



# TATA PROJECTS LIMITED





# **TATA PROJECTS**

Simplify.Create

Tata Projects had constituted its Urban Infrastructure SBU in 2014-15. One of the first projects the SBU bagged was for the construction of 1.1 million square feet IT SEZ Park at Indore.

The cover visual is an architect's rendition of the IT Park. With several Urban Infrastructure projects under construction, including the Delhi Metro Phase 3 project, we are proud that our effort shall contribute to accelerating India's progress.

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### Annual General Meeting

Date : Monday, 3rd August, 2015

Time : 12.30 p.m.

Venue : Mithona Towers 1, 1-7-80 to 87, Prenderghast Road, Secunderabad - 500 003

**TATA PROJECTS LIMITED**

## Board of Directors

<b>Chairman</b>	Mr Prasad R Menon
<b>Directors</b>	Mr P N Dhume Mr S Ramakrishnan Mr Parashuram Ganesh Date (w.e.f.25-03-2015)
<b>Independent Directors</b>	Mrs Neera Saggi (w.e.f. 05-12-2014) Mr Samir Kumar Barua (w.e.f. 25-03-2015)
<b>Managing Director</b>	Mr Vinayak K Deshpande
<b>Company Secretary &amp; Head Legal</b>	Dr A Raja Mogili

**Offices in India**

<b>Registered Office</b>	<b>SBU-Quality Services</b>	<b>Mumbai Office</b>	<b>Kolkata Office</b>	<b>Noida Office</b>
Mithona Towers-1, 1-7-80 to 87, Prenderghast Road, Secunderabad-500 003	1-10-177, 2 <sup>nd</sup> Floor, Varun Towers-1, Begumpet, Hyderabad-500 016	Hiranandani Knowledge Park, 11 <sup>th</sup> Floor, Technology Street, Powai, Mumbai-400 076	PS Srijan Tech Park, 11th Floor, DN 52 Salt Lake, Sector V Kolkata - 700091	Ground Floor, Tower-B, Green Boulevard, Plot No.-B-9/A, Sector-62, Noida-201307 (U.P.)

**Overseas Offices**

<b>UAE</b>	<b>CHINA</b>	<b>KENYA</b>
Flat No. 209, 2 <sup>nd</sup> Floor, Al Yamama Tower, P.O. Box No. 47662, Zayed II Street (Electra Street), Nr. El Dorado Cinema, Abu Dhabi, UAE	Unit 17A 918, Huai Hai Middle Road, Shanghai - 200020 CHINA	Unit No.-D-8, 2 <sup>nd</sup> Floor, Krishna Centre, Woodvale Grove, P.O.Box-13746-00800, Westlands, Nairobi, KENYA

**Manufacturing Units**

<b>Tower Manufacturing Unit,</b> Plot No.D1, Krupa Nagar, MIDC, Umred, Nagpur - 441 203, Maharashtra	<b>Water Purification Plant Development Centre,</b> 2-69/2, Kandlakoya, Medchal Mandal, R.R. Dist -501 401
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**Bankers**

State Bank of Hyderabad Corporation Bank State Bank of India	Canara Bank State Bank of Travancore Bank of Baroda	HDFC Bank Abu Dhabi Commercial Bank Deutsche Bank	Bank of Baharain & Kuwait
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**Solicitors**

M/s Mulla &amp; Mulla &amp; Craigie Blunt &amp; Caroe

**Auditors**M/s. Deloitte Haskins & Sells  
Chartered Accountants**Internal Auditors**M/s PKF Sridhar & Santhanam  
Chartered Accountants  
(upto 31st March, 2015)M/s. Ernst & Young LLP  
(from 1st April, 2015)



# TATA PROJECTS LIMITED

Management Teams  
(During FY 2014-15 and upto 18<sup>th</sup> May 2015)

Vinayak K Deshpande  
Managing Director

## Corporate Leadership Council

Arabinda Guha Chief Operating Officer Industrial Infrastructure	+	Tenny Koshy Cherian Chief Operating Officer Quality Services	+	Vivek Singhal Chief Operating Officer Urban Infrastructure
KK Gupta Chief Operating Officer Food Certification		B Sudhakar Chief Human Resource Officer & Corporate Quality & Safety Head		Rajgopal Swami Chief Financial Officer

## Business Leadership Council

Arabinda Guha Chief Operating Officer Industrial Infrastructure	+	Tenny Koshy Cherian Chief Operating Officer Quality Services	+	Vivek Singhal Chief Operating Officer Urban Infrastructure
KK Gupta Chief Operating Officer Food Certification		B V Ramesh Krishna Business Head - Power Generation		Pralhad Pawar Business Head - Oil, Gas & Hydrocarbon
Vivek Gautam Business Head - Transmission & Distribution		S A A Irfan Business Head - Railways		K Satyanarayana Business Head - Construction
Saket Mathur Business Head - Metals & Minerals		B Sudhakar Chief Human Resource Officer & Corporate Quality & Safety Head		Rajgopal Swami Chief Financial Officer
A Vidyasagar Head-Engineering		R Ravi Sankar Head-Supply Chain Management		Dr A Raja Mogili Company Secretary & Head - Legal

## TATA PROJECTS LIMITED

### REPORT OF THE BOARD OF DIRECTORS

To

#### The Members

Your Directors are pleased to present their Thirty Sixth (36<sup>th</sup>) Annual Report and the audited statements of accounts of the Company for the financial year ended 31<sup>st</sup> March 2015.

#### FINANCIAL RESULTS

The financial results of your Company for the year ended 31<sup>st</sup> March 2015 are summarized below

(₹ in Crore)

Particulars	2014-15	2013-14
Net income & other income	3404.75	3641.02
Operating expenditure	3110.17	3414.39
<b>Operating Profit (PBDIT)</b>	294.58	226.63
Interest & Depreciation	151.04	84.22
<b>Profit Before Tax (PBT)</b>	143.54	144.41
Provision for Taxes	49.85	46.47
<b>Profit After Tax (PAT)</b>	93.70	97.94
Balance brought forward from previous year	578.61	500.59
Adjustment on account of depreciation	(1.27)	—
Transfer from debenture redemption reserve	---	—
Amount available for appropriations	671.04	598.53
(-) Appropriations		
Proposed Dividend & Tax thereon	10.62	10.13
General Reserve	9.37	9.79
Balance carried to Balance Sheet	651.05	578.61

#### RESERVES

An amount of ₹ 9.37 crores was transferred to the General Reserve out of the profit available for appropriation.

