INDEPENDENT AUDITOR'S REPORT

To the Members of TSIL ENERGY LIMITED

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of TSIL ENERGY LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2019, 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.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its total comprehensive income (comprising of profit and other comprehensive income), its changes in equity and its cash flows for the year then ended.

Basis for opinion

3. 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 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.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

10. 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

11. As required by the Companies (Auditor's Report) Order, 2016 ("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 B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. 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 Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company does not have any pending litigations which would impact its financial position.

    ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2019. Refer Note 14 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 during the year ended March 31, 2019. Refer Note 16 to the financial statements.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Pinaki Chowdhury
Partner
Membership Number 057572

Kolkata
April 18, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of TSIL ENERGY LIMITED on the financial statements as of and for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of TSIL ENERGY LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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 financial 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. 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 with reference to financial statements.

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of TSIL ENERGY LIMITED on the financial statements as of and for the year ended March 31, 2019

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Pinaki Chowdhury
Partner
Membership No.: 057572

Kolkata
April 18, 2019

Annexure B to Independent Auditors' Report

i. The Company does not have any fixed assets and accordingly reporting under sub-clause (a), (b) and (c) of clause 3(i) of the Order is not applicable.

ii. The Company does not have any inventories and accordingly reporting under clause 3(ii) of the 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 Act. Therefore, the provisions of Clause 3(iii) of the Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the Order are not applicable to the Company.

v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and services tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has not paid / provided any managerial remuneration and accordingly reporting under clause 3(xi) of the said order is not applicable.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of TSIL ENERGY LIMITED on the financial statements as of and for the year ended March 31, 2019

xiii. The Company has not entered into transactions with related parties during the year. Accordingly, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any noncash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009

Pinaki Chowdhury
Partner
Membership No.: 057572

Kolkata
April 18, 2019

TSIL ENERGY LIMITED
Balance Sheet as at 31 March, 2019

Rs. in lacs

	Notes	As at 31 March, 2019	As at 31 March, 2018
I. Assets			
(1) Current assets			
(a) Financial assets			
(i) Investments	3	**121.14**	115.38
(ii) Cash and cash equivalents	4	**1.31**	2.50
Total assets		**122.45**	117.88
II. Equity and liabilities			
(1) Equity			
(a) Equity share capital	5	**106.01**	106.01
(b) Other equity	6	**15.51**	10.00
Total equity		**121.52**	116.01
(2) Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	7		
(A) total outstanding dues of micro enterprises and small enterprises		**-**	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		**0.93**	1.87
Total current liabilities		0.93	1.87
Total liabilities		**0.93**	1.87
Total equity and liabilities		**122.45**	117.88
Notes forming an integral part of the financial statements	**1 to 16**		

This is the Balance Sheet referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number - 304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors

Pinaki Chowdhury
Partner
Membership No. 057572

Meena Lall
Director

Sanjay Kumar Pattnaik
Director

Place: Kolkata
Date: 18 April, 2019

Place: New Delhi
Date: 17 April, 2019

TSIL ENERGY LIMITED
Statement of Profit and Loss for the year ended 31 March, 2019

Rs. in lacs

		Notes	**Year ended 31 March, 2019**	Year ended 31 March, 2018
I	**Income**			
	Other income	8	**6.71**	5.15
	Total income (I)		**6.71**	5.15
II	**Expenses:**			
	Other expenses	9	**1.20**	2.91
	Total Expenses (II)		**1.20**	2.91
III	**Profit before tax (I-II)**		**5.51**	2.24
IV	**Tax expenses**			
	(1) Current tax		**-**	-
	(2) Deferred tax		**-**	-
V	**Profit for the year (III - IV)**		**5.51**	2.24
VI	**Other comprehensive income**			
(A)	Items that may not be reclassified to profit and loss		**-**	-
	Total other comprehensive income for the year		**-**	**-**
VII	**Total comprehensive income for the year (VI+VI)**		**5.51**	2.24
VII	**Earnings per equity share (Face value of Rs. 10 each):**	10		
	(1) Basic (in Rs.)		**0.52**	**0.21**
	(2) Diluted (in Rs.)		**0.52**	**0.21**

Notes forming an integral part of the financial statements **1 to 16**

This is the Statement of Profit and Loss referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number - 304026E/E-300009
Chartered Accountants

Pinaki Chowdhury
Partner

Membership No. 057572

Place: Kolkata
Date: 18 April, 2019

For and on behalf of the Board of Directors

Meena Lall
Director

Sanjay Kumar Pattnaik
Director

Place: New Delhi
Date: 17 April, 2019

TSIL ENERGY LIMITED
Statement of changes in equity for the year ended 31 March, 2019

Rs. in lacs

A) Equity share capital

(a) Balance as at 1 April, 2017	106.01
Changes in equity share capital during the year	-
Balance as at 31 March, 2018	**106.01**
Changes in equity share capital during the year	-
Balance as at 31 March, 2019	**106.01**

