

INDEPENDENT AUDITOR'S REPORT**To the Members of Tamilnadu Industries Captive Power Company Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of **Tamilnadu Industries Captive Power Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

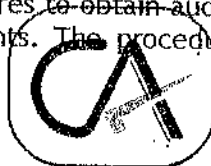
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's



judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 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, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 B".

(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 has no pending litigations on its financial position in its financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S Jagannathan and co
Chartered Accountants
Firm's Registration No.012396S

S. Jagannathan
Partner
Membership No.209518

Place: Chennai
Date: 11-04-2017

Annexure - B to Auditor's report

Annexure to the Independent Auditor's Report referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date on the financial statements of Tamilnadu Industries Captive Power Company Limited

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

We have audited the internal financial controls over financial reporting of Tamilnadu Industries Captive Power Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 S Jagannathan and co
Chartered Accountants
Firm's Registration No.012396S

S.Jagannathan
Partner
Membership No. 209518

Place: Chennai
Date: 11-04-2017

Tamil Nadu Industries Captive Power Company Limited
 Balance Sheet as at 31st March 2017
 (All amounts are in Rupees '₹', except per share data and unless stated otherwise)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2016
	Note	Rs.	Rs.	Rs.
ASSETS				
Non-current assets				
Other non-current assets	4	-	-	-
Total non-current assets		-	-	-
Current assets				
Financial Assets		-	-	-
- Cash and cash equivalents	5	2,967	87,832	327,840
Total current assets		2,967	87,832	327,840
TOTAL ASSETS		2,967	87,832	327,840
EQUITY AND LIABILITIES				
Equity attributable to the Equity shareholders				
Share capital	2.1	365,100,000	365,100,000	365,100,000
Other Equity	2.2	-372,069,515	-371,775,953	-371,520,316
TOTAL EQUITY		-6,969,515	-6,675,953	-6,420,316
LIABILITIES				
Current liabilities				
Trade and other payables	3	31,326	15,629	42,135
Other financial liabilities		6,941,156	6,748,156	6,706,021
Total current liabilities		6,972,482	6,763,785	6,748,156
TOTAL LIABILITIES		6,972,482	6,763,785	6,748,156
TOTAL EQUITY AND LIABILITIES		2,967	87,832	327,840

The accompanying notes form an integral part of these financial statements.

For S. JAGANNATHAN AND CO.
Chartered Accountants

Mohan Limaye
Director
DIN : 01837625

S. Jagannathan
Partner
Membership No. 209518
Firm Reg. No. 012396S

Hari Subramaniam
Director
DIN : 05240363

Place : Chennai
Date : 11-04-2017

Tamil Nadu Industries Captive Power Company Limited
Income Statement
 (All amounts are in Rupees '₹', except per share data and unless stated otherwise)

	Note	Year ended March 31, 2017 Ind AS	Year ended March 31, 2016 Ind AS
Revenue		-	-
Total Income		-	-
Expenses			
Other expenses	6	293,562	255,637
Total Expenses		293,562	255,637
Profit before tax		-293,562	-255,637
Income tax expense			
- Current tax		-	-
- Deferred tax		-	-
Profit / (Loss) for the year		-293,562	-255,637
Other Comprehensive Income		-	-
Total Comprehensive income for the year		-293,562	-255,637
Attributable to :			
Equity shareholders of the Company		-293,562	-255,637
Non-controlling interest		-	-
Total		-293,562	-255,637
Profit per share attributable to Equity Shareholders :			
Basic		-	-
Diluted		-	-

The accompanying notes form an integral part of these financial statements.

For S. JAGANNATHAN AND CO.
 Chartered Accountants

Mohan Limaye
 Director
 DIN : 01837625

S. Jagannathan
 Partner
 Membership No. 209518
 Firm Reg. No. 012396S

Hari Subramaniam
 Director
 DIN : 05240363

Place: *Chennai*
 Date: *11-04-2017*

Tamil Nadu Industries Captive Power Company Limited

Statement of Cash Flows

(All amounts are in Rupees '₹', except per share data and unless stated otherwise)

