

INDUSTRIAL ENERGY LIMITED

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INDUSTRIAL ENERGY LIMITED
Report on the Financial Statements**

We have audited the accompanying financial statements of **INDUSTRIAL ENERGY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

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 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement 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 prescribed under section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) 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, 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.

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- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in term of Section 143 (11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W /W-100018)



Gurvinder Singh
Partner
Membership Number: 110128

MUMBAI, 17th May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **INDUSTRIAL ENERGY LIMITED** ("the Company") as of 31st March, 2016 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

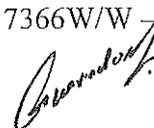
Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, 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.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)



Gurvinder Singh
Partner
Membership Number: 110128

MUMBAI, 17th May, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Industrial Energy Limited ('the Company')

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / transfer deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date

In respect of immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreements.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees which are covered under section 185 and 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have unclaimed deposits as at 31st March, 2016

and accordingly, provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act are not applicable to the Company.

- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
 - (c) There are no dues of income-tax, sales tax, service tax, customs duty, excise duty and value added tax as on 31st March, 2016 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

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- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W – 100018)



Gurvinder Singh
Partner
Membership Number: 110128

MUMBAI, 17th May, 2016

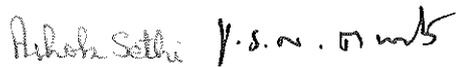
Industrial Energy Limited
Balance Sheet as at March 31, 2016

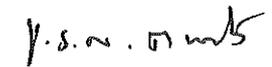
| Particulars | Note No. | As at | As at |
|---|----------|-----------------|-----------------|
| | | March 31, 2016 | March 31, 2015 |
| | | Rs. Crores | Rs. Crores |
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 3 | 666.00 | 628.80 |
| (b) Reserves and surplus | 4 | 68.06 | 62.12 |
| | | 734.06 | 690.92 |
| 2 Non-current liabilities | | | |
| (a) Long-term borrowings | 5A | 787.84 | 757.01 |
| (b) Deferred tax liabilities (Net) | 6 | 116.64 | 103.64 |
| | | 904.48 | 860.65 |
| 3 Current liabilities | | | |
| (a) Short-term borrowings | 5B | - | 102.15 |
| (b) Trade Payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises (Refer Note 21.2) | | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 34.19 | 35.23 |
| (c) Other current liabilities | 7 | 305.18 | 262.11 |
| (d) Short-term provisions | 8 | 60.69 | 76.25 |
| | | 400.06 | 475.74 |
| TOTAL | | 2,038.60 | 2,027.31 |
| B ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 9 | 1,423.50 | 748.95 |
| (ii) Capital work-in-progress | | 228.04 | 867.16 |
| | | 1,651.54 | 1,616.11 |
| (b) Long-term loans and advances | 10 | 49.06 | 93.50 |
| | | 1,700.60 | 1,709.61 |
| 2 Current assets | | | |
| (a) Current investments | 11 | 125.41 | 189.91 |
| (b) Inventories | 12 | 42.78 | 36.70 |
| (c) Trade receivables | 13 | 132.12 | 86.67 |
| (d) Cash and bank balances | 14 | 2.72 | 3.22 |
| (e) Short-term loans and advances | 15 | 0.52 | 1.03 |
| (f) Other Current Assets | 16 | 34.45 | 0.17 |
| | | 338.00 | 317.70 |
| TOTAL | | 2,038.60 | 2,027.31 |
| See accompanying notes forming part of the financial statements | 1-21 | | |

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

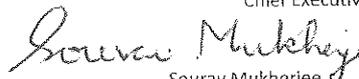

Gurvinder Singh
Partner

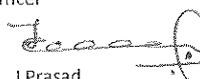
For and on behalf of the Board


Ashok S Sethi
Chairman


V S N Murty
Director


Vijayant Ranjan
Chief Executive Officer


Sourav Mukherjee
Chief Financial Officer


J Prasad
Secretary

MUMBAI, MAY 17, 2016

MUMBAI, MAY 17, 2016

Industrial Energy Limited
Statement of Profit and Loss for the year ended March 31, 2016

