

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Industrial Energy Limited

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

#### **Opinion**

We have audited the accompanying financial statements of Industrial Energy Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit/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 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.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' 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 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 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, in electronic mode on servers physically located in India so far as it appears from our examination of those books except that we were unable to verify the back up of books of accounts maintained in electronic mode for the period from August 05, 2022 to January 12, 2023, as necessary logs in respect of such period are not available with the company as stated in note 40 to the financial statements;
  - (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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



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- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29.2 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
  - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Sanjay Agarwal**

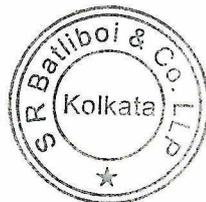
Partner

Membership Number: 055833

UDIN: 23055833BGXYJF4912

Place of Signature:

Date: April 13, 2023



**Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date**

Re: Industrial Energy Limited ("the Company")

**In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:**

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i)(a)(B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (i)(b) The Company has verified Property, Plant and Equipment in accordance with its regular programme of verification of these assets whereby all the assets are physically verified 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. No material discrepancies were identified on such verification.
- (i)(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 6.3 to the financial statements included in property, plant and equipment are held in the name of the Company, except the following, which is included in Finance lease receivable:

Description of Property	Amount in INR crores	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
One Building at Kalinganagar	19.07	Tata Steel Limited	Promoter	Since October 2019	The land on which the aforesaid Building is situated is in the name of Government of Odisha, which has been leased to Tata steel. The land can be used by sister concerns of Tata steel/Group company whose finished product can be used by Tata steel as input. However, the land cannot be registered in the name of any other Group Company.



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- (i)(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (i)(e) As represented to us by the management, 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 and no material discrepancies were noticed on such physical verification. In our opinion the coverage and the procedure of such verification by the management is appropriate.
- (ii)(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to 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), (c), (d) and (e) of the Order is not applicable to the Company.
- (iii)(b) During the year the Company has not provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. The investments made are not prejudicial to the Company's interest.
- (iii)(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 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) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (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.
- (vii)(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 the dues	Amount* (Rs. in crores)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994- Service Tax	Service Tax	0.60	April 2011- September 2015	CESTAT, Kolkata
Jharkhand Entry Tax Act, 2011	Entry Tax	38.02	2011-12 to 2017-18	Commissioner (Appeals)
Goods & Service Tax Act, 2017	Goods and Service tax – Jharkhand	1.57	April 2019 to March 2020	First Appellate Authority- Deputy Commissioner
	Goods and Service tax – Odisha	0.25	July 2017 to March 2018	First Appellate Authority- Joint Commissioner

\* Net of payment under protest

- (viii) As represented to us by the management, 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.
- (ix)(b) As represented to us by the management, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix)(c) Term loans obtained during the year were applied for the purpose for which the loans were obtained.
- (ix)(d) The Company did not raise any short term funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (ix)(e) and (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and (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.
- (x)(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) As represented to us by the management, no fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.



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- (xi)(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 clauses 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 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the 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.
- (xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (xvi)(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.
- (xvi)(d) As represented to us by the management, the Group has 6 Core Investment Companies as a part of the Group.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 33 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.



# **S.R. BATLIBOI & Co. LLP**

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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 35 to the financial statements.
- (xx)(b) The Company has not transferred the amount remaining unspent in respect of ongoing projects, to a Special Account, till the date of the report. However, the period for such transfer i.e., thirty days from the end of the financial year as permitted under sub section (6) of section 135 of the Companies Act, has not elapsed till the date of our report.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Sanjay Agarwal**

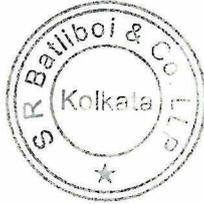
Partner

Membership Number: 055833

UDIN: 23055833BGXYJF4912

Place of Signature: Kolkata

Date: April 13, 2023



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDUSTRIAL ENERGY LIMITED**

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

We have audited the internal financial controls with reference to financial statements of Industrial Energy Limited ("the Company") as of March 31, 2023 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 these 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 [Standalone] 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Sanjay Agarwal**

Partner

Membership Number: 055833

UDIN: 23055833BGXYJF4912

Place of Signature: Kolkata

Date: April 13, 2023



**Industrial Energy Limited**

Balance Sheet as at 31 March, 2023

All amounts are in Rs. Crores unless otherwise stated

Particulars	Notes	As at	As at
		31-Mar-23	31-Mar-22
		Audited	Audited
<b>ASSETS</b>			
Non-current Assets			
(a) Property, plant and equipment	4	5.85	6.54
(b) Capital Work-in-Progress	5	279.91	363.48
(c) Financial Assets			
(i) Finance Lease Receivables	6	1,335.73	1,249.37
(ii) Other Financial Assets	7	22.80	21.98
(d) Non-current Tax Assets (Net)		12.06	10.54
(e) Other Non-current Assets	8	78.88	93.39
<b>Total Non-current Assets</b>		<b>1,735.23</b>	<b>1,745.30</b>
Current Assets			
(a) Inventories	9	36.81	32.29
(b) Financial Assets			
(i) Investments	10	119.82	98.58
(ii) Trade Receivables	11	24.65	26.34
(iii) Cash and Cash Equivalents	12	23.49	4.45
(iv) Finance Lease Receivables	6	63.39	50.31
(v) Other Financial Assets	7	15.84	14.92
(c) Other Current Assets	8	17.59	18.81
<b>Total Current Assets</b>		<b>301.59</b>	<b>245.70</b>
<b>TOTAL ASSETS</b>		<b>2,036.82</b>	<b>1,991.00</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
(a) Equity Share Capital	13	666.00	666.00
(b) Other Equity	14	417.80	301.67
<b>Total Equity</b>		<b>1,083.80</b>	<b>967.67</b>
<b>LIABILITIES</b>			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	415.58	465.13
(b) Provisions	16	9.14	9.70
(c) Deferred Tax Liabilities (Net)	17	238.05	217.58
<b>Total Non-current Liabilities</b>		<b>662.77</b>	<b>692.41</b>
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	69.55	66.93
(ii) Trade Payables			
(a) Total outstanding dues of micro and small enterprises	19	12.40	1.66
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	23.58	27.71
(iii) Other Financial Liabilities	20	175.58	223.51
(b) Provisions	16	0.36	0.38
(c) Other Current Liabilities	21	8.78	10.73
<b>Total Current Liabilities</b>		<b>290.25</b>	<b>330.92</b>
<b>Total Liabilities</b>		<b>953.02</b>	<b>1,023.33</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,036.82</b>	<b>1,991.00</b>

See accompanying notes to the financial statements

As per our report of even date

For and on behalf of the Board of Directors

For S.R.BATLIBOI & CO LLP  
ICAI Firm Registration no : 301003E/E300005  
Chartered Accountants

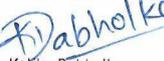
  
per Sanjay Agarwal  
Partner  
Membership no : 055833

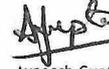


Kolkata, April 13, 2023

  
Vijay V. Namjoshi  
Director  
Mumbai

  
Jagmit Singh Sidhu  
Chief Executive Officer  
Jamshedpur

  
Katika Dabholkar  
Company Secretary  
Mumbai, April 13, 2023

  
Avneesh Gupta  
Director  
Jamshedpur

  
Anshuk De  
Chief Financial Officer  
Jamshedpur

Industrial Energy Limited

Statement of Profit and Loss for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

Particulars	Notes	Year ended	Year ended
		31-Mar-23	31-Mar-22
I Revenue from Contracts with Customers	22	338.60	300.30
II Other Income	23	7.44	3.47
III Total Income (I+II)		346.04	303.77
IV Expenses			
(a) Cost of Fuel Consumed		21.42	9.47
(b) Employee Benefits Expense	24	19.75	19.01
(c) Finance Costs	25	40.28	42.04
(d) Other Expenses	26	99.35	79.73
Total Expenses (IV)		180.80	150.25
V Profit Before Tax (III-IV)		165.24	153.52
VI Tax Expense:			
(i) Current Tax	27	28.87	26.82
(ii) Deferred Tax charge/(credit)	27	20.47	5.60
Total Income tax expense		49.34	32.42
VII Profit for the year ( V-VI)		115.90	121.10
VIII Other comprehensive income not to be reclassified to profit or loss in subsequent years:			
(a) Remeasurements loss/ (gain) on defined benefit plans		(0.28)	0.40
(b) Income -tax effect on above		0.05	(0.07)
Other comprehensive income for the year, net of tax		(0.23)	0.33
IX Total comprehensive income for the year (VII-VIII)		116.13	120.77
Earnings Per Equity Share- basic and diluted (in Rs.)	28	1.74	1.82