	Notes	As at March 31, 2017	As at March 31, 2016
A. Cash Flow from Operating Activities :			
Profit / (Loss) for the year before income tax		(293,562)	(255,637)
Adjustments for:			
Depreciation (Net of transfer from reserves)		-	-
Change in operating assets and liabilities		(293,562)	(255,637)
Increase/(decrease) in trade payables		208,697	15,629
Net cash inflow/(outflow) from operating activities	(A)	(84,865)	(240,008)
Net cash inflow/(outflow) from investing activities	(B)	-	-
Net cash inflow/(outflow) from financing activities	(C)	-	-
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	(84,865)	(240,008)
Cash and cash equivalents at the beginning of the financial year		87,832	327,840
Cash and cash equivalents at end of the year		2,967	87,832
<i>Reconciliation of cash and cash equivalents as per the cash flow statement</i>			
Cash and cash equivalents as per above comprise of the following			
		March 31, 2017	March 31, 2016
Cash and cash equivalents (note 5)		2,967	87,832
Other bank balances		-	-
Balances as per statement of cash flows		2,967	87,832
<i>The above statement of cash flows should be read in conjunction with the accompanying notes.</i>			
<p>For S. JAGANNATHAN AND CO. Chartered Accountants</p> <p style="text-align: right;">Mohan Limaye Director DIN : 01837625</p> <p>S. Jagannathan Partner Membership No. 209518 Firm Reg. No. 012396S</p> <p style="text-align: right;">Hari Subramaniam Director DIN : 05240363</p> <p>Place : <i>Chennai</i> Date : <i>11-04-2017</i></p>			

Tamil Nadu Industries Captive Power Company Limited
Statement of Changes in Equity
 (All amounts are in Rupees ₹, except per share data and unless stated otherwise)

A. EQUITY SHARE CAPITAL

Particulars	Notes	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended April 1, 2015	2.1	365,100,000	-	365,100,000
For the year ended March 31, 2016		365,100,000	-	365,100,000
For the year ended March 31, 2017		365,100,000	-	365,100,000

B. OTHER EQUITY

Particulars	Note	Reserves and Surplus
		Surplus as per Consolidated Statement of Profit and Loss
As at April 1, 2014	2.2	-371,506,271
Profit / (Loss) for the year		-14,045
Other comprehensive income for the year		-
Total comprehensive income for the year		-14,045
Balance at March 31, 2015		-371,520,316
Balance at April 01, 2016		
Profit / (Loss) for the year		-255,637
Other comprehensive income for the year		-
Total comprehensive income for the year		-255,637
Balance at March 31, 2016		-371,775,953
Balance at April 01, 2018		
Profit / (Loss) for the year		-293,562
Other comprehensive income for the year		-
Total comprehensive income for the year		-293,562
Balance at March 31, 2017		-372,069,515

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Tamilnadu Industries Captive Power Co. Ltd
Notes to Financial Statements for the year ended March 31, 2017

1. Significant accounting policies

(a) Basis of preparation of financial statements:

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. The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III, applicable Ind AS.

(b) First time adoption of Ind AS

These financial statements are the company's first financial statements prepared in accordance with Ind AS.

(c) Transition to IND AS

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP or IGAAP).

(d) Income tax

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

Deferred income 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 consolidated financial statements. 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 income tax asset is realised or the deferred income tax liability is settled.

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

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 tax 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.

Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively.

Tamilnadu Industries Captive Power Co. Ltd
Notes to Financial Statements for the year ended March 31, 2017

(e) Borrowing Costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

(f) Pre-operative expenses not related to construction are written off in the year they are incurred.

Tamil Nadu Industries Captive Power Company Limited
Notes to Accounts
(All amounts are in Rupees ₹, except per share data and unless stated otherwise)

