



IOT Utkal Energy Services Limited
Regd. Office : Plot no 188/183, Zero Point, Udayabata,
Paradeep Jagatsinghpur Odisha 754141 India. www.iuesl.com
CIN : U45208OR2009PLC011389

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the members of IOT Utkal Energy Services Limited will be held on Friday 9th August 2024 at 1100 hrs IST at Indian Oil Corporation Limited – IOCL Paradip, PO: Jhimani, via – Kujang, Dist – Jagatsinghpur, Odisha – 754 141 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2024, together with Reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Ms. Birva Chiragbhai Patel (DIN: 07203299) who retires by rotation, and is eligible for re-appointment.
3. To appoint M/s V. Sankar Aiyar & Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s V. Sankar Aiyar & Co., Chartered Accountants, ICAI Firm Registration No. FRN 109208W be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 15th Annual General Meeting (AGM) till the conclusion of the 20th AGM of the Company to be held in the year 2029 and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the auditors."

Special Business

4. Appointment of Mr. Manoj Kumar Borad (DIN:10524897) as Director liable to retire by rotation

"RESOLVED THAT pursuant to the provisions of Section 152 and 161(1) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Mr. Manoj Kumar Borad (DIN:10524897) who was appointed as Additional Director of the Company by the Board with effect from 18.03.2024 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company, liable to retire by rotation."



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5. Approval of Related Party Transactions with Indian Oil Corporation Limited

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

***RESOLVED THAT** pursuant to the provisions of Section 177, 188 and other applicable provisions, if any of the Companies Act, 2013 ("Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s), hereinafter collectively referred to as ("Applicable Laws") approval of Shareholders be and is hereby accorded to the transactions of the Company with Indian Oil Corporation Limited, a Related Party within the meaning of Regulation 2(1)(zb) of the Listing Regulations, under the existing contract dated 28th June 2010 for Installation, Operations and Maintenance of Crude and Finished Products Tankages Facility at Paradip Refinery Project Paradip Orissa on Build Own Operate Transfer basis and Work Orders for Operation & Maintenance and arrangement(s)/ transaction(s) thereunder whether by way of renewal(s) or extension(s) or modification(s) of earlier contracts/ arrangements / transactions or otherwise, as the Board of Directors may deem fit, from the financial year 2021-22 to October 2028 up to a maximum annual aggregate value of the Related Party Transactions as mentioned herein below, notwithstanding the fact that the aggregate value of Related Party Transactions may exceed materiality threshold as prescribed under the Applicable Laws, provided however, that the said Related Party Transactions shall be carried out on an arm's length basis and in the ordinary course of business of the Company and such Related Party Transactions shall be in the nature of:

I. Existing BOOT Contract dated 28th June 2010

- | | | |
|----|------------------------------------|--------------------|
| 1) | Monthly Fixed Charges | : Rs. 3580.00 lakh |
| 2) | Monthly Operation Charges | : Rs. 122.16 lakh |
| 3) | Monthly Maintenance Charges | |
| | Upto October 2025 | : Rs. 120.42 lakh |
| | From November 2025 to October 2027 | : Rs. 204.85 lakh |
| | From November 2027 to October 2028 | : Rs. 205.08 lakh |

II. Additional Tankages/ Facilities -Work Order dated 23.03.2022

S. No.	Particulars	(Rs. lakhs)
1)	Monthly Operation Charges	76.34
2)	Monthly Maintenance Charges	
	Year 1-3	38.58
	Year 4 to October 2028	76.06



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III. Additional Tankages/ Facilities -Work Order dated 15.11.2023

(Rs. lakhs)

S. No.	Particulars	Additional Tanks	Ethylene Glycol Tankages
1)	Annual Operation Charges	1302.84	3385.05
2)	Annual Maintenance Charges		
	Year 1-3	411.14	1620.17
	Year 4 to October 2028	483.38	2664.43

Operation & Maintenance charges will be adjusted (upward or downward) on quarterly basis, based on published indices."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

6. Approval of Related Party Transactions with IndianOil Adani Ventures Limited

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulations 23 (4) and 23(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s) hereinafter collectively referred to as ("Applicable Laws"), approval of Shareholders be and is hereby accorded to transactions of the Company with IndianOil Adani Ventures Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations under the existing contract dated 23rd February 2010 and Work Orders for Operations and Maintenance Services and arrangement(s)/ transaction(s) thereunder whether by way of renewal(s) or extension(s) or modification(s) of earlier contracts/ arrangements / transactions or otherwise, as the Board of Directors may deem fit, from the financial year 2021-22 to October 2028 up to a maximum aggregate value of the Related Party Transactions as mentioned herein below, notwithstanding the fact that the annual aggregate value of Related Party Transactions may exceed materiality threshold as prescribed under the Applicable Laws, provided however, that the said Related Party Transactions shall be carried out on an arm's length basis and in the ordinary course of business of the Company and such Related Party Transactions shall be in the nature of:

I. Existing Operations & Maintenance Contract dated 23rd February 2010

1) Monthly Operation Charges	: Rs. 83.94 lakh
2) Monthly Maintenance Charges	
Upto October 2025	: Rs. 115.60 lakh
From November 2025 to October 2027	: Rs. 196.65 lakh
From November 2027 to October 2028	: Rs. 196.87 lakh



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II. Additional Tankages/ Facilities- Work Order dated 23.03.2022

S. No.	Particulars	(Rs. lakhs)
1)	Monthly Operation Charges	70.33
2)	Monthly Maintenance Charges	
	Year 1-3	35.67
	Year 4 to October 2028	70.25

III. Additional Tankages/ Facilities- Work Order dated 15.11.2023

(Rs. lakhs)

S.No.	Particulars	Additional Tanks	Ethylene Glycol Tankages
1)	Annual Operation Charges	1302.84	3385.05
2)	Annual Maintenance Charges		
	Year 1-3	411.14	1620.17
	Year 4 to October 2028	483.38	2664.43

Operation and maintenance charges will be adjusted (upward or downward) on quarterly basis, based on published indices."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

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India

By Order of the Board
For IOT Utkal Energy Services Limited

Girjesh Shrivastava
Company Secretary

4th July 2024



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NOTES:

1. PURSUANT TO THE PROVISIONS OF THE COMPANIES ACT, 2013 (ACT), A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY DULY FILLED, STAMPED & SIGNED NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. THE RELEVANT STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE ACT IN RESPECT OF THE SPECIAL BUSINESS ITEM NOS. 4, 5, AND 6 IS ANNEXED HERETO.
3. THE BODY CORPORATES ARE ENTITLED TO APPOINT AUTHORISED REPRESENTATIVES TO ATTEND THE AGM AND PARTICIPATE THEREAT AND CAST THEIR VOTES THROUGH POLL AT OR BY WAY OF SHOW OF HANDS AS MAY BE DIRECTED BY THE CHAIRMAN OF THE AGM AT THE TIME OF THE AGM. CORPORATE MEMBERS ARE REQUESTED TO SEND VIA E-MAIL A DULY CERTIFIED COPY OF THE AUTHORITY LETTER/BOARD RESOLUTION AUTHORIZING THEIR REPRESENTATIVE TO ATTEND AND VOTE AT THE AGM AT girjesh.shrivastava@iavl.com.
4. THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED, ARE REQUESTED TO REGISTER THE SAME WITH THE COMPANY SECRETARY, BY PROVIDING THEIR NAME AS REGISTERED WITH THE R&STA, ADDRESS, EMAIL ID, PAN, DPID/CLIENT ID OR FOLIO NUMBER AND NUMBER OF SHARES HELD.
5. THE REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND THEIR SHAREHOLDING, MAINTAINED UNDER SECTION 170 OF THE ACT, AND THE REGISTER OF CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS ARE INTERESTED, MAINTAINED UNDER SECTION 189 OF THE ACT, WILL BE AVAILABLE FOR INSPECTION BY THE MEMBERS DURING THE AGM. ALL DOCUMENTS REFERRED TO IN THE NOTICE ARE AVAILABLE FOR INSPECTION DURING OFFICE HOURS AT THE REGISTERED OFFICE OF THE COMPANY.
6. DETAILS AS REQUIRED UNDER SECRETARIAL STANDARD-2 IN RESPECT OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE AGM IS GIVEN IN THE ANNEXURE TO THIS NOTICE.
7. IN TERMS OF THE PROVISIONS OF COMPANIES (MANAGEMENT AND ADMINISTRATION RULES) 2014, THE NOTICE OF THE AGM HAS BEEN SENT THROUGH ELECTRONIC MODE TO ONLY THOSE MEMBERS WHOSE EMAIL IDS ARE REGISTERED WITH THE COMPANY/ DEPOSITORY PARTICIPANT. FURTHER, UPDATION, IF ANY, WILL BE PROVIDED VIA EMAIL.
8. THE ROUTE MAP IS ANNEXED TO THIS NOTICE.

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4th July 2024

By Order of the Board
For IOT Utkal Energy Services Limited

Girjesh Shrivastava
Company Secretary



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Item No. 2: To appoint a Director in the place of Ms. Birva Chiragbhai Patel (DIN: 07203299) who retires by rotation, and is eligible for re-appointment.

A brief resume of Ms. Birva Chiragbhai Patel (DIN: 07203299) Director, who is retiring and is eligible for reappointment, is given below:

Ms. Birva Chiragbhai Patel joined the Board as Additional Director with effect from 31.01.2023. Ms. Birva Chiragbhai Patel is a qualified Company Secretary and has a bachelor's degree in commerce from Gujarat University. She has over 20 years of experience in the areas of finance, accounts, secretarial and legal matters. She started her career with Adani Group as Company Secretary and was associated with the Group for 10 years. Then, she ventured into business and took franchise of a Delhi based brand (Ritu Kumar) and has been successful in retail industry over 8 years. Ms. Birva Chiragbhai Patel is Director on the Boards of several Adani Group companies.

Details of Directorships and Committee Memberships in other companies

Name of the Company	Position held
Adani Krishnapatnam Port Limited	Non-Executive Director and Member Audit, CSR and Nomination & Remuneration Committee
Kutch Copper Limited	Non-Executive Director
Adani Transmission (India) Limited	Non-Executive Director
M&B Engineering Limited	Wholetime Director
Adani Hazira Port Limited	Non-Executive Director and Member CSR Committee
Adani Tracks Management Services Private Limited	Non-Executive Director
Maharashtra Eastern Grid Power Transmission Company Limited	Non-Executive Director and Member CSR Committee
Adani Infra (India) Limited	Non-Executive Director and Member CSR Committee
IndianOil Adani Ventures Limited	Non-Executive Director
No. of shares held in the Company	Nil
Relationship between Directors and Key Managerial Personnel	Nil

Item No. 3: To appoint M/s V. Nagarajan & Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration

M/s V. Nagarajan & Co., the existing Statutory Auditors, complete their maximum tenure of 5 years as Statutory Auditors of the Company as per the provisions of Companies Act, 2013 (Act) at the conclusion of this Annual General Meeting.

After evaluating and considering various factors such as industry experience, competency, efficiency and independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, and subject to the approval of Shareholders, approved the appointment of M/s V. Sankar Aiyar & Co., Chartered Accountants, having ICAI Firm Registration No. FRN 109208W as the



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Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 15th Annual General Meeting (AGM) to be held in the year 2024 till the conclusion of the 20th AGM of the Company to be held in the year 2029 on such remuneration as may be recommended by the Audit Committee and approved by the Board.

M/s V. Sankar Aiyar & Co., have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

Established in 1952 in Delhi, M/s V. Sankar Aiyar & Co. is one of the oldest serving professional firms with competitive presence across India in the profession of Chartered Accountancy and empaneled with Institute of Chartered Accountants of India, Reserve Bank of India, Mumbai, Life Insurance Corporation of India, The Comptroller & Auditor General of India, Central Registrar of Co-operative Societies, New Delhi, Audit Bureau of Circulation, Mumbai and National Highways Authority of India.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members. None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out in Item No. 3 of the Notice.

Item No. 4: Appointment of Mr. Manoj Kumar Borad (DIN:10524897) as Director liable to retire by rotation

Mr. Manoj Kumar Borad has been nominated as Non-executive Director of the Company by Shareholder IndianOil Adani Ventures Limited. Accordingly, pursuant to Section 161(1) of the Act, and based on the recommendation of Nomination & Remuneration Committee, Mr. Manoj Kumar Borad has been appointed by the Board as Additional Director with effect from 18.03.2024. Mr. Manoj Kumar Borad holds office upto the date of this Annual General Meeting.

Mr. Manoj Kumar Borad is a Chartered Accountant with 30 years of Industry experience in the Oil & Gas Sector. He joined Indian Oil in 1994 and has handled many core areas of Finance including Management Accounting, Taxation, Product Accounting & Inventory Management, Product profitability etc. He has worked in Import Terminal, State Office, Regional Office and Head Office of IOC Marketing Division. During his tenure, he has been instrumental in finalizing the product sale / purchase agreements / MoUs with Oil Marketing Companies, Stand-alone-Refineries and Fractionators and Ministry coordination for implementation of Government notified schemes. He has also played a vital role in centralization of various finance activities for uniformity and to improve efficiency. He is currently serving as Director (Finance) of IndianOil Adani Ventures Limited.

Details of Directorships and Committee Memberships in other companies

Name of the Company

Position held

IndianOil Adani Ventures Limited	Director (Finance)
Zuari IAV Private Limited	Non-Executive Director
IAV Utkarsh Limited	Non-Executive Director
IAV Urja Services Limited	Non-Executive Director
IAV Infrastructures Private Limited	Non-Executive Director
IAV Udaan Limited	Non-Executive Director



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No. of shares held in the Company	1
Relationship between Directors and Key Managerial Personnel	Nil

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Manoj Kumar Borad for the office of Director of the Company liable to retire by rotation. Mr. Manoj Kumar Borad is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. Except Mr. Manoj Kumar Borad, who is being appointed, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No. 5:

Approval for Related Party Transactions with Indian Oil Corporation Limited

The Company is a Special Purpose Vehicle incorporated in the year 2009 for setting up of Crude and Product Storage Facilities on Build-Own-Operate-Transfer ("BOOT") basis for meeting the storage and handling requirements of crude oil and finished products for the 15 Million Metric Tonnes per Annum (MMTPA) Grass Root Refinery of Indian Oil Corporation Limited (IOCL) at Paradip in the state of Odisha.

Accordingly, the Company has entered into the BOOT Agreement dated 28th June 2010 with IOCL under which the Company is responsible for the Operation and Management of the Tankages Facilities along with terminal for the period of 15 (fifteen) years upto the end of the BOOT-3 contract period (31.10.2028).

Also, the Company has been awarded the Operations & Maintenance Contracts for the Additional Tankage Facilities in the BOOT-3 Area by Indian Oil Corporation Limited. The contract period is from the date of commissioning of these additional facilities / tanks till the end of the BOOT-3 contract period (31.10.2028).

Pursuant to the Regulation 23 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, all existing material related party contracts or arrangements entered into prior to the date of notification of these regulations and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations.

The above BOOT contract with IOCL is an existing contract of a material nature and would continue till 2028. Accordingly, in compliance of the above Regulation read with SBBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/40, the contract entered by the Company with IndianOil Corporation Limited is being placed for approval of the Shareholders at the Annual General Meeting.

The relevant details with respect to material Related Party Transactions under the said BOOT agreement are as under:

1) Name of the Related Party and Relationship

Indian Oil Corporation Limited, a Related Party of the Company within the meaning of Regulation 2(1)(zb) of the Regulations.