#### DIVIDEND

The Board of Directors recommend payment of dividend of Rs.50 per share (50%) for the year ended 31<sup>st</sup> March 2015 [PY: ₹ 50/- per share (50%)], subject to approval by the members at the Annual General Meeting.

#### OPERATIONS

The total income for the year aggregated to ₹ 3404.75 crore (PY: ₹ 3641.02 crore). The operating profit for the year was ₹ 294.58 crore (PY: ₹ 226.63crores) resulting in a Profit Before Tax (PBT) of ₹ 143.54 crore (PY: ₹ 144.41 crore)

#### BUSINESS OPERATIONS

Your Company operates its business through four(4) Strategic Business Units (SBU) Viz., 1. Industrial Infrastructure; 2. Urban Infrastructure; 3. Quality Services; and 4. Utility Services which are supported by Enabling Services viz., Corporate Support Functions and Corporate Services.

##### 1. SBU-Industrial Infrastructure

SBU-Industrial Infrastructure consists of Engineering, Procurement and Construction (EPC) Cluster of Power Generation (PG); Metals & Minerals (M&M); Oil, Gas & Hydrocarbon (O,G & H); Transmission & Distribution (T&D); Transportation and Construction Services (CS). The total revenue for the SBU in current year was ₹ 3307.75 Crore (PY: ₹ 3593.62 Crore).

### Following key projects were completed by the Industrial Infra SBU during the year

- ◆ 2x800MW Super Critical Thermal Power Station at Krishnapatnam of Andhra Pradesh Power Development Company Limited- Both the units have been synchronised and under operation.
- ◆ 2x80 MW CPP for Sterlite Industries (India) Limited at Tuticorin.
- ◆ 4050m<sup>3</sup>; 8000TPD Blast furnace at Rourkela Steel Plant of Steel Authority of India Limited.
- ◆ Cairn India Limited-Mangla Processing terminal. This project achieved zero LTI during the year and has been felicitated by Cairn India Limited for achieving 3.5 million safe man hours.
- ◆ 13 T&D projects in challenging terrain including Nellore-Kurnool transmission line of Power Grid Corporation of India Limited with line length of 304 km executed ahead of the schedule. The project has also received Dun & Bradstreet and EPC world awards.
- ◆ Projects in the area of railway electrification, railway composite infrastructure projects involving civil, electrical and signal & telecommunication.
- ◆ Hot Strip Mill-Water System at Tata Steel, Kalinganagar has been mechanically completed.

In construction projects, your Company has completed 4 Lac Cub. Mtrs. of concrete and 23 lac inch meter of piping erection and 13000 ton of structural erection.

### New project orders

Industrial Infrastructure SBU has good order booking of ₹ 5628 Crore (PY: ₹ 2889 Crore) and also secured L1 position in projects worth ₹ 3164 Crore. The current order backlog is more than ₹ 11000 crore.

Major Key Contracts awarded to the SBU are as follows;

- ◆ Two coal handling projects from National Thermal Power Corporation Limited.
- ◆ Alternate gas networks of Bokaro steel plant.
- ◆ Composite work in Abu Dhabi National Oil Company, Takreer Refinery.
- ◆ 22 projects in T&D mostly from Power Grid Corporation of India Limited including prestigious Power Transmission Corporation of Uttarakhand Limited-Restructured-Accelerated Power Development & Reforms Programme.
- ◆ Rail system for Navi Mumbai metro (JV with Ansaldo STS SpA and CSR Zhuzhou Electric Locomotive Co. Ltd.). Transportation BU has also been L1 in two packages of Western Dedicated Freight Corridor Corporation of India Limited in JV with Ircon International Limited and MITSUI & Co., Ltd.
- ◆ Secured L1 position in bulk water package in Aurangabad water supply division.
- ◆ Various prestigious Buildings & Construction projects secured from new customers, viz., Mantri Lithos, Mantri WebCity, Mahindra Homes, Jindal Steel and Power and ITC Limited.

### Future outlook

Indian market scenario is likely to improve in the financial year 2015-16, with stable Government in place and expected consistent growth. Your Company is likely to grab new opportunities of growth in all areas of industrial infrastructure and expects substantial increase in order book position. Major areas of growth are envisaged in Power Generation, Transmission & Distribution, Transportation and Construction Services.

The SBU is also aggressively looking at international markets and BUs—Oil, Gas & Hydrocarbon, Power Generation, Transmission & Distribution and Transportation have already taken necessary steps to enter Middle East and East African markets.

## 2. Urban Infrastructure

This SBU was formed in January 2014 to establish the Company's footprint in urban infrastructure sector with focus on buildings, airports, urban transport and hydro power. The SBU entered the financial year 2014-15 with an order backlog of ₹ 280 Crores from the erstwhile Joint Venture with Balfour Beatty for a mixed used development project of Tata Centre, Gurgaon. The SBU was awarded following orders during the year under review.

- ◆ Construction of extension block of super speciality cancer hospital at Tata Medical Centre (TMC), Kolkata by Tata Medical Trust.

- ◆ Residential development project, Mantri Serenity, Bangalore by Mantri Developers. The project comprises of construction of 5 towers having 23 to 30 floors with built up area of 4.3 Mn.sft. using tunnel form technology.
- ◆ Construction of IT Park (SEZ) at Indore by Tata Consultancy Services Limited.
- ◆ Construction management of candor office parks – a group of SEZ units spread over Gurgaon, Noida and Kolkata. (This is under a consortium with Brookfield Multiplex, Australia)
- ◆ Construction of approximately 9.5 Kms of elevated corridor with eight stations from Dilshad Garden (New Delhi) to new bus adda (Ghaziabad) by Delhi Metro Rail Corporation Limited. The order was won in Joint Venture with Guangdong Yuantian Engineering Corporation (GYT), China and marked the entry of your Company in metro sector.