See accompanying notes to the financial statements

As per our report of even date

For S.R.BATLIBOI & CO LLP  
ICAI Firm Registration no : 301003E/E300005  
Chartered Accountants



per Sanjay Agarwal  
Partner  
Membership no : 055833



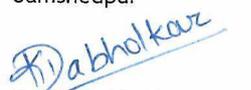
For and on behalf of the Board of Directors

  
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Director  
Mumbai

  
Avneesh Gupta  
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Chief Financial Officer  
Jamshedpur

  
Kalika Dabholkar  
Company Secretary  
Mumbai, April 13, 2023

Kolkata, April 13, 2023

**Industrial Energy Limited**

Statement of Cash Flows for the Year ended March 31, 2023  
All amounts are in Rs. Crores unless otherwise stated

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Profit before tax	165.24	153.52
Adjustments for:		
Gain on Investments classified as fair value through profit or loss	(6.29)	(2.73)
Loss on disposal/discard of Property, plant & equipment/ Capital Work in Progress	9.71	-
Irrecoverable balances written off	-	9.16
Interest Income from Bank deposits	(1.00)	(0.64)
Finance costs	40.28	42.04
Cash flow from operating activities	207.94	201.35
Movements in working capital		
(Increase)/Decrease in trade and other receivables	1.69	(7.43)
(Increase)/Decrease in finance lease receivables	54.78	87.43
(Increase)/Decrease in inventories	(4.52)	(5.62)
(Increase)/Decrease in other financial assets and other assets	7.95	(5.88)
(Decrease)/Increase in trade payables	6.61	5.04
(Decrease)/Increase in other liabilities	(2.55)	3.91
Cash generated from operations	271.90	278.81
Income taxes paid	(30.44)	(26.80)
Cash flow from operating activities	241.46	252.01
Capital Expenditure on Property, Plant and Equipment (reclassified as Finance lease receivables), incl capital advances and capital creditors	(120.53)	(72.43)
(Increase)/ Decrease in Bank Deposits	(0.82)	(0.71)
Interest Income on Bank Deposits	1.00	0.64
Proceeds from sale of investments	552.29	592.20
Purchase of current investments including advances	(567.33)	(591.69)
Cash flow used in investing activities	(135.39)	(71.99)
Proceeds from long-term borrowings	20.00	28.00
Repayment of long-term borrowings	(66.93)	(67.15)
Dividends paid on equity shares	-	(99.90)
Interest paid	(40.10)	(43.02)
Cash flow used in financing activities	(87.03)	(182.07)
Net increase / (decrease) in cash and cash equivalents	19.04	(2.05)
Cash and cash equivalents at the beginning of the year	4.45	6.50
Cash and cash equivalents at the end of the year	23.49	4.45

See accompanying notes to the financial statements

Cash and cash equivalents include (Refer note 12):

Particulars	As at 31-Mar-23	As at 31-Mar-22
A. Balance with Banks in Current Accounts	23.49	4.45
	23.49	4.45

As per our report of even date

For S.R.BATLIBOI & CO LLP  
ICAI Firm Registration no : 301003E/E300005  
Chartered Accountants

  
per Sanjay Agarwal  
Partner  
Membership no : 055833

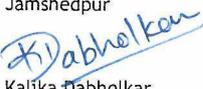


Kolkata, April 13, 2023

For and on behalf of the Board of Directors

  
Vijay V. Namjoshi  
Director  
Mumbai

  
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Jamshedpur

  
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Company Secretary  
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Avneesh Gupta  
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Jamshedpur

  
Anshuk De  
Chief Financial Officer  
Jamshedpur

Industrial Energy Limited

Statement of Changes in Equity for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

(a) Equity Share Capital

Particulars	As at	As at
	31-Mar-23	31-Mar-22
Balance as at the beginning of the year	666.00	666.00
Equity share capital issued during the year	-	-
Balance as at the end of the year	666.00	666.00

(b) Other Equity

Particulars	Reserves and Surplus		Total Equity
	General reserve	Retained Earnings	
Balance as at April 1, 2021	68.88	211.92	280.80
Profit for the year	-	121.10	121.10
Other comprehensive income for the year (net of tax)	-	(0.33)	(0.33)
<b>Total comprehensive income</b>	<b>68.88</b>	<b>332.69</b>	<b>401.57</b>
Payment of Dividend on Equity Shares	-	(99.90)	(99.90)
Balance as at March 31, 2022	68.88	232.79	301.67
Balance as at April 1, 2022	68.88	232.79	301.67
Profit for the year	-	115.90	115.90
Other comprehensive income for the year (net of tax)	-	0.23	0.23
<b>Total comprehensive income</b>	<b>68.88</b>	<b>348.92</b>	<b>417.80</b>
Payment of Dividend on Equity Shares	-	-	-
Balance as at March 31, 2023	68.88	348.92	417.80

See accompanying notes to the financial statements  
As per our report of even date

For S.R.BATLIBOI & CO LLP  
ICAI Firm Registration no : 301003E/E300005  
Chartered Accountants



per Sanjay Agarwal  
Partner  
Membership no : 055833



Kolkata, April 13, 2023

For and on behalf of the Board of Directors

  
Vijay V. Namjoshi  
Director  
Mumbai

  
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Jamshedpur

  
Anshuk De  
Chief Financial Officer  
Jamshedpur

  
Kalika Dabholkar  
Company Secretary

Mumbai, April 13, 2023

## Industrial Energy Limited

Notes to the financial statements for the year ended 31<sup>st</sup> March 2023

All amounts are in Rs. crores unless otherwise stated

### 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 joint 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 are classified as captive power plants of Tata Steel Limited. These power plants supply power to Tata Steel Limited.

### Note 2 Significant Accounting Policies:

#### 2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015, read with section 133 of the Companies Act, 2013 (as amended from time to time) and presentation requirements of Division II of Schedule III to Companies Act, 2013, (Ind As compliant Schedule III) as applicable.

#### 2.2 Basis of preparation and presentation:

The financial statements have been prepared on the historical cost basis except for:- certain financial assets and liabilities that are measured at fair value at the end of the reporting period (refer accounting policy for financial instruments).

#### 2.3 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

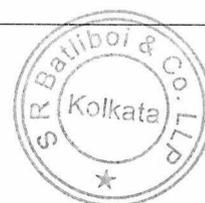
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Estimations used for determination of tax expenses and tax balances - Note 27 and Note 17
- Estimation of defined benefit obligations- Note 16 and Note 30

Estimates and judgement are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Judgement to estimate the amount of provision required to or determine required disclosure related to litigations and claims against the Company- Note 29.2.



**Note 3 Other Significant Accounting Policies:**

**3.1 Foreign Currencies**

The functional currency of the Company is Indian Rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

**3.2 Current versus non-current classification:**

The Company presents assets and liabilities in the balance sheet based on current/ 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
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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.

**3.3 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 and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in statement of profit and loss.

### 3.4 Financial Assets

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of financial assets.

#### 3.4.1 Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) 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. The EIR amortisation is included in finance income in the profit or loss.

#### 3.4.2 Financial assets at fair value through other comprehensive income (FVTOCI)

A 'financial asset' is classified as at the 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

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity instruments which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to statement of profit and loss on sale of the investments.

#### 3.4.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.



## Industrial Energy Limited

Notes to the financial statements for the year ended 31<sup>st</sup> March 2023

All amounts are in Rs. crores unless otherwise stated

Other Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

### 3.4.4 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### Impairment of Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 3.5 Financial Liabilities

All financial liabilities are recognised initially at fair value and in case of loans and borrowings and payables, net of directly attributable transaction cost.

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- a) Financial liabilities at fair value through profit or loss.
- b) Financial liabilities at amortised cost (loans and borrowings).

#### 3.5.1 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. Gains or losses on liabilities held for trading are recognised in the profit or loss. The Company has not designated any financial liability as at fair value through profit or loss



**3.5.2 Financial liabilities at amortised cost (Loans and 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 profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance costs in the statement of profit and loss.

