INDEPENDENT AUDITOR'S REPORT

To the Members of IRM Energy Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of **IRM Energy Limited** ("the Company"), which comprise the balance sheet as at 31st March 2023, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 31st March, 2023, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and Other Relevant Information contained therein, 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

Management's Responsibility 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

e) 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.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Standalone Financial Statements.

Materiality is the magnitude of misstatements in the 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.

Report on Other Legal and Regulatory Requirements

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

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

f) With respect to the adequacy of the internal financial controls 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 Auditors' 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 Directors 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 litigation on its financial position in its financial statement.

ii. The Company has made provision as required under the applicable law or accounting standard, on material foreseeable losses, if any on long-term derivative contracts.

iii. There are no amounts which are required to be transferred Investor Education and Protection Fund by the holding, subsidiary and joint control entities.

iv. (a) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

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 it's knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material mis-statement.

v. The dividend declared and paid during the year by the company is in compliance with section 123 of the Act.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), for maintaining books of account using accounting software which has feature of recording audit trail (edit log) is applicable with effect from April 1, 2023 to company which are incorporated in India, and accordingly, reporting under clause(g) of rule 11 of the Companies (Audit and Auditors) Rule, 2014 (as amended), is not applicable for the financial year ended 31, 2023.

For **Mukesh M. Shah & Co.**,
Chartered Accountants
Firm Registration No.: 106625W

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

Harsh P. Kejriwal
Partner
Membership No.:128670
Place: Ahmedabad
Date: 31/05/2023
UDIN: 23128670BGWGQJ8939

"Annexure – A" referred to in the Independent Auditors' Report of even date to the members of IRM Energy Limited on the Standalone Financial Statements for the year ended March 31, 2023

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

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

   ii) The Company has maintained proper records showing full particular of Intangible Assets.

   (b) Some of the fixed assets were physically verified during the year by the management in accordance with programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

   (c) According to the to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed under property, plant and equipment in the financial statements, the lease agreements are duly executed in the name of the Company, where the Company is lessee in the agreement.

   (d) According to the information and explanations given to us and the records examined by us and based on the examination, the company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

   (e) According to the information and explanations given to us and the records examined by us and based on the examination, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2. (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and coverage and procedure for such verification is appropriate, having regard to the size of the Company and nature of its business. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

(b) As Disclosed in note 16 (c) to the standalone financial statements, the quarterly statements filed by the company are materially in agreement with the books of account of the Company, except detailed as hereunder:

(Amt in Million)

Quarter Ended	Particular	Value as per Books of Account	Value as per quarterly statement	Amount of Difference	Reason for Discrepancy
June 2022	Inventory	14.47	13.67	0.80	- Difference is on account of accounting entry passed subsequently to filling of stock statement
	Trade Receivable	347.29	355.71	(8.42)	
	Trade Payable	380.44	255.83	124.61	
			Net Difference	**116.98**	
September 2022	Inventory	15.25	15.25	-	
	Trade Receivable	477.05	468.51	8.54	
	Trade Payable	256.84	240.18	16.66	
			Net Difference	**25.20**	
December 2022	Inventory	17.90	17.90	-	
	Trade Receivable	416.28	425.17	(8.89)	
	Trade Payable	223.28	83.08	140.19	
			Net Difference	**131.30**	
March 2023	Inventory	19.29	19.29	-	
	Trade Receivable	366.32	366.32	-	
	Trade Payable	264.82	257.52	7.30	
			Net Difference	**7.30**	

3. (a) During the year the company has made investments and also provided loans or advances in the nature of loans and also provided guarantee to companies, firms, Limited Liability Partnerships and other parties details are as follows:

(Amount in Million)

Particular	Loans	Guarantees
A. Aggregate amount granted/provided during the year - Joint Venture	-	200.00
B. Balance outstanding as at balance sheet date - Joint Venture	74.90	675.60

MUKESH M. SHAH & CO. ★ 7, Heritage Chambers, Nehru Nagar Ambawadi, Ahmedabad-15 ★ CHARTERED ACCOUNTANTS

(b) According to the information and explanations given to us, the terms and conditions of the grant of the above-mentioned loan are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) According to the information and explanations given to us, schedule of repayment of principal has been stipulated and repayment of principal is not yet due.

(d) According to the information and explanations given to us and on the basis of our examination of books of accounts, there is no overdue loans for more than 90 days at the balance sheet date.

(e) According to the information and explanation given to us, none of the loans or advances in the nature of loans granted by the Company have fallen due during the year.

(f) According to the information and explanation given to us, company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment to Promoters and related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

4. 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 grant of loans, making investments and providing guarantees and securities.

5. The Company has not accepted any deposits from the Public within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, to the extent applicable, accordingly, the requirement to report on clause 3(v) of the order is not applicable to the company.

6. We have broadly reviewed the books of account maintained by the Company, pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Custom duty, Excise duty, Value added Tax, Cess and any other material statutory dues during the year with the appropriate authorities. Moreover, as at March 31, 2023, there are no such undisputed dues payable for a period of more than six months from the date they became payable.

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

(b) Details of statutory dues referred to in sub-clause (a) above which has not been deposited as on account of any dispute, are as follows:

Name of the Statue	Name of dues	Amount (Rs. In million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	0.05	A.Y. 2018-19	Income Tax Officer

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

9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government or due to debenture holders during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the company is not declared as willful defaulter by any bank of financial institution or other landers.

(c) According to the information and explanation given to us, term loans are applied for the purpose for which the loans are obtained.

(d) According to the information and explanations given to us and on the basis of our examination of the books of account, we report that the funds raised on short term basis have not been utilized for the long-term purpose

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not taken any funds from any entity or person on account of or to meet the obligations of its associates or joint ventures.

(f) According to the information and explanations given to us and on the basis of our examination of the books of account, company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

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

(b) The Company has made private placement of shares during the year under audit and the company has complied with the provisions of the section 42 of the companies Act, 2013 and the funds raised have been used for the purpose for which the funds were raised.

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

11. (a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

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

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standard.

14. (a) According to information and explanations give to us and based on our examination of the records of the Company, we are of the opinion that the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

15. The Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the act under clause 3(xv) of the Order is not applicable to the Company.

16. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the reporting under clause 3(xvi)(a) of the order is not applicable to the company.

(b) The Company has not conducted non-banking financial activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the order is not applicable to the company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the order is not applicable to the company.

(d) Based on the information and explanation provided by the management of the company, the group does not have any CICs, which are part of the group. Accordingly, the reporting under clause 3(xvi)(b) of the order is not applicable to the company.

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

17. The Company has not incurred any cash losses in the current financial year or in the immediately preceding financial year;

18. There has been no resignation of the statutory auditors of the Company during the year, Accordingly, reporting under clause (xviii) of the Order is not applicable for the year.

19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which 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 date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. There is no unspent amount towards Corporate Social Responsibility (CSR) as at the end of the year. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

21. The reporting under clause 3(xxi) of the Order is not applicable in respect of Standalone Financial. Accordingly, no comment in respect of the said clause has been included in this report.

For **MUKESH M. SHAH & CO.**
Chartered Accountants
Firm Registration No.: 106625W

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

Harsh P. Kejriwal
Partner
Membership No.: 128670
Place: Ahmedabad
Date: 31/05/2023
UDIN: 23128670BGWGQJ8939

"Annexure B" to the Auditors' Report – March 31, 2023

Report on the Internal Financial Control 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 **IRM Energy Limited** ("the company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

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

Auditors' Responsibility

As per Section 143(3)(i) 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control 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 material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

A company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material 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 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MUKESH M. SHAH & CO.
Chartered Accountants
Firm Registration No.: 106625W

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

Harsh P. Kejriwal
Partner
Membership No.: 128670
Place: Ahmedabad
Date: 31/05/2023
UDIN: 23128670BGWGQJ8939

IRM ENERGY LIMITED

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
a) Property, plant and equipment	4.1	3,610.15	2,848.18
b) Capital work-in-progress	4.2	910.85	522.84
c) Intangibles assets	4.3	33.65	26.53
d) Right to Use Assets	4.4	162.41	129.42
e) Intangibles under Development	4.5	-	1.93
f) Financial assets			
(i) Investments	5A	115.17	114.82
(ii) Loans	6A	76.62	77.42
(iii) Other financial assets	6B	110.04	182.49
g) Other non-current assets	7	404.13	88.31
h) Income Tax Asset (Net)		42.26	-
		5,465.28	**3,991.94**
Current assets			
a) Inventories	8	19.29	17.15
b) Financial assets			
(i) Investments	5B	543.25	102.78
(ii) Trade receivables	9	386.22	227.14
(iii) Cash and cash equivalents	10A	218.71	591.49
(iv) Bank balances other than (iii) above	10B	766.06	405.57
(v) Loans		-	-
(vi) Other financial assets	11	37.88	25.75
c) Other current assets	12	283.66	44.17
		2,255.07	**1,414.05**
Total Assets		**7,720.35**	**5,405.99**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	13	302.60	293.70
b) Other equity	14	2,953.01	2,001.46
Total equity		**3,255.61**	**2,295.17**
Liabilities			
Non-current liabilities			
a) Financial Liabilities			
(i) Borrowings	15A	2,821.96	1,867.60
(ii) Lease Liabilities		150.71	108.21
(iii) Trade payables		-	-
(iv) Other financial liabilities	17	273.70	195.24
b) Provisions	18A	13.72	9.35
c) Deferred tax liabilities (Net)	20	185.22	147.12
		3,445.31	**2,327.52**
Current liabilities			
a) Financial Liabilities			
(i) Borrowings	15B	216.39	158.32
(ii) Lease Liabilities		8.54	8.84
(iii) Trade payables	16		
- total outstanding dues of micro enterprises and small enterprises		1.85	2.43
- total outstanding dues of creditors other than micro enterprises and small enterprises		309.69	248.50
(iv) Other financial liabilities	17	461.49	219.15
b) Provisions	18B	0.55	0.41
c) Other current liabilities	19	20.92	61.41
d) Current tax liabilities (Net)		-	84.25
		1,019.43	**783.31**
Total Equity and Liabilities		**7,720.35**	**5,405.99**

See accompanying notes to the financial statements

As per our report of even date
For Mukesh M Shah & Co.
Chartered Accountants
Firm Registration No: 106625W

Harsh Kejriwal
Partner
Membership Number : 128670
Ahmedabad, Dated : 31st May, 2023

For and on behalf of the Board

M. Sahu
Chairman
DIN:00034051

Karan Kaushal
CEO

Harshal Anjaria
CFO

Shikha Jain
Company Secretary

Ahmedabad, Dated : 31st May, 2023

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

IRM ENERGY LIMITED

STANDALONE PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED MARCH 31, 2023

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Note No.	For the year ending March 31, 2023	For the year ending March 31, 2022
Income :			
Revenue from Operations	21	10,391.35	5,461.43
Other Income	22	59.64	30.50
Total Income		**10,450.99**	**5,491.93**
EXPENSES :			
Purchases of stock-in-trade of natural gas	23	7,795.27	2,492.27
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	24	2.50	(9.96)
Excise Duty on Sale of Compressed Natural Gas		590.47	389.98
Employee Benefits Expense	25	90.83	71.58
Finance Costs	26	229.03	220.75
Depreciation and Amortisation expense	27	208.96	150.41
Other Expenses	28	789.52	653.27
Total Expenses		**9,706.58**	**3,968.30**
Profit before Tax		744.41	1,523.63
Tax Expense			
- Corporate Tax	29	141.29	334.50
- Deferred Tax	29	38.32	53.54
Total Tax Expense		179.61	388.04
Profit for the year		**564.80**	**1,135.59**
Other Comprehensive income			
i. Items that will not be reclassified to profit or loss			
a. Remeasurements of the defined benefit asset		(0.84)	0.15
b. Income tax related to this items		0.21	-
		(0.63)	**0.15**
Total comprehensive income		**564.17**	**1,135.74**
Earnings Per Share (Face Value of Rs. 10 each)	34		
Basic		18.72	38.92
Diluted		18.72	38.92