Rs. in lacs

B) Other equity

Particulars	**Reserves and surplus**	
	Retained earnings	**Total**
Balance as at 1 April, 2017	7.76	7.76
Profit for the year	2.24	2.24
Balance as at 31 March, 2018	**10.00**	**10.00**
Profit for the year	**5.51**	**5.51**
Balance as at 31 March, 2019	**15.51**	**15.51**

Notes forming an integral part of the financial statements **1 to 16**

This is the Statement of Changes in Equity referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number - 304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors

Pinaki Chowdhury
Partner
Membership No. 057572

Meena Lall
Director

Sanjay Kumar Pattnaik
Director

Place: Kolkata
Date: 18 April, 2019

Place: New Delhi
Date: 17 April, 2019

TSIL ENERGY LIMITED

Statement of Cash Flows for the year ended 31 March, 2019

		Rs. in lacs
	Year ended 31 March, 2019	Year ended 31 March, 2018
A. Cash flows from operating activities		
Profit for the year	**5.51**	2.24
Adjustments for		
Changes in fair value of financial assets at fair value through profit and Loss (current)	**0.02**	
Dividend from current investments	**(5.78)**	
Liabilities no longer required written back	**(0.95)**	(5.15)
Operating loss before working capital changes	**(1.20)**	(2.91)
Changes in operating assets and liabilities		
Increase in trade payables	**0.01**	0.72
Net cash (used) in operating activities	**(1.19)**	(2.19)
B. Cash flows from investing activities		
Payments for acquisition of current investments	**(5.78)**	(5.15)
Proceeds from sale of current investments	**-**	3.00
Dividend received from current investments	**5.78**	5.15
Net cash generated / (used) in investing activities	**-**	**3.00**
C. Cash flows from financing activities		
Net cash generated / (used) in financing activities	**-**	-
Net (decrease) in cash and cash equivalents	**(1.19)**	0.81
Cash and cash equivalents at the beginning of year (Refer Note 4)	**2.50**	1.69
Cash and cash equivalents at the end of year (Refer Note 4)	**1.31**	2.50

Notes forming an integral part of the financial statements **1 to 16**

This is the Statement of Cash Flows referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number - 304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors

Pinaki Chowdhury
Partner
Membership No. 057572

Meena Lall
Director

Sanjay Kumar Pattnaik
Director

Place: Kolkata
Date: 18 April, 2019

Place: New Delhi
Date: 17 April, 2019

TSIL ENERGY LIMITED
Notes to the financial statements

1. Company Background

TSIL ENERGY LIMITED ('the Company') is a public limited Company incorporated in India with its registered office at Joda, Odisha, India. The Company is wholly owned subsidiary of Tata Sponge Iron Limited

The Company was incorporated to primarily engage in generation and sale of power and is yet to carry out such activities.

The functional and presentation currency of the company is Indian Rupee ("INR") which is the currency of the primary economic environment in which the Company operates.

The financial statements were approved and authorized for issue with the resolution of the Company's Board of Directors on April 18, 2019.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

1. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2. Historical Cost Convention

The financial statements have been prepared on the historical cost basis except for the following:

i) certain financial assets and liabilities that is measured at fair value;

3. Current versus Non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

i) expected to be realised or intended to be sold or consumed in the normal operating cycle,
ii) held primarily for the purpose of trading,
iii) expected to be realised within twelve months after the reporting period, or
iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

i) it is expected to be settled in the normal operating cycle,
ii) it is held primarily for the purpose of trading,
iii) it is due to be settled within twelve months after the reporting period, or
iv) There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

(b) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

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

(c) Investments and Other Financial Assets

(i) Classification

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

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

- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses is either recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this depends on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies the debt investments when and only when the business model for managing those assets changes

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Income' in the Statement of Profit and Loss.

(d) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Provisions and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

(f) Revenue recognition

The Company has adopted Ind AS 115, 'Revenue from Contract with Customers' during the year which has become effective from 1 April, 2018. The Company has chosen to apply the standard using full retrospective method. Pursuant to adoption of Ind AS 115, Revenue from Contract with Customers, revenue is recognised when the control over the goods and services promised in the contract have been transferred to the customer. The amount of revenue recognised depicts the transfer of promised goods and services to customers for an amount that reflects the consideration to which the company is entitled to charge for the goods and services.

(g) Other Income

(i) Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

(ii) Dividend income from investments is recognised when the right to receive payment has been established.

(h) Earnings per Share

Basic Earnings per Share

Basic earnings per equity share is computed by dividing profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and · the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(i) Cash and cash equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Trade Payables

Trade Payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

(k) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs (Rs. 00,000) as per the requirement of schedule III, unless otherwise stated.