### Strategic Alliances

The SBU formed strategic alliances with leading international contractors to offer unique combination of world class construction techniques and domestic expertise to the clients. Memorandum of Understanding (MoU) was signed with Brookfield Multiplex, Australia to jointly pursue opportunities in Indian real estate sector with an intention to bring international construction practices. In urban transport sector, Joint Venture was formed with GYT China to execute the elevated metro projects. Further, alliances were made with Salinilmpergilo, Italy and Ozaltin, Turkey in Hydro sector.

### Outlook

With rapid urbanization and demographic growth, there is a strong demand for high quality commercial and residential space with well-connected and efficient transport network. Equipped with strong dedicated core team with extensive experience and domain knowledge, this SBU can undertake projects in buildings, airports, urban transport and hydro sector. With a total healthy order book of about ₹ 1800 Crore on hand, the SBU looks forward to increase turnover and better performance going forward.

### Buildings and Airports

This SBU has successfully pre-qualified for

- ◆ Mumbai metro line-3 worth ₹ 25,000 Crore through a Joint Venture with Continental Engineering Corporation of Taiwan and ITD Cementation India. The bids are under preparation and are scheduled for submission in May 2015 with possibility to be awarded at least 2 packages out of 7 packages.
- ◆ 240 MW JSW Kutehr Hydro Power Project in Himachal Pradesh, India
- ◆ 750 MW Kafue Lower Gorge Hydro Power Project in Zambia.

### 3. Quality Services (QS)

The SBU is a leading Inspection and Certification agency with pan India and overseas presence, having offices in China, Korea and UAE and currently providing services in 40 Countries. The revenue during the year from this SBU was ₹ 89.10 crore (PY: ₹ 66.3 crore). It has bagged several orders in its traditional sectors and also in the field of renewable energy.

In the global market, it has strengthened its presence in UAE. In the domestic market, it has deepened presence and acquired new customers. Some of the key wins include; R&M service contracts for Rourkela steel plant-Steel Authority of India Limited blast furnace, Tata Reality road project and energy audits for Rourkela and Durgapur steel plants and field quality services for multiple customers in the renewable energy sector.

### Outlook

The SBU is expanding its global presence to service its existing customer portfolio and is in the process of setting up Joint Ventures in Oman and Kingdom of Saudi Arabia (KSA). The SBU is strengthening growth through focused Key Account Management, increasing width and depth of service offerings, forging global partnerships and alliances. The operational effectiveness is being enhanced through comprehensive digitization and simplification of its business processes.



#### **4. Utility Services**

This SBU deals with Packaged RO, UF and DeSal Water Systems of different capacities for community and commercial segments. It has successfully developed and implemented a bankable social entrepreneurship model. This SBU has succeeded in scaling the revenue by five (5) times during the year in community segment. Your Company is evaluating opportunity in commercial markets through strong channels in the coming years.

Your Company has been successful in developing gravity flow of UF systems that run without grid power for small villages in tribal areas and has developed RO plants using non-membrane technology with low energy consumption for identified communities.

#### **HUMAN RESOURCE DEVELOPMENT**

This function initiated number of interventions and processes to be in consonance with consolidation and growth efforts of the Company. Work levels based on rich jobs study have been successfully implemented.

Your Company achieved 10,000 man-days of functional training for management staff accounting to 7.1 man-days per employee. With a view to strengthen the project management capability for critical position holders, your Company launched ECPM courses for Resident Construction Managers/Project Managers, distributed learning modules for site supervisors and engineers through EPC Academy. 13,000 man-days of safety training was completed at the project sites leading to increased safety performance at all sites. In addition to this 6500 man-days of training was completed covering aspects like appreciative enquiry, achievement motivation, personality development and managerial excellence.

Employee engagement survey score of your Company stood at 4.05 (Year 2014) as against previous engagement score of 3.98 on a 5 point scale. Overall attrition level was 7.46% in the financial year 2014-15 while the industry average was around 12%. Your Company revisited HR policies to be contemporary and rolled out integrated intranet and knowledge management portal with complete taxonomy on Share-Point 2013.

Processes to ensure statutory compliances are in place. Industrial relations at all the project sites remained cordial and harmonious during the year.

#### **REMUNERATION POLICY**

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors have approved and adopted a Remuneration Policy for its Directors, Key Managerial Personnel (KMP) and other employees as required under Section 178 (3) of the Companies Act, 2013.

#### **CHANGE IN THE NATURE OF BUSINESS**

The basic nature of business of your Company remains the same and there is no change in the nature of business. However, your Company is diversifying from predominantly being into industrial infra to urban infra.

#### **SUBSIDIARIES AND JOINT VENTURE COMPANIES**

##### **Subsidiaries**

##### **Artson Engineering Limited (AEL)**

AEL reported a total income of ₹ 64.72 Crore for the financial year ended 31<sup>st</sup> March 2015 (PY: ₹ 79.03 Crore) with a loss of ₹ 1.99 Crore (PY: Loss of ₹ 8.33 Crore). The Company has booked approximately ₹ 56 crore worth of orders and a total order backlog for the year was at ₹ 116 crore approximately. The Company has improved project executions during the year under review, thereby reduced the loss and aims to become PBT positive in the financial year 2015-16.

##### **Tata Projects Infrastructure Limited (TPIL)**

This Company was incorporated as a wholly owned subsidiary to support your Company's foray into development projects in select sectors. It is proposed that the development projects won under Public Private Partnerships (PPP) or Build, Own and Operate (BOO) format in future will be executed through this subsidiary.

##### **FoodCert India Private Limited (FCI)**

Your Company has acquired FoodCert India Private Limited (FCI) during the year, it is an inspection and certification Company focussed on the food sector, which is an upcoming business with large potential in India. Recent initiatives by Food Safety and Standards Authority of India (FSSAI) will have significant positive impact on this business. This Company has several approvals and accreditations valid across India.