See accompanying notes to the financial statements

As per our report of even date
For Mukesh M Shah & Co.
Chartered Accountants
Firm Registration No: 106625W

Harsh Kejriwal
Partner
Membership Number : 128670
Ahmedabad, Dated : 31st May, 2023

For and on behalf of the Board

M. Sahu
Chairman
DIN:00034051

Karan Kaushal
CEO

Harshal Anjaria
CFO

Shikha Jain
Company Secretary

Ahmedabad, Dated : 31st May, 2023

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

IRM ENERGY LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars		For the year ending March 31, 2023	For the year ending March 31, 2022
A. Cash flow from operating activities			
Net profit before tax and extraordinary items		744.41	1,523.63
Adjustment for:			
Interest Income		(56.86)	(29.42)
Employee Benefit Expense		0.06	-
Finance Costs		229.03	220.77
Fair value measurement of financial assets		(0.52)	(1.08)
Remesurement of defined benefits		(0.63)	-
Provision for Expense (net)		177.25	48.28
Profit on sale of asset		(0.18)	-
Depreciation and Amortisation expense		208.96	150.38
Operating profit before working capital changes		**1,301.52**	**1,912.56**
(Increase)/Decrease in Other Assets		(850.93)	(370.12)
(Increase)/Decrease in Inventories		(2.14)	(9.11)
(Increase)/Decrease in Trade Receivable		(159.08)	(115.26)
Increase/(Decrease) in Trade Payables		339.20	14.11
Increase/(Decrease) in Financial Liabilities		320.82	130.08
Increase/(Decrease) in Other Liabilities		(202.03)	(57.50)
Cash generated from operation		**747.36**	**1,504.76**
Direct taxes (paid)/Refund		(280.41)	(218.37)
Cash flow before extraordinary items		466.95	1,286.39
Net cash from operating activities	(a)	**466.95**	**1,286.39**
B. Cash flow from investing activities			
Interest Income		49.04	17.31
Investment in Mutual Funds		(730.32)	(138.75)
Sale of Mutual Funds		290.37	-
Investment in Subsidiary		(0.35)	-
Loans (given)/repaid		-	(77.42)
(Purchase)/sale of Fixed Assets (incl. capital work in progress)		(1,625.16)	(904.53)
Net cash used in investing activities	(b)	**(2,016.42)**	**(1,103.39)**
C. Cash flow from financing activities			
Proceeds from equity shares issued (incl Securities Premium)		412.63	15.73
Proceeds from Banks Borrowings		1,152.72	163.20
Repayment towards Bank Borrowings		(108.69)	162.51
Change in Short Term Borrowing		(49.98)	49.98
Finance Costs		(192.24)	(193.53)
Lease cost		(21.41)	(11.89)
Stamp duty on issue of shares		(1.67)	-
Dividend		(14.68)	(34.99)
Net cash from financing activities	(c)	**1,176.68**	**150.99**
Net increase / (decrease) in cash and cash equivalents (a+b+c)		(372.78)	333.99
Cash and cash equivalents — opening balance		591.49	257.50
Cash and cash equivalents — closing balance		**218.71**	**591.49**

Reconciliation of cash and cash equivalents with the Balance sheet:
Cash and cash equivalents at the end of the year comprises

(a) Balance with banks		
Balance in Current Accounts	218.06	591.17
(b) Cash on hand	0.65	0.32
	218.71	**591.49**

Notes:
(i) The cash Flow statement reflects the cash flows pertaining to continuing operations.
(ii) The cash Flow statement has been prepared under the "Indirect Method" as set out in IND AS - 7 Cash Flow Statement"
(ii) Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash Changes

See accompanying notes to the financial statements
As per our report of even date
For Mukesh M Shah & Co.
Chartered Accountants
Firm Registration No: 106625W

Harsh Kejriwal
Partner
Membership Number : 128670
Ahmedabad, Dated : 31st May, 2023

For and on behalf of the Board

M. Sahu
Chairman
DIN:00034051

Karan Kaushal
CEO

Harshal Anjaria
CFO

Shikha Jain
Company Secretary

Ahmedabad, Dated : 31st May, 2023

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY

(a) Equity Share Capital

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	No. of Shares	Amount
Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2021	2,89,99,471	289.99
Add: Issued during the period between 1st April, 2021 to 31st March, 2022	3,70,206	3.70
As at March 31, 2022	2,93,69,677	293.70
Add: Issued during the period between 1st April, 2022to 31st March, 2023	8,90,000	8.90
As at March 31, 2023	3,02,59,677	302.60

(b) Other equity

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Equity component of compound financial instruments	Reserves and Surplus				Other Comprehensive Income		Total
		General reserve	Securities Premium	Share Application Money	Profit and Loss account	Remeasurement of defined benefit plans	Equity instruments through other comprehensive income	
Balance as at 31 March 2021	211.05	-	42.25	-	636.05	(0.67)	-	888.68
Profit for the year period 2021-22	-	-	-	-	1,135.60	-	-	1,135.60
Equity Component of Preference Shares	-	-	-	-	-	-	-	-
Remeasurements of the defined benefit asset (net of tax)	-	-	-	-	-	0.15	-	0.15
Share Application Money Received/(Refunded)	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-
Corporate Dividend	-	-	-	-	(35.00)	-	-	(35.00)
Transaction Cost on issue of shares	-	-	-	-	-	-	-	-
Share Premium	-	-	12.03	-	-	-	-	12.03
Balance as at 31 March 2022	211.05	-	54.28	-	1,736.65	(0.52)	-	2,001.46
Profit for the year period 2022-23	-	-	-	-	564.79	-	-	564.79
Equity Component of Preference Shares	-	-	-	-	-	-	-	-
Remeasurements of the defined benefit asset (net of tax)	-	-	-	-	-	(0.63)	-	(0.63)
Share Application Money Received/(Refunded)	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-
Corporate Dividend	-	-	-	-	(14.68)	-	-	(14.68)
Transaction Cost on issue of shares	-	-	(1.67)	-	-	-	-	(1.67)
Share Premium		-	403.73	-	-	-	-	403.73
Balance as at 31 March, 2023	211.05	-	456.34	-	2,286.77	(1.15)	-	2,953.01

As per our report of even date
For Mukesh M Shah & Co.
Chartered Accountants
Firm Registration No: 106625W

Harsh Kejriwal
Partner
Membership Number : 128670
Ahmedabad, Dated : 31st May, 2023

For and on behalf of the Board

M. Sahu
Chairman
DIN:00034051

Karan Kaushal
CEO

Harshal Anjaria
CFO

Shikha Jain
Company Secretary

IRM ENERGY LIMITED

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS
7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

Ahmedabad, Dated : 31st May, 2023

IRM ENERGY LIMITED

Notes to the Separate Financial Statements

1. Company Information

IRM Energy Limited (formerly known as IRM Energy Private Limited) was incorporated on 01st December, 2015 with the object, inter alia of undertaking or carry out the business of storage, supply, distribution & sale of natural gas & business relating to or incidental to the laying, operating, maintaining & expanding of the City Gas Distribution Networks. The Company was converted into Public Company consequent to which a fresh certificate of incorporation dated 23rd March, 2022 was issued by the Registrar of Companies, Gujarat at Ahmedabad. The Company is currently supplying natural gas in Banaskantha District in the State of Gujarat, Fatehgarh Sahib District in the State of Punjab and at Diu and Gir Somnath Districts in the State of Gujarat as per the authorisation granted by Petroleum & Natural Gas Regulatory Board (PNGRB). The Company was awarded the authorisation for City Gas Distribution in the geographical areas of Namakkal and Tiruchirappalli Districts in the State of Tamil Nadu in March, 2022.

The registered office of the Company is located at 4th Floor, Block 8, Magnet Corporate Park, Near Sola Bridge, S.G. Highway, Ahmedabad - 380054, Gujarat.

2. Basis of Preparation & Measurement

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time. The significant accounting policies that are used in the preparation of these financial statements are summarised below:

3. Summary of Significant accounting policies

3.1 Statement of compliance

The Standalone Financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

3.2 Historical cost convention

The Standalone Financial Statements have been prepared on a historical cost convention & on an accrual basis, except for certain items that are measured at fair value as required by relevant Ind AS:

- Financial assets & financial liabilities measured initially at fair value (refer accounting policy on financial Instruments);
- Defined benefit & other long-term employee benefits.

IRM ENERGY LIMITED

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

3.3 Current vs Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

a. The asset/liability is expected to be realised/ settled in the Company's normal operating cycle;

b. The asset is intended for sale or consumption;

c. The asset/liability is held primarily for the purpose of trading;

d. The asset/liability is expected to be realised/settled within twelve months after the reporting period.

;

e. The asset is Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;

f. In case of liability, the Company does not have unconditional right to defer the Settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

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

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and time between acquisition of assets for processing and their realisation in cash and cash equivalents

3.4 Use of estimates and Judgements

The preparation of Standalone Financial Statements in conformity with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. -The management believes that the estimates used in preparation of the financial statements are prudent and reasonable The areas involving a higher degree of judgement or complexity, or area where assumptions & estimates are significant to these Standalone Financial Statements are disclosed below.

The preparation of Standalone Financial Statements in conformity with the Accounting Standards generally accepted in India requires, the management to make estimates & assumptions that affect the reported amounts of assets & liabilities & disclosure of contingent liabilities as the date of the Standalone Financial Statements & reported amounts of revenues & expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current & future periods.

When preparing the Standalone Financial Statements, management undertakes a number of judgments', estimates & assumptions about the recognition & measurement of assets, liabilities, income & expenses. In the process of applying the Company's accounting policies, the following judgments have been made apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial information. Judgements are based on the information available at the date of balance sheet.

IRM ENERGY LIMITED

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

(i) Income Taxes: Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(ii) Property, plant & equipment: Property, plant & equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life & the expected residual value at the end of its life. Management reviews the residual values, useful lives & methods of depreciation of property, plant & equipment at each reporting period end & any revision to these is recognised prospectively in current & future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(iii) Employee Benefits: Significant judgments are involved in making judgments about the life expectancy, discounting rate, salary increase, etc. Which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

(iv) Impairment of assets & investments: Significant judgment is involved in determining the estimated future cash flows from the investments, Property, Plant & Equipment & Goodwill to determine its value in use to assess whether there is any impairment in its carrying amount as reflected in the financials.

(v) Deferred Tax: Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

(vi) Recognition & measurement of unbilled gas sales revenues: In case of customers where meter reading dates for billing is not matching with reporting date, the gas sales between last meter reading date & reporting date has been accrued by the company based on past average sales. The actual sales revenue may vary compared to accrued unbilled revenue so included in Sale of natural gas & classified under current financial assets.

(vii) Recognition & measurement of other provisions: The recognition & measurement of other provisions are based on the assessment of the probability of an outflow of resources & on past experience & circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure so provided & included as liability.

(viii) Provision on receivables/advances : The Company has a defined policy for provision of receivables which is based on the ageing of receivables. The Company reviews the policy at regular intervals.

(ix) Provision for Inventory including Capital Inventory: The Company has a defined policy for provision of slow and non-moving inventory based on the ageing of inventory. The Company reviews the policy at regular intervals.

IRM ENERGY LIMITED

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

3.5 **Property, Plant & Equipment**

(i) Freehold land is carried at historical cost.

(ii) Property, Plant and Equipment other than land are stated at cost of acquisition / construction less accumulated depreciation and impairment losses, if any.