(l) Use of estimates and critical accounting judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that impact the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these standalone financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods impacted.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the financial statements.

Rs. in lacs

(3) Current investments (Unquoted)	As at 31 March, 2019	As at 31 March, 2018
Investment in liquid mutual funds (Unquoted)		
Reliance Liquid Fund - Treasury Plan - Daily Dividend Option	**121.14**	115.38
Total Current Investments	**121.14**	115.38
Aggregate value of unquoted investments	**121.14**	115.38
# Investments carried at fair value through Profit and Loss	**121.14**	115.38

Refer Note 12 for information about fair value measurement, credit risk and market risk on investments.

Rs. in lacs

(4) (i) Cash and cash equivalents	As at 31 March, 2019	As at 31 March, 2018
(a) **Balances with scheduled banks**		
In current accounts	**1.31**	2.50
Total cash and cash equivalents	**1.31**	2.50

Rs. in lacs

(5) Equity share capital	As at 31 March, 2019	As at 31 March, 2018
(a) Authorised:		
10,000,000 fully paid equity shares of Rs. 10 each (As at 31 March, 2018: 10,000,000 equity shares of Rs. 10 each)	**1,000.00**	1,000.00
	1,000.00	1,000.00
(b) Issued, Subscribed and Fully Paid up :		
1,060,060 Equity shares of Rs. 10 each (As at 31 March, 2018: 1,060,060 equity shares of Rs. 10 each)	**106.01**	106.01
	106.01	106.01

(c) Fully paid equity shares

	No. of equity shares	Amount Rs. in lacs
As at 1 April, 2017	1,060,060	106.01
Changes in equity share capital during the year	-	-
As at 31 March, 2018	1,060,060	106.01
Changes in equity share capital during the year	-	-
As at 31 March, 2019	**1,060,060**	**106.01**

(d) Shares held by holding company

	As at 31 March, 2019		As at 31 March, 2018	
	No. of equity shares	%	No. of equity shares	%
Fully paid equity shares				
Tata Sponge Iron Limited (Holding Company)	**1,060,060**	**100%**	1,060,060	100%
	1,060,060	**100%**	1,060,060	100%

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

	As at 31 March, 2019		As at 31 March, 2018	
	No. of equity shares	%	No. of equity shares	%
Fully paid equity shares				
Tata Sponge Iron Limited (Holding Company)	**1,060,060**	**100%**	1,060,060	100%

(f) 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,

(6) Other equity

Rs. in lacs

	As at 31 March, 2019	As at 31 March, 2018
Retained earnings		
Balance at the beginning of the year	**10.00**	7.76
Profit for the year	**5.51**	2.24
Balance at the end of the year	**15.51**	**10.00**

Retained Earnings

Retained Earnings are the profits and gains that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

Rs. in lacs

(7) Trade payables	As at 31 March, 2019	As at 31 March, 2018
(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	-	-
(ii) Total outstanding dues of creditor other than micro enterprises and small enterprises		
(a) Trade Payables for supplies and services	**0.93**	1.87
Total trade payables	**0.93**	1.87

Notes:

1. 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:

Rs. in lacs

		As at 31 March, 2019	As at 31 March, 2018
(a)	(i) The principal amount remaining unpaid to supplier as at end of the year	-	-
	(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.	-	-

Refer Note 10 for information about credit risk on Trade payables.

Rs. in lacs

(8) Other income	**Year ended 31 March, 2019**	Year ended 31 March, 2018
(a) Dividend income		
From Investment in Mutual fund (current)	**5.78**	5.08
(b) Changes in fair value of financial assests at fair value through profit and Loss (current)	**(0.02)**	0.07
(c) Liabilities no longer requier written back	**0.95**	-
	6.71	5.15

Rs. in lacs

(9) Other expenses	**Year ended 31 March, 2019**	Year ended 31 March, 2018
(a) Legal and other professional fees	**1.19**	2.90
(b) Bank and other charges	**0.01**	0.01
Total other expenses	**1.20**	2.91
(9.a) Payments to auditors		
Auditors remuneration		
As auditors - statutory audit	**0.89**	1.32
	0.89	1.32
(9.b) Income tax recognised in Statement of Profit and Loss		
Current tax	-	-
Deferred taxes	-	-
	-	-

The income tax expense for the year can be reconciled to the accounting profit as follows:

Rs. in lacs

	Year ended 31 March, 2019	Year ended 31 March, 2018
Profit before tax	5.51	2.24
Income tax expense calculated at enacted Income tax rate of 26.00% (31 March, 2018 : 25.75%)	1.43	0.58
Effect of income that is exempt from taxation	(1.43)	(0.58)
Income tax expense recognised in Statement of Profit and Loss	**-**	**-**

(10) (a) Financial Risk Management:

The Company's activities expose it to credit risk, liquidity risk .