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2) Name of Director(s) or Key Managerial Personnel who is related, if any

Mr. Manoj Kumar Borad is nominated as Finance Director on the Board of the Holding Company IndianOil Adani Ventures by Indian Oil Corporation Limited and has also been nominated by the Holding Company as Non-executive Director on the Board of the Company.

3) Nature, Duration/ Tenure, Material Terms, Monetary Value and Particulars of the Contract or Arrangement

Under the BOOT contract dated 28th June 2010 and the Work Order dated 23rd March 2022, the Company is responsible for the Operation and Management of the Tankages Facilities along with terminal for the period of 15 (fifteen) years upto the end of the BOOT-3 contract period (31.10.2028). Pursuant to the same, the Company is entitled to receive under the BOOT Agreement payments comprising of the following at periodic intervals:

I. Existing BOOT Contract dated 28th June 2010

- 1) Monthly Fixed Charges : Rs. 3580.00 lakh
- 2) Monthly Operation Charges : Rs. 122.16 lakh
- 3) Monthly Maintenance Charges
 - Upto October 2025 : Rs. 120.42 lakh
 - From November 2025 to October 2027 : Rs. 204.85 lakh
 - From November 2027 to October 2028 : Rs. 205.08 lakh

II. Additional Tankages/ Facilities -Work Order dated 23.03.2022

S. No.	Particulars	(Rs. lakhs)
1)	Monthly Operation Charges	76.34
2)	Monthly Maintenance Charges	
	Year 1-3	38.58
	Year 4 to October 2028	76.06

III. Additional Tankages/ Facilities -Work Order dated 15.11.2023

(Rs. lakhs)

S. No.	Particulars	Additional Tanks	Ethylene Glycol Tankages
1)	Annual Operation Charges	1302.84	3385.05
2)	Annual Maintenance Charges		
	Year 1-3	411.14	1620.17
	Year 4 to October 2028	483.38	2664.43

Operation & Maintenance charges will be adjusted (upward or downward) on quarterly basis, based on published indices.



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- 4) Percentage of Company's Annual Consolidated Turnover, for the immediately preceding financial year, that is represented by the value of the proposed transactions**

100%. Since the Company is a Special Purpose Vehicle incorporated under the terms of award of the BOOT Contract by IOCL.

- 5) Details about Valuation/ Arm's Length and Ordinary Course of Business**

The Contract has been awarded on arms length basis by way of a public tender floated by IOCL to the Company.

- 6) Rationale/ benefit of the transactions with Related Party or the justification as to why the transactions with Related Party are in the interest of the Company**

The Company is the Special Purpose Vehicle incorporated for the purpose of the BOOT Contract. The transactions with Related Party are the only source of revenue for the Company.

- 7) Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity and / or its subsidiaries**

Not Applicable.

- 8) Any other information relevant or important for the members to take a decision on the proposed resolution/ Any other information that may be relevant**

Based on the information on Related Party Transactions, summarized in this Notice, the approval of the members is being sought for the resolution set out in Item No. 5. The said Related Party Transactions as placed for members' approval, shall, at all times, be subject to prior approval of the Audit Committee to be obtained at the beginning of each financial year and shall continue to be an arm's length basis and in the ordinary course of business of the Company.

The aforesaid related party transactions with IOCL shall also be reviewed/ monitored by the Audit Committee of the Company as per requirements of the Listing Regulations and the Act and shall remain within the limits as approved by the members. Any subsequent material modifications in the proposed transactions, as defined by the Audit Committee forming part of Company's policy on related party transactions shall be placed before the members for approval, in terms of Regulation 23(4) of the Listing Regulations. The related party transactions with IOCL are not, in any manner, detrimental to the interest of minority members and are in the best interest of the Company and its members.

Directors or Key Managerial Personnel are interested in the Ordinary Resolution set out in Item No. 5 being the Nominees / employees of IndianOil Adani Ventures Limited, the Company's Holding Company promoted by IOCL. None of the relative(s) of Directors / KMPs are concerned or interested in the said Ordinary Resolution.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 5 of the Notice. Pursuant to Regulation 23 of the Listing Regulations, in



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respect of voting on this resolution, no related party shall vote to approve resolution set out at Item No. 5. The Board accordingly recommends the resolution set forth in Item no. 5 for approval of the members as Ordinary Resolution.

Item No. 6: Approval of Related Party Transactions with IndianOil Adani Ventures Limited

The Company is a Special Purpose Vehicle incorporated in the year 2009 for setting up of crude and product storage facilities on Build-Own-Operate-Transfer ("BOOT") basis for meeting the storage and handling requirements of crude oil and finished products for the 15 Million Metric Tonnes per Annum (MMTPA) Grass Root Refinery of Indian Oil Corporation Limited (IOCL) at Paradip in the state of Odisha.

Accordingly, the Company has entered into the Operations & Maintenance Services (O&M) Agreement dated 23rd February 2010 with its Holding Company, IndianOil Adani Ventures Limited (IAVL) under which IAVL is responsible for the Operation & Maintenance of the Tankages Facilities along with terminal for the period of the BOOT contract with IOCL i.e. 15 (fifteen) years upto the end of the BOOT-3 contract period (31.10.2028). In this arrangement, the Company retains a specific percentage of margin and the balance is paid to IAVL. Also, the Company has awarded the Operations & Maintenance Contract for the Additional Tankage Facilities in the BOOT-3 Area to IAVL. The contract period is from the date of commissioning of these additional tanks till the end of the BOOT-3 contract period (31.10.2028) wherein the Company will retain similar kind of margin on the lines of the BOOT contract.

Pursuant to the Regulation 23 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, all existing material related party contracts or arrangements entered into prior to the date of notification of these regulations and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations.

The above BOOT contract with IOCL is an existing contract of a material nature and would continue till 2028. Accordingly, in compliance of the above Regulation read with SBBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/40, the contracts entered by the Company with IndianOil Adani Ventures Limited are being placed for approval of the Shareholders at the Annual General Meeting.

The relevant details with respect to material Related Party Transactions under the said BOOT agreement are as under:

1) Name of the Related Party and Relationship

IndianOil Adani Ventures Limited. The Company is a Subsidiary of IndianOil Adani Ventures Limited which holds 71.57% stake in the Company.

2) Name of Director(s) or Key Managerial Personnel who is related, if any

Mr. Manoj Kumar Borad is nominated as Finance Director on the Board of the Holding Company IndianOil Adani Ventures by Indian Oil Corporation Limited and has also been nominated by the Holding Company as Non-executive Director on the Board of the Company. Mr. C. R. Kalyanasundaram, CFO, is associated with the Holding Company as an employee and Mr. Girjesh Shrivastava, Company Secretary is also the Company Secretary (KMP) of the Holding Company.



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3) Nature, Duration/ Tenure, Material Terms, Monetary Value and Particulars of the Contract or Arrangement

Under the O&M Agreement dated 23rd February 2010 entered between the Company and IAVL, and the subsequent Work Orders, the Operation & Maintenance of the Tankages Facilities along with terminal for the period of 15 (fifteen) years upto the end of the BOOT-3 contract period (31.10.2028). Pursuant to the same, the Company is required to make payments under the O&M Agreement comprising the following at periodic intervals:

II. Existing Operations & Maintenance Contract dated 23rd February 2010

- | | | |
|----|------------------------------------|-------------------|
| 1) | Monthly Operation Charges | : Rs. 83.94 lakh |
| 2) | Monthly Maintenance Charges | |
| | Upto October 2025 | : Rs. 115.60 lakh |
| | From November 2025 to October 2027 | : Rs. 196.65 lakh |
| | From November 2027 to October 2028 | : Rs. 196.87 lakh |

II. Additional Tankages/ Facilities- Work Order dated 23.03.2022

S. No.	Particulars	(Rs. lakhs)
1)	Monthly Operation Charges	70.33
2)	Monthly Maintenance Charges	
	Year 1-3	35.67
	Year 4 to October 2028	70.25

III. Additional Tankages/ Facilities- Work Order dated 15.11.2023

(Rs. lakhs)			
S.No.	Particulars	Additional Tanks	Ethylene Glycol Tankages
1)	Annual Operation Charges	1302.84	3385.05
2)	Annual Maintenance Charges		
	Year 1-3	411.14	1620.17
	Year 4 to October 2028	483.38	2664.43

Operation and maintenance charges will be adjusted (upward or downward) on quarterly basis, based on published indices.

4) Percentage of Company's Annual Consolidated Turnover, for the immediately preceding financial year, that is represented by the value of the proposed transactions

Around 17.50%. Since the Company is a Special Purpose Vehicle incorporated under the terms of award of the BOOT Contract by IOCL.

5) Details about Valuation/ Arm's Length and Ordinary Course of Business

The BOOT contract has been awarded on the basis of a public tender floated by IOCL to the Company and the O&M Agreement has been awarded to IAVL on the same terms.



IOT Utkal Energy Services Limited
Regd. Office : Plot no 188/183, Zero Point, Udayabata,
Paradeep Jagatsinghpur Odisha 754141 India. www.iuesl.com
CIN : U45208OR2009PLC011389

- 6) Rationale/ benefit of the transactions with Related Party or the justification as to why the transactions with Related Party are in the interest of the Company

The Company is the Special Purpose Vehicle incorporated for the purpose of the BOOT Contract. The transaction with Related Party is necessary for carrying out operations of the Company.

- 7) Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity and / or its subsidiaries

Not Applicable.

- 8) Any other information relevant or important for the members to take a decision on the proposed resolution/ Any other information that may be relevant

Based on the information on Related Party Transaction, summarized in this Notice, the approval of the members is being sought for the resolution set out in Item No. 6. The said Related Party Transactions as placed for members' approval, shall, at all times, be subject to prior approval of the Audit Committee to be obtained at the beginning of each financial year and shall continue to be an arm's length basis and in the ordinary course of business of the Company.

The aforesaid related party transactions are also reviewed/ monitored by the Audit Committee of the Company as per requirements of the Listing Regulations and the Act and shall remain within the limits as approved by the members. Any subsequent material modifications in the proposed transactions, as defined by the Audit Committee forming part of Company's policy on related party transactions shall be placed before the members for approval, in terms of Regulation 23(4) of the Listing Regulations. The related party transactions with IAVL are not, in any manner, detrimental to the interest of minority members and are in the best interest of the Company and its members.

Directors or Key Managerial Personnel are interested in the Ordinary Resolution set out in Item No. 6 being the Nominees / employees of IndianOil Adani Ventures Limited, the Company's Holding Company. None of the relative(s) of Directors / KMPs are concerned or interested in the said Ordinary Resolution.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 5 of the Notice. Pursuant to Regulation 23 of the Listing Regulations, in respect of voting on this resolution, no related party shall vote to approve resolution set out at Item No. 6. The Board accordingly recommends the resolution set forth in Item no. 6 for approval of the members as Ordinary Resolution.

Registered Office:
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Paradeep Jagatsinghpur Odisha 754141 India

4th July 2024

By Order of the Board
For IOT Utkal Energy Services Limited

Girjesh Shrivastava
Company Secretary



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Form No. MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
 (Management and Administration) Rules, 2014]

Name of the member(s): Registered address: E-mail Id: Folio No/ Client Id: DP ID: I/We, being the member (s) of _____ Shares of the above named company, hereby appoint

1. Name: _____
 Address: _____
 E-mail Id: _____
 Signature: _____, or failing him/her

2. Name: _____
 Address: _____
 E-mail Id: _____
 Signature: _____, or failing him/her

3. Name: _____
 Address: _____
 E-mail Id: _____
 Signature: _____, or failing him/her

as my/ our proxy to attend and vote (on a poll) for me/ us on my/ our behalf at the 15th Annual General Meeting of the Company to be held on Friday, the 9th day of August, 2024 at 1100 Hrs at Indian Oil Corporation Limited – IOCL Paradip, PO: Jhimani, via – Kujang, Dist – Jagatsinghpur, Odisha – 754 141, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. _____

Signed this _____ day of _____ 2024.

Affix Rs.1 Rev stamp

Signature of the Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



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ATTENDANCE SLIP

(Please present this slip at the entrance of the Meeting Hall)

I hereby record my presence at the 15th Annual General Meeting of IOT Utkal Energy Services Limited to be held on Friday, the 9th day of August, 2024 1100 hrs at Indian Oil Corporation Limited – IOCL Paradip, PO: Jhimani, via – Kujang, Dist – Jagatsinghpur, Odisha – 754 141.

Regd. Folio No./ DP & Client ID. _____ No. of Shares _____

Name of Shareholder: _____

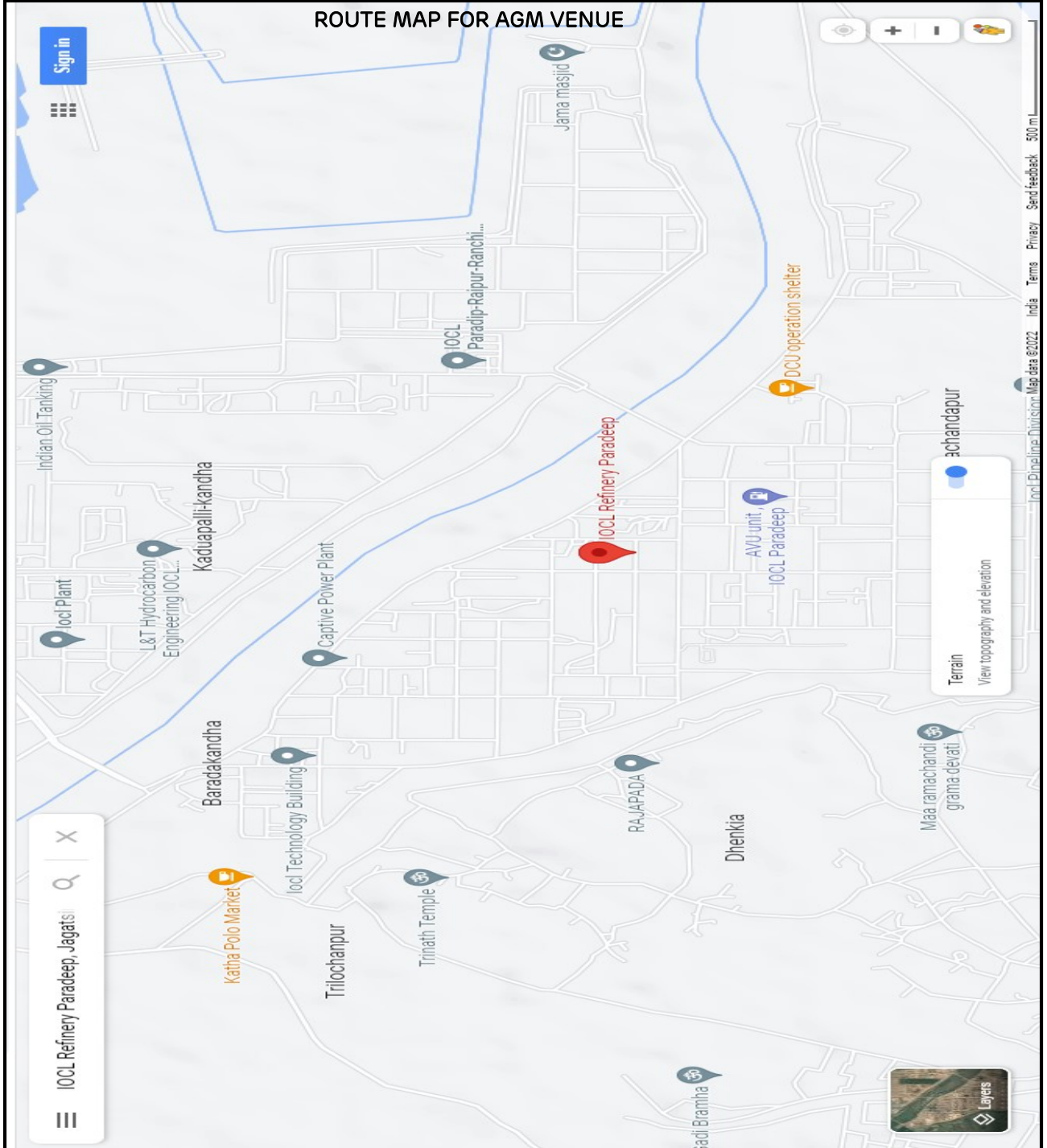
Address: _____

(Signature of the Shareholder/ Proxy)

(To be signed at the time of meeting)



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CIN : U45208OR2009PLC011389





Annual Report 2024



IOT UTKAL ENERGY SERVICES LIMITED



BOARD OF DIRECTORS

Mr. Nilmoni Bhakta	Non-executive Independent Chairman
Mr. Narendra Asija	Non-executive Independent Director
Mr. Manoj Kumar Borad	Non-executive Director (w.e.f. 18 th March 2024)
Ms. Birva Chiragbhai Patel	Non-executive Director
Mr. Rejith Bhaskar	Wholetime Director & CEO (w.e.f. 31 st August 2023)
Mr. S. R. Ganeshan	Non-executive Director (up to 29 th February 2024)
Mr. Sreekanth Thambisetty	Wholetime Director & CEO (up to 14 th August 2023)

CHIEF FINANCIAL OFFICER

Mr. C. R. Kalyanasundaram

COMPANY SECRETARY

Mr. Girjesh Shrivastava

STATUTORY AUDITORS

V. Nagarajan & Co.

INTERNAL AUDITOR

RSM Astute Consulting Private Ltd.