The Company capitalises to project assets all the cost directly attributable & ascertainable, to completing the project which includes freight, duties & taxes (to the extent credit is not available) ,other incidental expenses relating to acquisition and installation and pre-operative expenses. These costs include expenditure of pipelines, plant & machinery, cost of laying of pipeline, cost of survey, commissioning & testing charge, detailed engineering & interest on borrowings attributable to acquisition of such assets. The gas distribution networks are treated as commissioned when supply of gas commences to the customer(s).

Subsequent expenditure related to an item of property, plant and Equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance. All other expenses incurred towards normal repairs and maintenance of the existing property, plant and Equipment (including cost of replacing parts) are charged to profit and loss for the period during which such expenses are incurred.

Interest on borrowings attributable to the acquisition / construction of Property, Plant and Equipment for the period of construction is added to the cost of Property, Plant and Equipment.

Assets installed at customer premises, including meters & regulators where applicable, are recognised as property plant & equipment if they meet the definition provided under Ind AS 16 subject to materiality as determined by the management & followed consistently.

(iii) Capital Work in Progress includes expenditure incurred on assets, which are yet to be commissioned & capital inventory, which comprises stock of capital gitems/construction materials at respective city gas network.

All the directly identifiable & ascertainable expenditure, incidental & related to construction incurred during the period of construction on a project, till it is commissioned, is kept as Capital work in progress (CWIP) & after commissioning the same is transferred / allocated to the respective "Property, Plant and Equipment".

Further, advances paid towards the acquisition of property, plant & equipment outstanding at each balance sheet date are classified as capital advances under other non- current assets.

(iv) Depreciation is provided as follow:

- Depreciation is charged on a pro-rata basis on the straight line method ('SLM') as prescribed in Schedule II to the Companies Act, 2013 which are

IRM ENERGY LIMITED

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

in line with their estimated useful life , except for the following assets where depreciation is charged on pro-rata basis over the estimated useful life of the assets based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.

The estimated Useful life of Asset is below

Name of Asset	Useful life
Building	25 Years
Computer and Laptops	3 Years
Plant and Machinery- Pipelines and Last Mile Connectivity	25 Years
Plant and Machinery- CNG Stations Equipments and Installations	15 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Vehicles	5 Years
Software	5 Years

- The management believes that these useful lives are realistic & reflect fair approximation of the period over which the assets are likely to be used. The useful lives are reviewed by the management at each financial year end & revised, if appropriate. In case of a revision, the unamortised depreciable amount (remaining net value of assets) is charged over the revised remaining useful life.

- For the purpose of calculating the depreciation, residual value for Tangible assets has been considered as 5% of the value of asset concerned.

- Depreciation on items of property, plant & equipment acquired / disposed-off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

- Depreciation on additions to Property, Plant and Equipment made during the period having cost of Rs. 5000 or less is provided @ 100% on pro rata basis with reference to the date of addition.

- Gains & losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit & loss under Other Expenses/Income.

- The carrying amount of assets, including those assets that are not yet available for use, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, recoverable amount of asset is determined. An impairment loss is recognised in the statement of profit and loss whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of

IRM ENERGY LIMITED

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

asset does not exceed the net book value that would have been determined if no impairment loss had been recognised. (Cross Reference Note Impairment)

(i) Intangible Assets:

Intangible Assets includes amount paid towards obtaining Right of Way (ROW) permissions for laying the gas pipeline network & cost of developing software for internal use. The Company capitalises software as Intangible Asset where it is expected to provide future enduring economic benefits. Cost associated with maintaining software programmes are recognised as expenses as & when incurred.

Useful life of the Right of Way (ROW) charges is considered as the period for which such charges are paid. In cases where the tenor of payment is not specified by the authorities, the useful life of such ROW charges is considered as 10 years.

Any item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the intangible asset (calculated as the difference between the net disposal proceeds & the carrying amount of the intangible asset) is charged to revenue in the income statement when the intangible asset is derecognised.

3.6 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing at the date of such transactions. Monetary assets & liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gain/Loss arising on account of differences in foreign exchange rates on settlement/translation of monetary assets & liabilities are recognised in the Statement of Profit & Loss, unless they are considered as an adjustment to borrowing costs, in which case they are capitalised along with the borrowing cost.

3.7 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers. Revenue also excludes taxes collected from customers in its capacity as agent.

Sale of Natural Gas is recognized on supply of gas to customers by metered/assessed measurements as no significant uncertainty exists regarding the measurability or collectability of the sale consideration. Sales are billed bi-monthly for domestic customers, monthly/fortnightly for commercial & non-commercial customers & fortnightly for industrial customers as the timing of the transfer of risks & rewards varies depending on the individual terms of the sales agreement. Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to consumers from retail outlets.

The amount recognised as revenue is stated inclusive of excise duty & exclusive of Sales Tax /Value Added Tax (VAT), Goods & Service Tax And is net of trade

IRM ENERGY LIMITED

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

discounts or quantity discounts.

Unbilled revenue is recognised from the end of the last billing cycle to the Balance Sheet date since the related supply of natural gas are performed

The amounts collected towards connection charges from certain domestic customers are "Non-Refundable Charges". Accordingly, the same are recognized as revenue as an when the Company receives the amount from such customers.

The amounts collected from certain domestic customers which includes amount "refundable" in nature. Accordingly, the same are recognized as a liability under the head "Deposit from Customers" in the balance sheet.

Interest income is reported on an accrual basis using the effective interest method.

Dividends Income from investment is recognised at the time the right to receive payment is established.

3.8 Borrowing Costs

(i) The Company is capitalising borrowing costs that are directly attributable to the acquisition or construction of qualifying asset up to the date of commissioning. Qualifying assets are assets that necessarily take a substantial period of time (i.e. twelve months or more) to get ready for their intended use or sale.

Transaction cost in respect of long-term borrowings are amortised over the tenor of respective loan.

(ii) Other borrowing costs are recognised as an expense in the year in which they are incurred, if any.

3.9 Impairment of Property, Plant & Equipment & Intangible Assets and investment in associated

The Company, at each balance sheet date, assesses whether there is any indication of impairment of any asset &/ or cash generating unit. If such indication exists, assets are impaired by comparing carrying amount of each asset &/ or cash generating unit to the recoverable amount being higher of the net selling price or value in use. Value in use is determined from the present value of the estimated future cash flows from the continuing use of the assets.

3.10 Inventories

Inventory of Gas (including gas inventory in pipeline & CNG cascades) is valued at lower of cost & net realizable value. Cost is determined on weighted average cost method. Where Cost of inventories includes all other costs incurred in bringing the inventories to their present location and condition and Net Realisable Value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale. Necessary adjustment for shortage / excess stock is given based on the available evidence and past experience of the company.

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

Stores, spares & consumables and other inventory items (viz. CNG Kits, etc) are valued at lower of cost & net realizable value. Cost is determined on moving weighted average basis.

3.11 Accounting for Income Taxes

Income tax expenses comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Law) & deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income & taxable income for the period). Income tax expenses are recognised in statement of profit or loss except tax expenses related to items recognised directly in reserves (including statement of other comprehensive income) which are recognised with the underlying items.

(i) The Income Tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets & liabilities attributable to temporary differences & to unused tax losses.

The Current Income Tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance Taxes & provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid & income tax provision arising in the same tax jurisdiction for relevant tax paying units & where the Company is able to & intends to settle the asset & liability on a net basis.

(ii) Deferred Tax is provided in full on temporary difference arising between the tax bases of the assets & liabilities & their carrying amounts in Standalone Financial Statements at the reporting date. Deferred tax are recognised in respect of deductible temporary differences being the difference between taxable income & accounting income that originate in one period & are capable of reversal in one or more subsequent periods., the carry forward of unused tax losses & the carry forward of unused tax credits.

Deferred Income Tax is determined using tax rates (& laws) that have been enacted or substantially enacted by the end of the reporting period & are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred Tax Assets are recognised for all deductible temporary differences & unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences & losses.

Deferred Tax Assets & Liabilities are offset when there is a legally enforceable right to offset current tax assets & liabilities & when the deferred tax balances relate to the same taxation authority. Current tax

MUKESH M. SHAH & CO.
7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15
CHARTERED ACCOUNTANTS

IRM ENERGY LIMITED

assets & tax liabilities are offset where the Company has a legally enforceable right to offset & intends either to settle on a net basis, or to realise the asset & settle the liability simultaneously.

Current & Deferred Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit available including Minimum Alternative Tax (MAT) under the provision of the Income Tax Act, 1961 is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit & loss & shown under the head deferred tax asset.

The carrying amount of deferred tax assets is reviewed at each reporting date & reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date & are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

3.12 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a initial application date i.e. 1 April 2019. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of initial application of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on actual payment basis as and when incurred.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized that is equal to lease liabilities on the initial application date, that is arrived based on incremental borrowing rate on the initial application date. They are subsequently measured at cost less accumulated depreciation and impairment losses.

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

ROU assets are depreciated from the initial application date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments on the date of initial application. The lease payments are discounted using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease Consolidatedly. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

3.13 Employee Benefits

Liabilities for wages & salaries, including leave encashment that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting & are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(i) Defined Contribution Plan:

Contribution towards provident fund for eligible employees are accrued in accordance with applicable statutes & deposited with the regulatory provident fund authorities (Government administered provident fund scheme). The Company does not carry any other obligation apart from the monthly contribution.

The Company's contribution is recognised as an expense in the Statement of Profit & Loss during the period in which the employee renders the related service.

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

(ii) Defined Benefit Plan:

Gratuity liability is a defined benefit obligation and is computed at the end of each financial year on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds.
The Liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period less the fair value of the plan assets. The Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost in calculated by applying the discounting rate to the net balance of the defined benefit obligation & the fair value of plan assets. Such costs are included in employee benefit expenses in the statement of Profit & Loss. Re-measurements gains or losses arising from experience adjustments & changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive income" & are included in retained earnings in the statement of changes in equity & in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit & loss:

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

(iii) Long Term Employee Benefits:

The liability in respect of accrued leave benefits which are expected to be availed or encashed beyond 12 months from the end of the year, is treated as long term employee benefits.

The Company's liability is actuarially determined by qualified actuary at balance sheet date by using the Projected Unit Credit method.

Actuarial losses/ gains are recognized in the Statement of Other Comprehensive Income in the year in which they arise.

3.14 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company operates in a single segment of natural gas business and relevant disclosure requirements as per Ind AS 108 "Operating Segments" have been disclosed by the Company under note no 38.

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

3.15 Provisions, Contingent Liabilities & Contingent Assets

Provision is recognised when the Company has a present obligation as a result of past events & it is probable that the outflow of resources will be required to settle the obligation & in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Contingent assets are not recognised in the financial statement.

Provisions & contingencies are reviewed at each balance sheet date & adjusted to reflect the correct management estimates.

3.16 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or accruals of past or future operating cash receipts or payments & item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing & financing activities of the Company are segregated.

3.17 Events occurring after the Reporting Date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the Standalone Financial Statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change & commitment affecting the financial position are disclosed in the Directors' Report.

3.18 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split & reserve share splits [consolidation of shares] that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders & the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, cross currency interest rate swaps, interest rate swaps, currency options and embedded derivatives in the host contract.

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

a. **Financial Assets**

Initial recognition and measurement

All financial assets are recognized initially at fair value (plus transaction costs attributable to the acquisition of the financial assets, in the case of financial assets are not recorded at fair value through profit or loss).

i. **Classifications**

The company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

ii. **Business model assessment**

The company assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a period, for other basic lending risks, costs (e.g. liquidity risk and administrative costs), and profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial Assets at amortised cost

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- the contractual terms of the financial asset represents contractual cash flows that are solely payments of principal and interest.

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

MUKESH M. SHAH & CO. * CHARTERED ACCOUNTANTS * 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

Financial Assets at Fair Value through Profit and Loss (FVTPL)

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

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of the profit and loss.