| Particulars | Note No. | For the year ended | |
|---|----------|--------------------|----------------|
| | | March 31, 2016 | March 31, 2015 |
| | | Rs. Crores | Rs. Crores |
| 1 Revenue from Operations | 17 | 513.83 | 516.70 |
| 2 Other Income | 18 | 12.46 | 10.51 |
| 3 Total revenue (1+2) | | 526.29 | 527.21 |
| 4 Expenses | | | |
| (a) Cost of fuel | | 217.32 | 241.83 |
| (b) Finance costs | 19 | 73.64 | 47.82 |
| (c) Depreciation | 9 | 51.14 | 45.32 |
| (d) Other expenses | 20 | 82.13 | 45.54 |
| Total expenses | | 424.23 | 380.51 |
| 5 Profit before tax (3-4) | | 102.06 | 146.70 |
| 6 Tax Expense: | | | |
| (a) Current tax expense | | 23.00 | 31.20 |
| (b) Deferred tax expense | | 13.00 | 103.64 |
| 7 Profit for the year (5-6) | | 66.06 | 11.86 |
| 8 Earnings per share basic & diluted (Face value Rs. 10 per share) | 21.7 | 1.01 | 0.22 |
| See accompanying notes forming part of the financial statements | 1-21 | | |

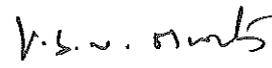
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For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



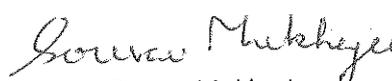
Gurvinder Singh
Partner

For and on behalf of the Board


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Director


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Chief Executive Officer


Sourav Mukherjee
Chief Financial Officer


J Prasad
Secretary

MUMBAI, MAY 17, 2016

MUMBAI, MAY 17, 2016

Industrial Energy Limited
Cash Flow Statement for the year ended March 31, 2016

| | For the year ended March 31, 2016 | | For the year ended March 31, 2015 |
|--|--------------------------------------|-----------------|--------------------------------------|
| | Rs. Crores | Rs. Crores | Rs. Crores |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before taxes | | 102.06 | 146.70 |
| Adjustment for: | | | |
| Depreciation | 51.14 | | 45.32 |
| Finance costs | 73.64 | | 47.82 |
| Profit on sale of investments | (12.46) | | (10.48) |
| | | 112.32 | 82.66 |
| Operating Profit before Working Capital Changes | | 214.38 | 229.36 |
| Adjustment for (increase)/decrease in operating assets: | | | |
| Inventories | (6.08) | | (3.66) |
| Trade receivables | (45.45) | | 1.63 |
| Other Current Assets | (34.28) | | - |
| Short-term loans and advances | 0.51 | | (0.72) |
| Long-term loans and advances | 0.01 | | 0.10 |
| Adjustment for increase/(decrease) in operating liabilities: | | | |
| Trade payables | (1.05) | | 2.06 |
| Other current liabilities | 29.02 | | (1.03) |
| | | (57.32) | (1.62) |
| Cash generated from Operations | | 157.06 | 227.74 |
| Taxes paid (Net) | | (25.36) | (30.18) |
| Net Cash from Operating Activities | A | 131.70 | 197.56 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on fixed assets, including capital advances | | (45.08) | (151.80) |
| Purchase of Investments | | (327.52) | (639.70) |
| Sale of Investments | | 405.52 | 666.51 |
| Dividend received | | - | 0.55 |
| Net Cash generated from/(used in) Investing Activities | B | 32.92 | (124.44) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Increase in Share Capital | | 37.20 | 295.80 |
| Proceeds from long-term borrowings | | 150.00 | 432.00 |
| Repayment of borrowings | | (77.60) | (77.60) |
| Interest paid | | (96.91) | (96.43) |
| Dividend Paid | | (62.88) | (66.60) |
| Dividend Distribution Tax Paid | | (12.80) | (11.32) |
| Inter Corporate Deposit Refunded | | (102.15) | (295.80) |
| Repayment of Short term borrowings | | - | (250.00) |
| Net Cash used in Financing Activities | C | (165.14) | (69.95) |
| Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C) | | (0.52) | 3.17 |
| Cash and Cash Equivalents as at April 1, 2015(Opening Balance) | | 3.22 | 0.05 |
| Cash and Cash Equivalents as at March 31, 2016(Closing Balance) | | 2.70 | 3.22 |

See accompanying notes forming part of the financial statements

Notes:

- (a) Cash and cash Equivalents include:
(i) Current Accounts with scheduled Banks

* Represents amount lower than Rupees Fifty Thousand

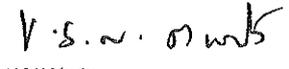
(b) Interest paid is inclusive of and purchase of Fixed Assets is exclusive of interest capitalized Rs 23.03 crores (March 31, 2015: Rs. 56.37 crores)

(c) Previous year's figures have been regrouped, wherever necessary, to conform to current year's classification.