DEBENTURE TRUSTEE

SBICAP Trustee Company Ltd

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited

SECRETARIAL AUDITORS

Amit Samani & Co.

BANKERS

State Bank of India



IOT UTKAL ENERGY SERVICES LIMITED

**15th ANNUAL REPORT
2023-24**

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DIRECTORS' REPORT

To the Members,

IOT UTKAL ENERGY SERVICES LIMITED

Your Directors have pleasure in submitting their 15th Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2024.

1. FINANCIAL RESULTS

Particulars	(Rs. in Crores)	
	2023-24	2022-23
Total Income	552.73	527.75
Total Expenses	461.82	474.13
Profit / (Loss) before tax and Exceptional Items	90.91	53.63
Exceptional Items	-	-
Provision for taxation:		
Current	-	-
Deferred	22.88	13.48
Profit / (Loss) after tax	68.03	40.15

For the financial year ended on 31st March 2024, the Company has registered profit after tax of Rs. 68.03 crore as against profit after tax of Rs. 40.15 crore registered during the previous financial year.

2. RESERVES

The Board does not propose to carry any amount to any reserves.

3. DIVIDEND

In view of the accumulated losses of the Company, no dividend has been or is being declared.

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid on equity shares last year. There is no unpaid amount of principle or interest on the Secured Redeemable and Non-convertible debentures.

5. REVIEW OF BUSINESS OPERATIONS

During the financial year 2023-24, the Paradip BOOT Facility operated at 101% capacity. Total Throughput handled for FY 2023-24 was 35021 TKL. Total Crude processing was 18682 TKL. A Milestone of 100 Million Tones of AVU feeding was achieved in the month of October 2023 since inception.



146 Vessels were handled at the South Oil Jetty during FY 2023-24. Total 17420 Tank Trucks (MEG/TEG/DEG/Sulphur/Propylene) were handled during the FY 2023-24.

New business of Operation & Maintenance of MEG storage and handling has been awarded by Indian Oil Corporation Limited and the facility is in operation in FY 2023-24. Tank M&I activities as per OISD 129 guidelines are in progress.

6. HEALTH SAFETY SECURITY AND ENVIRONMENT

During FY2024, the Company achieved 296 Lost Time Injury Free Work Days, 783524 LTI Free Work Hours and 12005 Manhours of Training. Total Training Man hours for Officers is 5604 Man Hours and for Workmen is 6496 Man Hours. In addition, external Training on Electrical Safety was conducted under "URJA" campaign during November 2023.

Under the OISD audit conducted at South Oil Jetty by Paradip Port Authority all the firefighting systems were found healthy.

Blood donation camp was organized on 7th July 2023 in which all the officers, workmen and family members participated and around 80 units were collected during the camp. Snake awareness program was conducted on 25th August 2023.

World Environment Day' 2023, was observed on 5th June 2023 on this year's theme "Beat Plastic Pollution". 53rd National Safety Week campaign was conducted from 4th March to 10th March 2024.

7. NATURE OF BUSINESS

There is no change in the nature of business carried out by the Company.

8. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure - 1 and is attached to this report.



10. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Risk Management Committee constituted by the Board has formulated the Risk Management Policy of the Company which applies to all areas of the Company's operations. The specific objectives of the Risk Management Policy are:

- To ensure, as far as possible, that all current and future material risk exposures (especially financial risks) of the Company are identified, assessed, quantified, suitably mitigated, minimized and managed, i.e. to ensure that adequate risk management systems are in place.
- To establish a framework for the Company's Risk Management Process and to ensure its implementation.
- To establish appropriate actions plans to protect the Company from those risks of significant likelihood and consequence in the pursuit of its stated strategic goals and objectives.
- To assure business growth with financial stability and safeguard the Company's property and reputation.

From the Risk Strategy perspective and for effective management of the risks, all the risks have been classified into Risk pertaining to Business and Strategy, Risks related to Corporate Functions, Risks associated with Bid management and Execution and Operations Risks. The execution and operations risks include all risks that may have the potential to impact the project completion either in terms of time, cost or quality. The risks that materialize during the execution phase of the project life cycle and those risks that are associated with the operations and maintenance will be covered under the execution and operations risk.

The Risk Management approach involves Risk Identification and Documentation, Risk Assessment and Risk Treatment and Mitigation.

11. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company was not covered under Section 135 of the Companies Act, 2013 for the financial year ended on 31st March, 2024. However, the Company has adopted a Corporate Social Responsibility (CSR) Policy and has constituted a CSR Committee in order to carry out voluntary CSR initiatives. No CSR initiatives were carried out during the financial year.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the contracts and arrangements with Related Parties are in the ordinary course of business and on arms-length basis. In line with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/40, on applicability of regulation 23 of SEBI (LODR)



Regulations 2015, in relation to Related Party Transactions the said transactions are also being reported in Form No. AOC-2, in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 as Annexure-2 and are being placed for approval of the Shareholders in the ensuing Annual General Meeting of the Company. The Board has based on recommendation by the Audit Committee, approved the Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions. The same is hosted on the Company's website.

There are no other contracts or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 which require approval of shareholders during the year under review.

14. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their reports.

15. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 can be accessed at <https://iuesl.com/investor-relations/>.

16. ANNUAL RETURN

The Annual Return of the Company as on March 31, 2024 is available on the Company's website and can be accessed at <https://iuesl.com/investor-relations/>.

17. STATEMENT ON COMPLIANCE OF SECRETARIAL STANDARDS

Pursuant to Clause 9 of the Secretarial Standards-1, your Directors, to the best of their knowledge and belief, confirm that they have complied with the applicable Secretarial Standards.

18. NUMBER OF BOARD AND COMMITTEE MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the financial year 2023-24, the Board of Directors met 4 times on 17th April 2023, 8th August 2023, 31st October 2023 and 24th January 2024. All the meetings were well attended. The gap between any two Board Meetings did not exceed 120 days.

During the year Mr. S. R. Ganeshan ceased to be a Member of the Board, the Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Mr. Manoj Kumar Borad, Non-executive Director was inducted as Member of all the said Committees.



The Audit Committee comprises of three members with majority of Independent Directors viz. Mr. Nilmoni Bhakta, Mr. Narendra Asija and Non-executive Director Mr. Manoj Kumar Borad. The Audit Committee met 4 times during the financial year under review on 17th April 2023, 8th August 2023, 31st October 2023 and 24th January 2024.

The Nomination & Remuneration Committee presently comprises of majority of Independent Directors viz. viz. Mr. Narendra Asija, Mr. Nilmoni Bhakta, and Non-executive Director Mr. Manoj Kumar Borad. The NRC met 2 (two) times during the financial year under review on 17th April 2023 and 26th October 2023.

The Risk Management Committee comprises majority of Independent Directors viz. Mr. Nilmoni Bhakta, Mr. Narendra Asija and Non-executive Director Mr. Manoj Kumar Borad. The RMC met 2 times during the financial year under review on 8th August 2023 and 26th March 2024.

The Stakeholders Relationship Committee comprises majority of Independent Directors viz, Mr. Nilmoni Bhakta, Mr. Narendra Asija and Non-executive Director Mr. Manoj Kumar Borad. The Committee met once during the financial year under review on 26th March 2024.

The Corporate Social Responsibility Committee comprises Mr. Manoj Kumar Borad. (Non-executive Director), Mr. Narendra Asija (Independent Director), Ms. Birva Chiragbhai Patel (Non-executive Director) and Mr. Rejith Bhaskar (Wholetime Director & CEO). The CSR Committee was not required to meet during the financial year.

The Independent Directors held their meeting once during the year on 24th January 2024.

19. NOMINATION & REMUNERATION POLICY

The Company has adopted a Nomination & Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The objective of this Policy is to ensure that:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
- c. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Nomination & Remuneration Policy can be accessed at <https://iuesl.com/investor-relations/>.

20. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its Responsibility Statement:



- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and;
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

21. INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

The Company has an adequate Internal Financial Controls system for financial reporting. As per the assessment by the Statutory Auditors, Internal Financial Controls over financial reporting were operating effectively as of 31st March 2024.

22. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no Subsidiary/ Joint Venture/Associate Company.

23. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

24. BOARD AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company is duly constituted with Wholetime Directors, Independent Directors, Non-executive Directors and Woman Director.

During the financial year 2023-24, Mr. Sreekanth Thambisetty (DIN: 06963538) ceased to be Wholetime Director & CEO with effect from 14.08.2023 and Mr. Rejith Bhaskar (DIN:10283897) was appointed as Additional Director with effect from 31.08.2023 and Wholetime Director and CEO with effect from 01.11.2023.

Mr. S. R. Ganeshan (DIN:08013329) Non-executive Director ceased to be the Director of the Company with effect from 29.02.2024 due to resignation and Mr. Manoj Kumar Borad (DIN: 10524897) was appointed as the Non-executive Director with effect from 18.03.2024.



Ms. Birva Chiragbhai Patel (DIN:07203299) retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

In terms of Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMPs) of the Company during FY 2023-24 are: Mr. Rejith Bhaskar, Wholetime Director & Chief Executive Officer, Mr. C. R. Kalyanasundaram, Chief Financial Officer and Mr. Girjesh Shrivastava, Company Secretary.

Subject to approval of Shareholders at the ensuing Annual General Meeting it is proposed to appoint Mr. Manoj Kumar Borad (DIN: 10524897) as the Director of the Company liable to retire by rotation.

25. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the Code of Conduct for Directors and senior management personnel. The Independent Directors have obtained registration under the Data Bank. Mr. Narendra Asija, Independent Director has cleared the online proficiency self-assessment test as prescribed by the IICA and Mr. Nilmoni Bhakta is exempted from the said requirement.

26. FORMAL ANNUAL EVALUATION

The Annual Evaluation by the Board of its own performance and that of the Committee and individual Directors has been carried out through the Nomination and Remuneration Committee of the Board constituted under the provisions of Section 178 of the Companies Act, 2013.

27. PARTICULARS OF REMUNERATION

The provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable.

28. STATUTORY AUDITORS

The Statutory Auditors have given their Audit Report for the Financial year 2023-24 and the observations made by the Auditors together with relevant notes thereon are self-explanatory and do not call for any comments.

The Statutory Auditors M/s V. Nagarajan & Co. complete their tenure of 5 years at the conclusion of the Annual General Meeting for the year 2024. It is proposed to appoint M/s V. Sankar Aiyar as Statutory Auditors from the financial year 2024-25 onwards subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.

29. SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the



company has appointed M/s. Amit Samani & Co. Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company. The Report on the Company's Secretarial Audit is annexed to this report as Annexure-3. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

30. INTERNAL AUDITORS

M/s RSM Astute Consulting Private Limited have been appointed as Internal Auditors of the Company to conduct Internal Audit of the Company under section 138 of the Companies Act, 2013. The Internal Auditors report to the Audit Committee.

31. COST RECORDS

The company is not required to maintain cost records.

32. REPORTING OF FRAUDS BY AUDITORS

The Auditors in their report for the year have not reported any instance of fraud committed by the officers/employees of the Company.

33. DECLARATION ON CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There is no proceeding initiated or pending under the Insolvency and Bankruptcy Code, 2016.

34. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee consists of majority of Independent Directors viz, Mr. Nilmoni Bhakta, Mr. Narendra Asija and Non-executive Director Mr. Manoj Kumar Borad.

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

35. SHARES

a. ISSUE OF SHARES

The Company has not issued any equity shares during the year under review

b. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

c. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.



d. BONUS SHARES

No Bonus Shares were issued during the year under review.

e. EMPLOYEES STOCK OPTION PLAN

The Company has not issued Equity Shares under the Employees Stock Option Plan during the year under review.

36. ISSUE OF DEBENTURES

The Company issued Secured Redeemable and Non convertible bonds in the nature of debentures on private placement basis on 9th April 2014 to the extent of Rs. 3000 crores and on 20th August 2015 to the extent of Rs 55 crores. The proceeds of the issue of such bonds in 2015 were utilized for repayment of the rupee term loan from banks and advance from IOC. These bonds are listed on Stock Exchange (BSE). The rate of interest, term of repayment and nature of security are as follows:

Series	Series III	Series IV	Series V
No of STRPPs	24 (Twenty Four)	6 (Six)	1 (One)
Quantum	Rs. 152,500 lacs	Rs. 36,500 lacs	Rs. 5,500 lacs
No of Debenture Issued	152,500	36,500	5,500
Face Value	Rs 100,000	Rs 100,000	Rs 100,000
No of Debenture Outstanding	89,200	36,500	5,500
Door to Door Tenure	14 years and 7 months	14 years and 7 months	13 years and 3 Months
Coupon Rate	10.08% pa	10.63% pa	9.02% pa
Coupon Payment	Quarterly	Semi-annual	Monthly
Principal Repayment	Repayable in quarterly instalments ranging between Rs 25,000 to Rs 50,000 per security commencing from 20 th April 2014 to 20 th October 2028	Repayable in semi annual instalments ranging from Rs. 1,190.48 to Rs. 18,079.10 per security commencing from 20 th April 2014 to 20 th October 2028	Monthly Instalments ranging from Rs.546.05 to Rs.1,480.31 per security commencing from 20 th Sept 2015 to 20 th October 2028

The company has created Security Interest in favour of the Debenture Trustee for the beneficial interest of the Debenture Holders. The payment of Principal and Interest on the debentures is being made regularly in terms of the Issue. SBICAP Trustee Company Limited is the Debenture Trustee. Their contact details are as under:

SBICAP Trustee Company Limited
Mistry Bhavan 4th floor,
122 Dinshaw Vachha Road,



Churchgate, Mumbai – 400 020
Tel: 022-43025500/5566
Email: helpdesk@sbicaptrustee.com

37. CREDIT RATING OF SECURITIES

The Company has obtained credit rating for the Secured Redeemable and Non convertible bonds in the nature of debentures on private placement basis on 9th April 2014 from CRISIL and India Ratings & Research and these ratings have been renewed yearly. The Rating is AAA. There has been no downward revision of the rating by any of the agencies during the year.

38. MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no orders passed by the Regulators or Courts or Tribunals impacting the Going Concern Status and Company's operations in future.

39. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under for prevention and Redressal of complaints of sexual harassment at workplace. The objective of this policy is to lay clear guidelines and provide right direction in case of any reported incidence of sexual harassment across the Company's offices and take appropriate decision in resolving such issues.

During the financial year 2023-24, the Company has not received any complaint on sexual harassment.

40. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to the Shareholders, bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review.

Your Directors also gratefully acknowledge the support and confidence reposed by the Shareholders on your Company. The Directors acknowledge the operations team at Paradip BOOT for their efforts smooth and efficient operations.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Mr. Nilmoni Bhakta
Chairman
DIN: 00032138
Date: 15th April 2024

Sd/-
Mr. Rejith Bhaskar
Wholetime Director
DIN: 10283897



ANNEXURES TO DIRECTORS' REPORT

Annexure – 1

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY:

1. **Steps taken or impact on Conservation of Energy:** Better efficiency with good quality Pumps / Compressors and Motors selected at design stage. All the rotary equipments are running with their designed efficiency in best configuration in Crude and Product area to ensure the optimum Conservation of Energy.
2. **Capital Investment on Energy Conservation Equipment:** In built with the total cost.
3. All High mast Lights and other lighting system being replaced in phase-wise manner with LED lights in Pump Houses ; Gantries, Buildings etc.
4. Air Conditioners in office building are replaced with Energy efficient VRF (Variable Refrigerant Flow) Inverter type AC's.

B. TECHNOLOGY ABSORPTION

1. Efforts made towards Technology absorption:

Latest Technology supported systems were installed in field of Process Monitoring and Controlling from Global Vendors; eg: Blending & Movement Automation system, Auto Sampling Systems, Analyzers, Fire & Gas Detection Systems, Rim seal Fire Protection Systems. The Upgraded & Automated systems in terminal has not only enhanced safety but also reduced the man hour cost.

2. Any Benefits derived like Product Improvement, cost reduction, product development or import substitution:

The product Quality & Improvement decisions are made by IOCL production planning. Product has been received and stored in our tankage facility as per requirement and advice from IOCL. The products are dispatched to the marketing division as per given schedule.

3. The following technologies have been Imported:

a. Crude/LPG/HSD Blending systems, Crude Auto sampler, Analyzer systems:

- i. **Details of Technology:** Automated Crude Blending (M/s Jiskoot JetMix) for optimization of IOCL Paradip Refinery, LPG & HSD Auto blending (M/s Honeywell/Bartec), Crude Auto sampler (M/s Eesiflo) for online density and sampling of crude receiving, RVP & Sulphur Analyzer Systems (M/s Honeywell/Bartec) which compiles the latest International Standard Specifications.
- ii. **Year of Import:** 2011.
- iii. **Whether Technology been fully absorbed:** Yes



b. Metering Systems:

- i. **Details of Technology:** LPG/Propylene, MS, HSD, DPK, SKO metering systems (Custody Transfer metering skid)
- ii. **Year of Import:** 2011.
- iii. **Whether Technology been fully absorbed:** Yes.

c. Fire & Gas Detection Systems:

- i. **Details of Technology:** Latest Flame Detectors with IR3 Technology & IR Absorption Technology Combustible Gas Detectors (M/s Honeywell Analytics/ Fire Sentry).
- ii. **Year of Import:** 2011.
- iii. **Whether Technology been fully absorbed:** Yes.

d. Emergency Shutdown Systems:

- i. **Details of Technology:** Latest PLC systems which complies to the highest safety integrity level to ensure the stringent process safety as per terminal cause and effect logic.
- ii. **Year of Import:** 2011.
- iii. **Whether Technology been fully absorbed:** Yes.

e. By Pass Conductor Systems:

- i. **Details of Technology:** Preventive barrier system for safeguard of tanks in case of lightning strike (Provided by IOCL)
- ii. **Years of Import:** 2021
- iii. **Whether Technology been fully absorbed:** Yes

f. Advanced PLC Data Sharing

- I. **Details of Technology :** Implementing advanced PLC-level data sharing enables effective management of tank overflow emergencies.
- II. **Year of Implementation:** 2023
- III. **Whether Technology been fully absorbed:** Yes

g. Infrared Thermal Imaging Camera

- I. **Details of Technology:** Deploying an infrared thermal imaging camera ensures continuous monitoring of low-temperature (LT) flare operations for enhanced safety and efficiency.
- II. **Year of Implementation:** 2023
- III. **Whether Technology been fully absorbed:** Yes



B. Foreign Exchange Earnings & Outgo

Particulars	2023-24	2022-23
Value of Imports on CIF Basis	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil
Earnings in Foreign Currency	Nil	Nil
Total	Nil	Nil

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Mr. Nilmoni Bhakta
Chairman
DIN: 00032138
Date: 15th April 2024

Sd/-
Mr. Rejith Bhaskar
Wholetime Director
DIN: 10283897

**Annexure-2****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis- Nil
2. Details of material contracts or arrangement or transactions at arm's length basis:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	
1.	Indian Oil Corporation Limited (Promoter of Holding Company)	1) Installation, Operations and Maintenance of Crude and Finished Products Tankages Facility at Paradip Refinery Project Paradip Orissa on Build Own Operate Transfer Basis Date 28 th June 2010.	15 years from Date of Mechanical Completion of the facilities. i.e. upto 31.10.2028	The following amount will be payable by IOCL on monthly basis. 1) Monthly Fixed Charges- Rs. 3580 lakh 2) Monthly Operation Charges Rs. 122.16 lakh 3) Monthly Maintenance Charges Rs. 120.42 lakh	Not Applicable Existing Contract	N.A.	
		2) Operation & Maintenance Contract for Additional Tankage Facilities in BOOT-3 Area dated 23 rd March 2022	Upto the end of the BOOT-3 contract period (31.10.2028).	1) Monthly Operation Charges -Rs. 76.34 lakh 2) Monthly Maintenance Charges (year 1-3) -Rs. 38.58 lakh (Year 4 to 31.10.2028)-Rs. 76.06 Lakhs	2 nd June 2021	N.A.	
		3) Operation & Maintenance Contract for 8 Additional Tankages in BOOT-3 Area dated 15 th November 2023	Upto the end of the BOOT-3 contract period (31.10.2028).	Rs. Lakhs Operation Charges 1302.84 Maintenance Charges (Year 1-3) 411.14 (Year 4 to 31.10.2028) 483.38	14 th November 2022	N.A.	
		4) Operation & Maintenance Contract Ethylene Glycol Tankages Tankage Facilities in BOOT-3 Area dated 15 th November 2023	Upto the end of the BOOT-3 contract period (31.10.2028).	Rs. Lakhs Operation Charges 3385.05 Maintenance Charges (Year 1-3) 1620.17 (Year 4 to 31.10.2028) 2664.43	14 th November 2022	N.A.	
		Operation & maintenance charges will be adjusted (upward or downward) on quarterly basis, based on published indices.					
		The above contracts are entered prior to the date of commencement of Companies Act, 2013 and are in ordinary course of business.					



2.	IndianOil Adani Ventures Limited	1) Unsecured Loan	5 years	Amount	Upto Rs. 150 crores	24th January 2024	N.A.
				Interest rate	SBI 1 Yr MCLR Minus 100 BPS 7.65%		
				Repayment	Bullet		
				Prepayment	Anytime		
				Interest payable	Quarterly		
		2) Operation & Maintenance Services Date 23 rd February 2010	15 years from Date of Commence of Operations i.e. upto 31.10.2028	The Operation & Maintenance contract awarded on the following terms: 1) Monthly Operation Charges- Rs. 83.94 lakh 2) Monthly Maintenance Charges : Rs. 115.60 lakh		Not Applicable Existing Contract	N.A.
		3) Operation & Maintenance Contract for Additional Tankage Facilities in BOOT-3 Area dated 30 th March 2022	Upto the end of the BOOT-3 contract period (31.10.2028).	1) Monthly Operation Charges Rs. 70.33 lakh 2) Monthly Maintenance Charges Rs. 35.67 lakh		2 nd June 2021	N.A.
4) Operation & Maintenance Contract for 8 Additional Tankages in BOOT-3 Area dated 15 th November 2023	Upto the end of the BOOT-3 contract period (31.10.2028).		Rs. Lakhs	14 th November 2022	N.A.		
		Operation Charges	1302.84				
		Maintenance Charges (Year 1-3)	411.14				
		(Year 4 to 31.10.2028)	483.38				
5) Operation & Maintenance Contract Ethylene Glycol Tankages Tankage Facilities in BOOT-3 Area dated 15 th November 2023	Upto the end of the BOOT-3 contract period (31.10.2028).		Rs. Lakhs	14 th November 2022	N.A.		
		Operation Charges	3385.05				
		Maintenance Charges (Year 1-3)	1620.17				
		(Year 4 to 31.10.2028)	2664.43				
Operation & maintenance charges will be adjusted (upward or downward) on quarterly basis, based on published indices.							
The above contracts are entered prior to the date of commencement of Companies Act, 2013 and are in ordinary course of business.							
The materiality threshold is as prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014.							

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Mr. Nilmoni Bhakta
Chairman
DIN: 00032138
Date: 15th April 2024

Sd/-
Mr. Rejith Bhaskar
Wholetime Director
DIN: 10283897

Annexure-3

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2024

To,
The Members,
IOT Utkal Energy Services Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IOT Utkal Energy Services Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the IOT Utkal Energy Services Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by IOT Utkal Energy Services Limited for the financial year ended on March,2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) Gas, Oil & Petroleum Sector
- a) The Petroleum Act, 1934
 - b) Petroleum and Minerals Pipelines (Acquisition of Right of User Inland) Act, 1962
Explosives Act, 1884
 - c) The Oilfield (Regulation& Development) Act , 1948
 - d) Petroleum and Natural Gas Regulatory Board Act, 2006
 - e) The Oil Industry(Development) Act 1974
 - f) The Mines Act, 1952
 - g) Mines and Minerals (Regulations and Development) Act, 1957
 - h) The Territorial Waters, Continental Shelf, Exclusive Economic Zone And Other Maritime Zones Act, 1976
 - i) Offshore Areas Minerals (Development and Regulation) Act, 2002
- (vi) Power
- a) The Electricity Act, 2003
 - b) National Tariff Policy
 - c) Essential Commodities Act, 1955
 - d) Explosives Act, 1884
 - e) Mines Act, 1952 (wherever applicable)
 - f) Mines and Mineral (Regulation and Development) Act, 1957 (wherever applicable)

We have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors, if any that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For AMIT SAMANI & CO.
Company Secretaries

Place: Mumbai
Date: 15.04.2024

Proprietor
C. P. No.7966
UDIN:F007397F000118301

This report is to be read with our letter of event date which is Annexed as Annexure to Report and forms an integral part of this report.

Annexure to Secretarial Audit Report

To,

The Members,

IOT UTKAL ENERGY SERVICES LIMITED

Our Report of event date is to be read along with this letter.

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of accounts and records pertaining to direct and indirect taxation of the Company, which we believe are the domain of other professionals on whom the responsibility is entrusted by the provisions of the Companies Act, 2013

Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For AMIT SAMANI & CO.
Company Secretaries

Place: Mumbai
Date: 15.04.2024

Proprietor
C. P. No.7966
UDIN: F007397F000118301



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INDEPENDENT AUDITOR'S REPORT

To the Members of IOT Utkal Energy Services Limited

Report on the Audit of the Standalone Ind AS financial statements

We have audited the standalone Ind AS financial statements of IOT Utkal Energy Services Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows 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) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



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Key Audit Matter	Response to Key Audit Matter
<p>The Company is involved in certain tax disputes with respect to Works Contract Tax and service tax as detailed in Note 23 to the Financials statements and a dispute with one of the shareholders as detailed in Note 24 to the Financial Statements for which final outcomes cannot be easily predicted and which could potentially result in significant liabilities and or shareholding. The assessment of the risks associated with the litigations is based on complex assumptions, which require the use of judgement and such judgement relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the financial statements. Because of the judgement required, the materiality of such litigations and the complexity of the assessment process, the area was a key matter for our audit.</p>	<p>Our audit procedure in response to this key Audit Matter included, among others,</p> <ul style="list-style-type: none"> • Assessment of the process and relevant controls implemented to identify legal and tax litigations, and pending administrative proceedings. • Discussed with the management on the developments in respect of these litigations during the year ended 31st March 2024 till the date of approval of the financial statements. • Assessment of assumptions used in the valuation of potential legal and tax risks performed by the legal and tax department of the company. • Inquiry with the legal and tax departments regarding the status of the most significant disputes and inspection of the key relevant documentation. • Analysis of opinion received from the experts where available. • Review of the adequacy of the disclosures in the notes to the financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders Information but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the



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financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the 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



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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 financial controls 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 system 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 ability of the Company 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.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine

that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Report on Other Legal and Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" 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 of the financial statements.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose or preparation of the financial statements.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its managing director during the year is in accordance with the provisions of section 197 of 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 23 & 24 of the financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. - Refer note No 36 of the financial statements
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer note No 37 of the financial statements



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- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) In our opinion and based on the audit procedures we have 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. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

**For V Nagarajan & Co.
Chartered Accountants
(ICAI FRN 04879N)**

**(Pradeep Kumar)
Partner
ICAI M. No. 514068
UDIN: 24514068BKCAUF9428**

**Place: Gurugram
Date: April 15, 2024**



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“Annexure A” referred to the Independent Auditor's Report of even date to the members of IOT Utkal Energy Services Limited on the accounts for the year ended 31st March 2024

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) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
- (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (B) The Company does not hold any intangible assets.
- (b) As explained to us, the assets have been physically verified by the management at reasonable intervals. In our opinion, the physical verification is reasonable considering the size of the Company and nature of its fixed assets. According to the information and explanations given to us, no material discrepancies have been noticed on such physical verification.
- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the Standalone Financial Statements included in Property, Plant and Equipment, according to information and explanations given to us and based on verification of the registered sale deed/ Transfer deed/ Conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at balance sheet date.
- (d) In our opinion and according to the information and explanation given to us, the Company has not revalued its Property, Plant and Equipment during the year.
- (e) In our opinion and according to the information and explanation given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988(45 of 1988) and rules made there under.
- (ii) (a) The company does not carry any inventory. Thus, the Paragraph 3(ii) of the Order is not applicable to the company.
- (b) In our opinion and according to the information and explanation given to us, the Company has not been sanctioned working capital limits from Banks or Financial Institutions on the basis of security of current assets and hence the requirement of para 3 (ii) (b) of the order is not applicable
- iii) The Company has provided {loans or advances in the nature of loans, or guarantee, or security} to Subsidiaries companies/Associates and Others as per details given below:



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(₹ in crores)

Particulars	Guarantees	Security	Loans (Rs. Lacs)	Advances in nature of loans
Aggregate amount during the year				
- Holding	NIL	NIL	50.00	Inter-corporate deposit (for general corporate purpose)
- Fellow Subsidiaries	NIL	NIL	NIL	
- Associates	NIL	NIL	NIL	
Balance outstanding as at balance sheet date				
- Holding	NIL	NIL	50.00	Inter-corporate deposit
- Fellow Subsidiaries	NIL	NIL	NIL	
- Associates	NIL	NIL	NIL	

- b. In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not, prima facie, not prejudicial to the interest of the Company's interest.
- c. In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
- d. There is no amount which is overdue for more than 90 days in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.
- e. The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.
- (v) The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal. Accordingly, paragraphs 3(v) of the Order is not applicable to the Company.