	As at March 31, 2017 Ind AS	As at March 31, 2016 Ind AS	As at April 1, 2015 Ind AS
Note 2.1 - Share Capital			
(a) Authorised - 60000000 Equity Shares of Rs.10/- each	600,000,000	600,000,000	600,000,000
(b) Issued - 17250000 Equity shares of Rs.10/- each, fully paid 360000000 Equity shares of Rs.10/- each, Rs.5.35/- paid	600,000,000	600,000,000	600,000,000
(c) Subscribed and Paid-up - 17250000 Equity shares of Rs.10/- each, fully paid 360000000 Equity shares of Rs.10/- each, Rs.5.35/- paid	172,500,000 192,600,000 365,100,000	172,500,000 192,600,000 365,100,000	172,500,000 192,600,000 365,100,000
(d) Details of shareholders holding more than 5% total equity shares of the Company			
Name of the Shareholders	Nos of Shares	Nos of Shares	Nos of Shares
M. Sushila Devi	3836275	3836275	3836275
Crest Logistics & Engineers Pvt Ltd	13000000	13000000	13000000
Reliance Infrastructure Limited	23000000	23000000	23000000
	% 7% 25% 44%	% 7% 25% 44%	% 7% 25% 44%
(e) Reconciliation of the Equity Shares at the beginning and at the end of reporting period	Nos of Shares	Nos of Shares	Nos of Shares
Particulars	Nos of Shares	Nos of Shares	Nos of Shares
Equity shares fully paid up			
No. of Shares outstanding at the beginning of the period	17250000	17250000	17250000
No. of Shares outstanding at the end of the period	17250000	17250000	17250000
Equity shares partly paid up			
No. of Shares outstanding at the beginning of the period	36000000	36000000	36000000
No. of Shares outstanding at the end of the period	36000000	36000000	36000000
	Rs.	Rs.	Rs.
	172,500,000	172,500,000	172,500,000
	172,500,000	172,500,000	172,500,000
	192,600,000	192,600,000	192,600,000
	192,600,000	192,600,000	192,600,000

Tamil Nadu Industries Captive Power Company Limited

Notes to Accounts

(All amounts are in Rupees '₹', except per share data and unless stated otherwise)

	As at March 31, 2017 Ind AS	As at March 31, 2016 Ind AS	As at April 1, 2015 Ind AS
Note 2.2 - Reserves and Surplus			
(a) Surplus/(deficit) in the statement of profit and loss :			
Balance as per last Balance Sheet	-371,775,953	-371,520,316	-371,506,271
Add : Net Profit for the current year	-293,562	-255,637	-14,045
Net surplus in the statement of profit and loss	-372,069,515	-371,775,953	-371,520,316
Note 3 - Other Current Liabilities			
(a) Other payables ;			
Trade and other payables	31,326	15,629	42,135
Other financial liabilities	6,841,156	6,748,156	6,706,021
	6,972,482	6,763,785	6,748,156
Note 4 - Long Term Loans and advances			
Unsecured, considered good; unless otherwise stated			
(a) Other Non- Current Assets			
Security Deposits:			
Considered good	-	-	-
Considered doubtful	46,138,730	46,138,730	46,138,730
	46,138,730	46,138,730	46,138,730
Less : Provision for doubtful advances / deposits	-	-	-
	-	-	-
Note 5 - Cash and Bank Balances:			
Cash & Cash cash equivalents			
Balances with banks;			
Current Account	2,967	87,832	9,434
Cheques, drafts on hand;	-	-	318,406
Total	2,967	87,832	327,840

Tamil Nadu Industries Captive Power Company Limited

Notes to Accounts

(All amounts are in Rupees '₹', except per share data and unless stated otherwise)

	For year ended March 31, 2017 Ind AS	For year ended March 31, 2016 Ind AS
Note 6 - Other Expenses		
Audit fees	15,697	15,629
Professional fees	-	3,500
Bank Charges	263	303
Filing Fees	12,512	27,615
Directors' fees	265,090	208,590
	293,562	255,637

Tamilnadu Industries Captive Power Co. Ltd
Notes to Financial Statements for the year ended March 31, 2017

7. In view of no timing differences between taxable income and accounting income, no provision for deferred tax has been made for the year

8. Related Party Disclosure

As per Ind AS 24, as prescribed under Section 133 of the Companies Act, 2013, the disclosures of transaction with related parties are given below:

- (a) Parties where control exists:

Reliance Infrastructure Limited – Co-venturer

- (b) Other related parties with whom transactions have taken place during year:

	Year ended March 31, 2017	Year ended March 31, 2016
	₹	₹
<u>Closing Balance</u>		
Balance Sheet Heads:		
Other liabilities	69,41,156	6,748,156
<u>Transactions During the Year</u>		
Expenses incurred by related party on our behalf	-	42,135

9. Earnings per share

	Year ended March 31, 2017	Year ended March 31, 2016
	₹	₹
Profit/(loss) after tax for the year (Rs.)	(2,93,562)	(2,55,637)
No. of Equity Shares (Nos.)	36,510,000	36,510,000
Nominal Value per Share (Rs)	10	10
Earnings per Equity Share - Basic (Rs)	-	-
Earnings per Equity Share - Diluted (Rs)	-	-