The Company's Directors oversees the management of above risks. This process provides assurance that the Company's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and the Company's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below

(i) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primarily arises from trade receivables, investments in mutual funds and balances with banks.

Financial Assets that are Neither Past Due Nor Impaired

None of the Company's cash equivalents with banks, investments were past due or impaired as at 31 March, 2019 and 31 March, 2018.

(ii) Liquidity risk management:

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintain adequate source of financing. The Company generates sufficient cash flows from current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as long-term.

Maturities of Financial Liabilities

The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	**Within 1 year Rs. in lacs**	**More than 1 year Rs. in lacs**
As at 31 March, 2019		
Trade payables	**0.93**	-
As at 31 March, 2018		
Trade payables	1.87	-

(iii) Secuities Price risk:

The Company is exposed to price risks arising from fair valuation of Company's investment in mutual funds. The carrying amount of the Company's investments designated as at fair value through profit or loss at the end of the reporting period (Refer Note No. 3)

	Impact on Profit Before Tax	
	As at 31 March, 2019	As at 31 March, 2018
NAV -Increase by 1%*	**1.21**	1.15
NAV -Decrease by 1%*	**(1.21)**	(1.15)

* Holding all other variables constant

(b) Capital Management:

(i) Risk Management

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

(c) (i) Financial Instruments by Category
Financial assets and liabilities
The carrying value of financial instruments by categories as at 31 March, 2019 is as follows:

Rs. in lacs

	Fair value through profit or loss	Amortised cost	Total carrying value
Assets:			
Other investments	**121.14**	**-**	**121.14**
Cash and cash equivalents	**-**	**1.31**	**1.31**
Total	**121.14**	**1.31**	**122.45**
Liabilities:			
Trade payables	**-**	**0.93**	**0.93**
Total	**-**	**0.93**	**0.93**

Financial assets and liabilities
The carrying value of financial instruments by categories as at 31 March, 2018 is as follows:

Rs. in lacs

	Fair value through profit or loss	Amortised cost	Total carrying value
Assets:			
Other investments	115.38	-	115.38
Cash and cash equivalents	-	2.50	2.50
Total	115.38	2.50	117.88
Liabilities:			
Trade payables	-	1.87	1.87
Total	-	1.87	1.87

Fair value measurement:
The fair values of financial assets and liabilities are included at the amount 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31 March, 2018.

The following methods and assumptions were used to estimate the fair values:

(a) In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

(b) The management assessed that fair values of, current investments, cash and cash equivalents, other bank balances and trade payables, approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Fair Value Hierarchy
This section explains the judgements and estimates made in determining the fair values of the financial instruments that are
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classifed its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds. The mutual funds are valued using the closing Net Asset Value.

Level 2: The fair value of Financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Rs. in lacs

Particulars	As at 31 March 2019	Fair value measurement at the end of the reporting year using			Valuation techniques
		Level 1	Level 2	Level 3	
Financial assets					
Investment in mutual funds	**121.14**	121.14	-	-	Based on the declared NAV.
	(115.38)	(115.38)	-	-	
Total financial assets	**121.14**	**121.14**	-	-	
	(115.38)	(115.38)	-	-	

Figures in brackets represents figures for the previous year.

(11) Earnings per share

	Year ended 31 March, 2019	Year ended 31 March, 2018
Net Profit for the year (Rs. In lacs)	**5.51**	2.24
Weighted average number of equity shares Outstanding durring the year (Nos)	**1,060,060**	1,060,060
Nominal value per equity share (Rupees)	**10**	10
Basic and diluted earnings per share (Rupees)	**0.52**	0.21

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

(12) The Company does not have any pending litigations which would impact its financial position.

(13) 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 Private Limited (formerly known as Tata Sons Limited)	Company having significant influence over ultimate holding company

(b) Related party transactions/balances : Nil

(14) The Company did not have any long-term contracts including derivative contracts as at March 31, 2019.

(15) Recent Accounting Pronouncements

(a) Standards issued but not yet effective

Standards issued and but not yet effective

The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 including the following amendments to Ind AS which the Company has not applied in these financial statements as they are effective for annual periods beginning on or after 1 April, 2019.

Ind AS 116 – 'Leases'

Ind AS 116 will impact primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for almost all lease contracts. An optional exemption exists for short-term and low-value leases.

Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes'

This appendix clarifies how the recognition and measurement requirements of Ind AS 12 'Income Taxes' are applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Company is in the process of evaluating the impact of adoption of above amendments on its financial statements.

(16) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number - 304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors

Pinaki Chowdhury
Partner
Membership No. 057572

Meena Lall
Director

Sanjay Kumar Pattnaik
Director

Place: Kolkata
Date: 18 April, 2019

Place: New Delhi
Date: 17 April, 2019