Investment in Subsidiaries, Jointly Controlled Entities and Associates

Investment in subsidiaries, jointly controlled entities and associates are measured at cost less impairment as per the Ind AS 27 -Separate Financial Statements.

Impairment of investments

The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

iii. Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired, or

MAHESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in the OCI is recognised in profit or loss.

Impairment of financial assets

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

With regard to trade receivable, the Company applies the simplified approach as permitted by the Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial assets has increased significantly since initial recognition.

b. Financial Liabilities

i. Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss or amortised cost, as appropriate.

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

All financial liabilities are recognised initially at fair value and in the case of amortised cost, net of directly attributable transaction costs.

ii. Subsequent measurement

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

Financial Liabilities measured at amortised cost

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

iii. Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

c. Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income. The gain / loss is recognised in other equity in case of transaction with shareholders.

Financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method. The company derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

The Company has computed the Equity component of the Preference Shares considering the terms of the RPS to be non-cumulative and further modified the estimates of future cash flows.

3.20 Fair Value Measurements

These Standalone Financial Statements are prepared under the historical cost convention, except certain financial assets & liabilities measured at fair value (refer accounting policy on financial instruments) as per relevant applicable Ind AS.

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 to the Company.

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date

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 & best use or by selling it to another market participant that would use the asset in its highest & best use.

The Company uses valuation techniques that are appropriate in the circumstances & for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs & minimising the use of unobservable inputs. All assets & liabilities for which fair value is measured or disclosed in the Standalone 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 & liabilities that are recognised in the Standalone 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.

3.21 The previous year numbers have been reclassified wherever necessary. Unless otherwise stated, all amounts are in Million Indian Rupees. Items reflecting as 0.00 denotes value less than Rs. 50,000.

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS
7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

IRM ENERGY LIMITED
ACCOMPANYING NOTES TO STANDALONE FINANCIAL STATEMENTS

Note 4.1
Property, Plant and Equipment (PPE)

Gross Block

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Freehold Land	Leasehold land	Buildings	Plant and Machinery	Computers and laptops	Furnitures & Fixtures	Vehicles	Office Equipments	Total
Balance as on March 31, 2021	**17.58**	**-**	**144.35**	**2,322.82**	**7.32**	**15.90**	**2.72**	**24.19**	**2,534.87**
Addition	4.56	-	7.31	634.31	7.36	2.59	17.96	4.10	678.18
Disposal/Adjustments/ Transfer	-	-	-	-	-	-	-	-	-
Balance as on March 31, 2022	**22.14**	**-**	**151.66**	**2,957.13**	**14.68**	**18.50**	**20.67**	**28.28**	**3,213.06**
Addition	37.60	-	66.27	819.71	6.50	3.37	2.94	13.62	950.03
Disposal/Adjustments/ Transfer	-	-	-	(5.05)	-	-	-	-	(5.05)
Balance as on March 31, 2023	**59.74**	**-**	**217.94**	**3,771.79**	**21.17**	**21.88**	**23.61**	**41.91**	**4,158.04**

Depreciation and Amortization

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Freehold Land	Leasehold land	Buildings	Plant and Machinery	Computers and laptops	Furnitures & Fixtures	Vehicles	Office Equipments	Total
Balance as on March 31, 2021	**-**	**-**	**10.88**	**203.50**	**4.39**	**2.20**	**0.13**	**5.80**	**226.90**
Addition	-	-	5.63	122.25	1.93	1.65	1.74	4.80	137.99
Disposal/Adjustments/ Transfer	-	-	-	-	-	-	-	-	-
Balance as on March 31, 2022	**-**	**-**	**16.51**	**325.75**	**6.31**	**3.84**	**1.86**	**10.60**	**364.88**
Addition	-	-	7.49	(1,578.64)	4.48	2.01	4.04	6.97	(1,553.64)
Disposal/Adjustments/ Transfer	-	-	-	1,736.65	-	-	-	-	1,736.65
Balance as on March 31, 2023	**-**	**-**	**24.00**	**483.78**	**10.78**	**5.84**	**5.90**	**17.57**	**547.89**

Net Block

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Freehold Land	Leasehold land	Buildings	Plant and Machinery	Computers and laptops	Furnitures & Fixtures	Vehicles	Office Equipments	Total
Balance as on March 31, 2022	22.14	-	135.15	2,631.38	8.36	14.65	18.81	17.68	2,848.18
Balance as on March 31, 2023	59.74	-	193.94	3,288.02	10.39	16.04	17.71	24.33	3,610.15

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

IRM ENERGY LIMITED

Note 4.2
Capital Work-in-Progress (project under construction)

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Balance as on March 31, 2022	417.77	79.17	23.67	2.23	522.84
Balance as on March 31, 2023	823.48	81.86	0.17	5.34	910.85

Capital work in progress and current year fixed assets includes borrowing cost capitalised on qualifying assets amounting to Rs. 55.99 million (31st March, 2022: Rs. 23.27 million)

Note 4.3
Intangible assets

Gross Block

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Softwares	Right of Way charges	Total
Balance as on March 31, 2021	**10.17**	**26.85**	**37.02**
Addition	0.37	4.30	4.67
Disposal/Adjustments/ Transfer	-	-	-
Balance as on March 31, 2022	**10.54**	**31.15**	**41.70**
Addition	2.26	13.00	15.25
Disposal/Adjustments/ Transfer	-	-	-
Balance as on March 31, 2023	**12.80**	**44.15**	**56.95**

Depreciation and Amortization

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Softwares	Right of Way charges	Total
Balance as on March 31, 2021	**2.26**	**8.27**	**10.53**
Addition	1.21	3.41	4.63
Disposal/Adjustments/ Transfer	-	-	-
Balance as on March 31, 2022	**3.48**	**11.68**	**15.16**
Addition	1.30	6.84	8.14
Disposal/Adjustments/ Transfer	-	-	-
Balance as on March 31, 2023	**4.77**	**18.52**	**23.30**

Net Block

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Softwares	Right of Way charges	Total
Balance as on March 31, 2022	7.06	19.47	26.53
Balance as on March 31, 2023	8.03	25.63	33.65

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

Note 4.4
Right to Use Assets

Gross Block

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Right to Use- for Land	Right to Use- for Plant & Machinery	Right to Use- for Building	Total
Balance as on March 31, 2021	**60.86**	**-**	**27.23**	**88.09**
Addition	-	36.67	29.07	65.74
Disposal/Adjustments/ Transfer	-	-	-	-
Balance as on March 31, 2022	**60.86**	**36.67**	**56.31**	**153.84**
Addition	48.18	-	1.24	49.43
Disposal/Adjustments/ Transfer	-	-	-	-
Balance as on March 31, 2023	**109.04**	**36.67**	**57.54**	**203.25**

Amortization

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Right to Use- for Land	Right to Use- for Plant & Machinery	Right to Use- for Building	Total
Balance as on March 31, 2021	**10.78**	**-**	**5.85**	**16.62**
Addition	5.47	0.61	1.71	7.78
Disposal/Adjustments/ Transfer	-	-	-	-
Balance as on March 31, 2022	**16.24**	**0.61**	**7.55**	**24.41**
Addition	7.23	7.45	1.76	16.43
Disposal/Adjustments/ Transfer	-	-	-	-
Balance as on March 31, 2023	**23.47**	**8.06**	**9.31**	**40.84**

Net Block

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Right to Use- for Land	Right to Use- for Plant & Machinery	Right to Use- for Building	Total
Balance as on March 31, 2022	44.62	36.05	48.75	129.42
Balance as on March 31, 2023	85.57	28.61	48.23	162.41

Note 4.5
Intangibles under Development

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Balance as on March 31, 2022	-	1.93	-	-	1.93
Balance as on March 31, 2023	-	-	-	-	-

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15 CHARTERED ACCOUNTANTS

IRM ENERGY LIMITED

IRM ENERGY LIMITED
ACCOMPANYING NOTES TO STANDALONE FINANCIAL STATEMENTS

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
5	**Investments**		
5A	Non Current		
(i)	Unquoted Investment in Equity Instruments of Joint Control Entity (measured at amortised cost)		
	- 17,21,344 Equity Shares of Rs. 10 each fully paid of Farm Gas Private limited (31st March 2022: 17,21,344)	17.21	17.21
	- 10,50,800 Equity Shares of Rs. 10 each fully paid of Venuka Polymers Private limited (31st March 2022: 10,50,800)	10.51	10.51
	- 50,000 Equity Shares of Rs. 10 each fully paid of Ni- Hon Cylinders Private limited (31st March 2022: Nil)	0.50	0.50
(ii)	Unquoted Investment in Equity Instruments of Subsidiary Company (measured at amortised cost)		
	- 35,000 Equity Shares of Rs. 10 each fully paid of SKI Clean Energy Private limited 31st March, 2022: Nil)	0.35	-
(iii)	Unquoted Investment in Preference Shares of Joint Control Entity (measured at amortised cost)		
	- 44,50,000 Units, 10.50% Cumulative Redeemable Preference Shares of Rs. 10 each fully paid of Farm Gas Private limited (31st March, 2022: 44,50,000)	44.50	44.50
	- 42,10,200 Units 10.50% Cumulative Redeemable Preference Shares of Rs. 10 each fully paid of Venuka Polymers Private Limited (31st March, 2022: 42,10,200)	42.10	42.10
		115.17	114.82
5B	Current		
	Unquoted Investment in Units of Mutual Fund (Carried at FVTPL)		
	Baroda Business Cycle Fund 50,75,801 units (31st March, 2022: 69,94,635)	49.88	69.46
	Union Flexi Cap Fund 1,46,033 units (31st March, 2022: 1,46,033)	4.71	4.79
	Union Focused Fund 2,37,661 units (31st March, 2022: 2,37,661)	4.08	4.14
	Union Hybrid Equity Fund 12,49,937 units (31st March, 2022: 12,49,937)	15.27	15.49
	Union Large & Midcap Fund 2,57,001 units (31st March, 2022: 2,57,001)	4.07	4.12
	Union Medium Duration Fund 4,48,477 units (31st March, 2022: 4,48,477)	4.90	4.78
	Baroda BNP Paribas Flexi cap fund- Regular plan- Growth 19,99,890 units (31st March, 2022: Nil)	19.33	-
	Baroda BNP Paribas Multi Asset Fund Regular Growth 20,99,885 units (31st March, 2022: Nil)	20.99	-
	Union Corporate Bond Fund Regular Plan Growth 18,16,726 units (31st March, 2022: Nil)	23.40	-
	Union Liquid Fund - Direct -Growth 1,181 units (31st March, 2022: Nil)	2.56	-
	Union liquid Fund Growth 88,882 units (31st March, 2022: Nil)	190.91	-
	Union Overnight Fund Growth 42536 units (31st March, 2022: Nil)	50.01	-
	Union Multi cap- Regular Plan - Growth 2,49,977 units (31st March, 2022: Nil)	2.34	-
	Baroda BNP Paribas Overnight Fund- Regular Plan-Growth 42573.336 units (31st March, 2022: Nil)	50.01	-
	Baroda BNP Paribas Liquid fund - Regular Plan-Growth 39211.650 units (31st March, 2022: Nil)	100.79	-
		543.25	102.78
6	**Financial asset- Non-current**		
6A	**Loans**		
	Loans to Related Parties	74.90	74.90
	Employee Loan	1.72	2.52
		76.62	77.42

Type of Borrower	Amount of Loan	% of Total Loans and Advances	Terms of Repayment and Interest rate
Joint Control entities	74.90	97.76%	The Loan is secured against charge on current assest incl.receviables and cashflow of the Company. The Loan carries interest of 10.50% p.a. and is repayable in 18 months.

