

**TSIL ENERGY LIMITED**  
**BALANCE SHEET AS AT 31 MARCH, 2017**

	Notes	As at 31 March, 2017	As at 31 March, 2016	Rs. in lacs As at 1 April, 2015
<b>I. Assets</b>				
<b>(1) Current assets</b>				
(a) Financial assets				
(i) Current investments	4	<b>113.23</b>	107.97	102.34
(ii) Cash and cash equivalents	5	<b>1.69</b>	3.66	4.51
<b>Total assets</b>		<b>114.92</b>	111.63	106.85
<b>II. Equity and liabilities</b>				
<b>(1) Equity</b>				
(a) Equity share capital	6	<b>106.01</b>	106.01	106.01
(b) Other equity	7	<b>7.76</b>	4.76	-
<b>Total equity</b>		<b>113.77</b>	110.77	106.01
<b>(2) Liabilities</b>				
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Trade payables	8	<b>1.15</b>	0.86	0.84
<b>Total current liabilities</b>		<b>1.15</b>	0.86	0.84
<b>Total liabilities</b>		<b>1.15</b>	0.86	0.84
<b>Total equity and liabilities</b>		<b>114.92</b>	111.63	106.85

See accompanying notes to the financial statements 1-18

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the Board of Directors

**Alka Chadha**  
Partner

**A M Misra**  
Chairman

**Sanjay Kumar Pattnaik**  
Director

Place: Mumbai  
Date: 26 April, 2017

Place: Kolkata  
Date: 26 April, 2017

**TSIL ENERGY LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017**

Rs. in lacs

	Notes	Year ended 31 March, 2017	Year ended 31 March, 2016
<b>I Income</b>			
Other income	9	5.26	5.62
<b>Total income (I)</b>		<b>5.26</b>	<b>5.62</b>
<b>II Expenses:</b>			
Other expenses	10	2.26	0.86
<b>Total Expenses (II)</b>		<b>2.26</b>	<b>0.86</b>
<b>III Profit before tax (I-II)</b>		<b>3.00</b>	4.76
<b>IV Tax expenses</b>		-	-
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>V Profit for the year (III - IV)</b>		<b>3.00</b>	<b>4.76</b>
<b>VI Other comprehensive income/(loss)</b>			
(A) Items that may not be reclassified to profit and loss		-	-
(B) Items that may be reclassified to profit and loss		-	-
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>VII Total comprehensive income/(loss) for the year (VI+V)</b>		<b>3.00</b>	<b>4.76</b>
<b>VII Earnings per equity share (Face value of Rs. 10 each):</b>	11		
(1) Basic (in Rs.)		<b>0.28</b>	0.45
(2) Diluted (in Rs.)		<b>0.28</b>	0.45

**See accompanying notes to the financial statements**

1-18

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**Alka Chadha**  
Partner

**A M Misra**  
Chairman

**Sanjay Kumar  
Pattnaik**  
Director

Place: Mumbai  
Date: 26 April, 2017

Place: Kolkata  
Date: 26 April, 2017

**TSIL ENERGY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017**

Rs. in lacs

**A) Equity share capital**

<b>(a) Balance as at 1 April, 2015</b>	106.01
(1,060,060 fully paid equity share of Rs.10 each)	
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2016</b>	<u>106.01</u>
(1,060,060 fully paid equity share of Rs.10 each)	
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2017</b>	<u>106.01</u>
(1,060,060 fully paid equity share of Rs.10 each)	

Rs. in lacs

**B) Other equity**

Particulars	Reserves and surplus	Items of other comprehensive income		Total
	Retained earnings	Equity instruments through other comprehensive	Other items of other comprehensive income	
<b>Balance as at 1 April, 2015</b>	-	-	-	-
Profit for the year	4.76	-	-	4.76
<b>Balance as at 31 March, 2016</b>	<u>4.76</u>	<u>-</u>	<u>-</u>	<u>4.76</u>
Profit for the year	3.00	-	-	3.00
<b>Balance as at 31 March, 2017</b>	<u>7.76</u>	<u>-</u>	<u>-</u>	<u>7.76</u>