**3.5.4 Derecognition of financial liabilities**

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.

**3.6 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**3.7 Dividend distribution to equity shareholders of the Company**

The Company recognizes a liability to make dividend distributions to its equity holders when the distribution is authorized and the distribution is no longer at its discretion. A corresponding amount is recognized directly in equity.



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

**4. Property, Plant and Equipment**Accounting Policy

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and any directly attributable cost of bringing the asset to its working condition for intended use. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated.

Depreciation is recognised on the cost of assets (other than freehold land & properties under construction) less their residual value over their estimated useful lives, using the straight-line method.

The tolling agreement entered into by the Company, provide for selling entire power generated from the respective plant to Tata Steel Limited (TSL) over the period of such agreements. Further, such agreements provide for the entire recovery of the capital costs of the plant during the period of the respective agreements. Considering the above, management concluded that the above arrangements are in the nature of finance lease (refer note 6).

Details	Free Hold Land	Building Plant	Plant & Machinery	Furniture & Fixtures	Office Equipments	Total
<b>Carrying Amount of :</b>						
Cost as at April 01, 2022	5.85	-	0.30	0.33	0.06	6.54
Additions	-	20.09	136.57	0.02	-	156.68
Assets classified under finance lease as per Ind AS 116-"Leases"	-	(20.09)	(134.13)	-	-	(154.22)
Disposal/Discard	-	-	(2.74)	(0.35)	(0.06)	(3.15)
Cost as at March 31, 2023	5.85	-	-	-	-	5.85
<b>Carrying Amount of :</b>						
Cost as at April 01, 2021	5.85	-	0.28	0.33	0.06	6.52
Additions	-	1.62	16.92	-	-	18.54
Assets classified under finance lease as per Ind AS 116-"Leases"	-	(1.62)	(16.90)	-	-	(18.52)
Disposal/Discard	-	-	-	-	-	-
Cost as at March 31, 2022	5.85	-	0.30	0.33	0.06	6.54



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

**5. Capital Work in Progress (CWIP)****Accounting Policy**

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

**CWIP ageing Schedule as at 31st March 2023**

₹ crore

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	174.07	13.55	86.44	2.22	276.28
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>174.07</b>	<b>13.55</b>	<b>86.44</b>	<b>2.22</b>	<b>276.28</b>

**CWIP ageing Schedule as at 31st March 2022**

₹ crore

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	124.58	33.90	4.27	73.68	236.43
Projects temporarily suspended	1.45	116.50	3.19	3.75	124.89
<b>Total</b>	<b>126.03</b>	<b>150.40</b>	<b>7.46</b>	<b>77.43</b>	<b>361.32</b>

\* Excludes Capital Stock of Rs. 3.63 crores (March 31, 2022: 2.16 crores)

**CWIP Completion Schedule whose completion is overdue or project cost exceeds compared to its original plan as at 31st March, 2023**

₹ crore

Capital Work in Progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Kalinganagar Colony	9.01	-	-	-	9.01
<b>Total</b>	<b>9.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.01</b>

Note :- Delay in completion of Kalinganagar Colony is largely due to pandemic.

**CWIP Completion Schedule whose completion is overdue or project cost exceeds compared to its original plan as at 31st March, 2022**

₹ crore

Capital Work in Progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Turbo Generator III (TG III)	151.19	-	-	-	151.19
Kalinganagar Colony	5.31	-	-	-	5.31
<b>Total</b>	<b>156.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156.50</b>



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

**6. Finance Lease Receivables (unsecured unless otherwise stated)**

Accounting Policy

**Leasing arrangement**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that-right is not explicitly specified in an arrangement.

**Company as a lessor**

Leases are classified as operating lease when the Company does not transfer substantially all the risks and rewards of ownership of an asset to the lessee. The company has not given any asset on Operating Lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Particulars	As at 31-Mar-23	As at 31-Mar-22
<b>Non-current</b>		
Non- Current Finance Lease Receivables	1,335.73	1,249.37
<b>Total</b>	<b>1,335.73</b>	<b>1,249.37</b>
<b>Current</b>		
Current Finance Lease Receivables	63.39	50.31
<b>Total</b>	<b>63.39</b>	<b>50.31</b>
<b>Total Finance Lease Receivables</b>	<b>1,399.12</b>	<b>1,299.68</b>

**6.1 Leasing Arrangements**

The Company has power plants situated in Jamshedpur and Kalinganagar (KPO) which supply power to plants of Tata Steel Limited. The arrangements in respect of all these assets are in nature of lease as per Ind-AS 116 "Leases". The Company has only single customer.

**6.2 Amount receivable under Finance Lease**

Particulars	Minimum Lease Receivables	
	As at 31-Mar-23	As at 31-Mar-22
Not later than one year	242.69	224.95
Later than one year and not later than five years	926.31	857.15
Later than five years	2,201.62	2,189.79
<b>Total</b>	<b>3,370.62</b>	<b>3,271.89</b>
Unearned finance income	1,971.50	1,972.21
Net Investment in the Lease	1,399.12	1,299.68

- (i) Guaranteed residual values of certain leased assets leased under finance leases at the end of the reporting period are estimated at Rs. 117.54 cr (as at 31st March 2022 : Rs. 102.52 cr.)
- (ii) Unguaranteed residual values of balanced leased assets leased under finance leases are not estimatable.
- (iii) The interest rate implicit in the leases is fixed at the inception of contract for the entire lease term which is in the range of 11% - 17% per annum as at March 31, 2023 (as at 31st March 2022: 13% - 17% per annum)

**6.3 Title deeds of immovable properties classified under finance lease, not held in name of the company**

Description of Property	Amount in INR crores	Lease held in the name of	Whether promoter, director or their relative	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
One Building at Kalinganagar	19.07	Tata Steel Limited	Promoter	Since October 2019	The land on which the aforesaid Building is situated is in the name of Government of Odisha, which has been leased to Tata steel. The land can be used by sister concerns of Tata steel/Group company whose finished product can be used by Tata steel as input. However, the land cannot be registered in the name of any other Company.



Industrial Energy Limited				
Notes to the Financial Statements for the Year ended March 31, 2023				
All amounts are in Rs. Crores unless otherwise stated				
7 Other Financial Assets (Unsecured, Considered good)				
Particulars	As at 31-Mar-23		As at 31-Mar-22	
<b>Non-current</b>				
Bank Deposits- at amortised cost (earmarked against repayment of borrowings)	22.80		21.98	
<b>Total</b>	<b>22.80</b>		<b>21.98</b>	
<b>Current</b>				
Interest Accrued on Finance Lease Receivables	15.64		14.80	
Other Receivables	0.20		0.12	
<b>Total</b>	<b>15.84</b>		<b>14.92</b>	
8 Other Assets (Unsecured, Considered good)				
Particulars	As at 31-Mar-23		As at 31-Mar-22	
<b>Non-current</b>				
Capital Advances	54.39		61.65	
Balance with Govt. Authorities	24.33		31.50	
Prepaid Expenses	0.16		0.24	
<b>Total</b>	<b>78.88</b>		<b>93.39</b>	
<b>Current</b>				
Balance with Govt. Authorities	16.04		17.48	
Advance to Suppliers	1.09		1.03	
Prepaid Expenses	0.46		0.30	
<b>Total</b>	<b>17.59</b>		<b>18.81</b>	
9 Inventories <u>Accounting Policy</u> Inventories are stated at the lower of cost and net realisable value. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on moving weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale." Unservicable/damaged stores and spares are classified and written down based on technical evaluation.				
Particulars	As at 31-Mar-23		As at 31-Mar-22	
Inventories (lower of cost and net realisable value)				
Fuel	5.61		5.84	
Stores and Spare parts	31.20		26.45	
<b>Total</b>	<b>36.81</b>		<b>32.29</b>	
10 Current Investments				
Particulars	As at 31-Mar-23		As at 31-Mar-22	
	No of units	Amount	No of units	Amount
Unquoted Investments in mutual funds (at Fair Value through Profit and Loss)				
(a) HDFC Overnight Fund Direct Plan Growth Option	-	-	7,579.156	2.39
(b) HDFC Liquid Fund Direct Plan Growth Option	45,614.072	20.18	-	-
(c) DSP Liquidity Fund Direct Plan Growth	57,019.451	18.34	-	-
(b) Axis Liquid Fund Direct Plan	-	-	82,972.817	19.62
(e) ICICI Prudential Liquid Fund Direct Plan Growth	6,04,835.646	20.15	-	-
(c) IDFC Cash Fund Growth Option Direct Plan	74,949.655	20.38	76,868.703	19.76
(g) Kotak Liquid Fund Direct Plan Growth	-	-	45,905.403	19.75
(d) Mirae Asset Cash Management Fund Direct Plan Growth	85,677.193	20.36	-	-
(i) SBI Liquid Fund Direct Growth	57,903.642	20.41	59,216.376	19.74
(e) UTI Liquid Cash Plan - Direct Plan Growth	-	-	49,637.064	17.32
<b>Total</b>		<b>119.82</b>		<b>98.58</b>