## **TPL-TQA Quality Services South Africa (Proprietary) Limited & TPL-TQA Quality Services (Mauritius) Pty Limited**

The existing contract with client Eskom Holdings Limited (Eskom) is due for renewal. The Company has submitted its bid, which are under evaluation. The Company is likely to be amongst the empanelled service providers for a duration of 5 years. Pending the award of new contract, services off take has reduced and is reflected in the performance of these Companies.

## **TQ Services Europe GmbH, Germany**

This Company was formed as a wholly owned subsidiary to support global customers for their European quality service requirement which has got initial momentum and expected to sustain business growth.

## **TPL-Asara Engineering South Africa Proprietary Limited**

This Company was incorporated during the year under review, mainly for taking up the works of Eskom's Power Transmission Projects in South Africa. To enable taking up such works, empanelment with Eskom and registration with Construction & Infrastructure Development Board (CIDB) of South Africa are mandatory. In pursuance of this, the Company is now qualified and empanelled with Eskom to take up Power Transmission Projects of capacity up to 765 KV.

## **Joint Venture Companies**

### **Al-Tawleed for Energy & Power Company LLC**

This Joint Venture (JV) Company with M/s Abdullah Ibrahim Al-Towaijiri & Partners Co (Al Mashrik Contracting Company) was formed in the year 2006 for execution of power, infrastructure and industrial projects in the Kingdom of Saudi Arabia (KSA), the JV proved to be no longer viable and hence it is considered appropriate to wind up. The process of winding up is in progress.

### **TEIL Projects Limited (TEIL)**

This Joint Venture Company with Engineers India Limited (EIL) participated in contracts for providing engineering consultancy services such as design and engineering, procurement assistance and construction supervision, besides small EPC projects in manufacturing and infrastructure sectors. During the year, the Joint Venture posted a turnover of ₹ 1.99 Crore (PY: ₹ 2.34 crore) with a loss of ₹ 1.29 Crore (PY: loss of ₹ 0.91 crore) and has a closing order book of ₹ 2.2 Crore (PY: ₹ 2.43 crore)

## **DETAILS OF SUBSIDIARIES AND JOINT VENTURE COMPANIES (JVCs) CEASED AND ACQUIRED DURING THE YEAR**

During the period under review none of the existing Subsidiaries and JVCs ceased to be Subsidiaries and JVCs. However, in addition to the existing Subsidiaries and JVCs the following new companies have been acquired/ incorporated

- 1 FoodCert India Private Limited acquired during the year, as a 100% Subsidiary; and
- 2 TPL-Asara Engineering South Africa (Proprietary) Ltd., incorporated during the year in South Africa as a Joint Venture Company, in which your Company holds 70% of Equity.

## **ACQUISITION OF 26.33% SHARES JOINTLY BY TATA CAPITAL LIMITED AND OMEGA TC HOLDINGS PTE. LTD.**

Tata Capital Limited and Omega TC Holdings Pte. Ltd., (Omega TC) have purchased the shares held by Tata Steel Limited, Tata Motors Limited, The Indian Hotels Company Limited and Tata International Limited in the Company by way of Share Purchase Agreements dated March 26, 2015. Omega TC, a foreign company, now holds 24.12% of the issued and paid up share capital of the Company and Tata Capital holds 2.21% of the share capital.

The Company and its shareholders have entered into a Shareholders Agreement dated March 26, 2015 with Tata Capital and Omega TC, and as per the Shareholders Agreement, Tata Capital and Omega TC have certain rights including a right to appoint a Director on the Board. In exercise of their rights under the Shareholders Agreement, Tata Capital and Omega TC have proposed the name of Mr. Padmanabh Sinha to be appointed as a Director on the Board, subject to the approval of Members at the ensuing Annual General Meeting.

Further in terms of the Shareholders Agreement, it is proposed to restate the Articles of Association (AoA) of the Company in such a manner that, the major clauses of Shareholders Agreement shall be reflected in the AoA. As such,

a resolution for adopting the re-stated AoA is proposed at the ensuing Annual General Meeting for the approval of the members.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) AND AFFIRMATIVE ACTION**

Your Company has formulated CSR Policy during the year 2014-15. The initiatives and identified areas include skill development, safe drinking water and education. Your Company successfully trained youth in construction skills, tower erection and in operating RO plants. During the year about 2000 students benefited by way of support through scholarships.

Entrepreneurs trained from affirmative action communities have successfully set up businesses in construction, transmission & distribution and water businesses. Your Company has done exceptional work during relief and rehabilitation efforts post Hudhud cyclone, which was appreciated by the Government of Andhra Pradesh.

The implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of your Company. The Annual Report on the CSR activities is as provide in **Annexure - 1** and forms part of this report

### **Business Excellence**

Your Company participated in TBEM external assessment during the financial year 2014-15 and was placed in the band of 451-550 with a score of 511. The key actions identified, were presented to the Board and are being implemented across the enterprise. More than 150 processes at L3 and L4 levels have been mapped and deployed. Processes in P2P and O2C are being re-engineered and integrated with ERP. Key processes in SCM, contracts and risks were revised and implemented. The sustainability report based on Global Reporting Initiative (GRI) guidelines has been released for internal circulation. Your Company is re-certified for ISO 9001:2008. The Innoways initiative received 750 entries, which demonstrated high levels of employee engagement and cultural improvement in your organisation.

### **ENVIRONMENT, HEALTH AND SAFETY (EHS)**

During the year total 83.27 million safe man hours were achieved, out of which 30.12 million safe man hours were in transmission and distribution business. Application of retractable fall arrestor, vertical life line with fall arrestor during ascending/descending movement, safety net and horizontal life line were implemented, which is an innovative way of providing safe working conditions while working above the ground and allowing movement on the towers during erection and stringing activity. Use of power winches in place of tractors was implemented for heavy lifting works in remote areas. The quality of supervision has been significantly increased through mobilization of safety stewards at all points of activity. Use of F-15 cranes was also inducted progressively to eliminate the use of hydras in lifting operations. More than 7.2 million safe man hours achieved in prestigious Eastern Dedicated Freight Corridor project of SBU Industrial Infrastructure. More than 18 million man hours achieved in ongoing BU-Construction Services projects by following safety modules such as site safety induction, HIRA and safe operation procedures, on site job demonstrations and HIRA talk.