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
6B	**Other financial assets**		
	Security Deposit		
	To Related Parties [Unsecured, considered good]	0.44	0.44
	To Others [Unsecured, considered good]	25.60	15.79
	Bank Balances		
	Balance in FDR Accounts*	84.00	166.26
	*The Company has issued Bank Guarantees in favour of PNGRB during normal course of business. Such Bank Guarantees are issued by the Banks against Margin Money kept with bank in the form of Fixed Deposits carrying maturity of more than 12 months.		
		110.04	182.49

Note No	Particulars	As at March 31, 2023	As at March 31, 2022
7	**Other non- current assets**		
	Capital advances [Unsecured, considered good] - Related Parties	0.99	-
	Capital advances [Unsecured, considered good]	330.39	32.07
	Unamortised expenses - Borrowing Cost under EIR	17.46	17.01
	Prepaid Expenses	55.29	39.23
		404.13	88.31

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

Note	Particulars		
8	**Inventories (measured at lower of cost or net realisable value)**		
	Natural Gas	9.52	12.02
	Spares and Consumables	9.77	5.13
	(For Valuation- Refer note 3.10)		
		19.29	**17.15**
9	**Current financial assets : Trade receivables**		
	Secured, considered good (secured against security deposits)*	288.20	147.06
	Unsecured, considered good (Others)	98.02	80.08
		386.22	**227.14**

Trade Receivables Ageing Schedule as on 31.03.2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Payment		
			Less than 6 months	6 months - 1 year	2-3 Years
(i) Undisputed Trade receivables – considered good	25.10	243.31	117.53	0.27	0.01
(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	-	-	-	-	-

Trade Receivables Ageing Schedule as on 31.03.2022

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Payment		
			Less than 6 months	6 months - 1 year	2-3 Years
(i) Undisputed Trade receivables – considered good	11.83	178.97	36.34	0.00	
(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	-	-	-	-	-

Note	Particulars		
10	**Current financial assets**		
10A	**Cash and cash equivalents**		
	(a) Balance with banks		
	Balance in Current Accounts	218.06	591.17
	(b) Cash on hand	0.65	0.32
10B	**Bank balances other than above**		
	(a) Margin Money deposits under lien against DSRA, Bank Guarantee and/or Stand By Letter of Credit (SBLC)*	766.06	405.57
	*The Company has issued Bank Guarantees and Stand-By Letter of Credit(SBLC) to various Govt. agencies and other Suppliers during normal course of business. Such Bank Guarantees and SBLC have been issued against Margin Money kept with bank in the form of Fixed Deposits carrying maturity of between 3 months to 12 months. Further, as per the financing document, the Company has also created Debt Service Reserve Account as Fixed Deposit with the Bank.		
		984.77	**997.06**
11	**Current financial assets : Others**		
	Insurance Claim Receivable	-	2.19
	Interest Receivable	18.44	11.47
	Deposit - Current	18.68	11.26
	Imprest amount with Employees	0.76	0.84
		37.88	**25.75**
12	**Other current assets**		
	Advance to Suppliers (Unsecured, Considered good)	81.80	16.24
	Receivables - Related Parties	82.32	
	IPO Expenses*	90.37	-
	Prepaid Expense	29.17	27.93
		283.66	**44.17**
	*Post the Shareholder's approval dated November 16, 2022, the Company has filed the Draft Red Herring Prospectus (DRHP) on December 14, 2022. The Company received the final observation letter from SEBI on February 21, 2023 and also from the Bombay Stock Exchange and National Stock Exchange on January 27, 2023 and January 30, 2023 respectively. The approval from stock exchanges is communicated to SEBI on January 30, 2023 Considering the same, till the listing date, IPO related expenses are grouped under other current assets		

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
13	**Share capital**		
	Authorised :		
	5,00,00,000 Equity Shares of Rs.10/- Each (31st March, 2022: 5,00,00,000)	500.00	500.00
	4,00,00,000 Preference Shares of Rs.10/- Each	400.00	400.00
		900.00	900.00
	Issued, Subscribed and Fully Paid-up Equity Shares :		
	Equity shares		
	3,02,59,677 Equity Shares of Rs.10/- each (31st March, 2022: 2,93,69,677)	302.60	293.70
	Preference shares		
	9% Optionally Convertible Cumulative Preference Shares of Rs. 10/- Each (as at March 31, 2019: Nil shares of Rs. 10/- each) [Refer Note No. B(ii)(a) below]	-	-
	10% Redeemable Preference Shares 3,49,99,432 shares of Rs. 10/- each (31st March, 2022: 3,49,99,432)	-	-
		302.60	**293.70**

A **Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the period / year		
- Number of shares	2,93,69,677	2,89,99,471
- In Rs. Million	293.70	289.99
Change during the period / year		
- Number of shares	8,90,000	3,70,206
- In Rs. Million	8.90	3.70
At the end of the period / year		
- Number of shares	3,02,59,677	2,93,69,677
- In Rs. Million	302.60	293.70
10% Non Cumulative Reedemable Preference Shares		
At the beginning of the period / year		
- Number of shares	3,49,99,432	3,49,99,432
- In Rs. Million	349.99	349.99
Change during the period / year		
- Number of shares	-	-
- In Rs. Million	-	
At the end of the period / year		
- Number of shares	3,49,99,432	3,49,99,432
- In Rs. Million	349.99	349.99

MUKESH M SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

B	Details of shareholders holding more than 5% shares in the Company and details of shares held by promoters:		
	Particulars	As at March 31, 2023	As at March 31, 2022
i)	Equity Shares		
	Cadila Pharmaceuticals Ltd (Promoter)		
	- Number of shares	1,49,78,535	1,49,78,535
	- % Holding	49.50%	51.00%
	- Change during period	-1.50%	-0.35%
	Dr. Rajiv I. Modi (Trustee of IRM Trust) (Promoter)		
	- Number of shares	55,80,238	55,80,238
	- % Holding	18.44%	19.00%
	- Change during period	-0.56%	-0.13%
	Enertech Distribution Management Pvt. Ltd.		
	- Number of shares	86,70,126	86,70,126
	- % Holding	28.65%	29.52%
	- Change during period	-0.87%	0.00%
ii)	10% Non Cumulative Reedemable Preference Shares		
	Cadila Pharmaceuticals Ltd (Promoter)		
	- Number of shares	3,49,99,432	3,49,99,432
	- % Holding	100.00%	100.00%
	- Change during period	-	-

C Terms / rights attached to equity shares:

(i) Equity Shares:

The company has only one class of equity shares having par value of Rs. 10 per share. Equity shareholders are entitled to one vote per share held. The dividend provided, if any, by board of directors is subject to approval of shareholders in Annual General Meeting, except, in case of interim dividend. In the event of liquidation of the company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

(ii) Redeemable Non- Cumulative Preference Shares (RPS):

The preference shares carries redemption period of 10 years from the date of issuance. The dividend provided, if any, by board of directors is subject to approval of shareholders in Annual General Meeting, except, in case of interim dividend. In the event of liquidation of the company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
14	**Reserves and surplus**		
	Other Equity		
	A. Statement of profit and loss		
	Opening balance	1,736.65	636.05
	Add: Transfer from statement of profit and loss	564.80	1,135.60
	Less:Dividend on Equity shares	(14.68)	(35.00)
	Less: Items routed through SOCIE	-	-
	Closing balance	2,286.77	1,736.65
	B. Equity Component of Preference Shares		
	i) OCCPS (Optionally Convertible Cumulative Preference Shares)		
	Opening	0.24	0.24
	Equity Component of OCCPS	-	-
	Closing Balance	0.24	0.24
	ii) Non Cumulative Reedemable Preference Shares		
	Opening	210.81	210.81
	Equity Component of non-cumulative redeemable preference shares	-	-
	Closing Balance	210.81	210.81
	Closing balance (i+ii)	211.05	211.05
	C. Items of OCI - Remeasurement of the net defined benefit liability/asset, net of tax effect		
	Opening	(0.52)	(0.67)
	Remeasurement of the net defined benefit liability/asset, net of tax effect*	(0.63)	0.15
	Share Issue Cost		
	Closing balance	(1.15)	(0.52)
	*Remeasurement of defined benefit plans represents acturial gain and losses and returns on plan assets (excluding intetest income).		
	D. Securities Premium		
	Opening Balance	54.28	42.25
	Addition during the year	403.73	12.03
	Less: Transaction cost on issue of share	(1.67)	-
	Closing Balance	456.34	54.28
	Total Reserves	2,953.01	2,001.46

Notes:

i.) Security premium represents the premium received on issue of shares over and above the face value of Equity Shares. Such amount is available for utilization in accordance of the Provisions of the Companies Act, 2013

ii.) The portion of profits not distributed among the shareholders are termed as Retained Earnings. The Group may utilize the retained earnings for making investments for future growth and expansion plans or any other purpose as approved by the Board of Directors of the Company.

15	**Non- current financial liabilities : Borrowings**		
15A	Non-Current		
	Secured (carried at amortized cost)		
	Rupee Term loans from banks	1,560.02	1,675.10
	Vehicle Loan	9.79	8.72
	Unsecured		
	Term loans from banks	1,050.00	-
	Preference shares		
	liability component 10% Non cumulative Redeemable Preference Shares of Rs. 10/- each	202.15	183.78
		2,821.96	1,867.60
15B	Current		
	Secured (carried at amortized cost)		
	Current Maturities of Rupee Term Loan from Banks	214.80	106.97
	Working Capital Loan from Banks	-	49.98
	Vehicle Loan	1.59	1.37
		216.39	158.32

★ MUKESH M. SHAH & CO. ★ CHARTERED ACCOUNTANTS
7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

(A) Details of Secured loans

From Banks

Particulars	Terms of Repayment and Interest rate
Rupee Term loan: For project of City Gas Distribution of Banaskantha and Fatehgarh Sahib District (consortium of banks: Union Bank of India and Bank of Baroda)	40 quaterly installments started from July 2021 and Interest rate ranges from 1 year MCLR +0.25% to 1 Year MCLR+1.00%
Rupee Term loan: For project of City Gas Distribution of Diu and Gir Somnath District (consortium of banks: Bank of Baroda , Union Bank of India and Punjab National Bank)	1st Tranche: 20 quaterly installments from April, 2023 2nd Tranche: 20 quaterly installments from April, 2027 and Interest rate ranges from 1 year MCLR +0.20% to 1 Year MCLR+1.00%
Unsecured Loan from HDFC Bank Limited: To meet the Capex Requirement of the company	20% of the term Loan is repayable in the Second Year and Balanced 80% of the Term Loan is Repayable in the Third Year and Interest rate applicable is 3 months T - Bill + 1.79%
Unsecured Loan from Kotak Bank Limited: To meet the Capex Requirement of the company	Loan shall Be Repaid by way of 8 Equal Installments starting From 15 th Month Following The Month Of First Disbursement and Interest Rate applicable is 3 Month MCLR +2.40%
Vehicle Loans (Union Bank of India)	Repayable in 84 Equivalent Monthly Installments and interest rate linked to 3 month EBLR + 0.60%

(B) The details of security given for all loans are as under :

(i) The Rupee Term Loan is secured as below:

-First Charge on movable and immovable assets (both present and future) relating to the specific projects on pari passu basis.
-Exclusive charge on DSRA created for the specific project.
-First charge on the Trust and Retention Account of the specific project on pari passu basis.
-First charge on current assets (incl. cash flows, receivables, etc), both present and future, of the specific projects on pari passu basis.

(ii) The Working Capital is secured as below:

-Second Charge on movable and immovable assets (both present and future) relating to the specific projects on pari passu basis.
-First charge on current assets (incl. cash flows, receivables, etc), both present and future, of the specific projects on pari passu basis

(iii) 'The Vehicle Loans are secured by Charge on Vehicle.