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Chartered Accountants

- (vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues including income tax, service tax, sales tax, value added tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. As explained to us, the company does not have any liability in respect of Provident Fund, Employee State Insurance, duty of customs and duty of excise. Further as explained, there are no undisputed statutory dues outstanding for more than six months as at 31st March 2024 from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Sales Tax, Excise Duty, Customs Duty and Cess which have not been deposited on account of any dispute. In respect of Value Added Tax and Service Tax, the details of dues not deposited on account of disputes are as follows:

Sl No	Statute	Forum Where Pending	Year	Amount in dispute pending
1	Orissa VAT Act,2004	Orissa High Court	2012-13	287.30 Crores
2	Service Tax	Orissa High Court	2011-16	184.42 Crores

(viii) In our opinion and according to the information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (43 of 1961)

(ix) (a) In our opinion and according to the information and explanation provided to us, the company has not defaulted in repayment of loans or other borrowings, or in payment of interest thereon to any lender.

(b) In our Opinion and according to information and explanation provided to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our Opinion and according to the information and explanation provided to us, the Company has not taken any term loan during the year and there were no outstanding term loans at the beginning of the year and hence reporting under Clause 3(ix)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanation provided to us and on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term purposes by the Company.

(e) In our opinion and according to the information and explanation provided to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.



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(f) In our opinion and according to the information and explanation provided to us, the Company has not raised any loans during the year and hence reporting on Clause 3(ix)(f) of the Order is not applicable.

(x) (a) In our opinion and according to the information and explanation provided to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) In our opinion and according to the information and explanation provided to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) According to the information and explanations given to us, and the representations obtained from the management, no fraud by the company and no material fraud on the Company has been noticed or reported during the year.

(b) The requirement of clause (xi)(b) of the order is not applicable since we have not come across any instances of fraud by the Company or on the Company during the year.

(c) According to the information and explanation given to us and based on our audit procedures, no whistle blower complaints were received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence clause (xii) of the order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of sections 177 and 188 of Companies Act with respect to related party transactions entered in to during the year and the details have been disclosed in the Financial Statements as required under Ind AS 24 – Related Party Disclosures.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with him during the year.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion and according to the information and explanation given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) In our opinion and according to the information and explanation given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence this clause is not applicable.

(d) In our opinion and according to the information and explanation given to us, the Group does not have more than one CIC as part of the Group.



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(xvii) The company has not incurred any cash losses in the financial year and also in the immediately preceding financial year.

(xviii) There has been no resignation of statutory auditors during the year and accordingly this clause is not applicable.

(xix) In our opinion and on the basis of examination of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanation given to us, the Company does not have any liability towards Corporate Social Responsibility. Hence reporting under clause 3(xxii) of the Order is not applicable.

(xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For V Nagarajan & Co.
Chartered Accountants
(ICAI FRN 04879N)**

**(Pradeep Kumar)
Partner
ICAI M. No. 514068
UDIN: 24514068BKCAUF9428**

**Place: Gurugram
Date: April 15, 2024**



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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF IOT Utkal Energy Services 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 over financial reporting of IOT Utkal Energy Services Limited (“the Company”) as of March 31st, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for



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Chartered Accountants

external purposes in accordance with the Ind AS prescribed under section 133 of the Act. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Ind AS prescribed under section 133 of the Act and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For V Nagarajan & Co.
Chartered Accountants
(ICAI FRN 04879N)**

**Place: Gurugram
Date: April 15, 2024**

**(Pradeep Kumar)
Partner
ICAI M. No. 514068
UDIN: 24514068BKCAUF9428**

IOT Utkal Energy Services Limited

Balance Sheet

as at 31 March 2024

(Currency: Indian Rupees in crores)

	Notes	31 March 2024	31 March 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	1,095.72	1,334.41
Financial Assets			
(i) Loans	7	50.00	-
(ii) Other financial assets	7	1.26	13.52
Non Current tax assets (Net)		-	-
Deferred Tax Assets (Net)	6	26.43	49.31
Other non-current assets	8	67.03	67.03
Current assets			
Financial Assets			
(i) Investments	5	166.95	155.12
(ii) Trade Receivables	9	134.31	104.37
(iii) Cash and cash equivalents	10	0.44	0.56
(iv) Bank balances other than Cash and Cash equivalents	11	268.83	252.03
(vi) Other financial Assets	7	8.69	8.20
Other current assets	8	3.52	4.06
Current Tax Assets (Net)		9.26	4.87
Total Assets		1,832.45	1,993.49
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	526.28	526.28
Other Equity	13	(79.05)	(147.08)
Total equity (A)		447.23	379.20
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	14	921.91	1,174.71
(ii) Trade Payables			
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues other than micro enterprises and small enterprises	15	0.97	11.29
Current liabilities			
Financial Liabilities			
(i) Short Term Borrowings	14	252.71	241.71
(ii) Trade Payables	15		
Dues of small enterprises and micro enterprises		-	-
Dues of creditors other than small enterprises		50.50	24.64
(iii) Other financial liabilities	16	153.26	155.93
Other Current liabilities	17	5.87	6.02
Total Liabilities (B)		1,385.22	1,614.29
Total Equity and Liabilities		1,832.45	1,993.49

Significant accounting policies

1-3

Notes to the Ind AS financial statements

4-42

The notes referred to above form an integral part of the financial statements.

As per our report of even date
For V. Nagarajan & Co.
Chartered Accountants
Firm Registration Number : 04879N

For and on behalf of the Board of Directors of
IOT Utkal Energy Services Limited
CIN: U45208OR2009PLC011389

Pradeep Kumar
Partner
Membership No.: 514068

Manoj Kumar Borad
Director
DIN: 10524897

Rejith Bhaskar
Director and CEO
DIN: 10283897

C R Kalyanasundaram
Chief Financial Officer

Girjesh Shrivastava
Company Secretary
M No: A19083

Place: Gurugram
Date: 15 April 2024

Place: Mumbai
Date: 15 April 2024

IOT Utkal Energy Services Limited

Statement of Profit and Loss

for the period ended 31 March 2024

(Currency: Indian Rupees in crores)

	<i>Notes</i>	31 March 2024	31 March 2023
INCOME			
Revenue from Operations	18	520.84	506.37
Other Income	19	31.89	21.38
Total Income		552.73	527.75
EXPENSES			
Operating Expenses	20	77.79	64.63
Employee Benefits expenses	21	1.52	1.97
Finance Costs	22	133.29	156.50
Depreciation Expenses	4	238.71	238.60
Other Expenses	23	10.51	12.43
Total Expenses		461.82	474.13
Profit before exceptional items and tax		90.91	53.63
Exceptional Items		-	-
Profit before tax		90.91	53.63
Less :Tax expense			
- Current Tax		-	-
- Deferred Tax Charge	6	22.88	13.48
Net tax expenses		22.88	13.48
Profit for the year		68.03	40.15
Other Comprehensive Income			
Items that will be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Total Comprehensive Income for the year		68.03	40.15
(Comprising Profit and Other Comprehensive Income for the year)			
Earnings per equity share:			
Equity share of face value Rs. 10/- each			
Basic and Diluted	28	1.29	0.76
Significant accounting policies	1-3		
Notes to the Ind AS financial statements	4-42		

The notes referred to above form an integral part of the financial statements.

As per our report of even date
For **V. Nagarajan & Co.**
Chartered Accountants
Firm Registration Number : 04879NFor and on behalf of the Board of Directors of
IOT Utkal Energy Services Limited
CIN: U45208OR2009PLC011389**Pradeep Kumar**
Partner
Membership No.: 514068**Manoj Kumar Borad**
Director
DIN: 10524897**Rejith Bhaskar**
*Director and CEO***C R Kalyanasundaram**
*Chief Financial Officer***Girjesh Shrivastava**
Company Secretary
M No: A19083Place: Gurugram
Date: 15 April 2024Place: Mumbai
Date: 15 April 2024

IOT Utkal Energy Services Limited

Statement of Cash Flow

for the period ended 31 March 2024

(Currency: Indian Rupees in crores)

	31 March 2024	31 March 2023
Profit Before Tax	90.91	53.63
Adjustments for :		
Depreciation and impairment of property, plant and equipment	238.71	238.60
Finance income (including fair value change in financial instruments)	(31.89)	(21.38)
Finance costs (including fair value change in financial instruments)	133.29	156.50
Operating Profit before Working Capital changes	431.02	427.34
Changes in Working Capital: (Excluding Cash & Bank Balances)		
Increase in Trade & Other Receivables	(29.94)	5.84
Increase Trade and Other Payables	15.55	(1.28)
Increase Others Current Assets	12.31	(10.83)
Increase Others Current Liabilities	9.31	5.52
Changes in Working Capital	7.22	(0.75)
Cash flow generated / (used) from operations	438.24	426.58
Income taxes and other taxes paid	(4.39)	3.96
Net Cash generated from operating activities	433.86	430.54
Cash Flow from Investing Activities:		
Purchase of Property, plant and equipment	(0.02)	(0.17)
Purchase of financial instruments	(11.83)	(42.76)
Loans given	(50.00)	-
Interest received (Finance Income)	19.75	13.61
Increase in Other Bank Balances	(16.80)	(23.03)
Net Cash Generated/(Used) in Investing Activities:	(58.90)	(52.34)
Net Cash Flow From Financing Activities:		
Repayments of Long-Term Borrowings NCD	(242.40)	(224.10)
Interest paid - NCD	(132.66)	(156.19)
Net Cash Generated/(Used) from Financing Activities:	(375.07)	(380.28)
Net Change in Cash & cash equivalents	(0.12)	(2.09)
Cash & cash equivalents as at end of the year	0.44	0.56
Cash & cash equivalents as at the beginning of year	0.56	2.65
Net Change In Cash & Cash Equivalents	(0.12)	(2.09)

Note :

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7- "Cash Flow Statement"
- The cash comprises cash on hand, current account and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investment that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date
For **V. Nagarajan & Co.**
Chartered Accountants
Firm Registration Number : 04879N

For and on behalf of the Board of Directors of
IOT Utkal Energy Services Limited
CIN: U45208OR2009PLC011389

Pradeep Kumar
Partner
Membership No.: 514068

Manoj Kumar Borad
Director
DIN: 10524897

Rejith Bhaskar
Director and CEO
DIN: 10283897

C R Kalyanasundaram
Chief Financial Officer

Girjesh Shrivastava
Company Secretary
M No: A19083

Place: Gurugram
Date: 15 April 2024

Place: Mumbai
Date: 15 April 2024

IOT Utkal Energy Services Limited

Notes to the financial statements

for the year ended 31 March 2024

(Currency: Indian Rupees)

1 Company overview

The financial statements of "IOT Utkal Energy Services Limited" ("the Company" or "IOTUESL") are for the year ended 31 March 2024.

Indian Oiltanking Limited (formerly known as IOT Infrastructure & Energy Services Ltd), Oiltanking GmbH, Germany (jointly referred to as The Consortium) were selected by Indian Oil Corporation Ltd vide their Fax Of Acceptance No PROJ-8123-002/FOA dated 23.11.2009 for Installation, Operation and Maintenance of Crude and Finished Product tankages facility at Paradip Refinery Project on Build –Own-Operate –Transfer (BOOT) basis. The consortium members entered into a Memorandum of Understanding (MOU) on 11th July 2009 with IVRCL Infrastructure & Projects Limited to take them as a Project participant based on the terms and conditions of the MOU.

Pursuant to a Shareholders' Agreement entered into on 3rd December 2009, between IOT Infrastructure & Energy Services Ltd, IVRCL Infrastructure & Projects Ltd and Oiltanking GmbH, Germany the consortium agreed to implement the Project through a special purpose company namely IOT Utkal Energy Services Limited. The fax of acceptance was formalized by an agreement dated 28th June 2010 between IOCL and the company.

Information on other related party relationships of the Company is provided in **Note 29**. The Company was incorporated on 08 December 2009 with the main object of Installation, Operation and Maintenance of Crude and Finished Products Tankages facility at Paradip refinery of IOCL in Paradip aforesaid.

2 Basis of preparation

The financial statements of the Company as amended have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The financial statements were approved for issue in accordance with a resolution of the directors on 15 April, 2024.

(a) Basis of measurement:

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Asset held for sale- measured at the lower of their carrying amount and fair value less cost to sale; and
- Employee defined benefit plan as per actuarial valuation

(b) Functional and presentation currency:

These financial statements are presented in Indian Rupees which is also the Company's functional currency. All amounts have been rounded off to the nearest two decimal places in crores, unless otherwise indicated.

(c) Judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 31 for further disclosures.

Property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounting Cash Flow model ("DCF Model"). The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3 Material accounting policies:

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements , unless otherwise indicated.

3.1 Current / non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

Assets

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

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

Liabilities

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

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

The operating cycle is ascertained as 12 months for the purpose of current – non-current classification of the assets and liabilities.

3.2 Property, plant and equipment

i) Recognition and measurement:

The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

Fixed Assets are stated at acquisition cost less accumulated depreciation / amortization and cumulative impairment.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.

The acquisition of property, plant and equipment, directly increasing the future economic benefits of any particular existing item of property, plant and equipment, which are necessary for the Company to obtain the future economic benefits from its other assets, are recognized as assets.

ii) Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii) Depreciation:

Depreciation on Fixed Assets located in refinery of IOCL at Paradip, which is under contract agreement no PJ/CC/PDRP/2009-10/PROJ-8123-002/48 of 2009-10 dated 28th June 2010 with IOCL at the SLM rates determined on the basis of useful life of BOOT i.e. 15 years with no residual value.

Depreciation on all other Fixed Assets is provided over the useful life of the fixed assets with no residual value specified in Schedule II to the Companies Act 2013. Depreciation is charged on pro-rata basis on Assets, from / up to the date of capitalization/sale, disposal or dismantling during the year.

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

iv) Reclassification to investment property:

When the use of a property changes from owner-occupied to held for rental to others, the property is reclassified as investment property at its carrying amount on the date of reclassification.

3.3 *Impairment of Non Financial Assets*

At each Balance Sheet date, an assessment is made of whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimated recoverable amount.

3.4 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in relation to borrowings denominated in foreign currency to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the date the asset is put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit and Loss Account in the year in which they are incurred.

3.5 *Leases*

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially rests with the lessor, are recognised as operating lease. Lease rentals under operating lease are recognised in the Statement of Profit and Loss on a straight line basis.

