

P.K.Drolia & Co.

Chartered Accountants

9, Crooked Lane, 3rd Floor

Kolkata-700069

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INDEPENDENT AUDITORS' REPORT

To The Members of HSIL ASSOCIATES LIMITED

We have audited the accompanying financial statements of **HSIL ASSOCIATES LIMITED (the company)**, which comprise the Balance Sheet as at 31st March, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of 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 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 there under.

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 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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


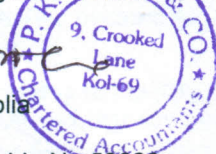
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March 2015 and its profit and its cash flows for the year ended on that date.



Report on other legal and regulatory requirements

1. As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - i. 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.
 - ii. 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.
 - iii. 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.
 - iv. 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.
 - v. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - vi. 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:
 - a. The company does not have any pending litigations which would impact its financial position.
 - b. The company did not have any long term contracts including derivative contract during the year for which there were any material foreseeable losses nor have any outstanding derivative contract at the year end.
 - c. The provision relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the company during the year because there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P.K.Drolia & Co.
Chartered Accountants
Firm Registration No. 316057E

P. K. Drolia
Partner
Membership No. 52629
Place : Kolkata
Date : 04/05/2015

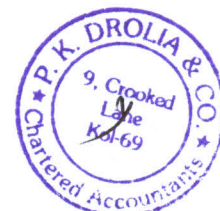
ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **HSIL ASSOCIATES LIMITED** on the financial statements for the year ended 31/03/2015]

- (i) The Company has no fixed assets. Accordingly, the provisions stated in paragraph 3 (i)(a) and (b) of the order are not applicable.
- (ii) The Company has no inventory. Accordingly, the provisions stated in paragraph 3 (ii)(a)(b), and (c) of the order are not applicable.
- (iii) As informed, The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions stated in paragraph 3(iii) (a) and (b) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of 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, hence directives issued by the Reserve Bank of India and provision of Sections 73 to 76 of the Companies Act are not applicable.
- (vi) As explained to us and to the best of our knowledge and belief, the maintenance of Cost records under Section 148(1) of the Companies Act, 2013 are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it and no undisputed amounts payable in respect thereof were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited on account of any dispute.

(c) According to the information and explanation given to us, there are no amount, that need to be transferred to the Investor Education and Protection Fund. Therefore, the provisions relating to transferring any amounts is not applicable to the company during the year.
- (viii) The Company has accumulated losses at the end of financial year 31st March, 2015 but not less than fifty percent of its net worth. Further, the company has not incurred cash losses during the financial year covered by our audit but incurred cash losses of Rs.14,774.27 during the immediately preceding financial year ended 31st March, 2014.



[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **HSIL ASSOCIATES LIMITED** on the financial statements for the year ended 31/03/2015]

- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xi) The Company has not obtained any term loans during the year.
- (xii) 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 fraud on or by the company, noticed or reported during the year, nor have we been informed of such cases by the management.

For P.K.Drolia & Co.
Chartered Accountants
Firm Registration No. 316057E


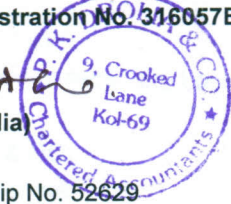
P.K.Drolia
Partner
Membership No. 52629
Place : Kolkata
Date : 04/05/2015



HSIL ASSOCIATES LIMITED
Balance Sheet as at 31 March 2015

Particulars	Note No.	As at 31 March 2015 INR	As at 31 March 2014 INR
Equity and Liabilities			
Shareholders fund			
Share capital	3	500,000.00	500,000.00
Reserves and surplus	4	(84,297.29)	(84,679.23)
		<u>415,702.71</u>	<u>415,320.77</u>
Current liabilities			
Other current liabilities	5	6,000.00	6,000.00
Short Term Provisions	6	90.00	0.00
		<u>6,090.00</u>	<u>6,000.00</u>
Total		<u><u>421,792.71</u></u>	<u><u>421,320.77</u></u>
Assets			
Current assets			
Current Investments	7	417,184.81	415,632.87
Cash and cash equivalents	8	4,607.90	5,687.90
		<u>421,792.71</u>	<u>421,320.77</u>
Total		<u><u>421,792.71</u></u>	<u><u>421,320.77</u></u>
Significant accounting policies	1		
Notes on Accounts	2		

This is the balance sheet referred to in our report of even date.