See accompanying notes to the financial statements 1-18

In terms of our report attached

For **Deloitte Haskins & Sells**

For and on behalf of the Board of Directors

**Alka Chadha**  
Partner

**A M Misra**  
Chairman

**Sanjay Kumar Pattnaik**  
Director

Place: Mumbai  
Date: 26 April, 2017

Place: Kolkata  
Date: 26 April, 2017

**TSIL ENERGY LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017**

	<b>Year ended 31 March, 2017</b>	<b>Rs. in lacs Year ended 31 March, 2016</b>
<b>A. Cash flows from operating activities</b>		
Profit for the year	3.00	4.76
Adjustments for		
Dividend from current investments	<b>(5.26)</b>	(5.62)
<b>Operating loss before working capital changes</b>	<b>(2.26)</b>	(0.86)
Movements in working capital		
Increase in trade payables	<b>0.29</b>	0.01
<b>Net cash (used in) operating activities</b>	<b>(1.97)</b>	(0.85)
<b>B. Cash flows from investing activities</b>		
Purchase of current investments	<b>(5.26)</b>	(5.62)
Dividend received from current investments	<b>5.26</b>	5.62
<b>Net cash generated from / (used in) investing activities</b>	<b>-</b>	-
<b>C. Cash flows from financing activities</b>		
<b>Net cash generated from / (used in) financing activities</b>	<b>-</b>	-
<b>Net (decrease) in cash and cash equivalents</b>	<b>(1.97)</b>	(0.85)
<b>Cash and cash equivalents at the beginning of year <sup>1</sup></b>	<b>3.66</b>	4.51
<b>Cash and cash equivalents at the end of year <sup>1</sup></b>	<b>1.69</b>	3.66

Notes:

1. Includes balance in current accounts with banks as disclosed in note 5.
2. Figures in brackets represent outflows.

See accompanying notes to the financial statements

1-18

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the Board of Directors

**Alka Chadha**  
Partner

**A M Misra**  
Chairman

**Sanjay Kumar Pattnaik**  
Director

Place: Mumbai

Place: Kolkata

Date: 26 April, 2017

Date: 26 April, 2017

**TSIL ENERGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**3) First - time Ind AS adoption reconciliations**

**A) Effect of Ind AS adoption on the balance sheet as at 31 March, 2016 and 1 April, 2015**

Particulars	As at 31 March, 2016			As at 1 April, 2015			Rs. in lacs
	(End of last year presented under previous GAAP)			(Date of transition)			
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	
<b>I. Assets</b>							
<b>(1) Current assets</b>							
(a) Financial assets							
(i) Current investments	107.97	-	107.97	102.34	-	102.34	
(ii) Cash and cash equivalents	3.66	-	3.66	4.51	-	4.51	
<b>Total assets</b>	<u>111.63</u>	<u>-</u>	<u>111.63</u>	<u>106.85</u>	<u>-</u>	<u>106.85</u>	
<b>II. Equity and liabilities</b>							
<b>(1) Equity</b>							
(a) Equity share capital	106.01	-	106.01	106.01	-	106.01	
(b) Other equity *	4.76	-	4.76	-	-	-	
	<u>110.77</u>	<u>-</u>	<u>110.77</u>	<u>106.01</u>	<u>-</u>	<u>106.01</u>	
<b>(2) Liabilities</b>							
<b>Current liabilities</b>							
(a) Financial liabilities							
(i) Trade payables	0.86	-	0.86	0.84	-	0.84	
<b>Total current liabilities</b>	<u>0.86</u>	<u>-</u>	<u>0.86</u>	<u>0.84</u>	<u>-</u>	<u>0.84</u>	
<b>Total liabilities</b>	<u>0.86</u>	<u>-</u>	<u>0.86</u>	<u>0.84</u>	<u>-</u>	<u>0.84</u>	
<b>Total equity and liabilities</b>	<u>111.63</u>	<u>-</u>	<u>111.63</u>	<u>106.85</u>	<u>-</u>	<u>106.85</u>	

\* Rs. 310.00 as at 1 April, 2015

**(B) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31 March, 2016.**

Particulars	Rs. in lacs		
	As at 31 March, 2016 (End of last year presented under Previous GAAP)	Effect of transition to Ind AS	Ind AS
<b>I Income</b>			
Other income	5.62	-	5.62
	<u>5.62</u>	<u>-</u>	<u>5.62</u>
<b>II Expenses</b>			
Other expenses	0.86	-	0.86
<b>Total expenses</b>	<u>0.86</u>	<u>-</u>	<u>0.86</u>
<b>III Profit before tax (I-II)</b>	4.76	-	4.76
<b>IV Tax expenses</b>	-	-	-
<b>V Profit for the year (III - IV)</b>	<u>4.76</u>	<u>-</u>	<u>4.76</u>
<b>VI Other comprehensive income/(loss)</b>			
(A) Items that may not be reclassified to profit and loss	-	-	-
(B) Items that may be reclassified to profit and loss	-	-	-
<b>Total other comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>VII Total comprehensive income/(loss) for the year (V+VI)</b>	<u>4.76</u>	<u>-</u>	<u>4.76</u>