(iv) There is no default in repayment of loan and interest thereon as on 31st March 2023 and 31 March, 2022

(v) The book value of the fixed assets as on March 31, 2023 charged in favour of the lenders is Rs. 5125.84 million (CWIP) (March 31, 2022 Rs. 3777.61 million)

(vi) For more security details on bank financing, refer Note - 36

(vii) The borrowings obtained by the company and joint controlled and Subsidary entities from banks have been applied for the purposes for which such loans were taken.

(C) Reconciliation of quarterly returns or statements of current assets filed by the Company with banks or financial institutions

Quarter Ended	Particulars	As per Statement	As per Books	Difference
June, 2022	Closing Stock	13.67	14.47	0.80
	Debtors	355.71	347.29	(8.43)
	Creditors	255.83	380.44	124.61
Sepetmeber, 2022	Closing Stock	15.25	15.25	-
	Debtors	468.51	477.05	8.54
	Creditors	240.18	256.84	16.66
December, 2022	Closing Stock	17.90	17.90	-
	Debtors	425.17	416.28	(8.89)
	Creditors	83.08	223.27	140.19
March, 2023	Closing Stock	19.29	19.29	(0.00)
	Debtors	366.32	366.32	-
	Creditors	257.52	264.82	7.30

The difference is on account of accounting entry passed subsequently to filling of stock statement.
Subsequent to year end, Company has submitted the revised statement for all quarters and all figures as per revised statement are in agreement with the books of accounts

16	**Current financial liabilities : Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises:-		
	Trade Payables : Micro and Small enterprises	1.85	2.43
	Total outstanding dues of creditors other than micro enterprises and small enterprises:-		
	Trade payables - Gas Purchase / Transmission	237.72	139.67
	Trade payables - Related parties	-	11.02
	Trade payables - Others	71.97	97.80
		311.54	**250.93**

Trade Payables Ageing Schedule as on 31.03.2023

Particulars	Not Due	Outstanding for following periods from due date of payment	
		Less than 1 Year	2-3 years
(i) MSME	1.85	-	-
(ii) Others	309.35	0.34	-
(iii) Disputed dues- MSME	-	-	-
(iv) Disputed dues- Others	-	-	-

Trade Payables Ageing Schedule as on 31.03.2022

Particulars	Not Due	Outstanding for following periods from due date of payment	
		Less than 1 Year	2-3 years
(i) MSME	2.43	-	-
(ii) Others	241.21	7.30	0.01
(iii) Disputed dues- MSME	-	-	-
(iv) Disputed dues- Others	-	-	-

Disclosure required under micro, small & medium enterprises development act, 2006 (the act) are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.85	2.43
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid by the company in terms of section 16 of the Micro, Small & Medium Enterprises	-	-
(iv)The amount of interest due & payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small & Medium Enterprises Development Act, 2006	-	-
(v) The amount of interest accrued & remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest remaining due & payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small & Medium Enterprises Development Act, 2006	-	-

Note: Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company

17	**Other financial liabilities**		
	Non-Current		
	Customer Security Deposit	273.70	195.24
		273.70	**195.24**
	Current		
	Creditors for Capital Goods	278.59	136.21
	Others payable	182.90	82.94
		461.49	**219.15**
18	**Provisions**		
18A	**Non-Current**		
	Provision for Employee Benefits (refer Note - 30)	13.72	9.35
		13.72	**9.35**
18B	**Current**		
	Provision for Employee Benefits (refer Note - 30)	0.55	0.41
		0.55	**0.41**

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

19	**Current liabilities : Others**		
	Payables - Related parties		
	Payables - Others		
	Statutory dues payable	20.92	61.41
		20.92	**61.41**
20	**Deferred Tax Liabilities (net)**		
	Deferred tax liabilities	185.22	147.12
		185.22	**147.12**
	The gross movement in the deferred tax account are as follows :		
	Net deferred tax (asset)/ liability at the beginning of the period / year	147.12	93.58
	Deferred Tax		
	Depreciation	49.86	69.52
	(a)	**49.86**	**69.52**
	Deferred Tax Assets		
	Provision for Retirement Benefits	1.14	0.67
	Lease Liability	10.62	15.31
	(b)	**11.76**	**15.98**
	Net (a-b)	**38.10**	**53.54**
	Net deferred tax asset/ (liability) at the end of the period / year	**185.22**	**147.12**

Note No.	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
21	**Revenue from Operations**		
	Sale of Goods		
	CNG Sales (Gross of Taxes)	4,722.84	2,967.36
	PNG Sales	5,629.64	2,464.71
	Sale of Services		
	Connection Income	31.71	20.69
	Other Operating Revenues	7.16	8.67
		10,391.35	**5,461.43**
22	**Other Income**		
	Gain on remeasurement of financial Assets	0.52	1.08
	Profit on Sale of Mutual Fund	2.08	-
	Profit on Sale of Asset	0.18	-
	Interest Income	56.86	29.42
		59.64	**30.50**
23	**Purchases of stock-in-trade of natural gas**		
	Natural Gas	7,795.27	2,492.27
		7,795.27	**2,492.27**
24	**Changes in inventories of Natural Gas**		
	Changes in inventories of finished goods, stock in trade and work in progress - Natural Gas		
	Inventory at the beginning of the year	12.02	2.06
	Less: Inventory at the end of the year	9.52	12.02
		2.50	**(9.96)**

IRM ENERGY LIMITED

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS
7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED
ACCOMPANYING NOTES TO STANDALONE FINANCIAL STATEMENTS

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Note No.	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
25	**Employee Benefits Expense**		
	Salaries, wages and bonus	76.93	62.15
	Company's contribution to provident & other funds	3.37	2.38
	Leave Encashment and Gratuity (Refer note 30)	3.88	3.02
	Staff welfare expenses	6.65	4.03
		90.83	**71.58**
26	**Finance Costs**		
	Interest Cost		
	- On Term Loan	121.06	129.47
	- On Working Capital	3.91	0.39
	- On Preference Shares	18.38	16.71
	- On Finance Lease Liability (refer Note 42)	14.17	6.99
	- Others	22.12	4.96
	Other Borrowing Cost	1.98	1.69
	Bank and Other Finance Charges	47.41	60.56
		229.03	**220.75**
27	**Depreciation and Amortisation expense**		
	Depreciation of tangible assets (refer note 4)	184.40	137.99
	Amortisation of intangible assets (refer note 4)	24.56	12.42
		208.96	**150.41**
28	**Other Expenses**		
	Advertisement and Marketing Expenses	16.70	10.09
	Business Promotion Expenses	3.40	1.96
	Corporate Social Responsibility Expense (refer Note - 37)	15.60	6.03
	Consumption of Spares and Consumables	2.79	5.19
	Director's Sitting Fees	4.88	2.78
	Hire Charges-Vehicle	293.03	237.20
	Insurance Cost	7.80	9.46
	Foreign Exchange Fluctuation	0.39	-
	Legal and Professional Charges	18.84	16.77
	License Fees	35.10	63.00
	Managerial Remuneration	7.32	20.79
	Power and fuel	100.95	82.82
	Rent (refer note 42)	9.83	4.58
	Repairs and Maintenance		
	-Buildings	0.10	0.38
	-Plant and Machineries	156.68	140.12
	-Others	3.20	1.81
	Stamp Duty Expense	3.98	1.24
	Security Expense	6.94	4.90
	Tender Fees	-	13.54
	Travelling, Lodging and Boarding	15.29	9.15
	Rates and Taxes	3.07	0.18
	Miscellaneous expenses	83.63	21.28
		789.52	**653.27**
	Payments to auditor*		
	For Statutory Audit (Incl GST)	1.42	1.42
	For Tax Audit (Incl GST)	0.29	0.46
	For Certification & other reimbursements (incl. GST)	4.20	0.28
	*Included in Legal and Professional Charges and IPO Expenses	5.91	2.15
29	**Tax Expense**		
	Corporate Tax	141.29	334.50
	Corporate Tax- Previous year	-	-
	Deferred Tax (refer Note - 20)	38.32	53.54
		179.61	**388.04**
29A	**Reconciliation of effective tax rate**		
	Particulars	**For the year ending March 31, 2023**	**For the year ending March 31, 2022**
	Tax using the Company's domestic tax rate	**25.17%**	**25.17%**
	Profit/(loss) before tax	744.41	1,523.63
	Tax using Company's Domestic Tax rate	187.37	383.50
	Tax effect of adjustments in calculating taxable Income		
	CSR Expense	3.06	1.52
	Depreciation	(38.26)	(51.75)
	Interest on Current Tax	-	8.30
	Tax Expense of earlier years	-	-
	Other items	(10.88)	(7.06)
	Income Tax Expense reported into Profit and Loss Current Year	141.29	334.50
	Effective tax rate	**18.98%**	**21.95%**

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

IRM ENERGY LIMITED
ACCOMPANYING NOTES TO STANDALONE FINANCIAL STATEMENTS

30 Employee Benefits:

(i) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as Salaries, incentives & allowances, short terms compensated absences, etc., & the expected cost of bonus, ex-gratia are recognised in the year in which the employee renders the related service.

(ii) Long term employee benefits

(a) Gratuity (Unfunded):

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded plan.

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
Table Showing Change in the Present Value of Projected Benefit Obligation:		
Present Value of Benefit Obligation at the Beginning of the Period	5.25	3.85
Interest Cost	0.38	0.27
Current Service Cost	1.45	1.28
(Benefit Paid Directly by the Employer)	(0.07)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(0.14)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.21)	(0.22)
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.05	0.21
Present Value of Benefit Obligation at the End of the Period	7.85	5.25
Table Showing Change in the Fair Value of Plan Assets:		
Fair Value of Plan Assets at the Beginning of the Period	-	-
Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	-	-
Amount Recognized in the Balance Sheet:		
(Present Value of Benefit Obligation at the end of the Period)	(7.85)	(5.25)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(7.85)	(5.25)
Net (Liability)/Asset Recognized in the Balance Sheet	(7.85)	(5.25)
Expenses Recognized in the Statement of Profit or Loss for Current Period:		
Current Service Cost	1.45	1.28
Net Interest Cost	0.38	0.27
Expenses Recognized	1.83	1.55
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period:		
Actuarial (Gains)/Losses on Obligation for the Period	0.85	(0.15)
Net (Income)/Expense For the Period Recognized in OCI	0.85	(0.15)
Balance Sheet Reconciliation:		
Opening Net Liability	5.25	3.85
Expenses Recognized in Statement of Profit or Loss	1.83	1.55
Expenses Recognized in OCI	0.85	(0.15)
(Benefit Paid Directly by the Employer)	(0.07)	-
Net Liability/(Asset) Recognized in the Balance Sheet	7.85	5.25
Maturity Analysis of the Benefit Payments: From the Employer:		
Projected Benefits Payable in Future Years from the Date of Reporting		
1st Following Year	0.27	0.17
2nd Following Year	0.36	0.21
3rd Following Year	0.41	0.26
4th Following Year	0.45	0.30
5th Following Year	0.49	0.32
Sum of Years 6 To 10	2.57	1.66
Sum of Years 11 & above	21.09	13.83
Sensitivity Analysis:		
Projected Benefit Obligation on Current Assumptions	7.85	5.25
Delta Effect of +1% Change in Rate of Discounting	-87.86%	-60.00%
Delta Effect of -1% Change in Rate of Discounting	106.32%	73.00%
Delta Effect of +1% Change in Rate of Salary Increase	90.22%	65.00%
Delta Effect of -1% Change in Rate of Salary Increase	-82.43%	-58.00%
Delta Effect of +1% Change in Rate of Employee Turnover	0.48%	-2.00%
Delta Effect of -1% Change in Rate of Employee Turnover	-1.60%	2.00%

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

MUKESH M. SHAH
CHARTERED ACCOUNTANTS
7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

(b) Leave Encashment (unfunded):

The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised [net of the fair value of plan assets as at the balance sheet date] at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
Table Showing Change in the Present Value of Projected Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the Period	4.51	3.27
Interest Cost	0.33	0.23
Current Service Cost	0.77	0.82
Benefit Paid Directly by the Employer	(0.13)	(0.22)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(0.01)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.16)	(0.18)
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.11	0.62
Present Value of Benefit Obligation at the End of the Period	6.42	4.51
Change in the fair value of plan assets:		
Fair Value of Plan Assets at the Beginning of the Period	-	-
Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	-	-
Amount Recognized in the Balance Sheet		
(Present Value of Benefit Obligation at the end of the Period)	(6.42)	(4.51)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(6.42)	(4.51)
Unrecognized Past Service Cost at the end of the Period	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	(6.42)	(4.51)
Expenses / [Incomes] recognised in the Statement of Profit & Loss:		
Current Service Cost	0.77	0.82
Net Interest Cost	0.33	0.23
Actuarial (Gains)/Losses	0.95	0.43
Expenses Recognized in the Statement of Profit or Loss	2.04	1.47
Balance Sheet Reconciliation:		
Opening Net Liability	4.51	3.27
Expense Recognized in Statement of Profit or Loss	2.04	1.47
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	(0.13)	(0.22)
(Benefit Paid Directly by the Employer)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	6.42	4.51

31 Financial risk management:

The Company's activities expose it to credit risk, liquidity risk & market risk. This note explains the sources of risk which the entity is exposed to & how the entity manages the risk & the related impact in the Consolidated Financial Statements. The Companies risk management is done in close co-ordination with the board of directors & focuses on actively securing the Companies short, medium & long-term cash flows by minimizing the

(i) Credit risk:

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from trade receivables, bank deposits & other financial assets.