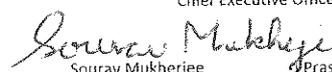
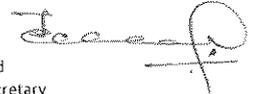
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For DELOITTE HASKINS & SELLS LLP
Chartered Accountants


Gurvinder Singh
Partner

For and on behalf of the Board

 
Ashok S Sethi V S N Murthy
Chairman Director


Vijayant Ranjan
Chief Executive Officer

 
Sourav Mukherjee Prasad
Chief Financial Officer Company Secretary

MUMBAI, MAY 17, 2016

MUMBAI, MAY 17, 2016

Note 1 Corporate Information

Industrial Energy Limited (IEL) was incorporated on 7th February, 2007 and has its registered office at Corporate Centre, 34, Sant Tukaram Road, Carnac Bunder, Mumbai (Maharashtra). IEL is a venture between The Tata Power Company Limited holding 74% of the equity share capital and Tata Steel Limited holding 26% equity share capital of the Company. IEL has been incorporated with the view to setting up power plants and will be classified as captive power plants of Tata Steel Limited. These power plants would be supplying power to Tata Steel Limited. At present the Company has two power plants namely Power House 6 (PH#6) plant of 120 MW inside Tata Steel Limited premises at Jamshedpur Works and Power Plant namely Unit 5 plant of 120 MW inside The Tata Power Company Limited premises at Jamshedpur. The 3 X 67.5 MW Production Gas based power project inside Tata Steel Complex at Kalinganagar is in the verge of completion and the plant is expected to be operational from the current financial year. Apart from this the Company is also under construction for 3 X 150 MW Coal based Power project inside Tata Steel Plant at Kalinganagar, Odisha.

Note 2 Significant accounting policies

(a) Basis for accounting and preparation of financial statement:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(c) Inventories:

Inventories of fuel, stores, spare parts and loose tools and fuel are valued at cost and net realisable value, whichever is lower. Cost is ascertained on weighted average basis.

(d) Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand. 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.

(e) Cash flow statement:

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

(f) Depreciation:

Depreciation on fixed assets has been provided on the straight line method using the methodology and the rates notified by the Central Electricity Regulatory Commissions (Terms and Conditions of Tariffs) Rules, 2014.

(g) Revenue recognition:

Revenue from power supply is accounted for on the basis of billings to customer and includes unbilled revenues accrued upto the end of the year.

Note 2: Significant accounting policies (contd.)

(h) Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

(i) Fixed assets:

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(j) Foreign exchange transactions:

Foreign currency transactions are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in currencies other than the reporting currency are restated at the rates of exchange prevailing at the balance sheet date. Exchange difference arising on the settlement/restatement of monetary items are included in the statement of profit and loss for the year.

(k) Investments:

Current investments are carried at lower of cost and fair value.

(l) Borrowing cost:

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalized as part of the cost of such assets till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the statement of profit and loss in the period in which they are incurred.

(m) Earnings per share:

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.



Note 2: Significant accounting policies (contd.)

(n) Taxes on income:

Current taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred taxes

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

(o) Provision, contingent liabilities and contingent assets:

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resource will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. A Contingent asset is neither recognized nor disclosed in the financial statements.

Note 3 Shareholders' funds - Share capital

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|--|-------------------------|------------|-------------------------|------------|
| | Number of shares | Rs. Crores | Number of shares | Rs. Crores |
| (a) Authorised | | | | |
| Equity shares of Rs. 10 each | 2,000,000,000 | 2,000.00 | 2,000,000,000 | 2,000.00 |
| (b) Issued, subscribed and fully paid up | | | | |
| Equity shares of Rs. 10 each | 666,000,000 | 666.00 | 628,800,000 | 628.80 |

Notes :

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period.

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|--------------------------------------|-------------------------|------------|-------------------------|------------|
| | Number of shares | Rs. crores | Number of shares | Rs. crores |
| Issued, subscribed and fully paid up | | | | |
| At the beginning of the year | 628,800,000 | 628.80 | 333,000,000 | 333.00 |
| Add: Issued during the year | 37,200,000 | 37.20 | 295,800,000 | 295.80 |
| Outstanding at the end of the year | 666,000,000 | 666.00 | 628,800,000 | 628.80 |

ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividend as and when the company declares and pays dividend after obtaining shareholders approval. Dividends are paid in Indian Rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the 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.

During the year ended 31st March, 2016, the amount of per share dividend recognised as distribution to equity shareholder was Rs. xxx per share (March 31, 2015: Rs. 1 per share).