For P. K. DROLIA & CO.
Chartered Accountants
 Firm Registration No. 316057E


 (P. K. Drolia)
 Partner
 Membership No. 52629

For and on behalf of the Board of Directors


 Director


 Director

Place : Kolkata
 Date : 4th May, 2015

HSIL ASSOCIATES LIMITED
Statement of Profit and Loss for the year ended 31 March 2015

Particulars	Note No.	As at 31 March 2015 INR	As at 31 March 2014 INR
Other Income			
- Gain on sale of Investment		21,552.39	4,859.73
		21,552.39	4,859.73
Expenses			
Other expenses			
- Rates and taxes		4,400.00	4,400.00
- Securities Transaction Tax		0.45	-
- Charges General		53.00	7.00
- Filing Fees		1,600.00	600.00
- Legal & Professional Expenses		9,027.00	8,627.00
- Auditor Remuneration		6,000.00	6,000.00
		21,080.45	19,634.00
Profit before Tax		471.94	(14,774.27)
Tax Expense			
- Current Tax		90.00	-
Profit/(Loss) for the year after Tax		381.94	(14,774.27)
Earning per Equity Share			
- Basic		0.01	(0.30)
- Diluted		0.01	(0.30)
Significant accounting policies	1		
Notes on Accounts	2		

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

For P. K. DROLIA & CO.

Chartered Accountants

Firm Registration No. 316057E

(P. K. Drolia)

Partner

Membership No. 52629

Place : Kolkata

Date : 4th May, 2015

For and on behalf of the Board of Directors


Director


Director

HSIL ASSOCIATES LIMITED
Notes annexed to and forming part of the Accounts as on 31st March, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of financial statements

The Company adopts accrual basis of Accounting in preparation of accounts. All expenses and income to the extent considered payable and receivable respectively, unless stated otherwise, are accounted for on mercantile basis.

Investments

- i) In terms of Accounting Standard-13 issued by the Institute of Chartered Accountants of India, investments in securities are valued at cost, which includes brokerage, transfer stamp etc.
- ii) Provision for diminution in the value of investments are made if such fall is considered permanent in nature.

Fixed Assets

The Company has no Fixed Assets during the year.

Depreciation

The Company has no Fixed Assets on which depreciation is required to be provided for the year.

Taxation

Provision for the Income Tax is made on estimates to arise on the results for the year at current rates of tax in accordance with the Income Tax Act, 1961

Foreign Currency Transactions

The Company has no foreign currency transactions during the year.

Retirement Benefit

The Company has no employee during the year under review, hence provision for liabilities for provident fund, gratuity and accrued leave benefits are not required to be made by the Company on the date of Balance Sheet.

2. NOTES ON ACCOUNTS :

- i) Previous Year's figures have been regrouped, rearranged/reclassified wherever considered necessary.

Signature to Notes "1" to "8"

In terms of our Report of even date

For P. K. DROLIA & CO.

Chartered Accountants

Firm Registration No. 316057E

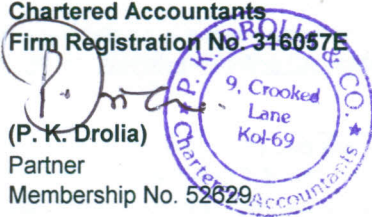
(P. K. Drolia)

Partner

Membership No. 52629

Place : Kolkata

Date : 4th May, 2015



Udeer

Director

Harsh

Director

HSIL ASSOCIATES LIMITED
Notes forming part of the financial statements

3 Share Capital

Authorised :

Equity Shares - 50,000 (Previous Year 50,000) of Rs. 10 each

Issued :

Equity Shares - 50,000 (Previous Year 50,000) of Rs. 10 each

Subscribed and Paid up :

Equity Shares - 50,000 (Previous Year 50,000) of Rs. 10 each

	As at 31 March 2015 INR	As at 31 March 2014 INR
	500,000.00	500,000.00
	500,000.00	500,000.00
	500,000.00	500,000.00
	500,000.00	500,000.00
	500,000.00	500,000.00

a) Reconciliation of Shares outstanding at the beginning and at the end of reporting period

Particulars	31 March 2015		31 March 2014	
	No.	INR	No.	INR
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	500,000	50,000	500,000

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the subsequent Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distributions of all preferential amount. The distributions will be in proportion to the number of equity shares held by the shareholders; and any other right as the Memorandum and Articles of Association of the Company may prescribe in relation to the aforesaid equity shares of the Company.

c) List of shareholders holding more than 5% of the equity share capital of the Company at the beginning and at the end of the reporting period