**(C) Effect of Ind AS adoption on the statement of cash flows for the year ended 31 March, 2016**

Net cash flows from operating activities	(0.85)	-	(0.85)
Net cash flows from investing activities	-	-	-
Net cash flows from financing activities	-	-	-
<b>Net increase(decrease) in cash and cash equivalents</b>	<u>(0.85)</u>	<u>-</u>	<u>(0.85)</u>
<b>Cash and cash equivalents at the beginning of the year</b>	<u>4.51</u>	<u>-</u>	<u>4.51</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>3.66</u>	<u>-</u>	<u>3.66</u>

Notes:

- Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.
- There was no effect of Ind AS on the Balance Sheet as at 31 March, 2016 and 1 April, 2015 (transition date) and the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and Statement of Changes in Equity for the year ended 31 March, 2016.

**TSIL ENERGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

<b>(4) Current investments</b>	<b>As at 31 March, 2017</b>	As at 31 March, 2016	<b>Rs. in lacs</b> As at 1 April, 2015
<b>Investment in liquid mutual funds (Unquoted) at FVTPL</b>			
Reliance Liquid Fund - Treasury Plan - Daily Dividend Option (As at 31 March, 2017: 7,406.77 units (as at 31 March, 2016: 7,062.51 units, as at 1 April, 2015: 6,694.81 units)	<b>113.23</b>	107.97	102.34
<b>Total Current Investments</b>	<b>113.23</b>	107.97	102.34

**Additional Details**

Aggregate value of unquoted investments	<b>113.23</b>	107.97	102.34
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<b>(5) Cash and cash equivalents</b>	<b>As at 31 March, 2017</b>	As at 31 March, 2016	<b>Rs. in lacs</b> As at 1 April, 2015
<b>(a) Balances with scheduled banks</b>			
In current accounts	<b>1.69</b>	3.66	4.51
<b>Total cash and cash equivalents</b>	<b>1.69</b>	3.66	4.51

- (b) The details of Specified Bank Notes (SBNs) or other denomination notes, as defined in the MCA notification G.S.R. 308(E) dated 30 March, 2017, held and transacted during the period from 8 November, 2016 to 30 December, 2016 is provided in the table

<b>Particulars</b>	<b>SBN's# (Rs.)</b>	<b>Other denomination notes (Rs.)</b>	<b>Total (Rs.)</b>
<b>Closing Cash in hands as on 8 November, 2016</b>	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks	-	-	-
<b>Closing Cash in hand as on 30 December, 2016</b>	-	-	-

# For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November, 2016.

**TSIL ENERGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

	<b>As at 31 March, 2017</b>	As at 31 March, 2016	<b>Rs. in lacs As at 1 April, 2015</b>
<b>(6) Equity share capital</b>			
<b>Authorised:</b>			
<b>10,000,000</b> fully paid equity shares of Rs. 10 each	<b>1,000.00</b>	1,000.00	1,000.00
	<b>1,000.00</b>	1,000.00	1,000.00
<b>Issued, Subscribed and Fully Paid up :</b>			
<b>1,060,060</b> Equity shares of Rs. 10 each	<b>106.01</b>	106.01	106.01
(As at 31 March, 2016: 1,060,060 equity shares of Rs. 10 each, as at 1 April, 2015: 1,060,060 equity shares of Rs. 10 each)	<b>106.01</b>	106.01	106.01
<b>(a) Reconciliation of number of fully paid equity shares</b>			
		<b>No. of equity shares</b>	<b>Amount Rs. in lacs</b>
<b>Balance as at 1 April, 2015 (1,060,060 fully paid equity shares of Rs. 10 each)</b>		1,060,060	106.01
Changes in equity share capital during the year		-	-
<b>Balance as at 31 March, 2016 (1,060,060 fully paid equity shares of Rs. 10 each)</b>		1,060,060	106.01
Changes in equity share capital during the year		-	-
<b>Balance as at 31 March, 2017 (1,060,060 fully paid equity shares of Rs. 10 each)</b>		<b>1,060,060</b>	<b>106.01</b>

**(b) Shares held by holding company**

	<b>As at 31 March, 2017</b>		As at 31 March, 2016		As at 1 April, 2015	
	No. of equity shares	%	No. of equity shares	%	No. of equity shares	%
<b>Fully paid equity shares</b>						
TATA SPONGE IRON LIMITED (Holding Company)	<b>1,060,060</b>	<b>100%</b>	1,060,060	100%	1,060,060	100%
	<b>1,060,060</b>	<b>100%</b>	1,060,060	100%	1,060,060	100%