(iii) 492,840,000 shares (March 31, 2015- 465,312,000 shares) is held by The Tata Power Company Limited, the holding company.

iv) Details of shares held by each shareholders holding more than 5% shares

| Class of shares / name of shareholders | As at March 31, 2016 | | As at March 31, 2015 | |
|--|-------------------------|-----------------------------------|-------------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares of Rs.10/- each fully paid | | | | |
| The Tata Power Company Limited (Holding company) | 492,840,000 | 74% | 465,312,000 | 74% |
| Tata Steel Limited | 173,160,000 | 26% | 163,488,000 | 26% |
| | 666,000,000 | 100% | 628,800,000 | 100% |

Industrial Energy Limited
Notes forming part of the financial statements

Note 4 Shareholders' funds - Reserves and surplus

| | As at March 31, 2016 Rs. Crores | As at March 31, 2015 Rs. Crores |
|---|---------------------------------------|---------------------------------------|
| (a) General Reserve | | |
| Opening balance | 12.72 | 12.72 |
| Add: Amount transferred from Surplus in Statement of Profit and Loss | 6.61 | - |
| Closing balance | <u>19.33</u> | <u>12.72</u> |
| (b) Surplus in Statement of Profit and Loss | | |
| Opening balance | 49.40 | 113.22 |
| Add: Profit for the year | 66.06 | 11.86 |
| Less: Proposed dividend (amount Rs. 0.75 per share of face value of Rs.10 each) (31st March, 2015- Rs 1 per share) | 49.95 | 62.88 |
| Additional income tax on dividend | 10.17 | 12.80 |
| Transfer to General Reserve | 6.61 | - |
| Closing balance | <u>48.73</u> | <u>49.40</u> |
| Total | <u><u>68.06</u></u> | <u><u>62.12</u></u> |

Note 5 Borrowings

| | As at March 31, 2016 | | As at March 31, 2015 | |
|---|---------------------------|-----------------------|---------------------------|-----------------------|
| | Non current Rs. Crores | Current Rs. Crores | Non current Rs. Crores | Current Rs. Crores |
| A. Long-term Borrowings | | | | |
| Secured | | | | |
| From Banks | | | | |
| (a) State Bank of Patiala | 65.60 | 20.00 | 85.60 | 20.00 |
| (b) Allahabad Bank | 65.60 | 20.00 | 85.60 | 20.00 |
| (c) Jammu & Kashmir Bank | 24.93 | 7.60 | 32.53 | 7.60 |
| (d) IDFC Bank (Jamshedpur)* | 32.80 | 10.00 | - | - |
| (e) IDFC Bank (KPO)* | 116.07 | 8.93 | - | - |
| (f) HDFC Bank | 261.86 | 20.14 | 282.00 | - |
| (g) Kotak Mahindra Bank | 162.50 | 12.50 | 100.00 | - |
| From Financial Institutions | | | | |
| (h) Infrastructure Development Finance Corporation Limited* | 58.48 | 20.00 | 171.28 | 30.00 |
| | <u>787.84</u> | <u>119.17</u> | <u>757.01</u> | <u>77.60</u> |

*Consequent to conversion of IDFC Limited to a scheduled bank - IDFC Bank Limited

Notes :

(i) Security:

- (a) The loans from State Bank of Patiala, Allahabad Bank, Jammu & Kashmir Bank, IDFC Bank and Infrastructure Development Finance Corporation Limited mentioned in (a), (b), (c), (d) and (h) above are secured by first charge on all movable and immoveable properties of the project at Jamshedpur namely power house 6 and unit 5.
- (b) The loan from IDFC Bank, HDFC Bank and Kotak Mahindra Bank mentioned in (e), (f) and (g) above respectively have been secured by first charge on all the movable assets (both tangible and intangible), monies maintained by the Company in the Debt Service Reserve Account (DSRA) pertaining to the Kalinganagar Project (KPO Project) and all current assets of the KPO Project both present and future.

(ii) Terms of repayment for Long-term Borrowings

- (c) The Loan from Banks and Financial Institutions mentioned in (a), (b), (c), (d) and (h) above are repayable at par in 40 quarterly installments of Rs. 19.40 crores each commencing from 15th April, 2010.
- (d) The Loan from Banks and Financial Institutions mentioned in (e), (f) and (g) above are repayable at par in 56 quarterly installments of Rs. 10.39 each (of disbursed amount of Rs. 582 crores) commencing from 30th June, 2016.

B. Short-term Borrowings

Unsecured

| | As at March 31, 2016 Rs. Crores | As at March 31, 2015 Rs. Crores |
|--|---------------------------------------|---------------------------------------|
| a) Inter corporate deposits from Related Parties | | |
| - The Tata Power Company Limited (Holding Company) | - | 39.86 |
| - Tata Steel Limited | - | 62.29 |
| | <u>-</u> | <u>102.15</u> |

Note :

Inter corporate deposit received from The Tata Power Company Limited and Tata Steel Limited is repayable on call.