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.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially obtained all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Transitional Provision for lessee

Recognition

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Subsequent measurement

After the commencement date, a lessee shall measure the lease liability by:

- (a) increasing the carrying amount to reflect interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments

After the commencement date, a lessee shall recognise in profit or loss, unless the costs are included in the carrying amount of another asset applying other applicable Standards, both: (a) interest on the lease liability; and (b) variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

Reassessment of the lease liability

After the commencement date, a lessee shall apply to remeasure the lease liability to reflect changes to the lease payments. A lessee shall recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognise any remaining amount of the remeasurement in profit or loss.

A lessee shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either there is a change in the lease term or there is a change in the assessment of an option to purchase the underlying asset.

Lease modifications

A lessee shall account for a lease modification as a separate lease if both : the modification increases the scope of the lease by adding the right to use one or more underlying assets; and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the lessee shall account for the remeasurement of the lease liability by:

(a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognise in profit or loss any gain or loss relating to the partial or full termination of the lease.

(b) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

Presentation

A lessee shall either present in the balance sheet, or disclose in the notes:

- (a) right-of-use assets separately from other assets. If a lessee does not present right-of-use assets separately in the balance sheet, the lessee shall:
 - (i) include right-of-use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned; and
 - (ii) disclose which line items in the balance sheet include those right-of-use assets.
- (b) lease liabilities separately from other liabilities. If a lessee does not present lease liabilities separately in the balance sheet, the lessee shall disclose which line items in the balance sheet include those liabilities.

In the statement of profit and loss,

A lessee shall present interest expense on the lease liability separately from the depreciation charge for the right-of-use asset. Interest expense on the lease liability is a component of finance costs which paragraph 82(b) of Ind AS 1, Presentation of Financial Statements, requires to be presented separately in the statement of profit and loss.

In the statement of cash flows, a lessee shall classify:

- (a) cash payments for the principal portion of the lease liability within financing activities;
- (b) cash payments for the interest portion of the lease liability within financing activities applying the requirements in Ind AS 7, Statement of Cash Flows, for interest paid; and
- (c) short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.

Disclosures

A lessee shall disclose information about its leases for which it is a lessee in a single note or separate section in its financial statements

A lessee shall disclose the following amounts for the reporting period:

- (a) depreciation charge for right-of-use assets by class of underlying asset;
- (b) interest expense on lease liabilities;
- (c) the expense relating to short-term leases accounted for applying paragraph 6 of the Ind AS 116. This expense need not include the expense relating to leases with a lease term of one month or less;
- (d) the expense relating to leases of low-value assets accounted for applying paragraph 6 of Ind AS 116. This expense shall not include the expense relating to short-term leases of low-value assets included in paragraph 53(c) of Ind AS 116;
- (e) the expense relating to variable lease payments not included in the measurement of lease liabilities;
- (f) income from sub leasing right-of-use assets;
- (g) total cash outflow for leases;
- (h) additions to right-of-use assets;
- (i) gains or losses arising from sale and leaseback transactions; and
- (j) the carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset.

As a lessor

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

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 entity'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.

3.6 Government Grants

Government grants are recognised to the extent they are received in cash or in kind.

When the grant relates to an expense item, the same is deducted in reporting the related expenses in the statement of profit and loss for which it is intended to compensate.

Government grants relating to property, plant and equipment are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Grants related to income are deducted in reporting the related expense.

3.7 Provisions, contingent liabilities and contingent assets

Provisions

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

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities & Contingent Assets

Show-cause Notices issued by various Government Authorities are not considered as Obligation.

When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

The treatment in respect of disputed obligations are as under:

- a) a provision is recognized in respect of present obligations where the outflow of resources is probable;
- b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

Contingent Assets are disclosed in the Notes in respect of possible assets that arise from past events and whose existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and where inflow of economic benefit is probable.

3.8 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account are considered for disclosure.

3.9 Revenue from Contracts with Customers

The Company derives revenue from BOOT (which is covered under lease accounting) and Operations and Maintenance Contract with Indian Oil Corporation ("IOC").

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 3 "Significant Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Arrangement with the customer for operating and maintenance contracts are fixed price contracts. Revenue for fixed price maintenance contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

3.10 Other income

Other income is comprised primarily of interest income on bank deposits and gain / loss on investments in mutual funds. Interest income is recognized using the effective interest method and investments are valued at fair value as on balance sheet date.

3.11 Taxation

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Income Tax expenses comprise current tax and deferred tax charge or credit. Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Where there is uncertainty over income tax treatments, the Company determines the probability of the income tax authorities accepting each such tax treatment or group of tax treatments in computing the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of profit and loss. MAT Credits are in the form of unused tax credits that are carried forward by the company for a specified period of time, hence it is grouped with Deferred Tax Asset.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

The recently promulgated Taxation Laws (Amendment) Ordinance 2019, has inserted section 115BAA in the Income Tax Act, 1961 providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The reduced tax rates come with the consequential surrender of specified deductions / incentives. The option needs to be exercised within the prescribed time for filing the return of income under section 139(1) of the Income Tax Act, 1961 for assessment year (AY) 2020-21 or subsequent AYs. Once exercised, such an option cannot be withdrawn for the same or subsequent AYs. These financial statements are prepared on the basis that the Company would avail the option to pay the income tax at the lower rate.

With effect from 1 April 2019 the Company has opted the new tax regime under the provision of Income Tax Act 1961. With ordinance dated 20 Sep 2019, option was given to assessed to opt for lower corporate tax rate of 22% on opting to new provision of Income tax Act, the Minimum Alternate Tax - "MAT" provision will no longer be applicable to the Company.

3.12 Employee benefits

There is no liability towards short term or long term employee benefits as the company does not have any employees. Employee benefits recognised in the statement of profit and loss represents reimbursements of salary and other benefits of deputationists of holding company.

3.13 Financial Instruments

The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair values on initial recognition, except for trade receivables which are initially measured at transaction price.

I Financial Assets:**i Classification:**

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii Measurement**Initial**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent**Debt instruments:**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:**
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair Value through Other Comprehensive Income (FVOCI):**
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair Value through Profit or Loss (FVTPL):**
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented net in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company measures the expected credit loss associated with its trade receivables and other receivables based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iv De-recognition of Financial Assets

A financial asset is derecognised only when:

- Right to receive cash flow from assets have expired or
- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

II Financial Liabilities

Initial Recognition and Measurement

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

Subsequent measurement

Financial liabilities at amortized cost: After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.

a. Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

b. Trade and Other Payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

c. Financial Guarantee Obligations:

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries, joint ventures or associates are provided for no compensation, the fair values as on the date of transition are accounted for as contributions and recognised as part of the cost of the equity investment.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

3.14 Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

The Company's Management determines the policies and procedures for both recurring and non-recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

3.15 Cash and cash equivalents

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

3.16 Earnings per share

The basic earnings per share ("EPS") is computed by dividing the net profit/ (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

IOT Utkal Energy Services Limited

Statement of Changes in Equity (SOCIE)

(Currency: Indian Rupees in crores)

(Currency: Indian Rupees in Crores)

(a) Equity Share Capital

(1) Current Year Reporting

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
526.28	-	526.28	-	526.28

(2) Previous Year Reporting

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
526.28	-	526.28	-	526.28

(b) Other equity

(1) Current Year Reporting

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Total
			Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	
Balance at the beginning of the current reporting period	-	-	-	-	-	(147.08)	(147.08)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	68.03	68.03
Any other change (to be specified)	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	-	-	-	(79.05)	(79.05)

(2) Previous Year Reporting

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Total
			Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	
Balance at the beginning of the current reporting period	-	-	-	-	-	(187.22)	(187.22)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	40.15	40.15
Any other change (to be specified)	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	-	-	-	(147.07)	(147.07)

As per our report of even date

For **V. Nagarajan & Co.**
Chartered Accountants
Firm Registration Number : 04879N

For and on behalf of the Board of Directors of
IOT Utkal Energy Services Limited
CIN: U45208OR2009PLC011389

Pradeep Kumar
Partner
Membership No.: 514068

Manoj Kumar Borad
Director
DIN: 10524897

Rejith Bhaskar
Director and CEO
DIN: 10283897

C R Kalyanasundaram
Chief Financial Officer

Girjesh Shrivastava
Company Secretary
M No: A19083

Place: Gurugram
Date: 15 April 2024

Place: Mumbai
Date: 15 April 2024

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

4 Property, plant and equipment

	AT COST			Gross Block as at 31 Mar 2024	DEPRECIATION			NET BLOCK		
	Gross Block as at 1 April 2023	Additions during the year	Deductions / Adjustments		Depreciation as at 1 April 2023	Depreciation during the year	Deductions	Total Depreciation As at 31 Mar 2024	As At 31 Mar 2024	As At 31 March 2023
Freehold Land	0.03	-	-	0.03	-	-	-	-	0.03	0.03
Buildings - Owned	363.01	-	-	363.01	161.13	24.96	-	186.09	176.92	201.88
Plant and Equipment	2,752.90	-	-	2,752.90	1,620.68	213.69	-	1,834.38	918.52	1,132.21
Furnitures and Fixtures	0.55	0.02	-	0.57	0.38	0.02	-	0.40	0.17	0.17
Office equipments	0.17	-	-	0.17	0.06	0.04	-	0.10	0.07	0.11
Computers	0.10	-	-	0.10	0.09	0.00	-	0.09	0.01	0.01
Total	3,116.76	0.02	-	3,116.78	1,782.34	238.71	-	2,021.06	1,095.72	1,334.41

Property, plant and equipment as at 31 March 2023

	AT COST			Gross Block as at 31 March 2023	DEPRECIATION			NET BLOCK		
	Gross Block as at 1 April 2022	Additions during the year	Disposals/ Deductions/ Adjustments (Note c)		Depreciation as at 1 April 2022	Depreciation during the year	Deductions/ Adjustments (Note c)	Total Depreciation As at 31 March 2023	As At 31 March 2023	As At 31 March 2022
Land-Freehold	0.03	-	-	0.03	-	-	-	-	0.03	0.03
Buildings - Owned	363.01	-	-	363.01	136.17	24.96	-	161.13	201.88	226.84
Plant and Equipment	2,752.89	-	-	2,752.89	1,407.11	213.58	-	1,620.68	1,132.21	1,345.79
Furnitures and Fixtures	0.38	0.17	-	0.55	0.36	0.02	-	0.38	0.17	0.02
Vehicles	-	-	-	-	-	-	-	-	-	-
Office equipments	0.17	-	-	0.17	0.02	0.04	-	0.06	0.11	0.15
Computers	0.10	-	-	0.10	0.09	0.00	-	0.09	0.01	0.01
Total	3,116.59	0.17	-	3,116.76	1,543.75	238.60	-	1,782.34	1,334.41	1,572.88

(a) There has been no revaluation of property plant and equipment for the year ended 31 March 2024 and year ended 31 March 2023.

(b) There are no such immoveable properties whose title deeds are not held in the name of the company.

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

5 Financial assets - Current investment

	Non-current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<i>Investments measured at fair value through profit and loss</i>				
Investments in mutual Funds				
Unquoted:				
SBI Liquid Fund - Direct Growth - 37,939.039 units NAV @ Rs 3,779.28 (31 March 2023 - 37,939.039 units NAV @ Rs 3,523.303)	-	-	14.34	13.36
SBI Savings Fund - Direct Growth Plan - 33,25,684.26 units NAV @ 40.44 (31 March 2023 - 33,25,684.26 units NAV @ 37.5713)	-	-	13.45	12.50
Axis Money Market Fund (42694.229 units NAV @ 1311.98) (31 March 2023 - 42694.229 units NAV @ 1217.6104)	-	-	5.60	5.20
ICICI Prudential Money Market Fund Direct Growth Plan - 1136420.223 units NAV @ Rs 349.23 (31 March 2023 :1136420.223 units NAV @ Rs 324.3092)	-	-	39.69	36.85
ICICI Prudential Liquid Fund Direct Growth Plan - Growth - 123210.058 units NAV @ 344.75 (31 March 2023 123210.058 units NAV @ 333.1852)	-	-	4.40	4.11
Nippon India Money Market Fund - Direct Growth Plan - 45,604.734 units NAV @ Rs 3821.23 (31 March 2023 : 45,604.734 units NAV @ Rs 3547.5211)	-	-	17.43	16.18
UTI Money Market Fund- Direct Plan Growth 47457.804 units NAV @ Rs. 2837.22 (31 March 2023 : 47457.804 units NAV @ Rs. 2634.8639)	-	-	13.46	12.50
Bandhan Money Manager Fund - Growth Direct Plan (erstwhile IDFC Money Manager Fund - Growth Direct Plan) 14763822.284 units NAV @ Rs. 39.68 (31 March 2023 : 14763822.284 units NAV @ Rs. 36.8603)	-	-	58.58	54.42
TOTAL	-	-	166.95	155.12
Aggregate value of unquoted investments	-	-	166.95	155.12
Total financial assets carried Forward	-	-	166.95	155.12

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

6 Deferred Tax Assets (Net)

- (i) A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing also the basis on which the applicable tax rate(s) is (are) computed

	As at 31 March 2024	As at 31 March 2023
Accounting profit	90.91	53.63
Applicable tax rate *	25.168%	25.168%
Tax at the applicable tax rate	(22.88)	(13.48)
<u>Other Adjustments</u>		
Change in Tax Rates	-	
Non Recognition of Net Deferred Tax Assets of Earlier Years	-	
Tax expense	(22.88)	(13.48)
Weighted Average Tax rate	25.168%	25.168%

The tax rate of 25.168% is applicable for the next financial year as well.

- (ii) **Movement in Deferred tax balances:**

	As at 31 March 2023	Provided during 2023-24	As at 31 March 2024
Deferred tax liability:			
Related to Fixed Assets	120.28	(31.67)	88.61
Related to NCDs	-	-	-
Release of provision	-	-	-
Total deferred tax liability (A)	120.28	(31.67)	88.61
Deferred tax assets:			
Unabsorbed Losses as per Income Tax Act 1961	169.19	(54.39)	114.81
Related to NCDs	0.39	(0.16)	0.23
Total deferred tax assets (B)	169.58	(54.54)	115.04
Deferred Tax Assets (Net) (B - A)	49.31	(22.88)	26.43

Note

- a Deferred tax asset on account of unabsorbed depreciation available as per Income Tax Act, 1961 has been recognized taking into account the certainty of realization of revenue in the form of return on fixed capital investment for the tankages constructed by the company and also the revenue towards maintenance of the said tankages as specified in the BOOT agreement entered into with IOCL.

- * In FY 2019-20, the Company has opted for concessional rate of 22% plus surcharge and cess as per section 115BAA in the Income Tax Act, 1961

- (iii) **Amounts recognized in the Statement of Profit and Loss / Other Comprehensive Income (OCI)**

	31 March 2024	31 March 2023
A. Current tax expense	-	-
B. Deferred tax expense / (asset) relating to		
- Origination and reversal of temporary differences	(22.88)	(13.48)
- Alignment of tax rate with that of the parent company	-	-
- Recognition of previously unrecognized tax (gains)/ losses	-	-
- Total	(22.88)	(13.48)
C. Tax expense recognized in the Statement of profit and loss (A+B)	(22.88)	(13.48)

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

7 Financial Assets

	Non-current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Security Deposits (at amortised cost)				
Unsecured, Considered Good	0.21	0.21	-	-
Loan to related party				
IndianOil Adani Ventures Limited	50.00	-	-	-
Interest Accrued but not due on FD / others	-	-	8.69	8.20
Retention Money Receivable	1.05	13.31	-	-
TOTAL	51.26	13.52	8.69	8.20

8 Other Assets

	Non-current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Advance for Capital Expenditure				
To Others	-	-	0.04	0.00
Less: Expected credit loss	-	-	-	-
	-	-	0.04	0.00
WCT paid under protest (Refer Note 23)	48.86	48.86	-	-
Prepaid expenses	-	-	3.48	2.54
CENVAT on Capital Goods-Recoverable	18.17	18.17	-	-
Receivable from New India Insurance Company	-	-	-	1.52
	18.17	18.17	3.48	4.06
TOTAL	67.03	67.03	3.52	4.06

* The company is of the view that the retention money is on normal terms & conditions and common to the industry and represents a source of protection with respect to contractual performance rather than a source of financing and therefore no discounting is required.