**(c) Details of shareholders holding more than 5% of outstanding shares**

	<b>As at 31 March, 2017</b>		As at 31 March, 2016		As at 1 April, 2015	
	No. of equity shares	%	No. of equity shares	%	No. of equity shares	%
<b>Fully paid equity shares</b>						
TATA SPONGE IRON LIMITED (Holding Company)	<b>1,060,060</b>	<b>100%</b>	1,060,060	100%	1,060,060	100%

**(d) Rights, preferences and restrictions attached to shares**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(7) Other equity**

	<b>As at 31 March, 2017</b>	As at 31 March, 2016	<b>Rs. in lacs As at 1 April, 2015</b>
<b>Retained earnings</b>			
Balance at the beginning of the year	<b>4.76</b>	-	(4.95)
Profit for the year	<b>3.00</b>	4.76	4.95
<b>Balance at the end of the year</b>	<b>7.76</b>	4.76	*

\* Rs. 310.00 as at 1 April, 2015

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

**(8) Trade payables**

	<b>As at 31 March, 2017</b>	As at 31 March, 2016	<b>Rs. in lacs As at 1 April, 2015</b>
(i) Total outstanding dues of micro enterprises and small enterprises (See Note below)	-	-	-
(ii) Total outstanding dues of creditor other than micro enterprises and small enterprises	<b>1.15</b>	0.86	0.84
Creditors for supplies and services	<b>1.15</b>	0.86	0.84
<b>Total trade payables</b>	<b>1.15</b>	0.86	0.84

**TSIL ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Notes:** □

1. The average credit period is upto 30 days for the Company.

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

The amount due to the Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of the information available with the Company, which has been relied upon by the auditors. The disclosure relating to the Micro and Small Enterprise are as under:

	<b>As at</b>	<b>As at</b>	<b>Rs. in lacs</b>
	<b>March 31, 2016</b>	<b>31 March, 2016</b>	<b>As at 1 April, 2015</b>
(a) (i) The principal amount remaining unpaid to supplier as at end of the year	-	-	-
(a) (ii) Interest due thereon	-	-	-
(b) Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day	-	-	-
(c) Interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(d) Interest accrued and remaining unpaid	-	-	-
(e) Further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

**TSIL ENERGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

	<b>Rs. in lacs</b>	
	<b>Year ended 31 March, 2017</b>	Year ended 31 March, 2016
<b>(9) Other income</b>		
Dividend income from current investments	<b>5.26</b>	5.62
	<b>5.26</b>	<b>5.62</b>
<b>(10) Other expenses</b>		
(a) Legal and other professional fees	<b>2.25</b>	0.86
(b) Bank and other charges	<b>0.01</b>	-
<b>Total other expenses</b>	<b>2.26</b>	0.86
<b>(10.a) Payments to auditors</b>		
Auditors remuneration and out-of-pocket expenses		
(i) As auditors - statutory audit	<b>1.15</b>	0.85
(ii) As auditors - quarterly audits	<b>0.69</b>	-
	<b>1.84</b>	<b>0.85</b>
<b>(11) Earnings per share</b>		
Profit for the year (Rs. In lacs)	<b>3.00</b>	4.76
Weighted average number of equity shares (Nos)	<b>1,060,060</b>	1,060,060
Face value per equity share (Rupees)	<b>10</b>	10
Basic and diluted earnings per share (Rupees)	<b>0.28</b>	0.45

Note : The Company did not have any potentially dilutive securities in any of the periods presented.

**(12) Related party transaction**

**(a) List of Related Parties and relationship**

Name of the Related Party	Relationship
(i) TATA SPONGE IRON LIMITED	Holding Company
(ii) Tata Steel Limited	Ultimate Holding Company
(iii) Tata Sons Limited	Company having significant influence

**(b) Related party transactions/balances :** Nil

**(13) Financial instruments:**

**a) Capital management:**

The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company.

The capital structure of the Company consists of equity share capital and other equity. The Company has no external borrowings. Accordingly, the Company has zero gearing ratio.

The management reviews the capital structure on a quarterly basis. As part of this review, the management considers the cost of capital and the risks associated with it.

**b) Liquidity risk management:**

Ultimate responsibility for liquidity risk management rests with Board of Directors, which has established an appropriate liquidity risk management framework for the management of Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and by matching the maturing profiles of financial assets and liabilities.

**c) Market risk**

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. Market risks are primarily composed of price risk.