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

**11 Trade Receivables**

Particulars	As at 31-Mar-23	As at 31-Mar-22
<b>Current</b>		
Trade Receivables (unsecured, considered good)	24.65	26.34
<b>Total</b>	<b>24.65</b>	<b>26.34</b>

**Notes**

- (1) The average credit period for the company's receivable is 30 days.
- (2) Company has single customer i.e. Tata Steel Limited (TSL), Joint venture partner. The Company's entire receivable is from TSL for its plants situated at Jamshedpur and Kalinganagar and accordingly credit risk is minimal.
- (3) The aforesaid receivables are undisputed and are not due for payment as on year end.

**12 Cash and Cash Equivalents****Accounting Policy**

Cash and cash equivalents in the balance sheet comprise cash at banks, cash/cheques 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. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash/cheques on hand and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

Particulars	As at 31-Mar-23	As at 31-Mar-22
Balances with Banks in Current Accounts	23.49	4.45
<b>Total</b>	<b>23.49</b>	<b>4.45</b>

**Reconciliation of liabilities from Financial Activities**

Particulars	As at 31-Mar-22	Cash flows		As at 31-Mar-23
		Proceeds	Repayment	
Non-current Borrowing (including Current Maturities of Non-current Borrowings)	532.06	20.00	(66.93)	485.13
Current Borrowing	-	-	-	-
<b>Total</b>	<b>532.06</b>	<b>20.00</b>	<b>(66.93)</b>	<b>485.13</b>

Particulars	As at 31-Mar-21	Cash flows		As at 31-Mar-22
		Proceeds	Repayment	
Non-current Borrowing (including Current Maturities of Non-current Borrowings)	571.21	28.00	(67.15)	532.06
Current Borrowing	-	-	-	-
<b>Total</b>	<b>571.21</b>	<b>28.00</b>	<b>(67.15)</b>	<b>532.06</b>



**Industrial Energy Limited**  
Notes to the Financial Statements for the Year ended March 31, 2023  
All amounts are in Rs. Crores unless otherwise stated

**13 Equity Share Capital**

Particulars	As at 31-Mar-23	As at 31-Mar-22
Equity Share Capital	666.00	666.00
	<b>666.00</b>	<b>666.00</b>
<b>Authorised Share Capital</b> 2000,000,000 fully paid equity shares of Rs. 10 each (as at March 31, 2022: 2000,000,000).	2,000.00	2,000.00
<b>Issued,Subscribed and Paid-up</b> 666,000,000 fully paid equity shares of Rs. 10 each (as at March 31, 2022: 666,000,000).	666.00	666.00
<b>Total</b>	<b>666.00</b>	<b>666.00</b>

**13.1 Reconciliation of Issued, Subscribed and fully Paid-up number of equity shares and amount outstanding at the beginning and at the end of the year.**

Particulars	Number of Shares in '000s	Share Capital in crore
Balance as at April 1, 2021	6,66,000	666.00
Balance as at March 31, 2022	6,66,000	666.00
Balance as at March 31, 2023	6,66,000	666.00

**13.2 Terms / rights attached to equity shares**

(a) The Company has only one class of equity share having a par share value of Rs.10 per share. Each equity shareholder is eligible for one vote per share held. Further each equity shareholder is entitled for dividend as and when the company declares and pays dividend after obtaining shareholders approval.

(b) In the event of liquidation of the company, the holders of the 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.

**13.3 Details of shareholders holding more than 5% equity shares in the Company**

Particulars	As at 31-Mar-23	As at 31-Mar-22
The Tata Power Company Ltd - Number of shares held in '000	4,92,840	4,92,840
- % holding of equity shares	74%	74%
Tata Steel Limited - Number of shares held in '000	1,73,160	1,73,160
- % holding of equity shares	26%	26%

**13.4 Shareholding of Promoters**

Shares held by promoters at the end of the year				% Change during the year
Sl No	Promoter name	No. of shares	% of total shares	
i	The Tata Power Company Limited (including shares held jointly)	49,28,40,000	74%	NIL
ii	Tata Steel Limited	17,31,60,000	26%	NIL

Note: The shares are held jointly by the following:

Sl No	Promoter name	As at 31st March 2023		As at 31st March 2022	
		Shares	% of total shares	Shares	% of total shares
i	The Tata Power Company Limited (TPCL)	49,28,39,994	74.00	49,28,39,994	74.00
ii	Tata Steel Limited	17,31,60,000	26.00	17,31,60,000	26.00
iii	TPCL & Kailash Pati Mali	1	0.00	1	0.00
iv	TPCL & Jeraz Eruch Mahernosh	1	0.00	1	0.00
v	TPCL & Hanoz Minoos Mistry	1	0.00	1	0.00
vi	TPCL & Anand Agarwal	-	-	1	0.00
vii	TPCL & Jinendra V Patil	1	0.00	-	-
viii	TPCL & Kasturi Soundararajan	1	0.00	1	0.00
ix	TPCL & Gautam Attravanam	1	0.00	-	-
x	TPCL & Jitendra Prasad	-	-	1	0.00



## Industrial Energy Limited

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

### 14 Other Equity

Particulars	As at 31-Mar-23	As at 31-Mar-22
General Reserve	68.88	68.88
Retained Earnings	348.92	232.79
<b>Total</b>	<b>417.80</b>	<b>301.67</b>

#### 14.1 General Reserve

Particulars	As at 31-Mar-23	As at 31-Mar-22
Balance at the beginning of the Year	68.88	68.88
Balance at the end of the Year	68.88	68.88

#### 14.2 Retained Earnings

Particulars	As at 31-Mar-23	As at 31-Mar-22
Balance at the beginning of the year	232.79	211.92
Profit for the year	115.90	121.10
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	0.23	(0.33)
	116.13	120.77
Payment of dividend on equity shares	-	(99.90)
<b>Balance at the end of the year</b>	<b>348.92</b>	<b>232.79</b>



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

**15 Non-current Borrowings**

Particulars	As at 31-Mar-23	As at 31-Mar-22
Secured - at amortised cost		
Term Loans		
from banks	485.13	532.06
Less: Current maturities of Non Current Borrowings(Refer note 18)	(69.55)	(66.93)
<b>Total non-current borrowings</b>	<b>415.58</b>	<b>465.13</b>

**15.1 Details of Security**

- (i) The term loan from HDFC Bank as mentioned in Sr. no. 1 below are secured by first charge over all the tangible and intangible project assets (excluding land) and over current asset of the projects with a carve out of Rs 100 crores for Working Capital Lender including assignment of all project documents ( including PPA )
- (ii) The term loan from Kotak Mahindra Bank as mentioned in Sr. no. 2 below are secured by first charge on all tangible and intangible assets and by all current assets of KPO I II & III with a carve out of Rs 100 crores for Working Capital Lender including Borrower's rights under all project documents (including PPA/Tolling Agreements for KPO I II & III).
- (iii) The term loan from HDFC Bank as mentioned in Sr. no. 3 below are secured by first charge on all tangible and Intangible assets of DGPP (except land) and on all current assets of DG sets.
- (iv) The term loan from Kotak Mahindra Bank as mentioned in Sr. no. 4 below are secured by first charge on all tangible and intangible assets of KPO Unit I,II, & III. It is also secured by first charge on current assets of KPO Unit I, II & III with a carve-out of INR 100 cr. for WC lenders & on all of the Borrower's rights under all project documents including the PPA/tolling Agreements for KPO Unit I, II & III.
- (v) The term loan from HDFC Bank as mentioned in Sr. no. 5 below are secured by first charge over all intangible and tangible assets of Domjuri project (except land) and also secured by all the current asset of Domjuri Project.