Industrial Energy Limited
Notes forming part of the financial statements

Note 6 Deferred tax liabilities (net)

Deferred tax liability on account of:
Relating to fixed assets

| | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| | Rs. Crores | Rs. Crores |
| | 116.64 | 103.64 |
| | 116.64 | 103.64 |

Note 7 Other current liabilities

(a) Current maturities of long-term debt (Refer Note 5A)

(b) Other payables

(i) Interest accrued but not due on borrowings

(ii) Payables on purchase of fixed assets

(iii) Tariff Adjustments Account (Net)

(iv) Tender deposit received from customers

(v) Statutory remittances

| | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| | Rs. Crores | Rs. Crores |
| | 119.17 | 77.60 |
| | 3.13 | 3.37 |
| | 153.44 | 180.72 |
| | 28.01 | - |
| | - | 0.18 |
| | 1.43 | 0.24 |
| | 305.18 | 262.11 |

Note 8 Short-term provisions

Provision for tax (net of advance tax Rs. 54.13 crores (March 31, 2015: Rs. 54.13 crores))

Provision for proposed dividend

Provision for additional income-tax on dividend

| | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| | Rs. Crores | Rs. Crores |
| | 0.57 | 0.57 |
| | 49.95 | 62.88 |
| | 10.17 | 12.80 |
| | 60.69 | 76.25 |

Industrial Energy Limited
Notes forming part of the financial statements

Note 9 Fixed assets
Tangible assets

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|----------------------------------|------------------------------|----------------------------------|----------------------------------|---------------------|------------------------------|-------------------------------|---------------------|----------------------|----------------------|
| | As at 01-04-2015 (at cost) | Additions during the year | Deductions during the year | As at 31-03-2016 (at cost) | As at 01-04-2015 | Additions during the year | Deductions during the year | As at 31-03-2016 | As at 31-03-2016 | As at 31-03-2016 |
| 1. Freehold land | 18.35 (18.35) | - | - | 18.35 (18.35) | - | - | - | - | 18.35 (18.35) | - |
| 2. Buildings - plant (Refer note 1 and 2) | 179.02 (178.96) | 121.03 (0.06) | - | 300.05 (179.02) | 53.17 (45.86) | 8.10 (7.31) | - | 61.27 (53.17) | 238.78 (125.85) | 238.78 (125.85) |
| 3. Buildings- others (Refer note 2) | 6.71 (6.64) | - | - | 6.71 (6.71) | 1.40 (1.10) | 0.15 (0.30) | - | 1.55 (1.40) | 5.16 (5.31) | 5.16 (5.31) |
| 4. Plant and machinery (Refer note 2) | 893.43 (895.68) | 601.14 | - | 1,494.57 (893.43) | 294.91 (257.44) | 42.83 (37.47) | - | 337.74 (294.91) | 1,156.83 (598.52) | 1,156.83 (598.52) |
| 5. Furniture and fixtures | 1.09 (1.07) | 2.25 (0.02) | - | 1.78 (1.09) | 0.52 (0.41) | 0.05 (0.11) | - | 0.57 (0.52) | 1.21 (0.57) | 1.21 (0.57) |
| 6. Office equipment | 0.75 (0.70) | 2.83 (0.05) | - | 3.58 (0.75) | 0.40 (0.27) | 0.01 (0.13) | - | 0.41 (0.40) | 3.17 (0.35) | 3.17 (0.35) |
| TOTAL | 1,099.35 | 725.69 | - | 1,825.04 | 350.40 | 51.14 | - | 401.54 | 1,423.50 | 1,423.50 |
| Previous Year | 1,101.40 | (2.05) | - | 1,099.35 | 305.08 | 45.32 | - | 350.40 | 748.95 | 748.95 |

Notes:

- Buildings entirely consists of civil structures containing thermal generating plant.
- The first thermal generating unit commissioned during the financial year 2009-2010 has been constructed on land which has been leased from Tata Steel Limited for a period of 30 years. The lease agreement for land on which Kalanganagar thermal power generating unit has been constructed is yet to be finalized.

