1 Lakhs).

The Company is not exposed to interest rate risk as all the short-term and long-term borrowings are on fixed interest rate.

(d) Currency Risk Management

The Company is not exposed to the risk that may change in a manner which has material effect on the reported values of the Company's assets which are denominated in other foreign currencies at reporting period.

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

Particulars	Financial Assets	Financial Liabilities
	As at 31 March 2025	As at 31 March 2025
INR	0.86	5.08

Particulars	Financial Assets	Financial Liabilities
	As at 31 March 2024	As at 31 March 2024
INR	1.00	1.66

As at 31 March 2025 the Company does not have any material exposure to foreign currencies and consequently the sensitivity relative to foreign currencies has not been disclosed.

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below illustrates the aged analysis of the Company's financial liabilities.

As at 31st March 2025

Payments due by year	Up to 1 Year	Total
Trade Payables	0.81	0.81
Borrowings*	4.27	4.27
Total	5.08	5.08

* Includes accrued interest



Vedanta Iron and Steel Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

19 Financial instruments(continued)**(e) Liquidity risk(continued)**

As at 31st March 2024

Payments due by year	Up to 1 Year	Total
Trade Payables	0.81	0.81
Borrowings	-	-
Total	0.81	0.81

(f) Capital risk management

For the purpose of the capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The capital structure of the Company consists of stated capital, retained earnings and net debt.

19 Scheme of Arrangement

The Board of Directors of holding company, i.e. Vedanta Limited, in its meeting held on 29 September 2023, had approved a Scheme of Arrangement ("the Original Scheme") for demerger of various businesses of the holding Company, namely, demerger of the holding company's Aluminium (represented by the Aluminium segment), Merchant Power (represented by the Power segment), Oil & Gas (represented by the Oil and Gas segment), Base Metals (represented by the Copper and Zinc International segment) and Iron Ore (represented by Iron Ore segment and Steel business) Undertakings, resulting in 6 separate companies (including Vedanta Limited, being the demerged Company), with a mirrored shareholding and consequent listings at BSE Limited and National Stock Exchange of India Limited ("the Stock Exchanges"). The Board of Directors of the Company in the meeting held on 13 October 2023, had also approved the Scheme. The Stock Exchanges gave their observation letter / no adverse observation letter to the Scheme in July 2024.

A first motion application, in respect of the Original Scheme, was filed by demerged company (i.e., Vedanta Limited) and four resulting companies (i.e., Vedanta Aluminium Metal Limited ("VAML"), Malco Energy Limited ("MEL"), Vedanta Base Metals Limited ("VBML") and Vedanta Iron and Steel Limited ("VISL") before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") on 06 August 2024 (VEDL 1st Motion). The Hon'ble NCLT, vide order dated 21 November 2024 ("VEDL NCLT Order"), inter alia directed: (i) Vedanta Limited to convene a meeting of its equity shareholders, secured creditors and unsecured creditors within 90 days of the date of receipt of the order; (ii) MEL to convene a meeting of its secured creditors and unsecured creditors within 90 days of the date of receipt of the order; and (iii) dispensed with the meeting of: (a) equity shareholders of VAML, MEL, VBML and VISL; and (b) secured creditors and unsecured creditors of VAML, VBML and VISL.

Subsequent to the above, in December 2024, by way of Board Resolutions dated 20 December 2024 and 23 December 2024, the Board of Vedanta Limited and other five resulting companies (including the Company), respectively, decided not to proceed with the implementation of Part V of the Original Scheme i.e., demerger of Base Metal undertaking into VBML, along with making appropriate updates to the Original Scheme ("Updated Scheme"). The non-implementation of the demerger of the Base Metals undertaking shall not affect any other parts of the Original Scheme described above.

A separate first motion application had been filed by Talwandi Sabo Power Limited ("TSPL"), one of the resulting companies, with the Hon'ble NCLT, Mumbai on 22 October 2024 ("TSPL 1st Motion"), given TSPL's registered office (RO) was in the process of being changed from Mansa, Punjab to Mumbai, Maharashtra at the time of filing VEDL 1st Motion. The Hon'ble NCLT, by its order dated 04 March 2025, disposed the TSPL 1st Motion rejecting the Scheme presented by TSPL pursuant to TSPL 1st Motion ("TSPL NCLT Order"). TSPL has filed an appeal against the TSPL NCLT Order before the Hon'ble National Company Law Appellate Tribunal, New Delhi (NCLAT) on 3 April, 2025.

In compliance with the VEDL NCLT Order, the meeting of the equity shareholders, secured creditors and unsecured creditors of Vedanta Limited and secured creditors and unsecured creditors of MEL was held through VC/OAVM on 18 February 2025 and the Updated Scheme (with modification to exclude demerger of Base Metals Undertaking) was approved by the equity shareholders, secured creditors and unsecured creditors of Vedanta Limited and secured and unsecured creditors of MEL.



Vedanta Iron and Steel Limited

Notes forming part of the financial statements as at and for the year ended 31 March 2025

Additional Regulatory Information

- 1 The Company does not own any immovable property during the year.
- 2 The Company does not have any Capital Work in progress or Intangible assets under development during the year.
- 3 The Company does not have Property, Plant or Equipment and hence no revaluation has been done accordingly during the year.
- 4 The Company has not granted any loans or advances to promoters, directors, key managerial personnel (KMPs) and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are :
(a) Repayable on demand or
(b) Without specifying any terms or period of repayment
- 5 The Company has not availed any borrowings from banks or financial institutions based on the security of current assets of other companies / entities within the same Group as the reporting entity.
- 6 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 7 The Company has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 8 The Company has not traded or invested in any crypto or virtual currency.
- 9 The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities.
The Company has not received any fund from any person(s) or entity(ies), including foreign entities.
- 10 The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- 11 The Company does not have any secured external borrowings during the period and hence registration of charges or satisfaction not required.
- 12 The Company does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 during the year.
- 13 In accordance Sec 135 and 198 of the Companies Act, 2013, the Company is incurring losses since the date of incorporation and hence the Company is not required to incur any expenditure in pursuance of the CSR Policy for the FY 2024-25 (31 March 2024: Nil).

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

As per our attached report of even date

Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 103523W/W100048



Deepak Kabra

Partner

ICAI Membership Number: 133472

Place: Mumbai

Date: 17th April 2025



For and on behalf of the board of directors of Vedanta Iron and Steel Limited



Anup Agarwal

Director

DIN: 08551388

Place: Delhi

Date: 17th April 2025



Pankaj Jha

Director

DIN: 09114381

Place: Jharsuguda

Date: 17th April 2025