15.2 The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts and there are no discrepancies

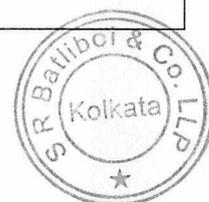
15.3 Details of original terms of repayment of term loans are stated below:

As at March 31,2023

Sr. No.	Particulars	Amount outstanding	Terms of repayment	Rate of Interest per annum
1	HDFC Bank	262.91	Rs.10.17 Crore Per Quarter	3m MCLR +0.5%
2	Kotak Mahindra Bank	80.41	Rs. 2.60 Crore Per Quarter	3m MCLR +0.2%
3	HDFC Bank	93.81	Rs. 3.96 Crore Per Quarter	1Y MCLR +0.1%
4	Kotak Mahindra Bank	28.00	Rs. 0.875 Crore Per Quarter w.e.f July 7, 2023	1Y MCLR
5	HDFC Bank	20.00	Rs. 0.25 Crore Per Quarter w.e.f November 25, 2024	3m T-bill +1.7%
	<b>Total Borrowing</b>	<b>485.13</b>		

As at March 31,2022

Sr. No.	Particulars	Amount outstanding	Terms of repayment	Rate of Interest per annum
1	HDFC Bank	303.58	Rs.10.17 Crore Per Quarter	3m MCLR +0.5%
2	Kotak Mahindra Bank	90.84	Rs. 2.60 Crore Per Quarter	3m MCLR +0.2%
3	HDFC Bank	109.64	Rs. 3.96 Crore Per Quarter	1Y MCLR +0.1%
4	Kotak Mahindra Bank	28.00	Rs. 0.875 Crore Per Quarter w.e.f July 7, 2023	1Y MCLR
	<b>Total Borrowing</b>	<b>532.06</b>		



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

**16 Provisions****Accounting Policy**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Particulars	As at 31-Mar-23	As at 31-Mar-22
<b>Non-current</b>		
Compensated Absences	2.05	2.13
Gratuity	5.57	6.04
Post-Employment Medical Benefits	0.38	0.44
Other Defined Benefit Plans	0.57	0.55
Other Employee Benefits	0.57	0.54
<b>Total</b>	<b>9.14</b>	<b>9.70</b>
<b>Current</b>		
Compensated Absences	0.09	0.09
Gratuity	0.22	0.21
Post-Employment Medical Benefits	*	*
Other Defined Benefit Plans	0.05	0.05
Other Employee Benefits	*	0.03
<b>Total</b>	<b>0.36</b>	<b>0.38</b>

\* Amount is lesser than the rounding off norms followed by the Company

**17 Deferred Tax balances**

Particulars	As at 31-Mar-23	As at 31-Mar-22
Deferred Tax Liabilities (net) - Refer note 27 for accounting policy	238.05	217.58
<b>Total</b>	<b>238.05</b>	<b>217.58</b>

**17.1 Deferred Tax reconciliation****FY 2022-23**

Particulars	Opening Balance	Recognised in profit and loss	Recognised in OCI	Closing Balance
Deferred Tax Liabilities in relation to				
(a) Property, Plant & Equipment : Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	217.58	22.13	-	239.71
(b) Employee Benefits: Impact of Leave Compensated Absences & Gratuity	-	(1.99)	-	(1.99)
(c) Unrealised gain on Mutual Funds measured at fair value	-	0.34	-	0.34
<b>Total</b>	<b>217.58</b>	<b>20.48</b>	<b>-</b>	<b>238.05</b>

**FY 2021-22**

Particulars	Opening Balance	Recognised in profit and loss	Recognised in OCI	Closing Balance
Deferred Tax Liabilities in relation to				
Property, Plant & Equipment : Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	211.98	5.60	-	217.58
<b>Total</b>	<b>211.98</b>	<b>5.60</b>	<b>-</b>	<b>217.58</b>



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

**18 Current Borrowings**

Particulars	As at 31-Mar-23	As at 31-Mar-22
Unsecured-at amortised cost Current Maturities of Long-term Loans (Refer note 15)	69.55	66.93
<b>Total</b>	<b>69.55</b>	<b>66.93</b>

**19 Trade Payables**

Particulars	As at 31-Mar-23	As at 31-Mar-22
(a) Total outstanding dues of micro and small enterprises (MSME) (refer note 36)	12.40	1.66
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	23.58	27.71
<b>Total</b>	<b>35.98</b>	<b>29.37</b>

Trade Payables Ageing schedule as at 31st March , 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Payables						
a) MSME	10.67	1.73	-	-	-	12.40
b) Others	17.84	2.84	1.12	0.52	1.26	23.58
(ii) Disputed Trade Payables						
a) MSME	-	-	-	-	-	-
b) Others	-	-	-	-	-	-

Trade Payables Ageing schedule as at 31st March , 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Payables						
a) MSME	1.62	-	0.03	*	0.01	1.66
b) Others	20.09	-	1.55	1.20	4.87	27.71
(ii) Disputed Trade Payables						
a) MSME	-	-	-	-	-	-
b) Others	-	-	-	-	-	-

\* Amount is less than the rounding off norms followed by the Company.

**20 Other Financial Liabilities**

Particulars	As at 31-Mar-23	As at 31-Mar-22
Current		
(a) Payables towards purchase of Property, Plant and Equipment given on Finance Lease	171.99	220.11
(b) Interest accrued but not due on Term Loans	3.59	3.40
<b>Total</b>	<b>175.58</b>	<b>223.51</b>

**21 Other Current Liabilities**

Particulars	As at 31-Mar-23	As at 31-Mar-22
Statutory Liabilities	7.09	7.80
Other Liabilities	0.97	1.42
Liability towards Corporate Social Responsibility	0.72	1.51
<b>Total</b>	<b>8.78</b>	<b>10.73</b>



## Industrial Energy Limited

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

### 22. Revenue from Contracts with Customers

#### Accounting Policy

#### Revenue Recognition

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

Description of performance obligations are as follows :

#### (a) Rendering of Services

Revenue from a contract to provide services is recognised at the contractual rates as defined in the contracts entered into with the customers.

#### (b) Leasing

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
(a) Revenue from Operation Management Services	149.04	111.48
(b) Finance Lease Income	186.76	183.31
(c) Other Operating Revenue	2.80	5.51
<b>Total</b>	<b>338.60</b>	<b>300.30</b>

### 23. Other Income

#### Accounting Policy

#### Insurance and interest income

Insurance income is recognised on acceptance basis.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
(a) Gain on Investments classified as fair value through profit or loss	6.29	2.73
(b) Interest income on Bank Deposits	1.00	0.65
(c) Others	0.15	0.09
<b>Total</b>	<b>7.44</b>	<b>3.47</b>



## Industrial Energy Limited

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

### 24. Employee Benefits Expense

#### Accounting Policy

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Defined benefits plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

#### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
(a) Salary and Wages	16.08	15.51
(b) Contribution to provident funds	0.56	0.53
(c) Staff Welfare expenses	2.24	2.36
(d) Gratuity	0.87	0.61
<b>Total</b>	<b>19.75</b>	<b>19.01</b>



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

**25. Finance Costs****Accounting Policy**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
Interest expense:		
Interest on bank loans	41.09	42.04
Less: Interest Cost Capitalised	0.81	-
<b>Total</b>	<b>40.28</b>	<b>42.04</b>

**26 Other Expenses**

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
(a) Consumption of stores and spare parts	5.12	3.31
(b) Cost of Services	15.42	13.34
(c) Raw Water Consumed	12.46	11.96
(d) Repairs and Maintenance - Property, plant & equipment	37.65	26.76
(e) Insurance	3.50	3.38
(f) Expenditure on Corporate Social Responsibility (Refer note no 35)	2.99	3.05
(g) Payments to Auditors (Refer note no 26.1)	0.33	0.30
(h) Fly Ash Disposal Expenses	2.37	1.38
(i) Loss on disposal/discard of Property, plant & equipment/ Capital Work in Progress	9.71	-
(j) Miscellaneous Expenses*	9.80	16.25
<b>Total</b>	<b>99.35</b>	<b>79.73</b>

\* Includes Irrecoverable balances written off amounting to Nil (March 31,2022: Rs. 9.16 crores)