Name of the Shareholders	31 March 2015		31 March 2014	
	No. of Equity Shares held	% of Equity Shares	No. of Equity Shares held	% of Equity Shares
HSIL Limited and its nominees (Holding Company)	50,000	100%	50,000	100%

d) Aggregate no of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	2014-15	2013-14	2012-13	2011-12	2010-11
	No.	No.	No.	No.	No.
Equity shares allotted as fully paid shares by capitalisation of securities premium	Nil	Nil	Nil	Nil	Nil
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	Nil	Nil	Nil	Nil	Nil
Equity shares bought back by the company	Nil	Nil	Nil	Nil	Nil

4 Reserves and Surplus

Surplus/(Deficit)

Balance at the beginning of the year

Add: Net Profit/(Net Loss) for the current year

Closing Balance

	As at 31 March 2015 INR	As at 31 March 2014 INR
	(84,679.23)	(69,904.96)
	381.94	(14,774.27)
	(84,297.29)	(84,679.23)
	(84,297.29)	(84,679.23)






HSIL ASSOCIATES LIMITED
Notes forming part of the financial statements

	As at 31 March 2015 INR	As at 31 March 2014 INR			
5 Other current liabilities					
Other Liabilities					
Creditors for Expenses	6,000.00	6,000.00			
	<u>6,000.00</u>	<u>6,000.00</u>			
6 Short Term Provisions					
Provision for Income Tax	90.00	-			
	<u>90.00</u>	<u>-</u>			
7 Current Investments	As at 31 March 2015 INR	As at 31 March 2014 INR			
<u>INVESTMENTS (AT COST)</u>					
<u>Name of the Mutual Fund</u>	<u>Face Value</u>	<u>No. of Units</u>	<u>Amount</u>	<u>No. of Units</u>	<u>Amount</u>
<u>Unquoted</u>					
HDFC Prudence Fund-Growth	10	2,284.515	391,648.11	2,424.420	415,632.87
HDFC Liquid Fund-Growth	10	994.904	25,536.70	-	-
			<u>417,184.81</u>		<u>415,632.87</u>
NAV of Mutual Fund			886,687.55		642,888.30
8 Cash and Cash Equivalents					
Balance with Banks					
- in Current Account				4,607.90	5,687.90
				<u>4,607.90</u>	<u>5,687.90</u>



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HSIL ASSOCIATES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the year ended 31.03.2015	For the year ended 31.03.2014
<u>A. CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit/(Loss) before tax	381.94	(14,774.27)
<u>Adjustment For</u>		
-Profit on sale of Investments	(21,552.39)	(4,859.73)
Operating profit before Working Capital Changes	(21,170.45)	(19,634.00)
<u>Adjustments for</u>		
-Trade and Other receivables	-	-
-Trade and Other Payables	-	-
Cash Generated from Operations	(21,170.45)	(19,634.00)
-Direct tax paid	90.45	-
Cash Flow Before Extraordinary Items	(21,080.00)	(19,634.00)
<u>Extraordinary Items :</u>		
Net Cash from Operating Activities	(21,080.00)	(19,634.00)
<u>B: CASH FLOW FROM INVESTING ACTIVITIES</u>		
-Purchase/Sale of Investments	20,000.00	15,000.00
Net Cash Used in Investing Activities	20,000.00	15,000.00
<u>C: CASH FLOW FROM FINANCING ACTIVITIES</u>		
Net Cash Used in Financing Activities	-	-
Net Increase in Cash & Cash Equivalents(A+B+C)	(1,080.00)	(4,634.00)
Cash and Cash Equivalents as at (Opening)	5,687.90	10,321.90
Cash and Cash Equivalents as at (Closing)	4,607.90	5,687.90

For and on behalf of Board of Directors

[Signature]
Director

[Signature]
Director

AUDITORS' REPORT

We have examined the above cash flow statement of HSIL Associates Limited for the year ended 31st March, 2015. The statement has been prepared by the Company and is based on and in agreement with the corresponding Statement of Profit and Loss and the Balance Sheet of the Company covered by our report of even date to the Members of the Company.

For P. K. DROLIA & CO.

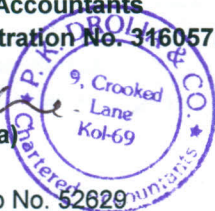
Chartered Accountants

Firm Registration No. 316057E

[Signature]
(P. K. Drolia)

Partner

Membership No. 52629



Place : Kolkata

Date : 4th May, 2015