Bank deposits are placed with reputed banks / financial institutions. Hence, there is no significant credit risk on such fixed deposits.

The Company periodically assesses the financial reliability of the counter party, taking into account the financial condition, current economic trends, & analysis of historical bad debts & ageing of accounts receivable. Individual limits are set accordingly.

The Company trades with recognized & credit worthy third parties. It is the Companies policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an on-going basis with the result that the Companies exposure to bad debts is not significant.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups & assessed for impairment collectively. The calculation is based on exchange losses historical data. Also, the Company does not enter into sales transaction with customers having credit loss history.

There are no significant credit risks with related parties of the Company. Adequate expected credit losses are recognized as per the assessments.

(ii) 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. For the Company, liquidity risk arises from obligations on account of financial liabilities - borrowings, trade payables & other financial liabilities.

The Company's principle sources of liquidity are cash & cash equivalents & the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position & maintains adequate source of funding.

(iii) Maturities of financial liabilities:

The tables below analyse the Companies financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS
7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED

(Unless otherwise stated, all amounts are in Million Indian Rupees)

As at March 31, 2023	Upto year 1	1-5 years	More than 5 yrs
Borrowings (other than redeemable preference shares)	253.87	2,047.03	535.29
Redeemable preference shares	-	32.89	169.27
Trade payables	311.54	-	-
Lease Liabilities	8.54	35.71	115.00
Other financial liabilities	735.19	-	-
TOTAL	1,309.14	2,115.63	819.56
GRAND TOTAL		4244.33	

(Unless otherwise stated, all amounts are in Million Indian Rupees)

As at March 31, 2022	Upto year 1	1-5 years	More than 5 yrs
Borrowings (other than redeemable preference shares)	158.31	687.79	996.03
Redeemable preference shares	-	29.90	153.88
Trade payables	250.92	-	-
Other financial liabilities	423.24	48.69	59.52
TOTAL	832.47	766.38	1,209.43
GRAND TOTAL		2808.28	

(iv) Market risk:
Market risk is the risk that changes in market prices— such as foreign exchange rates, interest rates & equity prices — will affect the Companies income or the value of its holdings of financial instruments.

(v) Foreign exchange risk:
The Company is not directly exposed to foreign exchange risk as no direct foreign currency transactions are entered into.

(vi) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Companies exposure to the risk of changes in market interest rates relates primarily to the Companies long-term debt obligations with floating interest rates.

The Companies investments in fixed deposits are at fixed interest rates.
The exposure of the Companies borrowing to interest rate changes at the end of the reporting period are as follows:

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars		As at March 31, 2023	As at March 31, 2022
Variable rate instruments			
Financial Assets		-	-
Financial Liabilities		2,836.19	1,842.14
Fixed Rate instruments			
Financial Assets*		186.22	259.48
Financial Liabilities		361.40	300.83
Interest rate variation	Change	Impact	Impact
Scenario-1	(+) 0.50%	14.18	9.21
Scenario-2	(-) 0.50%	(14.18)	(9.21)

*Financial Assets excludes Investment in Joint Ventures

32 Capital Management:

The company objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders & benefits for other stakeholders, & maintain an optimal structure to reduce the cost of capital.

Net Debt = Total term loan borrowings less cash & cash equivalents including current investments
Total 'equity' means share capital issued (Equity Shares & Equity component of Preference Shares) & accumulated reserves.

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	As at March 31, 2023	As at March 31, 2022
Total borrowings (including Liability component of Redeemable Preference Shares)	3,038.35	2,025.91
Less: cash & cash equivalents & Balance with Banks	218.71	591.49
Net debt	2,819.64	1,434.42
Total equity	3,255.61	2,295.17
Net Debt to Equity Ratio	0.87	0.62

Loan Covenants:

Under the terms of the major borrowing facilities, the Company is required to comply any 2 of the following financial covenants failing which penal interest as prescribed in the facility agreement shall apply. The Financial Covenants shall be tested at the end of each Fiscal Year based on the certification of the Auditor.

(i) Gross DSCR
(ii) Interest Coverage ratio
(iii) FACR = (Net Property, Plant and Equipment/ Loan Outstanding)
Note: The company has complied with all Loan Covenants as on 31st March,2023 as required under facility agreement.

33 Related Party Disclosures:

The management has identified the following entities and individuals as related parties of the Company for the purpose of reporting as per Ind AS 24 - Related Party Transactions, which are as under:

(a) Name of the Related party & Nature of the Related Party Relationship:

Sr. No	Nature	Name of the Person/Entity
i	Holding Company	(i) Cadila Pharmaceuticals Limited (Upto 02.09.2022)
ii	Joint Venture entities	(i) Farm Gas Private Limited (ii) Venuka Polymers Private Limited (iii) Ni-Hon Cylinders Private Limited
iii	Subsidiary Company	(i) SKI-Clean Energy Private Limited (W.ef. 21.09.2022)
iv	Enterprises Significantly Influenced by Directors or their relatives or Key Management Personnel	(i) IRM Private Limited (formerly IRM Limited) (ii) IRM Trust (iii) Mauktika Ventures LLP (iv) N M Sadguru Water and Development Foundation (v) Aspire Disruptive Skill Foundation (vi) Kaka Ba & Kala Budh Public Charitable Trust (vii) Enertech Distribution Management Private Limited (viii) Enertech Fuel Solutions Private Limited (ix) Apollo Hospitals International Limited (x) Sanguine Management Services Private Limited (xi) IRM Enterprises Private Limited (xii) Inverika Bioresearch Private Limited (xiii) CAD Ventures Private Limited
v	Directors	(i) Mr. Maheswar Sahu (Chairman) (ii) Dr. Rajiv I. Modi (Director) (iii) Mr. Amitabha Banerjee (Director) (iv) Mr. Badri Mahapatra (Director)
vi	Key Management Personnel	(i) Mr. Karan Kaushal (CEO) (ii) Mr. Harshal Anjaria (CFO) (iii) Ms. Shikha Jain (CS)

IRM ENERGY LIMITED

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED
ACCOMPANYING NOTES TO STANDALONE FINANCIAL STATEMENTS

(a) Transactions with related parties

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Sr. No.	Nature of Transaction	Name of the Related Party	For the year ending March 31, 2023	For the year ending March 31, 2022
1	For Goods Procured/ Services Availed/ (Provided)	Cadila Pharmaceuticals Limited	1.99	13.09
		IRM Trust	40.39	66.78
		Farm Gas Private Limited	559.92	-
		Venuka Polymers Private Limited	44.43	60.00
		Enertech Fuel Solutions Private Limited	65.32	-
		Enertech Distribution Management Private Limited	19.77	
		Inverika Bioresearch Private Limited	0.11	-
		Mauktika Ventures LLP	-	6.73
		Ni Hon Cylinders Pvt Limited	10.05	
		Apollo Hospitals International Limited	0.01	0.15
		CAD Ventures Private Limited	0.01	-
		SKI-Clean Energy Private Limited	0.03	-
		IRM Private Limited	0.77	0.31
2	Dividend- Paid/(received)	Cadila Pharmaceuticals Limited	7.49	35.00
		IRM Trust	2.79	-
		Enertech Distribution Management Private Limited	4.34	-
		Maheswar Sahu	0.07	-
		Karan Kaushal	0.00	-
		Harshal Anjaria	0.00	-
		Shikha Jain	0.00	-
3	Subscription of Shares (incl. securities premium)	Cadila Pharmaceuticals Limited	-	3.72
		IRM Trust	-	1.39
		Enertech Distribution Management Private Limited	-	4.64
		Maheswar Sahu	-	5.98
4	Reimbursement of Expenses [Payable/(Receivable)]	Cadila Pharmaceuticals Limited	0.50	(1.07)
		Maheswar Sahu	0.45	0.22
		Venuka Polymers Private Limited	(63.57)	(35.01)
		Mauktika Ventures LLP	(0.21)	(0.21)
		Farm Gas Private Limited	(180.88)	(97.14)
		Ni Hon Cylinders Pvt Limited	0.90	(0.02)
		SKI-Clean Energy Private Limited	(0.39)	-
		IRM Trust	-	(0.05)
5	Director Sitting Fees	Maheswar Sahu	1.32	0.88
		Badri Mahapatra	0.56	0.36
		Amitabha Banerjee	0.08	-
6	Managerial Remuneration	Maheswar Sahu	15.10	4.58
7	Corporate Social Responsibility Expense	Kaka Ba & Kala Budh Public Charitable Trust	7.27	3.33
		N M Sadguru Water and Development Foundation	0.60	0.50
		Aspire Disruptive Skill Foundation	6.24	2.20
8	Donation	Aspire Disruptive Skill Foundation	-	0.20
9	Loan Given	Ni Hon Cylinders Pvt Limited	-	74.90
10	Remuneration	Karan Kaushal	6.86	6.23
		Harshal Anjaria	4.58	4.20
		Shikha Jain	0.94	0.53
11	Outstanding Payables	IRM Private Limited	0.06	0.07
		IRM Trust	-	11.02
		Enertech Fuel Solutions Private Limited	10.49	-
		Maheswar Sahu	0.05	0.09
		Amitabha Banerjee	-	-
		Apollo Hospitals International Limited	0.31	0.31
		Mauktika Ventures LLP	0.42	0.42
12	Outstanding Receivables	Ni Hon Cylinders Pvt Limited	85.69	74.92
		IRM Private Limited	-	-
		Venuka Polymers Private Limited	72.52	25.71
		Cadila Pharmaceuticals Limited	0.05	-
		IRM Trust	0.44	0.44
		Mauktika Ventures LLP	0.21	-
		SKI-Clean Energy Private Limited	0.01	-
		Farm Gas Private Limited	15.94	13.51

*As per agreement between the company and IRM Trust in Goods/Service, liability to pay license fees is put on suspension w.e.f 1st July 2022.