**26.1 Auditor's Remuneration**

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
As auditor		
Audit Fees	0.17	0.17
Tax audit fees	0.04	0.04
Other Services (Certification fees)	0.09	0.09
Reimbursement of expenses	0.03	*
<b>Total</b>	<b>0.33</b>	<b>0.30</b>

\* Amount is lesser than the rounding off norms followed by the Company



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs. Crores unless otherwise stated

**27 Income Taxes**Accounting PolicyCurrent tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from

the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer

probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

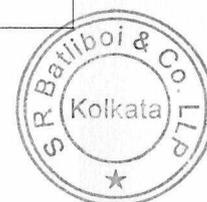
For operations carried out under tax holiday period (Section 80IA of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been recorded for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
(1) Income taxes recognised in Statement of profit and loss		
Current tax	28.87	26.82
Deferred tax	20.47	5.60
<b>Total</b>	<b>49.34</b>	<b>32.42</b>
(2) Income tax expense / (credit) recognised in other comprehensive income	0.05	(0.07)
<b>Total income tax expense</b>	<b>49.39</b>	<b>32.35</b>

27.1 The reconciliation between the provision of Income-tax of the Company and amounts computed by applying the Indian statutory Income-tax rate to profit before taxes is as follows:

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Profit before tax	165.24	153.52
Applicable income tax rate	34.94%	34.94%
Income tax expense calculated at applicable rate	57.74	53.66
<b>Effect of:</b>		
Impact of deductions claimed under section 80IA of Income Tax Act, 1961 and other non-deductible expenses	(37.87)	(52.63)
Reversal of temporary differences during tax holiday period	23.77	10.98
Differential tax impact between MAT and normal tax	28.87	21.82
Adjustment of tax relating to earlier periods	-	-
Difference in tax rate considered for deferred tax calculations and domestic income tax rate in India	(24.04)	(1.69)
Others	0.87	0.29
<b>Income tax expense recognised in statement of profit or loss</b>	<b>49.34</b>	<b>32.42</b>

The Company continues to pay income tax under older tax regime and has not opted for new tax regime pursuant to Income Tax Act, 1961. The company, based on its management approved projections, plans to opt for new tax regime once these benefits are utilised in future. The company has estimated that it will change to new tax regime from financial year 2026-27 onwards. Accordingly, deferred tax liabilities on temporary differences which are expected to reverse after financial year 2025-26 have been recognised at tax rate applicable for new regime.



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs crores unless otherwise stated

**28 Basic & Diluted Earnings per Share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
(a) Profit after tax for the year attributable to equity holders of the Company	115.90	121.10
(b) Weighted average number of equity shares for the purposes of basic and diluted earnings per share (Number of Shares)	666,000,000	666,000,000
(c) Basic & diluted earnings per share (in Rupees)	1.74	1.82
(d) Nominal value per share (in Rupees)	10.00	10.00

**29.1 Commitments**

Particulars	As at	As at
	31-Mar-23	31-Mar-22
(a) Estimated amount of Contracts remaining to be executed (net of capital advance Rs.54.39cr; 31.03.2022: Rs 59.82 cr) on capital account and not provided for	447.81	179.25
	<b>447.81</b>	<b>179.25</b>

**29.2 Contingent Liabilities**

Particulars	As at	As at
	31-Mar-23	31-Mar-22
Claims against the company not acknowledged as debts:		
Excise duty matters under dispute	2.05	2.05
Goods & Services Tax matters	1.98	-
Income Tax matter	0.17	-
<b>Total</b>	<b>4.20</b>	<b>2.05</b>

**29.3** The Code on Social Security 2020 has been notified in the Official Gazette on 29th September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are notified



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs crores unless otherwise stated

**30. Employee benefits****30. 1 Defined contribution plans**

The Company operates defined contribution retirement benefit plans for all qualifying employees. The employees of the Company are member of Employee Provident Fund, retirement benefit plan, operated by the Central Government. The Company is required to contribute a specified percentage of payroll costs to the Employee Provident Fund which is the only obligation of the Company with respect to the employee provident plan.

The total expenses recognized in Statement of Profit and Loss is Rs.0.56 cr. (31st March, 2021: Rs. 0.53 cr.) represents contribution paid/payable to the Employee Provident Fund.

**30. 2 Defined benefit plans**

The company does not have any funded plans.

**Post-Employment Medical Benefits**

The Company provides certain post-employment health care benefits to superannuated employees. In terms of the plan, the retired employees can avail free medical check-up and medicines at Company's facilities.

**Pension (including Director pension)**

The Company operates a defined benefit pension plan for employees who have completed 15 years of continuous service. The plan provides benefits to members in the form of a pre-determined lumpsum payment on retirement. Executive Director, on retirement, is entitled to pension payable for life including HRA benefit. The level of benefit is approved by the Board of Directors of the Company from time to time.

**Ex-Gratia Death Benefit**

The Company has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of a pre-determined lumpsum amount along with a sum determined based on the last drawn basic salary per month and the length of service.

**Retirement Gift**

The Company has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of an employee.

**Gratuity plan**

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement, withdrawal, resignation, death of an employee.

These plans typically expose the Company to actuarial risk such as: Demographic risk, interest rate risk, and Salary Inflation risk.

**Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**Interest rate risk :** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**Salary Inflation risk :** Higher than expected increases in salary will increase the defined benefit obligation.

In respect of the defined benefit plans, the determination of the present value of defined benefit obligations was carried out at 31st March, 2022 by Willis Towers Watson, the Actuaries.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at	As at
	31-Mar-23	31-Mar-22
Discount rate	7.30%	6.80%
Expected rate of salary increase	7.00%	7.00%
Expected rate of withdrawal		
>if age of employee is between 21 to 44 years	6.00%	6.00%
>if age of employee is more that 44 years	2.00%	2.00%
Expected rate of Medical Inflation / Gold inflation	8.00%	8.00%

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
Current Service Cost	0.71	0.68
Past Service Cost and (gain)/loss from settlements	-	-
Net Interest cost on net defined benefit obligations	0.66	0.60
Immediate recognition of (gains)/losses - other long term employee benefit plans	*	0.15
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>1.37</b>	<b>1.43</b>

\* Amount is lesser than the rounding off norms followed by the Company

Re-measurement on the net defined benefit liability :

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
Actuarial (Gains)/losses arising from defined benefit obligation experience	-0.28	0.40
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>-0.28</b>	<b>0.40</b>



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs crores unless otherwise stated

**30. Employee benefits - Continued**

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" line item in the statement of profit and loss. The remeasurement of the net defined liability is included in other comprehensive income.

Movements in the present value of the defined benefit obligations are as follows:

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
Opening defined benefit obligations	10.08	9.53
Current service Cost	0.71	0.68
Past Service Cost	*	-
Interest Cost	0.66	0.60
Actuarial (Gains)/losses arising from experience	(0.28)	0.54
Benefits paid directly by the Company	(0.80)	(0.77)
Acquisitions credit/(cost)	(0.87)	(0.50)
<b>Closing defined benefit obligation</b>	<b>9.50</b>	<b>10.08</b>

\* Amount is lesser than the rounding off norms followed by the Company

**Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
Effect on defined benefit obligation due to change in discount rate by		
0.50% Increased	(0.52)	(0.53)
0.50% Decreased	0.57	0.58
Effect on defined benefit obligation due to change in Expected rate of salary by		
0.50% Increased	0.46	0.46
0.50% Decreased	(0.43)	(0.43)
Effect on defined benefit obligation due to change in Expected rate of withdrawal by		
5% Increased	(1.20)	(1.32)
Effect on defined benefit obligation due to change in Expected rate of Medical Inflation by		
0.50% Increased	0.06	0.11
0.50% Decreased	(0.05)	(0.10)

**Maturity profile of defined benefit obligation:**

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
Within 1 year	0.37	0.39
1-2 year	1.34	0.93
2-3 year	0.40	2.08
3-4 year	0.43	0.38
4-5 year	0.47	0.42
5-10 year	4.57	3.92



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs crores unless otherwise stated