Industrial Energy Limited
Notes forming part of the financial statements

Note 10 Long-term loans and advances

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| | Rs. Crores | Rs. Crores |
| Unsecured, considered good | | |
| (a) Capital advances | 45.24 | 92.03 |
| (b) Security deposits | 0.36 | 0.37 |
| (c) Advance income-tax (net of provision for tax Rs. 43.22 crores (March 31, 2015: Rs. 39.73 crores)) | 3.46 | 1.10 |
| | 49.06 | 93.50 |

Note 11 Current investments (at lower of cost and fair value)

| Particulars | Face Value | Units | As at | Units | As at |
|--|------------|-----------|----------------|----------------|---------------|
| | | | March 31, 2016 | March 31, 2015 | |
| | Rupees | | Rs. Crores | | Rs. Crores |
| Investments in mutual funds- unquoted | | | | | |
| (a) ICICI Prudential Liquid -Regular Plan - Growth | 100 | 1,100,769 | 23.46 | 1,012,435 | 19.75 |
| (b) Tata Money Market Fund Plan A - Growth | 1,000 | 50,978 | 11.51 | 116,763 | 25.21 |
| (c) Religare Invesco Liquid Fund - Growth | 1,000 | 41,799 | 8.50 | 135,552 | 25.45 |
| (d) JM High Liquidity Fund - Growth | 10 | 2,921,385 | 11.63 | 2,786,684 | 10.08 |
| (e) L&T Liquid Fund - Growth | 1,000 | 5,627 | 1.09 | 57,784 | 11.00 |
| (f) Axis Liquid Fund - Growth | 1,000 | 113,214 | 17.94 | 190,902 | 28.70 |
| (g) DSP BlackRock Liquidity Fund -Institutional - Growth | 1,000 | 109,195 | 22.30 | 83,497 | 16.36 |
| (h) Kotak Liquid Scheme Plan A - Growth(Regular Plan) | 1,000 | 33,458 | 9.87 | - | - |
| (i) HDFC Liquid Fund-Growth | 10 | 25,460 | 7.50 | 8,086,164 | 21.04 |
| (j) IDFC Cash Fund-Regular Plan-Growth Option | 1,000 | 43,822 | 7.76 | - | - |
| (k) ICICI Prudential Saving Fund - Regular Plan -Growth | 100 | - | - | 1,080,200 | 22.30 |
| (l) IDFC Cash Fund-Regular Plan-Growth Option | 1,000 | - | - | 41,328 | 7.01 |
| (m) Tata Liquid Fund Plan A - Growth | 1,000 | - | - | 11,685 | 3.01 |
| (n) Sundaram Money Fund Regular Growth | 1,000 | 1,226,819 | 3.85 | - | - |
| | | | 125.41 | | 189.91 |

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

| | As at | As at |
|----------------------------|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| | Rs. Crores | Rs. Crores |
| (a) Fuel | 30.81 | 24.79 |
| (b) Stores and spare parts | 11.97 | 11.91 |
| | 42.78 | 36.70 |

Industrial Energy Limited
Notes forming part of the financial statements

Note 13 Trade receivables

| | As at March 31, 2016 Rs. Crores | As at March 31, 2015 Rs. Crores |
|---|---------------------------------------|---------------------------------------|
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Unsecured considered good) | 3.35 | - |
| Other Trade receivables : Unsecured considered good | 128.77 | 86.67 |
| | 132.12 | 86.67 |

Note 14 Cash and bank balances

| | As at March 31, 2016 Rs. Crores | As at March 31, 2015 Rs. Crores |
|--|---------------------------------------|---------------------------------------|
| (a) Balances with banks in current accounts | 2.72 | 3.22 |
| | 2.72 | 3.22 |
| Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statement | 2.72 | 3.22 |

Note 15 Short-term loans and advances

| | As at March 31, 2016 Rs. Crores | As at March 31, 2015 Rs. Crores |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Unsecured, considered good | | |
| (a) Security deposits given to others | - | 0.08 |
| (b) Prepaid Expenses | - | 0.80 |
| (c) Other advances | 0.52 | 0.15 |
| | 0.52 | 1.03 |

Note 16 Other current assets

| | As at March 31, 2016 Rs. Crores | As at March 31, 2015 Rs. Crores |
|---|---------------------------------------|---------------------------------------|
| Unbilled revenue - unsecured, considered good | 34.45 | - |
| Other current assets | - | 0.17 |
| | 34.45 | 0.17 |

* Represents amount lower than Rs. 50,000/-

Industrial Energy Limited
Notes forming part of the financial statements

Note 17 Revenue from operations

| | For the year ended | |
|-------------------------------|--------------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| | Rs. Crores | Rs. Crores |
| (a) Revenue from power supply | 513.80 | 516.37 |
| (b) Other operating revenue | 0.03 | 0.33 |
| | 513.83 | 516.70 |