During the year, your Company achieved an Accident Severity Rate (ASR) of 217, which is an improvement (PY: 264.67). Krishnapatnam Power Generation project site crossed 42 safe million man hours of work and Kalinganagar, Tata Steel Limited project site crossed 33.1 safe million man hours of work since project inception. Out of the total 83 active projects sites, 80 sites reported "Zero fatality working" during the year. Your Company has been implementing "Permit-To-Work" (PTW) system, "Lock out Tag out" (LOTO) system to ensure hazard free working environment and also introduced an animation film, to explain the workforce at the time of induction on safety and sensitize construction work hazard. Detailed hazard identification and risk assessment was carried out for all critical activities. Site job safety demonstrations were organized across project sites mainly in the transmission and distribution sites. These measures would strengthen to augment safety management system to achieve your Company's goal of "Zero Harm".

### **AWARDS & RECOGNITIONS**

Your Company won the following awards during the year

- (a) Received 'Project award for the year 2014 by Dun and Bradstreet for 2x800 MW Krishnapatnam Supercritical Thermal Power project, the largest public sector project for Andhra Pradesh.
- (b) Exemplary project award for the year 2014 by Dun and Bradstreet for the Nellore-Kurnool 765 MW double circuit

transmission line, the longest transmission line with the highest single contract order value ever awarded by Power Grid.

- (c) Outstanding contribution in power transmission and distribution (EPC category) award for Nellore Kurnool transmission line from EPC World for the year 2014.
- (d) Received the runners-up award of "infrastructure Company of the year" and water project of the year from Construction Week for the year 2014.
- (e) Awarded as one of the most admired and 3<sup>rd</sup> fastest growing construction Company in India by Construction World for the year 2014.
- (f) Received two prestigious awards for highest registrations and highest contribution to experience hub on Tata Engage from Tata Group on the occasion of 175<sup>th</sup> Founder's day.
- (g) Awarded 4 prestigious awards-one Gold, two Silver and one Bronze-from the Association of Business Communicators of India for Internal Communication's campaign on corporate intranet, innovation and environment.
- (h) Recognition for Best practices amongst Tata group companies for "Supplier Quality Management" process. The Supply Chain Management division of the Company won this award for "Category Based Strategic Procedures"
- (i) Awarded certificate of appreciation for CSR, especially for the entrepreneurship development program undertaken by the Company from Greentech Foundation at the Third Annual Greentech CSR Awards ceremony.
- (j) Received the highest capitalization award and safety award from Power Grid for financial year 2014-15.
- (k) Internal communications team won 4 awards (1 Gold, 2 Silver and 1 Bronze) on the 54<sup>th</sup> annual awards night of the ABCI (Association of Business Communicators of India).

## CREDIT RATING

Credit rating as per the external agencies was as follows

- a. Fund-based and non-fund based limits in line with BASEL-II Guidelines. India Ratings and Research Private Limited (formerly known as Fitch Ratings) has reaffirmed the rating of "IND AA-" for fund based limits and "IND AA- (Long-Term)/IND A1+" (Short-Term) for non-fund based working capital limits;
- b. Rating of the Company by Dun and Bradstreet  
M/s Dun & Bradstreet has rated your Company at 5A2 which indicates overall status of the Company as "Good"
- c. Rating for Short Term Debt Programme by CRISIL Limited  
CRISIL's Rating on the short term debt programme of your Company is assigned as "CRISIL A1+"

## CORPORATE GOVERNANCE

Your Company has always followed good Corporate Governance practices in pursuit of its objective of growth with excellence.

### A. Board and Committees of the Board

During the financial year under review, nine (9) Board Meetings were held. Further, five (5) Audit Committee Meetings, four (4) Nomination & Remuneration Committee Meetings and one (1) Meeting of CSR, Safety and Sustainability Committee were held during the year under review.

The Audit Committee was reconstituted in terms of Section 177 of the Companies Act 2013 comprising of Mr. Samir Kumar Barua as Chairman (Independent Director); Ms Neera Saggi (Independent Director); and Mr. Sowmyan Ramakrishnan as members. Mr Parashuram Ganesh Date was also nominated as permanent observer to the Audit Committee Meetings.

Nomination and Remuneration Committee was re-constituted with Ms Neera Saggi (Independent Director) as Chairperson; Mr Samir Kumar Barua (Independent Director); Mr Sowmyan Ramakrishnan and Mr Prasad Raghava Menon as members of the Committee, which continued to provide valuable guidance in matters relating to personnel.

The CSR, Safety and Sustainability Committee was re-constituted with Mr Prasad Raghava Menon as Chairman; Mr Sowmyan Ramakrishnan; Ms Neera Saggi (Independent Director); and Mr Vinayak Kashinath Deshpande as

members. The Company carries out its CSR activities also through Tata Projects Community Development Trust. Your Company has spent the amount required as per the provisions of Section 135 (5) of the Companies Act 2013 and there was no shortfall in spending the required amount.

The Board also constituted a Committee to review Projects, consisting of Mr Sowmyan Ramakrishnan as Chairman; Mr Pradeep Nilkanth Dhume; and Mr Parashuram Ganesh Date as members.

## **B. Policies**

### **(a) Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company had adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and the rules thereunder. No complaints (in writing) were received during the financial year 2014-15.

### **(b) Vigil Mechanism**

Your Company has adopted a Whistle Blower Policy to report to the management about instances of unethical behaviours, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Under the policy, the employees can approach Company's Ethics Counsellor/ Chairman of Audit Committee directly.