31. Disclosure as required by Indian Accounting Standard (IndAS) 24 "Related Party Disclosures" are as follows:

(a) Names of the related parties

Sr. No.	Name of the related party	Country of origin
(a)	<b>Related Party where control exists</b>	
	<b>Joint Venture Partner</b>	
1	The Tata Power Company Limited	India
2	Tata Steel Limited	India
(b)	<b>Other related parties (where transactions have taken place during the year or previous year/ balances outstanding)</b>	
	<b>Associate of Joint Venture Partner</b>	
1	Tata Projects Limited	India
	<b>Subsidiary of Joint Venture Partner</b>	
1	Tata Power Solar Systems Limited	India
2	Tata Steel Foundation	India
(c)	<b>Key Management Personnel</b>	
1	Mr. Jagmit Singh Sidhu- Chief Executive Officer	
2	Mr. Aditya Kumar Mishra- Chief Financial Officer (upto 30.09.21)	
3	Mr. Anshuk De- Chief Financial Officer (w.e.f 01.10.21)	
4	Mr. Vijay V. Namjoshi- Director	
5	Mr. Avneesh Gupta- Director	
6	Mr. Abhijit Basu- Director (w.e.f. 27.06.22)	
7	Mr. Ananda Kumar Prabhakaran- Director (upto 20.06.22)	
8	Ms. Anjali Kulkarni- Director	
9	Mr. Sanjib Nanda- Director	
10	Mr. Vijayant Ranjan- Director	
11	Ms. Kalika Dabholkar- Company Secretary	

(b) Related party transactions and outstanding balances

(i) Trading and other transactions

Details of transactions

Nature of transaction	Tata Projects Limited	Tata Steel Foundation	Tata Power Solar Systems Limited	The Tata Power Company Limited	Tata Steel Limited
Revenue from Operation Management Services	-	-	-	-	149.04
	(-)	(-)	(-)	(-)	(111.48)
Finance lease income	-	-	-	-	186.76
	(-)	(-)	(-)	(-)	(183.31)
Other Operating revenues	-	-	-	-	2.73
	(-)	(-)	(-)	(-)	(5.51)
Cost of services (CSA Expenses)	-	-	-	13.73	-
	(-)	(-)	(-)	(12.27)	(-)
Payment for Raw water purchased	-	-	-	5.39	7.07
	(-)	(-)	(-)	(5.26)	(6.71)
Reimbursement of expenses by the Company	-	-	-	1.36	-
	(-)	(-)	(-)	(1.47)	(-)
Purchase of Fixed Assets	35.29	-	17.16	8.34	-
	(2.66)	(-)	(70.40)	(7.27)	(-)
CSR Contribution	-	0.02	-	-	-
	(-)	(-)	(-)	(-)	(-)
Dividend paid	-	-	-	-	-
	(-)	(-)	(-)	(73.93)	(25.97)

Note: Previous year's figures are in brackets.



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs crores unless otherwise stated

Disclosure as required by Indian Accounting Standard (IndAS) 24 "Related Party Disclosures" are as follows: - Continued

(ii) Compensation of key management personnel

Nature of transaction	Key Management personnel
Short- term employee benefit	1.14 (1.72)
Sitting fees paid to Directors	0.02 (0.01)

Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 Employee Benefits. As the employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above

Note: Previous period's figures are in brackets.

(iii) Balances payable to Related Parties are as follows:

Name of the related party	Nature of Balances	As at 31-Mar-23	As at 31-Mar-22
The Tata Power Company Limited	Trade Payables	1.58	2.46
The Tata Power Company Limited	Payable for Project Management Services Aailed	1.95	1.52
The Tata Power Solar Systems Limited	Payables for purchase of Fixed Assets	44.13	62.02
Tata Steel Limited	Trade Payables	0.58	0.53
Tata Projects Ltd	Payables for purchase of Fixed Assets	13.34	1.77
Tata Steel Limited	Payables for purchase of Fixed Assets	58.83	90.31
Key Management Personnel	Payable to KMPs	*	*

\* Amount is lesser than the rounding off norms followed by the Company

(iv) Balances Receivable From Related Parties are as follows:

Name of the related party	Nature of Balances	As at 31-Mar-23	As at 31-Mar-22
Tata Steel Ltd	Trade Receivables	24.65	26.34
Tata Steel Ltd	Interest Accrued on Finance Lease Receivable	15.64	14.80
Tata Steel Ltd	Lease receivable	1,399.12	1,299.68



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023  
All amounts are in Rs crores unless otherwise stated

**32. Financial Instruments**

**32.1 Capital Management**

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

**32.2 Financial risk management**

In its ordinary operations, the Company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has a risk management policy which covers the other risks associated with the financial assets and liabilities such as interest rate risks, credit risks and liquidity risk. The risk management policy is approved by the board of directors. The following is the summary of the main risks:

**32.2.1 Market Risk**

Market risk is the risk that relates to changes in market prices, such as interest rates (interest rate risk) and will affect the company's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**32.2.2 Interest rate risk management**

Interest rate risk is the risk that relates to the fair value or future cash flows of a financial instrument which fluctuate because of changes in market interest rates. The capital expenditure of the company is financed by loans, the shareholders' fund and internal proceeds. The interest bearing loans of the Company comprises of both fixed and floating rate.

Interest rate sensitivity:

Particulars	As at March 31, 2023		As at March 31, 2022	
	50 bps increase in Bank Base rates	50 bps decrease in Bank Base rates	50 bps increase in Bank Base rates	50 bps decrease in Bank Base rates
Interest (cost) / saving on Indian Rupees loan	(3.53)	3.53	(2.81)	2.81
(Loss) / Gain effect on profit before tax	(3.53)	3.53	(2.81)	2.81

**32.2.3 Credit risk management**

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Financial assets that potentially expose the Company to credit risks are listed below:

Particulars	As at 31-Mar-23	As at 31-Mar-22
Finance lease receivables	1,399.12	1,299.68
Trade receivables	24.65	26.34
Other financial assets	15.84	14.92
<b>Total</b>	<b>1,439.61</b>	<b>1,340.94</b>

Finance lease receivables, trade receivable and unbilled receivables

The only customer for the company is Tata Steel Limited, Joint venture partner and revenue is based on the terms agreed in Power Purchase Agreement or the other agreements. Also since the customer is a group company and going through the past track of the company, the Company's exposure to credit risk is minimal.

**32.2.4 Price risk management**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in net assets value (NAV) of the financial instruments held.

The Company manages the surplus funds majorly through investments in mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such investments.

The carrying amount of the Company's investments designated at fair value through profit or loss at the year end are as follows:

Particulars	As at 31-Mar-23	As at 31-Mar-22
Investments in mutual fund	119.82	98.58

**32.2.5 Liquidity risk management**

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Particulars	Upto 1 year	1 - 5 year	5+ years	Total	Carrying Amount
<b>As at March 31, 2023</b>					
Borrowings ((including Current Maturities and Interest Accrued on Term Loan)	111.97	362.85	182.55	657.37	488.72
Trade Payables	35.98	-	-	35.98	35.98
Other financial liabilities	171.99	-	-	171.99	171.99
<b>As at March 31, 2022</b>					
Borrowings ((including Current Maturities and Interest Accrued on Term Loan)	107.59	362.24	230.50	700.33	535.46
Trade Payables	29.37	-	-	29.37	29.37
Other financial liabilities	220.11	-	-	220.11	220.11

\* The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments

The company has entered into a PPA / Tolling Agreement with Tata Steel Limited ( TSL) for supplying the entire electricity generated from the coal/gas supplied by TSL. The company will be able to meet its short term liabilities from its own internal accruals.