Note 18 Other income

| | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| | Rs. Crores | Rs. Crores |
| (a) Dividend income from current investments | - | 0.55 |
| (b) Gain on sale of current investments (net) | 13.51 | 11.18 |
| (c) Liquidated damages recovered | - | 0.03 |
| | 13.51 | 11.76 |
| Less: Income Capitalized | | |
| i) Dividend income from current investments | - | 0.55 |
| ii) Gain on sale of current investments (net) | 1.05 | 0.70 |
| | 12.46 | 10.51 |

Note 19 Finance costs

| | For the year ended | |
|--------------------------------|--------------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| | Rs. Crores | Rs. Crores |
| Interest expenses | | |
| 1) On Fixed Period Loans | 93.37 | 70.71 |
| 2) Interest on Short Term Loan | - | 4.93 |
| 3) On Inter corporate deposits | 2.84 | 23.23 |
| 4) Other Interest | 0.46 | 5.32 |
| | 96.67 | 104.19 |
| Less: Interest capitalised | 23.03 | 56.37 |
| | 73.64 | 47.82 |

Note 20 Other expenses

| | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| | Rs. Crores | Rs. Crores |
| (a) Consumption of stores | 2.03 | 2.92 |
| (b) Repairs & Maintenance- Plant and Machinery | 6.13 | 4.77 |
| (c) Power consumption | 2.16 | - |
| (d) Cost of services | 40.49 | 26.96 |
| (e) Raw water consumed | 18.09 | 2.76 |
| (f) Insurance | 1.98 | 2.04 |
| (g) Other operating expenses | 3.22 | 0.02 |
| (h) Payments to auditors (including service tax) | | |
| (i) As auditors - Statutory audit | 0.29 | 0.15 |
| (ii) As auditors - Taxation matters | 0.09 | 0.04 |
| (iii) For other services | 0.02 | 0.02 |
| (i) Fly ash disposal expenses | 3.49 | 3.35 |
| (j) Expenditure on Corporate Social Responsibility | 2.52 | 1.50 |
| (k) Director's fees | 0.14 | - |
| (l) Miscellaneous expenses | 1.48 | 1.01 |
| | 82.13 | 45.54 |

Note 21 Additional information

21.1 Contingent liabilities and Commitments (to the extent not provided for)

(a) Contingent liabilities

The Power Purchase Agreement entered for Unit 5 requires that the company be given an agreed Return of Equity. As per PPA amount payable as Dividend Distribution Tax (DDT) by the Company be recovered from Tata Steel Limited (TSL) as part of the tariff. TSL has requested that the DDT for the period FY -12 to FY-15 be refunded, since there is a set-off allowed of the DDT from the financial year April 2011. The total amount claimed by TSL is Rs 30.38 Crores. The Company is in negotiations with TSL to resolve the same.

(b) Commitments

- (i) Estimated amount of contracts remaining to be executed (net of capital advance) on capital account and not provided for
Tangible assets

| | As at March 31, 2016 Rs. Crores | As at March 31, 2015 Rs. Crores |
|--|---------------------------------------|---------------------------------------|
|--|---------------------------------------|---------------------------------------|

| | | |
|--|-------|-------|
| | 25.28 | 99.47 |
|--|-------|-------|

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

Based on the information received by the Company from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to any supplier covered under this Act, as at 31st March, 2015 and hence, the disclosure relating to the amounts unpaid as at the year end with interest paid or payable as required under the said Act have not been given.

21.3 C.I.F Value of Imports

Stores and Spare Parts

| | March 31, 2016 Rs. crores | March 31, 2015 Rs. crores |
|--|------------------------------|------------------------------|
| | - | 0.40 |
| | - | 0.40 |

21.4 Value of stores and spare parts consumed (including fuel consumed)

(a) Imported

(b) Indigenous

| | March 31, 2016 | | March 31, 2015 | |
|----------------|----------------|---------|----------------|---------|
| | Rs. crores | | Rs. crores | |
| (a) Imported | - | 0.00% | 0.26 | 0.10% |
| (b) Indigenous | 225.40 | 100.00% | 249.26 | 99.90% |
| | 225.40 | 100.00% | 249.52 | 100.00% |

21.5 Segment Reporting

The Company is engaged in generation of power for sale to Tata Steel Limited. Consequently, there are no separate reportable segments as per the requirements of Accounting Standard 17: 'Segment Reporting'.

INDUSTRIAL ENERGY LIMITED

Notes forming part of the financial statements

Note 21(contd.)