34 Earnings Per Share:

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Sr. No.	Particulars	UOM	For the year ending March 31, 2023	For the year ending March 31, 2022
	Basic EPS			
a	Profit after tax attributable to Equity Shareholders	Rs.	564.80	1,135.59
b	Basic & weighted average number of Equity shares outstanding during the year	Nos.	30.17	29.18
c	Basic earning per share (₹)	Rs.	18.72	38.92
	Diluted EPS			
a	Profit after tax attributable to Equity Shareholders	Rs.	564.80	1,135.59
b	Basic & weighted average number of Equity shares outstanding during the year	Nos.	30.17	29.18
c	Diluted earning per share (₹)	Rs.	18.72	38.92

MUKESH M. SHAH & CO. 7, Heritage Chambers, Nehru Nagar, Ambawadi Ahmedabad-15 CHARTERED ACCOUNTANTS

IRM ENERGY LIMITED

35 Contingent Liabilities & Capital Commitment (to the extent not provided for):

(A) Contingent Liabilities

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Income Tax Liability for A.Y 18-19- Rectification filed pending resolution	0.05	0.05
2	In respect of Corporate Guarantee given by the Company In favour of Banks extending the credit facilities to Joint Control Entities	675.60	507.00
3	In respect of Performance Bank Guarantee (PBG) issued in favour of PNGRB by Banks	1,581.20	1,581.20
	Total	**2,256.85**	**2,088.25**

(B) Capital Commitment

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Sr. No.	Particulars	As at March 31, 2023	For the year ending March 31, 2022
1	Estimated amount of contracts remaining to be executed on capital account & not provided for (Net of advance)	2,711.87	1,084.05
	Total	**2,711.87**	**1,084.05**

36 The Company has taken limits for issuance of Performance Bank Guarantee (PBG) in favor of PNGRB which is secured as under-

a First Charge on movable and immovable assets (both present and future) relating to the specific projects on pari passu basis.
b First charge on current assets (incl. cash flows, receivables, etc), both present and future, of the specific projects on pari passu basis

Further, Cadila Pharmaceuticals Ltd has given corporate guarantee for the limits taken by the company for submission of PBG of Rs. 250 millon for the Diu and Gir somanth city gas distribution project.

37 Corporate Social Responsibility:
As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The CSR activities of the Company are generally been carried out by making payment contribution to eligible Trusts. The Trusts carry out the CSR activities as specified in Schedule VII to the Companies Act, 2013 on behalf of the Company.

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Sr. No.	Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
a	Amount required to be spent during the year/period	15.20	6.00
b	Amount of opening unspent CSR expenses spent during the year/period	-	-
c	Amount approved by the Board to be spent during the year/period	16.10	6.03
d	Amount spent during the year/period	16.10	6.03
	i Construction/Acquisition of any assets	-	-
	ii On purposes other than (i) above	16.10	6.03
e	**Details related to spent/unspent obligations**		
	i Contribution to Public and Charitable Trust	16.10	6.03
	ii Excess Amount to be carried forward (C-D)	0.90	-

38 Segment Information
a Description of segments and principal activities
The Company has a single operating segment that is "Sale of Natural Gas". Accordingly, the segment revenue, segment results, segment assets & segment liabilities are reflected in the Restated Consolidated Financial Statements themselves as at & for the period/financial year ended March 31, 2023 and March 31, 2022.

b Entity wide disclosures
i Information about products and services: The Company is in a single line of business of "Sale of Natural Gas".

ii Geographical Information: The company operates presently in the business of city gas distribution in India. Accordingly, revenue from customers earned and non-current asset are located, in India.

iii Information about major customers: In the current year, revenue from none of the external customer individually accounted for more than ten percent of the revenue.

39 Registration of charges or satisfaction with Registrar of Companies (ROC)
The Company has registered charge with ROC within statutory time period. There has been no satisfaction of charge filed with ROC.

40 Details of Benami Property held
The company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, hence no proceedings initiated or pending against the company under the said Act and Rules.

41 Loans and advances granted to specified person
Except as stated in the notes to accounts and financial statement, there are no other loans or advances granted to specified persons namely promoters, directors, KMPs and related parties

42 Land, Building and Plant & Machinery on lease for more than 12 months
The Company has taken Land, Building and Plant & Machinery on Lease for the period of more than 12 Months. The Company has taken other Buildings also on lease for the period of 12 months or less for which the company applies the "Short-term leases" recognition exemptions. Disclosures as per Ind AS 116 - Leases are as follows:

a Changes in the carrying value of right of use assets

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
Balance at the beginning of the year	129.42	71.47
Additions	49.43	65.74
Reclassified pursuant to adoption of IndAS 116	-	-
Deletions	-	-
Amortisation	16.43	7.78
Balance at the end of the year	**162.42**	**129.42**

IRM ENERGY LIMITED

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

b Movement of Lease Liabilities

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
Balance at the beginning of the year	117.07	56.23
Additions	49.43	65.75
Deletions	-	-
Finance cost accrued during the year	14.17	6.99
Payment of lease liabilities	21.41	11.90
Balance at the end of the year	**159.25**	**117.07**

c Contractual maturities of lease liabilities

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
Less than one year	8.54	8.85
One to five years	35.71	48.69
More than five years	115.00	59.53
Total	**159.25**	**117.07**

d Amount recognized in Statement of Profit and Loss account during the year

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
Amortisation expense of right of use assets	16.43	7.78
Interest Expense on Lease liabilities	14.17	6.99
Expense related to short term leases	9.86	4.58
Total	**40.46**	**19.35**

e Amount recognized in statement of Cash Flow

(Unless otherwise stated, all amounts are in Million Indian Rupees)

Particulars	For the year ending March 31, 2023	For the year ending March 31, 2022
Total Cash flow for lease	21.41	11.89
Total	**21.41**	**11.89**

43 Utilisation of borrowed funds, share premium and other funds

The Company has not received any fund from any person or entity with the understanding that the Company would directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiary) or provided any guarantee or security or the like on behalf of the ultimate beneficiary.

The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

44 Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

45 Details of Crypto Currency or Virtual Currency

The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

46 Undisclosed Income

There is no transaction, which has not been recorded in books of accounts, that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

47 Relationship with struck off companies

The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

48 Wilful Defaulter

The company is not declared as wilful defaulter by any bank or financial institution or other lender.

49 Revoluation of property, Plant and equipment

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during year ended 31 march 2023, 31 March 2022.

IRM ENERGY LIMITED

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

IRM ENERGY LIMITED
ACCOMPANYING NOTES TO STANDALONE FINANCIAL STATEMENTS

50 Details regarding Financial Instruments

(Unless otherwise stated, all amounts are in Million Indian Rupees)

As at 31 March 2023	Financial instruments by category (carrying amount)				Fair value hierarchy (fair value)			
	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment*	543.25	-	-	543.25	543.25	-	-	543.25
Loans	-	-	76.62	76.62	-	-	76.62	76.62
Trade receivables	-	-	386.22	386.22	-	-	386.22	386.22
Cash & cash equivalents	-	-	218.71	218.71	-	-	218.71	218.71
Other Bank Balances	-	-	766.06	766.06	-	-	766.06	766.06
Other financial assets	-	-	147.92	147.92	-	-	147.92	147.92
Total financial assets	**543.25**	**-**	**1,595.53**	**2,138.78**	**-**	**-**	**2,138.78**	**2,138.78**
Financial liabilities								
Borrowings	-	-	3,038.34	3,038.34	-	-	3,038.34	3,038.34
Lease Liabilities	-	-	159.25	159.25	-	-	159.25	159.25
Trade payables	-	-	311.54	311.54	-	-	311.54	311.54
Other financial liabilities	-	-	735.20	735.20	-	-	735.20	735.20
Total financial liabilities	**-**	**-**	**4,244.34**	**4,244.34**	**-**	**-**	**4,244.34**	**4,244.34**

As at 31 March 2022	Financial instruments by category (carrying amount)				Fair value hierarchy (fair value)			
	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment*	102.78	-	-	102.78	102.78	-	-	102.78
Loans	-	-	77.42	77.42	-	-	77.42	77.42
Trade receivables	-	-	227.13	227.13	-	-	227.13	227.13
Cash & cash equivalents	-	-	591.49	591.49	-	-	591.49	591.49
Other Bank Balances	-	-	405.57	405.57	-	-	405.57	405.57
Other financial assets	-	-	208.25	208.25	-	-	208.25	208.25
Total financial assets	**102.78**	**-**	**1,509.86**	**1,612.64**	**102.78**	**-**	**1,509.86**	**1,612.64**
Financial liabilities								
Borrowings	-	-	2,025.91	2,025.91	-	-	2,025.91	2,025.91
Lease Liabilities	-	-	117.06	117.06	-	-	117.06	117.06
Trade payables	-	-	250.93	250.93	-	-	250.93	250.93
Other financial liabilities	-	-	414.39	414.39	-	-	414.39	414.39
Total financial liabilities	**-**	**-**	**2,808.29**	**2,808.29**	**-**	**-**	**2,808.29**	**2,808.29**

*Investment excludes investment in Joint Control Entities

51 Financial Ratios

Sr. No	Ratio	Numerator	Denominator	For the year ending March 31, 2023	For the year ending March 31, 2022
1	Current Ratio	Current Assets	Current Liabilities	2.21	1.81
	% change from previous year:			23%	
	Reason for change more than 25%: Not Applicable				
2	Debt-Equity Ratio	Total Debt	Total Equity	0.98	0.93
	% change from previous year:			5%	
	Reason for change more than 25%: Not Applicable				
3	Debt Service Coverage Ratio	Earnings available for debt service = PBT+Deperciation and Amortization + Interest	Debt Service= Interest+Lease Payment+Principal Repayment	3.55	5.43
	% change from previous year:			-35%	
	Reason for change more than 25%: The earnings are decreased due to higher commodity prices and which resulted in to lower Gross Margin				
4	Return on Equity Ratio	Net Profit less Dividend	Average Shareholder's Equity	20%	65%
	% change from previous year:			-69%	
	Reason for change more than 25%: The profits are decreased due to higher commodity prices and which resulted in to lower Gross Margin				
5	Inventory turnover ratio	Sales	Closing Inventory	568.30	431.23
	% change from previous year:			32%	
	Reason for change more than 25%: There is increase in sales due volume as well as Sales Prices				
6	Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	33.88	32.22
	% change from previous year:			5%	
	Reason for change more than 25%: Not Applicable				
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	27.72	14.18
	% change from previous year			95%	
	Reason for change more than 25%: Due to increase in Purchase Volume as well as Purchase Price for the commodity				
8	Net capital turnover ratio	Revenue from Operations	Shareholder's Equity	11.14	12.43
	% change from previous year:			-10%	
	Reason for change more than 25%: Not Applicable				
9	Net profit ratio	Net Profit	Sales	5.44%	20.79%
	% change from previous year:			-74%	
	Reason for change more than 25%: The profits are decreased due to higher commodity prices and which resulted in to lower Gross Margin				
10	Return on Capital employed	Earnings before interest and taxes	Capital Employed (Total Assets-Current Liabilities)	9%	31.66%
	% change from previous year:			-72%	
	Reason for change more than 25%: The earnings are decreased due to higher commodity prices and which resulted in to lower Gross Margin				
11	Return on investment (Mutual Fund)			1%	2.48%
	% change from previous year:			-60%	
	Reason for change more than 25%: Due to change in MTM prices of the investments				

See accompanying notes to the financial statements

As per our report of even date
For Mukesh M Shah & Co.
Chartered Accountants
Firm Registration No: 106625W

Harsh Kejriwal
Partner
Membership Number: 128670
Ahmedabad, Dated : 31st May, 2023

MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS
7, Heritage Chambers, Nehru Nagar, Ambawadi, Ahmedabad-15

For and on behalf of the Board

M. Sahu
Chairman
DIN:00034051

Karan Kaushal
CEO

Harshal Anjaria
CFO

Shikha Jain
Company Secretary

IRM ENERGY LIMITED

Ahmedabad, Dated : 31st May, 2023