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

9 Trade Receivables

(Unsecured considered good)

	31 March 2024	31 March 2023
Unsecured, Considered Good		
Sundry Debtors	56.63	46.18
Retention money receivable* (Refer Note 28)	17.04	0.58
Contract Asset	60.64	57.61
	134.31	104.37
Less : Expected Credit Loss (Refer note 30c)	-	-
Total	134.31	104.37

Trade receivables are non-interest bearing and are generally on terms of 30 days.

Trade receivable ageing schedule as on 31 Mar 2024

Sr.	Particulars	Unbilled	Outstanding for the following periods from the due date of payment					Total
			< 6 months	< 1 year	< 2 years	< 3 years	> 3 years	
(i)	Undisputed Trade receivables - considered good	60.64	73.67	-	-	-	-	134.31
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
	Total	60.64	73.67	-	-	-	-	134.31

Trade receivable ageing schedule as on 31 March 2023

Sr.	Particulars	Unbilled	Outstanding for the following periods from the due date of payment					Total
			< 6 months	< 1 year	< 2 years	< 3 years	> 3 years	
(i)	Undisputed Trade receivables - considered good	57.61	46.76	-	-	-	-	104.37
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
	Total	57.61	46.76	-	-	-	-	104.37

10 Cash and Cash Equivalent

	31 March 2024	31 March 2023
Cash on hand	-	-
Balance with banks:		
In current accounts	0.44	0.56
Cheques, Drafts in hand	-	-
Cash Balances, Including Imprest	-	-
TOTAL	0.44	0.56

11 Bank balances other than Cash and Cash equivalents

	31 March 2024	31 March 2023
Bank Balances		
'Deposits with original maturity of more than three months but less than twelve months*	268.83	252.03
TOTAL	268.83	252.03

Note:

*Fixed Deposit with Banks Rs 105.07 Crore (31 March 2023: Rs 105.07 Crore) is held as security / cash collateral in accordance with terms related to issue of NCDs.

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

12 Share Capital

	31 March 2024	31 March 2023
Authorized:		
540,000,000 (31 March 2023 : 540,000,000) Equity Shares of Rs 10/- each	540.00	540.00
Issued Subscribed and fully paid Up:		
526,277,778 (31 March 2023: 526,277,778) Equity Shares of Rs 10/- each fully paid up	526.28	526.28
TOTAL	526.28	526.28

	31 March 2024		31 March 2023	
	No	Amount	No	Amount
A. Reconciliation of No. of Equity Shares				
Opening balance	526277778	526.28	526277778	526.28
Shares issued	-	-	-	-
Shares bought back	-	-	-	-
Closing Balance	52,62,77,778	526.28	52,62,77,778	526.28

B. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs 10 per share. Each shareholder is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential payments. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	31 March 2024			31 March 2023	
	Number of shares held	Percentage of Holding	% Change during the year	Number of shares held	Percentage of Holding
IndianOil Adani Ventures Limited (Formerly known as Indian Oiltanking Limited)	37,66,50,000	71.57%	NIL	37,66,50,000	71.57%
Adani Ports and Special Economic Zone Limited	5,26,27,778	10.00%	NIL	5,26,27,778	10.00%
IVRCL Limited	9,70,00,000	18.43%	NIL	9,70,00,000	18.43%

D. Shares held by holding company

Name of Shareholder	31 March 2024			31 March 2023	
	Number of shares held	Percentage of Holding	% Change during the year	Number of shares held	Percentage of Holding
IndianOil Adani Ventures Limited (Formerly known as Indian Oiltanking Limited)	37,66,50,000	71.57%	NIL	37,66,50,000	71.57%
Adani Ports and Special Economic Zone Limited (w.e.f. 31 Jan 2023)	5,26,27,778	10.00%	NIL	5,26,27,778	10.00%

E. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During the previous five years, the Company has not issued bonus shares / bought back / issued shares for consideration other than cash.

F. Details of shares held by Promoters at the end of reporting period

Name of Promoter	31 March 2024			31 March 2023		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
IndianOil Adani Ventures Limited (Formerly known as Indian Oiltanking Limited)	37,66,50,000	71.57%	NIL	37,66,50,000	71.57%	NIL
Adani Ports and Special Economic Zone Limited (w.e.f. 31 Jan 2023)	5,26,27,778	10.00%	NIL	5,26,27,778	10.00%	100%
IVRCL Limited	9,70,00,000	18.43%	NIL	9,70,00,000	18.43%	NIL

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

13 Other Equity

	31 March 2024	31 March 2023
(Deficit) / surplus (Profit and loss balance)		
Balance as at beginning of the year	(147.08)	(187.23)
Profit for the year	68.03	40.15
Balance as at the end of the year	<u>(79.05)</u>	<u>(147.08)</u>

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

14 Borrowings (at amortised cost)

	Long Term Borrowings		Short Term Borrowings	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<i>Secured loans</i>				
Non Convertible Debentures (NCD)				
- NCD - Series III	663.97	892.00	228.00	228.00
- NCD - Series IV	243.75	265.00	21.25	10.00
- NCD - Series V	14.84	18.79	3.95	4.41
NCD Amortised - Ind AS - 109 Adjustment	(0.65)	(1.08)	(0.49)	(0.70)
Total	921.91	1,174.71	252.71	241.71
Current Maturities of NCDs			252.71	241.71

Notes :

The Company issued Secured Redeemable and Non convertible bonds in the nature of debentures on private placement basis on 09 April 2014 to the extent of Rs. 3,000 crores and on 20 August 2015 to the extent of Rs 55 crores. These bonds are listed on Stock Exchange (BSE).

The rate of interest, term of repayment and nature of security are as follows :

Series	Series III	Series IV	Series V
No of STRPPs	24 (Twenty Four)	6 (Six)	1 (one)
Quantum	Rs. 15,25,00 lacs	Rs. 3,65,00 lacs	Rs. 55,00 lacs
No of Debenture Issued	1,52,500	36,500	5,500
Face Value	Rs 100,000	Rs 100,000	Rs 100,000
Door to Door Tenure	14 years and 7 months	14 years and 7 months	13 years and 3 months
Coupon Rate	10.08% pa	10.63% pa	9.02% pa
Coupon Payment	Quarterly	Semi-annual	Monthly
Principal Repayment	Repayable in quarterly installments ranging between Rs 25,000 to Rs 50,000 per security commencing from 20th April 2014 to 20th October 2028.	Repayable in semi annual installments ranging from Rs 1,190.48 to Rs 18,079.10 per security commencing from 20th April 2014 to 20th October 2028.	Monthly installments ranging from Rs 546.05 to Rs 1,480.31 per security commencing from 20th Sept 2015 to 20th October 2028.

Security :

The company has created Security Interest on the following in favour of the Debenture Trustee for the beneficial interest of the Debenture Holders:

- a first ranking inter se pari passu Security Interest, including first ranking pari passu charge/assignment on Project's cash flows and receivables under BOOT Agreement, including any monies receivable or claims or credit or benefit for CENVAT credit in favour of the Debenture Trustee;
- a first ranking inter se pari passu Security Interest, including charge/mortgage on the fixed assets (moveable and immovable property) of the Company, both present and future, in favour of the Debenture Trustee for the beneficial interest of the Series I Debenture Holders, Series II Debenture Holders and Series III Debenture Holders and a second ranking charge on the fixed assets (movable and immovable property) of the Company, in favour of the Debenture Trustee for the beneficial interest of the Series IV Debenture Holders, in favour of the Debenture Trustee for the beneficial interest of the Series V Debenture Holders;
- a first ranking inter se pari passu Security Interest, including charge/assignment on all the intangible assets of the Company and uncalled capital in favour of the Debenture Trustee;
- assignment by way of pari passu Security Interest of all rights, titles and interests of the Company in, to and under all Project Documents, Insurances, IOTL Bank Guarantee to which the Company is a party and all other material contracts relating to the Project;
- a first ranking inter se pari passu Security Interest, including charge/assignment on the Accounts (as well as amounts lying to the credit thereof, including Cash DSRA as well as any Permitted Investments made there from in favour of the Debenture Trustee;
- IOTL Guarantee with respect to Debt Service Reserve Account is of Rs. 74.00 crores (March 2023 : Rs 74 Crores)
- Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

15 Trade payables (at amortised cost)

Particulars	Non current financial liabilities		Current financial liabilities	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Dues to Related Parties**	-	-	12.91	3.77
Retention money payable to Related parties***	0.97	11.29	14.74	0.49
Accrued expenses	-	-	22.62	20.33
Retention money payable to Others***	-	-	0.23	0.05
TOTAL	0.97	11.29	50.50	24.64

* The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act has not been disclosed.

**Trade payables are non-interest bearing and are normally settled on 30 to 40 days terms.

*** The company is of the view that the retention money is on normal terms and conditions and common to the industry and represents a source of protection with respect to contractual performance rather than a source of financing and therefore no discounting is required.

Trade Payables ageing schedule as on 31 Mar 2024							
Sr. No	Particulars	Accrued expenses	Outstanding for following periods from due date of payment				Total
			< 1 year	< 2 years	< 3 years	> 3 years	
(i)	MSME	-	-	-	-	-	-
(ii)	Others	22.62	27.88	0.97	-	-	51.48
(iii)	Disputed dues- MSME	-	-	-	-	-	-
(iv)	Disputed dues- Others	-	-	-	-	-	-
	Total	22.62	27.88	0.97	-	-	51.48

Trade Payables ageing schedule as on 31 March 2023							
Sr. No	Particulars	Accrued expenses	Outstanding for following periods from due date of payment				Total
			< 1 year	< 2 years	< 3 years	> 3 years	
(i)	MSME	-	-	-	-	-	-
(ii)	Others	20.33	15.60	-	-	-	35.93
(iii)	Disputed dues- MSME	-	-	-	-	-	-
(iv)	Disputed dues- Others	-	-	-	-	-	-
	Total	20.33	15.60	-	-	-	35.93

16 Other Financial Liabilities

	Non Current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Other financial liabilities at amortised cost				
Interest accrued on NCD	-	-	18.07	20.54
Interest accrued wrt Related Parties (Refer note 28)	-	-	12.05	12.05
Interest accrued on Others	-	-	2.53	2.53
Liability for Capital Expenditure - Related Party (Refer Note 28)	-	-	83.65	83.65
Liability for Capital Expenditure - Others	-	-	31.03	31.03
Other Liabilities	-	-	5.93	6.13
Total	-	-	153.26	155.93

17 Other Current Liabilities

	Non Current		Current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
GST Payable	-	-	5.15	5.58
TDS payable	-	-	0.72	0.44
Total	-	-	5.87	6.02

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

18 Revenue From Operations

	31 March 2024	31 March 2023
Income from Operation		
Lease Charges Received	429.60	429.60
Income from Operations and Maintenance	91.24	76.77
Total	520.84	506.37

19 Other income

	31 March 2024	31 March 2023
Interest on Bank deposits	19.51	13.06
Interest on income tax refund	0.23	0.56
Interest on loan to related party	0.32	-
Gains arising on Mutual Funds measured at Fair value	11.83	7.76
Total	31.89	21.38

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

20 Operating Expenses

	31 March 2024	31 March 2023
Cost of O&M Services	77.79	64.63
Total	77.79	64.63

21 Employee Benefits expenses

	31 March 2024	31 March 2023
Salaries and wages	1.45	1.95
Staff welfare expenses	0.07	0.01
Total	1.52	1.97

22 Finance Costs

	31 March 2024	31 March 2023
<u>Interest expense:</u>		
Interest on debts and borrowings:		
Bonds/NCDs	132.66	155.83
Amortisation of NCD Expenses	0.63	0.67
Total	133.29	156.50

23 Other expenses

	31 March 2024	31 March 2023
Insurance	5.19	6.98
Legal and professional charges	1.27	1.72
Other miscellaneous expenses	0.27	0.30
Payment to auditor's*	0.06	0.06
Director Sitting Fees	0.06	0.08
Rates and taxes	0.12	0.01
Rent	0.13	0.16
Security Services	2.91	2.60
Travelling and conveyance	0.07	0.11
Bank Guarantee Commission	0.43	0.42
TOTAL	10.51	12.43

* Payment to Auditors include -

	31 March 2024	31 March 2023
as Auditor	0.03	0.03
for Limited Review	0.03	0.03
for Certification Charges#	0.00	0.00
	0.06	0.06

This number is not zero

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

24 Contingent liabilities and commitments

Particulars	31 March 2024	31 March 2023
<i>Contingent Liabilities</i>		
Claims against the company not acknowledged as debt		
(a) WCT penalty under the Odisha Value Added Tax Act*	191.54	191.54
(b) Service Tax Matter **	184.42	184.42
(c) GST Matter ***	0.12	-
<i>Capital and other Commitments</i>		
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances]	-	-
Other commitments	-	-

* As per the Government of Odisha Notification dated 13th January 2009, the materials and goods brought for the purpose of construction of Paradeep Oil Refinery of Indian Oil Corporation, is exempt from the purview of Odisha Value Added Tax Act, 2004. However, the Assistant Commissioner of Commercial Taxes, Paradeep raised demands aggregating Rs.95.77 Cr (2022: Rs.95.77 Cr) as TDS on WCT and Rs.191.54 Cr (2022: Rs. 191.54 Cr) as penalty for failure to deduct TDS on WCT from the EPC Contractors. The Company had taken up the issue with the Revenue Authorities but failed to obtain a favorable response and thus, aggrieved by the Order of the Additional Chief Commissioner, the Company approached the Hon'ble High Court of Odisha. Repeated demands of penalty by the Revenue for the successive years have also been challenged by the Company in the High Court of Odisha by separate writ petitions. All the writ petitions filed by the Company for each financial year against the Revenue have been combined together and pending for final hearing. The High Court of Odisha has passed an interim order staying the levy of penalty and has also restrained the Revenue from taking any coercive action till disposal of the matter. The Company is not expecting any liability on this account.

** The Commissioner of GST and Central Excise has demanded Rs. 92.21 Crores on account of availment of inadmissible cenvat credit and interest thereon and also imposed penalty of Rs. 92.21 Crores. The Company has filed a review petition with Hon'ble High Court of Odisha and is hopeful of the matter being resolved favourably in the higher forum.

*** The Asst. Commissioner of CT & GST has passed order u/s 73 of the act and raised demand Rs. 0.12 crores (including Interest & penalty of Rs. 0.06 crores) in connection with discrepancy between ITC reflected in GST R2A and ITC availed in GST R3B. The company has filed an appeal with the higher authority and is hopeful of the matter being resolved favourably.

25 NCLT (Company Law Board Matter) :

Due to the non-contribution of shareholder loan / equity capital by IVRCL repeatedly, the other shareholder, IOT invoked the relevant provisions of the Shareholders' Agreement restraining the voting rights of IVRCL. Aggrieved with this action of IOT, IVRCL preferred a petition before the Company Law Board. The Company Law Board passed an interim order on 1st March 2013 restraining IOT from suspending the intrinsic rights of IVRCL. A number of sittings of the Company Law Board have taken place and the matter is under adjudication.