### **(c) Risk Management Policy**

Your Company has developed and adopted a Risk Management Policy which *inter alia* covers identification of elements of risks. There is a formally devised risk reporting system in place. Risk Management Committee has also been constituted comprising of Directors and senior officials of the Company

The Risk Management Committee has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed. There is an adequate risk management infrastructure in place capable of addressing those risks.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviours together governs how business of the Company is conducted and associated risks are managed.

## **C. Internal Systems**

### **(a) Internal Audit**

Your Company's internal control systems comprises of audit and compliance reporting by an in-house internal audit team and also by an external audit firm, M/s PKF Sridhar & Santhanam, Chartered Accountants. The term of office of M/s PKF Sridhar & Santhanam expired on 31<sup>st</sup> March 2015. M/s Ernst & Young LLP, Hyderabad has been appointed as internal auditors for the financial year 2015-16. The internal auditors independently evaluate the adequacy of internal systems, controls and audit majority of the transactions in value terms and systems, from a process and compliance perspective.

Independence of audit and compliance is ensured by direct reporting of internal auditors to Audit Committee of the Board, which provides valuable guidance to improve internal controls.

Your Company continued "Project plus Process" based internal audit in financial year 2014-15 to establish the robustness of critical risk prone business processes across all business units and ensure uniformity/standardization and sharing of best practices.

### **(b) Internal Financial Controls**

Your Company has adopted the policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors. The statutory auditors of your Company have studied the adequacy of the controls and reported that your Company is having adequate control systems

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Particulars prescribed under Section 134(3)(m) of the Companies Act 2013 read with Rule 8(3) of Companies (Accounts) Rules 2014 are as provided in **Annexure - 2** and forms part of this report



## PARTICULARS OF THE EMPLOYEES

The information required under Section 197(12) of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sections 134 (3) (c) and 134 (5) of the Companies Act 2013, for the year ended 31<sup>st</sup> March 2015, based on the controls and compliance systems established and maintained by the Company, reports by internal, statutory, cost and secretarial auditors and external consultant(s); reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that your Company's controls were adequate and effective during the financial year 2014-15.

Accordingly, the Board of Directors, to the best of their knowledge and ability, confirm that

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. In the selection of the accounting policies, the Directors have consulted the statutory auditors and have applied the policies consistently, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. The Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing, detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis; and
- v. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## DIRECTORS

Based on the recommendations of Nomination and Remuneration Committee, Ms Neera Saggi and Mr Samir Kumar Barua were appointed as additional Directors (Non-Executive and Independent) effective 5<sup>th</sup> December 2014 and 25<sup>th</sup> March 2015 respectively. Also Mr Parashuram Ganesh Date was appointed as additional Director (Non-Executive and Non-Independent) with effect from 25<sup>th</sup> March 2015.

The Board is of the opinion that all the three appointees possess requisite skills and knowledge and it would be in the interests of the Company to appoint them as the Directors of your Company.

Pursuant to Section 161 of the Companies Act 2013, Ms Neera Saggi, Mr Samir Kumar Barua and Mr Parashuram Ganesh Date holds office, as Additional Directors up to the date of ensuing Annual General Meeting and are eligible for re-appointment. The Company had received notices in writing from Members proposing their candidature for the office of Directors of the Company. Accordingly, proposal for their appointment as Directors is being placed before the shareholders for approval at the ensuing Annual General Meeting.

Pursuant to Section 149 of the Companies Act, 2013, the Board has, subject to the approval of Members at the ensuing Annual General Meeting, appointed Ms Neera Saggi (for a period of 5 Consecutive years) and Mr Samir Kumar Barua (for a period of 3 Consecutive years) as Independent Directors on the Board of the Company effective 5<sup>th</sup> December 2014 and 25<sup>th</sup> March 2015 respectively, who are not liable to retire by rotation.

As per the requirement of Section 149(7) of the Companies Act 2013, Ms Neera Saggi and Mr Samir Kumar Barua have given declarations that they meet the criteria of independence as specified under section 149 (6) of the Act. The Board was also satisfied that these Directors meet the criteria for independence as laid down in the Companies Act 2013 and accordingly, recommends the proposal for their appointment as Independent Directors at the ensuing Annual General Meeting.

Further, pursuant to Section 160 of the Companies Act 2013, the Company had received notice in writing from Tata Capital Ltd., and Omega TC proposing the candidature of Mr Padmanabh Sinha for the office of Director of the

Company. The Nomination and Remuneration Committee and the Board of Directors of the Company at their meeting held on 6<sup>th</sup> July 2015, took note on the same and recommend the proposal for members' approval. Accordingly, proposal for his appointment as Director is being placed before the shareholders for approval at the ensuing Annual General Meeting.

As per the provisions of the Companies Act 2013 and the Articles of Association of the Company, Mr Sowmyan Ramakrishnan and Mr Prasad Raghava Menon retire by rotation and being eligible, offer themselves for re-appointment.

None of the Directors of your Company are in receipt of commission from any of the subsidiary companies and your Company doesn't have any holding Company.

During the financial year under review, none of the Directors have resigned from the Board and there is no change in the Key Managerial Personnel (KMP) of the Company.

### **STATUTORY AUDITORS**

The Statutory Auditors of your Company, M/s Deloitte Haskins & Sells, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment, if made, would be within the limits prescribed under provisions of the Companies Act 2013. Accordingly, proposal for their re-appointment as Statutory Auditors is being placed before the share holders for approval at the 36<sup>th</sup> Annual General Meeting.

### **COST AUDITORS**

M/s Sagar & Associates, Cost Accountants, were appointed by the Board of Directors to carry on cost audit of Tower Manufacturing Unit at Nagpur. The Company has received a certificate from cost auditors to the effect that they are eligible for re-appointment. The remuneration payable to the cost auditor is proposed at the ensuing Annual General Meeting for ratification by the members.

### **EXTRACT OF THE ANNUAL RETURN OF THE COMPANY**

An extract of the Annual Return as provided under Section 92 (3) of the Companies Act 2013 in form MGT-9 is as provided in **Annexure - 3** and forms part of this report.