**d) Price risk**

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

The Company's price risk is mainly generated with fair value in respect of the investments held in mutual funds. Investments primarily include investment in liquid debt based mutual fund units with high credit-ratings assigned by credit-rating agencies and are managed by asset management companies.

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

Particulars	As at	As at	As at
	31 March, 2017	31 March, 2016	1 April, 2015
	Rs. in lacs	Rs. in lacs	Rs. in lacs
Investments in mutual funds	113.23	107.97	102.34

If prices had been 100 basis points higher/lower, profit before tax for the year ended 31 March, 2017 would increase/decrease by Rs. 1.13 lacs (for the year ended 31 March, 2016: Rs. 1.08 lacs) as a result of the changes in fair value of these investments which have been designated as at FVTPL.

**e) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's principal sources of liquidity are cash and cash equivalents, liquid mutual fund investments and dividend income from them. The Company believes that the working capital is sufficient to meet its current requirements.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment and realisation periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay and realise.

Particulars	<1 year Rs. in lacs	1-5 years Rs. in lacs	> 5 Years Rs. in lacs	Total Rs. in lacs
<b>As at 31 March, 2017</b>				
Trade payables	1.15	-	-	1.15
<b>As at 31 March, 2016</b>				
Trade payables	0.86	-	-	0.86
<b>As at 1 April, 2015</b>				
Trade payables	0.84	-	-	0.84

**f) Fair value measurement:**

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on recurring basis:

The Company's investments in mutual funds are measured at fair value at the end of each reporting period. The following table gives information on determination of its fair value, the valuation technique and inputs used.

Financial assets/ financial liabilities	Rs. in lacs			Fair value hierarchy	Valuation techniques and key inputs
	Fair value as at				
	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015		
Investment in liquid mutual funds (Unquoted) at FVTPL	113.23	107.97	102.34	Level 2	Based on the NAV report issued by the fund manager.

**Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis**

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

- (14) The Company has been incorporated to engage in in all aspects of the business of generation, including captive generation and consumption, and sale of electrical energy through various fuels and sources including Hydro, in India. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirements of Indian Accounting Standard 108-'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.
- (15) The Company does not have any pending litigations which would impact its financial position.
- (16) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (17) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (18) The financial statements were approved for issue by the Board of Directors on 26 April, 2017.

For and on behalf of the Board of Directors

**A M Misra**  
Chairman

**Sanjay Kumar Pattnaik**  
Director

Place: Kolkata

Date: 26 April, 2017

**INDEPENDENT AUDITOR'S REPORT  
To The Members of TSIL ENERGY LIMITED  
Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **TSIL ENERGY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes

evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in ANNEXURE "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position (Refer note 15 to the financial statements).
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer note 16 to the financial statements).

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer note 17 to the financial statements).
  - iv. The Company did not have any holdings or dealings in Specified Bank notes as defined in the Notification S.O. 3407(E) dated 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016. (Refer note 5(b) to the Ind AS financial statements.)
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order/ CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in ANNEXURE "B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 302009E)

**Alka Chadha**  
**Partner**  
(Membership No. 93474)

Place: Mumbai  
Date: 26 April, 2017

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of **TSIL ENERGY LIMITED** ("the Company") as of 31 March, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements for external purposes in accordance with

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 302009E)

**Alka Chadha**  
Partner  
(Membership No. 93474)

Place: Mumbai  
Date: 26 April, 2017

## **ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

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

- (i) In respect of fixed assets (property, plant and equipment) :  

The Company does not have any fixed assets and accordingly reporting under sub-clause (a), (b) and (c) of clause (i) of CARO 2016 Order is not applicable.
- (ii) The Company does not have any inventory and accordingly reporting under clause (ii) of CARO 2016 Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence reporting under clause (iii) of the CARO 2016 is not applicable.
- (iv) The Company has not granted any loans, made investment or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. The Company does not have any unclaimed deposits and accordingly the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues including Income-tax, cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the operations of the Company during the year did not give rise to any liability for Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax.
  - (b) There were no undisputed amounts payable in respect of Income-tax, cess and other material statutory dues in arrears as at 31 March, 2017 for a period of more than six months from the date they became payable. We are informed that the operations of the Company during the year did not give rise to any liability for Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax.
  - (c) There were no dues of Income-tax which have not been deposited as on 31 March, 2017 on account of disputes. We are informed that the operations of the Company during the year did not give rise to any liability for Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax.

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid / provided any managerial remuneration and accordingly reporting under clause (xi) of CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company as applicable or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 302009E)

**Alka Chadha**  
Partner  
(Membership No. 93474)

Place: Mumbai  
Date: 26 April, 2017