Pursuant to the repeated non-contribution of IVRCL to contribute shareholders loan/equity in the Company and also due to their dissent for infusion of further equity and other matters, at successive Board Meetings, IOT approached the Company Law Board with a request to allow contribution of shareholders loans/equity from other shareholders in the interest of the BOOT project. Accordingly, an interim Order was passed on 13th August 2013 whereby the Company Law Board restrained IVRCL from preventing contribution of shareholder loans/equity by the other shareholders to the extent of Rs.106 Cr. The final hearing and the resultant adjudication is yet to take place. In the meantime, IVRCL had approached High Court of Odisha against this Order of Company Law Board and the matter is pending admission.

26 Other Current Assets includes Rs. 18.17 Cr (2023: 18.17 Cr) being Service Tax Input Credit for which credit has not been taken in the GST return. The company has been legally advised that the same is available for utilization.

27 Current Tax is not provided for since there will be no tax liability under the Indian Income Tax Laws as the company has unabsorbed tax depreciation.

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

28 Earnings Per Share (EPS) - [Indian Accounting Standard (Ind As) 33]

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31 March 2024	31 March 2023
Profit attributable to equity holders of the parent (Rs in crores)	68.03	40.15
Weighted Average number of equity shares used for	52,62,77,778.00	52,62,77,778.00
Earning Per Share (Basic and Diluted) (Rs) After Exceptional Item	1.29	0.76
Earning Per Share (Basic and Diluted) (Rs) Before Exceptional Item	1.29	0.76
Face value per share (Rs)	10.00	10.00

29 Disclosures as required by Indian Accounting Standard (Ind AS) 24 Related Party Disclosures:

- a. **Parties where control exists :**
- i. **Holding Company**
IndianOil Adani Ventures Limited ("IAVL") (Formerly known as Indian Oiltanking limited)
- ii. **Enterprises having control over the Company**
Indian Oil Corporation Limited (Joint Promoter of Holding Company)
Adani Ports and Special Economic Zone Limited
- b. **Fellow Subsidiaries**
IAV Engineering Projects Limited
IAV Engineering & Construction Services Limited
Indian Oiltanking Engineering & Construction Services LLC Oman
Kazakhstanaspishelf JSC
IAV Biogas Private Limited
Zuari IndianOil Adani Ventures Private Limited
IAV Infrastructures Private Limited
Kazakhstanaspishelf India Private Limited
IOT VITO Muhendislik Insaat ve Taahhut AS
IAV Utkarsh Limited
IAV Urja Services Limited
- c. **Entity providing Key Management Personnel services to the Parent Company**
Indian Oil Corporation Limited (Joint Promoter of Holding Company)
- d. **Key Management Personnel ("KMP")**
Mr Sreekanth Thambisetty (Whole Time Director and CEO) (upto 31st August 2023)
Mr Rejith Bhaskar (Whole Time Director and CEO) (w.e.f 24th November 2023)
Mr C R Kalyanasundaram (Chief Financial Officer)
Mr Girjesh Srivastava (Company Secretary)

Details of the transactions are as follows :

Transactions & Balances with the Related Parties for the year ended 31 March 2024

Details	IAVL	IOTEC	IOCL	KMP*
Transactions with Related Parties				
O & M Contract Expenditures	77.79	-	-	-
Reimbursement of Expenses claimed* (net)	7.25	-	-	-
Lease Charges Received	-	-	429.60	-
Income From Operations and Maintenance	-	-	91.24	-
Income From Interest on Loan	0.32	-	-	-
Balances with Related Parties				
Loan given to related party	50.00	-	-	-
Liability for Capital Expenditure Payable	-	83.65	-	-
Trade and Other Payable	28.62	-	-	-
Trade and Other Receivable	-	-	134.31	-
Interest on Shareholders Loan Payable	12.05	-	-	-

* Includes remuneration paid to key management personnel ie to CEO Rs. 0.88 crs and CFO Rs 0.49 crs

Transactions & Balances with the Related Parties for the year ended 31 March 2023

Details	IAVL	IOTEC	IOCL	KMP*
Transactions with Related Parties				
O & M Contract Expenditures	64.63	-	-	-
Reimbursement of Expenses claimed*	9.67	-0.02	-	-
Lease Charges Received	-	-	429.60	-
Income From Operations and Maintenance	-	-	76.77	-
Balances with Related Parties				
Liability for Capital Expenditure Payable	-	83.65	-	-
Trade Payable	15.54	-	-	-
Trade Receivable	-	-	119.21	-
Interest on Shareholders Loan Payable	12.05	-	-	-

* Includes remuneration paid to key management personnel ie to CEO Rs. 0.93 crs and CFO Rs 0.43 crs

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

30 Disclosures as required by Indian Accounting Standard (Ind AS) 116 Leases:

The company had entered into operating leases on its property plant and equipment consisting of plant & machinery as well as office building. The lease rentals have term of 15 years.

Future minimum rentals receivables under non-cancellable operating leases as at 31 March are as follows.

	As at 31 March 2024	As at 31 March 2023
With in One Year	429.60	429.60
After one year but not more than five years	1,541.39	1,718.41
More than five years	-	252.58

31 Disclosures as required by Ind AS -113 pertaining to Fair value measurement:

a. Accounting classification and fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Details	Carrying amount at Amortised Cost	Fair Value
As on 31 March 2024		
Financial liability - Non Convertible Debentures	1,174.62	1,140.17
As on 31 March 2023		
Financial liability - Non Convertible Debentures	1,416.42	1,387.19

b. Measurement of fair values

The following tables shows the valuation techniques used in measuring fair values.

Type	Valuation Technique
Financial Liability - NCDs	Discounted cash flows: The valuation model considers the present value of expected payment discounted using appropriate discounting rates.

c. Financial risk management

The Company's principal financial liabilities comprise fixed rate debentures, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and deposits that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's financial risk management is carried out by CEO and CFO and guided by the Board of Directors from time to time. The Board of Directors have constituted the Risk Management Committee (RMC) to formulate a detailed risk management policy, identification of various internal and external risks, risk mitigation plan, business continuity plan, implementation and monitoring of the risk management policy and its periodical review.

Credit Risk: Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

Trade receivables: The Company's exposure to credit risk is minimal considering the fact that all of the services are rendered to IOCL, a large company with high credit rating.

Particulars	Gross carrying amount
As on 31 March 2024	134.31
As on 31 March 2023	104.37

Cash and cash equivalents: The Company held cash and cash equivalents of Rs. 0.44 Cr as at 31 March 2024 (31 March 2023: Rs. 0.56 Cr). The cash and cash equivalents are held with reputed banks and financial institutions.

Liquidity Risk: Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

32 Disclosures as required by Ind AS -113 pertaining to Fair value measurement: (Continued)

Particulars	Carrying Amount	Total	Contractual Cash Flows			
			upto 1 year	1-2 year	2-5 year	> 5 years
As on 31 March 2024						
<u>Non-Derivative Financial Liabilities</u>						
Borrowings	1,174.62	1,174.62	256.80	273.00	644.81	-
Trade Payables	51.48	51.48	51.48	-	-	-
<u>Other Financial Liabilities</u>						
Interest on Borrowings	18.07	268.69	107.14	80.37	81.18	-
Others	135.20	135.20	135.20	-	-	-
As on 31 March 2023						
<u>Non-Derivative Financial Liabilities</u>						
Borrowings	1,416.42	1,416.42	242.40	256.80	798.70	118.52
Trade Payables	35.93	35.93	35.93	-	-	-
<u>Other Financial Liabilities</u>						
Interest on Borrowings	20.54	401.25	132.66	107.14	158.71	2.74
Others	135.40	135.40	135.40	-	-	-

Market risk: Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices, will affect the Company's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables, long term debt and commodity prices. The Company is not exposed to market risk.

Interest rate risk: Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the Statement of profit and loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to Interest rate risk: Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing long term financial instruments is as follows:

Particulars	31 March 2024	31 March 2023
Fixed Rate Instruments		
Financial liabilities - Measured at amortised cost	1,174.62	1,416.42

Currency risk :

The Company is not exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. The company does not have exposure to foreign currency risks.

Capital Management:

For the purpose of the Company's capital management, capital includes issued capital, convertible instruments and reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments, if any, required in the light of the current economic environment and other business requirements.

33 Recent Pronouncements

Amendments to IAS 16

On May 14, 2020 International Accounting Standards Board (IASB) has issued amendment to IAS 16 Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) which amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its condensed consolidated financial statements.

Amendments to IAS 37

On May 14, 2020 International Accounting Standards Board (IASB) has issued Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) which specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

Amendments to IAS 8

On February 12, 2021 International Accounting Standards Board (IASB) has issued amendments to IAS 8 Accounting Policies, Changes in Accounting estimates and Errors which introduced a definition of 'accounting estimates' and included amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its condensed consolidated financial statements.

Amendments to IAS 1

On February 12, 2021 International Accounting Standards Board (IASB) has issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements which requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

Amendments to IAS 12

On May 7, 2021, International Accounting Standards Board (IASB) has issued amendment to IAS 12 Income Taxes which narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

34:- Ratios

Following are the analytical Ratios for the year ended 31 Mar 2024 and 31 March 2023 are as under:-

			31 March 2024		31 March 2023		Variance	% change	Explanation for variance			
			Calculation	Ratio	Calculation	Ratio						
a	Current Ratio	=	Current Assets	592.01	=	1.28	529.21	=	1.24	0.04	4%	
			Current liabilities	462.34			428.30					
b	Debt-Equity Ratio	=	Total Debt i.e (LT + ST Debt)	1,174.62	=	2.63	1,416.42	=	3.74	-1.11	-30%	
			Total Shareholders equity	447.22			379.20					
c	Debt Service Coverage Ratio	=	EBITDA	462.91	=	1.23	448.72	=	1.18	0.05	5%	
			(Interest + Principal payment)	375.07			380.29					
d	Return on Equity Ratio	=	PAT	68.03	=		40.15	=				
						0.15		=	0.11	0.05	44%	Ratio increased due to increase in profits due to reduction in interest cost on repayment of NCD
			Total shareholders equity	447.22			379.19					
e	Inventory turnover ratio	=	COGS	1.00	=	1.00	1.00	=	1.00	-	0%	
	NOT APPLICABLE		Average Inventory	1.00			1.00					
f	Trade Receivables turnover ratio	=	Net Revenue	520.84	=	4.36	506.37	=	4.75	-0.38	-8%	
			Average Receivables	119.34			106.71					
g	Trade payables turnover ratio	=	Purchases (COGS)	77.79	=	1.78	64.63	=	1.77	0.01	1%	
			Average Payables	43.70			36.57					
h	Net capital turnover ratio	=	Net sales	552.73	=		527.75	=				
						4.26		=	5.23	-0.97	-19%	Ratio decreased due to increase in profits due to reduction in interest cost on repayment of NCD
			Working capital	129.67			100.90					
i	Net profit ratio	=	PAT	68.03	=		40.15	=				
						0.12		=	0.08	0.05	62%	Ratio increased due to increase in profits due to reduction in interest cost on repayment of NCD
			Net revenue	552.73			527.75					
j	Return on Capital employed	=	EBIT	224.21	=		210.12	=				
						0.10		=	0.09	0.02	21%	Ratio decreased due to increase in profits due to reduction in interest cost on repayment of NCD
			Average Capital employed i.e Average of (Total assets - Current liabilities)	2,152.71			2,446.58					
k	Return on investment.	=	PAT	68.03	=		40.15	=				
						0.04		=	0.02	0.02	84%	Ratio increased due to increase in profits due to reduction in interest cost on repayment of NCD
			Total Assets	1,832.45			1,993.49					

IOT Utkal Energy Services Limited

Notes to the financial statements (Continued)

as at 31 March 2024

(Currency: Indian Rupees in crores)

- 35** The Company is engaged in the BOOT project. As the basic nature of the activities is governed by the same set of risk and returns these have been grouped as a single business segment. Accordingly separate primary and secondary segment reporting disclosures as envisaged in Indian Accounting Standard (Ind AS) 108 on Segment Reporting are not applicable to the present activities of the company.
- 36** In the opinion of the Management, the Current Assets, Loans & Advances have a value of realization in ordinary course of business or at least equal to the amount at which they are stated in the balance sheet.
- 37** The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 38** No amounts were required to be transferred, to the Investor Education and Protection Fund by the Company.
- 39** The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 40** 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:
- (i) 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
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 41** The Company has not declared or paid any dividend during the year.
- 42** Figures of the previous period wherever necessary, have been reworked, regrouped, reclassified and rearranged, wherever necessary, to conform with those of the current year.

As per our report of even date

For **V. Nagarajan & Co.**
Chartered Accountants
Firm Registration Number : 04879N

For and on behalf of the Board of Directors of

IOT Utkal Energy Services Limited
CIN: U45208OR2009PLC011389

Pradeep Kumar
Partner
Membership No.: 514068

Manoj Kumar Borad
Director
DIN: 10524897

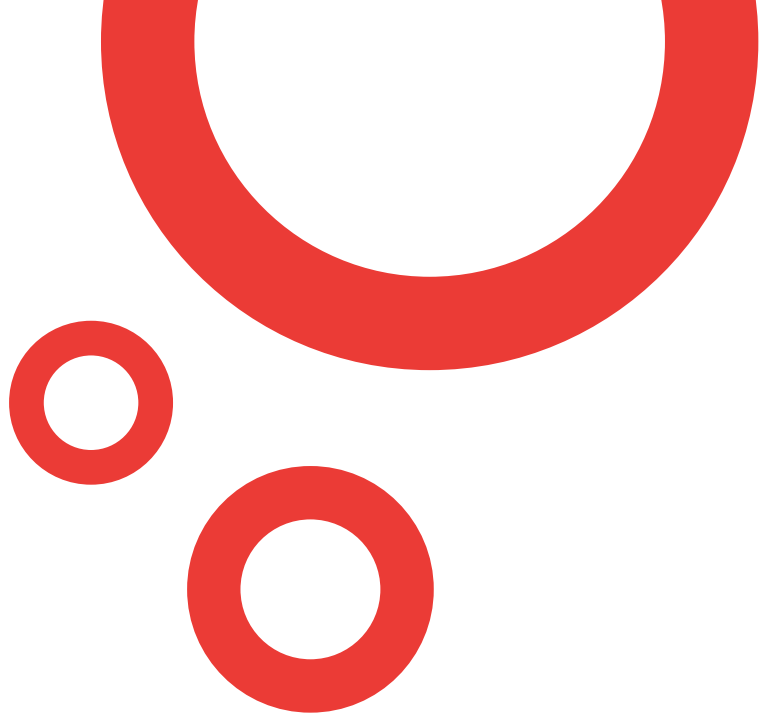
Rejith Bhaskar
Director and CEO
DIN: 10283897

C R Kalyanasundaram
Chief Financial Officer

Girjesh Shrivastava
Company Secretary
M No: A19083

Place: Gurugram
Date: 15 April 2024

Place: Mumbai
Date: 15 April 2024



IOT Utkal Energy Services Limited

Regd. Office: Plot No. 188/183,

Zero Point, Udayabata, Paradeep, Jagatsinghpur Odisha, India, 754141

CIN: U45208OR2009PLC011389