### **PARTICULARS OF THE LOANS, GUARANTEES OR INVESTMENTS**

The details of the loans, guarantees, security or investments (reported in form MBP-2), pursuant to Section 186 of the Companies Act 2013, made by the Company are as provided in **Annexure-4** and forms part of this report.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTIES**

Particulars of contracts or arrangements with related parties in form No. AOC-2 as required pursuant to provisions of Section 134(3)(h) and Rule 8 of the Companies (Accounts) Rules, 2014 is as provided in **Annexure - 5** and forms part of this report.

### **MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION, OCCURRED BETWEEN END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT**

The Company has extended a Corporate Guarantee amounting to ₹150 Crores to HDFC Bank Limited on 29<sup>th</sup> April 2015 i.e., after the closure of financial year 2014-15 for sanction of working capital facilities to TPL-ALDESA JV. Apart from this there are no material changes or commitments which may affect the financial position of your Company.

### **PARTICULARS OF DEPOSITS**

During the year under review, your Company has neither accepted any deposits covered under Chapter V of the Companies Act 2013 nor accepted deposits which are not in compliance with the requirements of Chapter V.

### **PARTICULARS OF SIGNIFICANT AND MATERIAL ORDERS**

During the year under review, there were no significant and/or material orders passed by any Regulator/ Court/ Tribunals which could impact the going concern status of your Company and its operations in future.

## SECRETARIAL AUDIT REPORT

The Board of Directors of your Company have appointed Ms A.V.Syamala, Practising Company Secretary, Hyderabad as secretarial auditor, to carry on the secretarial audit for the financial year 2014-15. The Report as required under Section 204 of the Companies Act 2013 in form MR-3 is attached to this report as **Annexure-6** and forms part of this report.

## ANNUAL EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, Committees and performance of individual Directors. The performance of the Board, Committees and individual directors was evaluated by seeking inputs from all Directors based on certain parameters such as: degree of fulfillment of key responsibilities; Board / Committee structure and composition; establishment and delineation of responsibilities to various Committees; effectiveness of Board processes, information and functioning; Board / Committee culture and dynamics and quality of relationship between the Board / Committees and the Management. The Directors made a self assessment of their effectiveness in terms of attendance, contribution at Meetings and guidance / support extended to the Management outside Board / Committee Meetings. The feedback received from the Directors was discussed and reviewed by the Independent Directors at their annual separate Meeting and also shared with the NRC. The Chairman of the Board is a member of NRC. At the separate Meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman of the Company was evaluated taking into account the views of the Managing Director and Non-Executive Directors. The performance of the individual Directors, including Independent Directors, performance and role of the Board / Committees was also discussed at the Board Meeting.

## ACKNOWLEDGEMENTS

The Directors wish to place on record their sincere appreciation for the continued support received during the year from shareholders, customers both in India and abroad, suppliers and vendors, banks, financial institutions, Tata companies, business associates, Joint Venture partners and other authorities.

The Board wishes to place on record its keen appreciation to all employees of the Company whose enthusiasm, dedication and co-operation have made the Company's excellent performance possible.

**On behalf of the Board of Directors**

Date : 6<sup>th</sup> July 2015

Place: Mumbai

**Prasad Raghava Menon**

Chairman

DIN: 00005078

## ANNEXURE - 1

### THE ANNUAL REPORT ON THE CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline of the Company's policy, including overview of projects/programs proposed to be undertaken are as follows:
  - Tata Projects, believes that we have a responsibility towards society. We believe in positively impacting and supporting both the environment and the communities. Company shall give preference to the local area and areas around it where it operates, focussing on sustainability of our programs and empowerment of our communities.
  - We shall strive to align with the Tata Group CSR and other national and internal goals like the Millennium Development Goals (MDG), in line with the schedule VII of the Companies Act 2013, as recommended by the CSR committee of the Board and approved by the Board from time to time. Tata Projects will participate in Group CSR Initiatives in the area of Skill, Water and Disaster Response.
  - We are committed to improving the quality of life of members of the community, especially the under privileged, and wherever possible, we interact with identified NGOs and augment their efforts in this direction.
  - We shall play an active role in promotion of inclusive growth through deployment of Affirmative Action initiatives to drive significant impact.
  - This policy may be viewed at our web link i.e., [www.tataproyects.com](http://www.tataproyects.com).

Our focus areas of development shall include programs on;

#### **Water**

To provide Safe drinking water and develop social entrepreneurs in water space.

#### **Skill Development**

To support the National Skill Development and help Industries to move to a virtuous circle of higher productivity, employment, income growth, enhance employability and development.

#### **Education**

To improving literacy/education efforts by participating in various Government schemes and initiatives of other Corporates and NGOs.

- The corpus to be spent on CSR shall include at least 2% of the average net profit of our India operations for the preceding three financial years. Any surplus arising out of the CSR programs and projects shall not form part of business profits of the Company.
  - We will implement all CSR activities through Tata Projects Community Development Trust and other partners like NGOs, Academic institutions, Government, other Trusts etc.
  - Implementation of this policy will be monitored and reviewed periodically through a three tier structure comprising: CSR committee of the Board, CSR/AA steering committee and CSR Department.
  - We shall build partnerships and promote innovation through incubation of ideas and technology to address societal needs (Centers of Excellence). We shall continue to actively promote volunteering to enable our employees, our partners to contribute their skills, talents and expertise for development.
2. The CSR Committee consists of Mr Prasad Raghava Menon, Chairman, Mr Sowmyan Ramakrishnan, Ms Neera Saggi and Mr Vinayak K Deshpande as members.
  3. Average Net Profit of the Company for the last three financial years is ₹152.83 Crore.
  4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) is ₹3.05 Crore.
  5. Details of CSR spent during the financial year.
    - (a) Total amount to be spent for the financial year is ₹3.05 Crore.
    - (b) Amount unspent is:- NIL.
    - (c) In addition to the above, amount committed to be spent is ₹ 0.22 Crore towards the Water and Sanitation projects.

(d) Manner in which the amount spent during the financial year is provided below.