## Industrial Energy Limited

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs crores unless otherwise stated

### 32. Financial Instruments - Continued

#### 32.2.6. Financial Instruments.

The carrying value and fair value of financial instruments by categories as of 31 March, 2023 and 31st March, 2022 is as follows:

##### a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as of 31 March, 2023 is as follows:

Particulars	Fair Value through Profit and Loss	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Assets :</b>				
Cash and Cash Equivalents	-	23.49	23.49	23.49
Finance lease receivables	-	1,399.12	1,399.12	1,399.12
Trade Receivables	-	24.65	24.65	24.65
Investments	119.82	-	119.82	119.82
Other Financial Assets	-	38.64	38.64	38.64
<b>Total</b>	<b>119.82</b>	<b>1,485.90</b>	<b>1,605.72</b>	<b>1,605.72</b>
<b>Liabilities</b>				
Trade Payables	-	35.98	35.98	35.98
Borrowings	-	485.13	485.13	485.13
Other Financial Liabilities	-	175.57	175.57	175.57
<b>Total</b>	<b>-</b>	<b>696.68</b>	<b>696.68</b>	<b>696.68</b>

The carrying value of financial instruments by categories as of 31 March, 2022 is as follows:

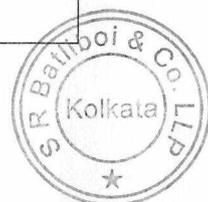
Particulars	Fair Value through Profit and Loss	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Assets :</b>				
Cash and Cash Equivalents	-	4.45	4.45	4.45
Finance lease receivables	-	1,299.68	1,299.68	1,299.68
Trade Receivables	-	26.34	26.34	26.34
Investments	98.58	-	98.58	98.58
Other Financial Assets	-	36.90	36.90	36.90
<b>Total</b>	<b>98.58</b>	<b>1,367.37</b>	<b>1,465.95</b>	<b>1,465.95</b>
<b>Liabilities</b>				
Trade Payables	-	29.37	29.37	29.37
Borrowings	-	532.06	532.06	532.06
Other Financial Liabilities	-	223.51	223.51	223.51
<b>Total</b>	<b>-</b>	<b>784.94</b>	<b>784.94</b>	<b>784.94</b>

##### b) Fair Value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

As at 31-Mar-23	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds	119.82	-	-	119.82
<b>Total</b>	<b>119.82</b>	<b>-</b>	<b>-</b>	<b>119.82</b>
<b>As at 31-Mar-22</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets				
Investment in Mutual Funds	98.58	-	-	98.58
<b>Total</b>	<b>98.58</b>	<b>-</b>	<b>-</b>	<b>98.58</b>



**Industrial Energy Limited**

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs crores unless otherwise stated

**33 Financial Ratios**

Ratios	Numerator	Denominator	As at 31st March, 2023	As at 31st March, 2022	Variance	Reason of Variances
Current Ratio (in times)	Current Assets	Current Liabilities	1.04	0.74	40%	Increase in Cash & Bank Balances with the company
Debt-equity ratio (in times)	Total Debt including interest accrued on debt	Total Equity	0.45	0.55	-19%	
Debt service coverage ratio (in times)	(Profit before tax + interest expenses- Current Tax)	(Interest expense + scheduled principal repayment of long-term debt during the period excluding prepayment)	1.71	1.61	6%	
Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.11	0.13	-16%	
Inventory turnover ratio (in number of days)	(Average Inventories of fuel x number of days)	Cost of fuel consumed	97.50	176.06	-45%	Increase in fuel consumption
Trade receivables turnover ratio (in number of days)	(Average trade receivable x number of days)	Sales	27.48	33.07	-17%	
Trade payables turnover ratio	Average trade payable x number of days	Net credit purchases	101.27	113.73	-11%	
Net capital turnover ratio	Revenue	Working capital(excluding Current Maturities on Long term borrowings & interest accrued but not due on borrowings)	4.01	(20.17)	-120%	Increase in revenue due to capitalisation of TGIII
Net Profit Margin (%)	Net Profit after Tax	Revenue	0.34	0.40	-15%	
Return on capital employed	Earning before interest and taxes	Average Capital employed i.e. Net Worth + Total Debt + Deferred Tax	0.12	0.11	2%	
Return on investment	Interest income on Bank Deposits + Gain on Investments classified as fair value through profit or loss	Average Investment + Average Fixed deposit	0.06	0.04	51%	Increase in Gain on investments in Mutal Funds

**34 Significant Events after the Reporting Period**

There were no significant adjusting events that occurred subsequent to the reporting period.

**35 Corporate Social Responsibility disclosure**

Particulars		31-Mar-23	31-Mar-22
A.	Gross amount required to be spent by the Group during the year	2.99	3.05
B.	Amount spent during the year:		
	i. Construction/acquisition of any asset	-	-
	ii. On purposes other than (i) above	2.27	1.54
		2.27	1.54
C.	Details related to spent / unspent obligations:		
	i. Contribution to Charitable Trust	2.27	1.54
	ii. Unspent amount in relation to:		
	-Ongoing project	0.72	1.51
	-Other than ongoing project	-	-

**Details of ongoing project and other than ongoing project**

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
	1.51	0.76	0.04	1.51	0.72	-

\*The unspent amount in respect of ongoing projects has not been transferred to a Special Account till the date of approval of financial statements. However, the period for such transfer i.e., thirty days from the end of the financial year as permitted under sub section (6) of section 135 of the Companies Act, has not elapsed.

In case of S. 135(5) (Other than ongoing project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	2.23	2.23	-

**36 Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED)**

Particulars	As at March 2023	As at March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
i) Principal amount due to micro and small enterprise #	12.94	1.66
ii) Interest due on above	0.08	-
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	NIL	NIL
v) The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under	NIL	NIL

\* Amount is lesser than the rounding off norms followed by the Company

# It includes amount payable in the nature of capital creditors of Rs. 0.54cr( March 31, 2022: Rs. NIL )

The above particulars, as applicable, have been given in respect of MSMEs to the extent they could be identified on the basis of information available with the Company.



## Industrial Energy Limited

Notes to the Financial Statements for the Year ended March 31, 2023

All amounts are in Rs crores unless otherwise stated

37 The Company had received demand of Rs. 39.68 crores (which include interest of Rs. 19.73 crores and penalty of Rs. 9.39 crores) on April 19, 2021 under the Jharkhand Entry Tax Act pertaining to financial years 2011-12 to 2017-18. The Company had also filed an appeal with appellate authority against the aforesaid demand on the ground that the time limit for initiating demand/ order has expired as per proviso of section 11(5) of the Jharkhand Entry Tax Act and the hearing is pending. The management is confident that no liability would devolve on the Company. Further, any payments that are required to be made pursuant to the final outcome of the appeal, the same would be passed on to the customer as per the signed agreements.

### 38 Segment Reporting

The Company is engaged in setting up and operating power plants classified as captive power plants of Tata Steel Limited. These power plants supply power to Tata Steel Limited (TSL). Consequently, there are no separate reportable segments as per the requirement of Ind As 108 "Operating Segments".

The Company's operation is majorly confined within India. Accordingly, there are no reportable geographical segments.

### 39 Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with companies struck off.
- The Company has not yet registered the required charge on all tangible & intangible assets (except land) of Domjuri Project.

S.No.	Bank	Brief Description	Location of the Registrar	Period (in days or months) by which such charge had to be registered	Reason for delay
1	HDFC Bank Ltd	Charges on Loan of 77 Cr of Domjuri Solar Plant	ROC- Mumbai, Maharashtra	1 months from Execution of Deed Of Hypothecation(DOH)	Negotiation is going on various clauses of FA and DOH. Currently the revert is pending at Bank's end .Post Execution of DOH, Charges will be filled

- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
  - The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - 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 to or on behalf of the Ultimate Beneficiaries.
  - The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
    - 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.
  - The Company does not have 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).
- 40 The Company has defined process to take daily back-up of books of account maintained electronically and maintain the logs of the back-up of such books of account for cyclic period of 90 days only. Hence, this is not been considered as non-compliance with a provision of The Companies (Accounts) Rules, 2014 (as amended), since, at any point of time, logs are available for a period up to 90 days. However, management is taking steps to configure systems to ensure that logs of daily backup for books of account is maintained on a daily basis so long as they are required to be maintained under applicable statute.

### 41 Approval of financial statements:

The Financial Statements has been approved by the Board of Directors on April 13, 2023

As per our report of even date

For S.R.BATLIBOI & CO LLP

ICAI Firm Registration no : 301003E/E300005

Chartered Accountants



per Sanjay Agarwal  
Partner

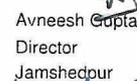
Membership no : 055833



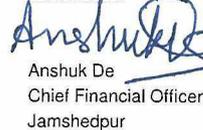
Kolkata, April 13, 2023

For and on behalf of the Board of Directors,

  
Vijay V. Namjoshi  
Director  
Mumbai

  
Avneesh Gupta  
Director  
Jamshedpur

  
Jagmit Singh Sidhu  
Chief Executive Officer  
Jamshedpur

  
Anshuk De  
Chief Financial Officer  
Jamshedpur

  
Kalika Dabholkar  
Company Secretary

Mumbai, April 13, 2023