Note 21.6 : Related Party Disclosures

Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" are as follows:

(a) Names of the Holding Company and Co-Promoter:

| Sr. No. | Name of the related party | Nature of relationship | Country of origin |
|---------|--------------------------------|------------------------|-------------------|
| i) | The Tata Power Company Limited | Holding Company | India |
| ii) | Tata Steel Limited | Co-Promoter | India |

(b) Related party disclosure where transactions have taken place

| | | | |
|------|--------------------------------------|-------------------------|-------|
| i) | Maithon Power Limited | Fellow Subsidiary | India |
| ii) | Coastal Gujarat Power Limited (CGPL) | Fellow Subsidiary | India |
| iii) | Mr. Vijayant Ranjan | Chief Executive Officer | India |

(c) Details of Transactions:

| | Rs. Crores | | | | |
|--|--------------------------------|--------------------|-------------------|--------|-----------------------|
| | The Tata Power Company Limited | Tata Steel Limited | Maithon Power Ltd | CGPL | Key Management person |
| Revenue from Operations | - | 513.80 | - | - | - |
| Receiving of operation related services | 40.49 | (516.37) | - | - | - |
| Receiving of project related services | (26.96) | - | - | - | - |
| Receiving of goods | 2.37 | - | - | - | - |
| Receiving of other services | (4.09) | - | - | - | - |
| Refund of Inter Corporate Deposit (ICD) | 9.38 | 220.16 | * | - | - |
| Equity Contribution | (1.46) | (237.53) | - | (0.60) | - |
| Interest expenses on ICD | (0.05) | - | - | - | - |
| Dividend paid | 39.86 | 62.29 | - | - | - |
| Remuneration to Chief Executive Officer | (218.89) | (76.91) | - | - | 0.83 |
| | 27.53 | 9.67 | - | - | (0.61) |
| | 1.05 | 1.79 | - | - | - |
| | (13.44) | (9.79) | - | - | - |
| | 46.53 | 16.35 | - | - | - |
| | (49.28) | (17.32) | - | - | - |
| Receivable at the period / year end | - | 166.57 | - | - | - |
| Payable relating to inter corporate deposits at the period/year end (including interest) | - | (86.67) | - | - | - |
| Other Payable at the period / year end | (39.86) | (62.29) | - | - | - |
| Proposed Dividend Payable | 25.50 | 1.57 | - | - | - |
| | (1.93) | - | - | - | - |
| | 36.96 | 12.99 | - | - | - |
| | (46.53) | (16.35) | - | - | - |

* Represents amount lower than Rs. 50,000/-

Note: Previous year's figures are in brackets.

Note 21 (contd.)

21.7 Earnings per share (EPS)

| | | For the year ended | |
|---|-----------|--------------------|----------------|
| | | March 31, 2016 | March 31, 2015 |
| Basic and Diluted EPS | | | |
| Net profit attributable to the equity shareholders - (Rs. Crores) | (A) | 66.06 | 11.86 |
| The weighted average number of equity shares | (B) | 654,311,475 | 542,304,763 |
| Par value per shares | (A) / (B) | 10 | 10 |
| Basic and Diluted Earnings Per Share | | 1.01 | 0.22 |

- 21.8 (a) Total number of electricity units sold during the year – 1730.14 Million Units (March 31, 2015 – 1580 Million Units).
(b) Total number of electricity units purchased during the year – Nil Units (March 31, 2015 – Nil Units).

21.9 During the year ended March 31, 2016, the Company has completed the reconciliation of the accounts of Unit 6 upto August'14 with Tata Steel Limited (TSL) and accordingly determined the Company has recovered excess revenue of Rs. 25.53 crores (and including provision for Truing up from Sep'14 to March'15) from Tata Steel Limited in respect of earlier years. Accordingly, revenue for the current year has been reduced by Rs 25.53 crores.

21.10 Government of Jharkhand (GoJ) had increased the water cess in 2012. TSL, vide its letter dated 14th March 2012, had communicated the same to the Company and also the fact that it was challenging the decision of GoJ before the Court-of-law. During the current year, TSL paid the disputed amount to GoJ effective from 2012 and raised supplementary arrear bills for the same on the Company. The Company has made provision of Rs 15.41 Crores for the same in FY16. Further, the Company is in discussion with TSL to re-imburse this amount as part of Inter-Annual Tariff adjustment exercise on the basis that such demands qualify for reimbursement under "change in circumstances" PPA clause.

21.11 The Company has capitalized 2 X 67.5 MW units at KPO-Kalinganagar in February 2016. The draft Power Purchase Agreement (PPA) between TSL and the Company is under discussion, and as an interim arrangement, the Company for the period from February 16 to March 16 has accounted Revenue of Rs 21.66 crores based on certain tariff principles based on preliminary discussions between the Company and TSL. Post finalization of PPA the Company would account for the difference between the interim billing and final tariff.

21.12 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.