Amount in ₹

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or program (2) Over-heads		Cumulative expenditure up to the reporting period	Amount spent Directly or through implementing agency*
					Direct Exp.	Over Heads		
1.	Skill Development	Clause (ii) Employment enhancing vocational skills especially amongst children, women, elderly and the differently abled	Telangana-Hyderabad, Rangareddy Dist, Andhra Pradesh - Srikakulam, Rajahmundry, Jharkhand - East Singhbhum, Maharashtra - Chandrapur, Nashik, Nagpur, Odisha - Jajpur, Kalinga Nagar	1,19,75,000	76,50,136	3,87,813	80,37,949	Implementing Agency – Sir Ratan Tata Trust and TPCDT
2.	Water & Sanitation	Clause (i) Sanitation and making available clean drinking water	Andhra Pradesh - Srikakulam, Vizianagaram, Vishakapatnam, Nellore, Anantpur, Telangana-Hyderabad, Rangareddy Dist, Karimnagar, Mahaboobnagar, Newdelhi-J J Cluster, Rajasthan-Sriganga Nagar, Tamilnadu-Krishnagiri, Karnataka-Kolar	1,14,00,000	1,46,24,901	7,41,390	1,53,66,291	Direct
3.	Education	Clause (ii) Promoting Education including special education, especially amongst children, women, elderly and the differently abled	Telangana-Hyderabad, Rangareddy Dist, Maharashtra - Nagpur, Madhya Pradesh - Jabalpur, Tamilanadu - Tirunelveli, New Delhi - JJ Cluster	36,00,000	10,24,499	51,936	10,76,435	Direct



(d) Manner in which the amount spent during the financial year is provided below.

Amount in ₹

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or program (2) Over-heads		Cumulative expenditure up to the reporting period	Amount spent Directly or through implementing agency*
					Direct Exp.	Over Heads		
4.	Community Development	Clause(x) Rural development projects	Andhra Pradesh - Nellore, Anantapur, Kurnool, Visakhapatnam, Srikakulam, Vizianagaram Odisha -Mayurbhanj, Angul, Maharashtra - Pune, Nagpur, Manipur-Bora	35,91,000	59,57,758	1,14,864	60,72,622	Direct
<b>Total</b>				<b>3,05,66,000</b>	<b>2,92,57,294</b>	<b>12,96,003</b>	<b>3,05,53,297</b>	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report - NA.

**Vinayak K Deshpande**  
Managing Director  
DIN: 00036827

**Prasad Raghava Menon**  
Chairman- CSR Committee  
DIN: 00005078

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGES AND OUTGO****A. Conservation of energy****(i) Steps taken or impact on conservation of energy**

- Installed Real Time Auto Power Factor Control Panel to maintain Unity Power Factor, for which the Company Received ₹ 7,67,650/- as an incentive.
- Use of 250 W induction lamps for production shop in place of 400 W High Bay Metal Halide Mercury Vapour Lamps (50 Numbers) saved 33000 KWH power, resulted in saving of ₹ 2,37,000/-.
- Improved the utilization of galvanizing furnace by maintaining continuous feed and maintained constant heat throughput by proper setting of burners, which resulted in saving of Ignite Oil by 3.5% in terms of KL 11 and saved ₹ 11,56,000/- during the year.
- Installed mechanical type Air Ventilators in RO building in Medchal workshop, which saved usage of power.

**(ii) Steps taken by the Company for utilising alternate sources of energy**

- Introduced gravity operated Ultra Filtration (UF) system and installed one pilot plant in Odisha tribal area for safe drinking water, which does not require power.
- Introduced Nano Membrane technology for community safe drinking water for low TDS water source (<600 ppm).
- Introduced Solar operated UF Plants for providing safe drinking water.

**(iii) Capital investment on energy conservation equipment installed**

- Power Factor Panel worth ₹ 6,99,000/- purchased and installed during the year;
- Induction Lamp worth ₹ 10,00,000/- was purchased and installed during the year.

**B. Technology absorption****(i) Efforts made towards technology absorption**

- It is expected that newer technologies are likely to emerge in future such as replacing membrane based technologies like UF and RO in water purification areas. Your Company's utility services business has entered into a MoU with MIT to work on new technology for purifying sea water using electro static technology.
- Started use of Automatic Panel for Stamping Machine in place of manual operation, which resulted in power savings.
- Started use of Goliath Crane for handling of Raw Material in Raw Yard span of Crane.
- Started use of SPECTRO machine for in-house testing of Steel and Zinc for Metal level Analysis.

**(ii) Benefits derived like product improvement, cost reduction, product development or import substitution;**

- Used filter press for reduction of Hazardous Weight Quantity and reduced the Hazardous Waste Quantity by 25 % with potential saving of ₹ 25,00,000 during the year, considering the level of production in previous year.
- Developed solar operated pumps from Grundfos India to run regular RO plants with solar power, making following advantages
  - Grid power not required
  - Operates on solar power
  - Saves around 2 kW power per hour
  - Environment friendly
  - Reduction in running cost

**(iii) Imported technology (imported during the last three years reckoned from the beginning of the financial year)**

**(a) The details of technology imported**

1. Spectro Machine for Metal Level analysis.
2. CNC Angle Line Punching Machine HP 16T4 (2 Numbers)
3. CNC Angle Line Drilling Machine HP35T (1 Number)
4. CNC Plate Punching and Drilling P113 (1 Number)

**(b) The year of import**

1. Spectro Machine for metal level analysis was imported during the year 2011-12.
2. CNC Angle Line Punching Machine HP 16T4, 2 Numbers were imported during the Financial Year 2012-13.
3. CNC Angle Line Drilling Machine HP35T, 1 Number was imported during the Financial Year 2012-13.
4. CNC Plate Punching and Drilling P113, 1 Number was imported during the Financial Year 2012-13.

**(c) Whether the technology is fully absorbed**

Technology of all equipment was fully absorbed during the year.

**(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA**

**(iv) The expenditure incurred on Research and Development: NA**

**C. Foreign exchange earnings and Outgo**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as follows

<b>Earnings/Outgo</b>	<b>Year ended 31<sup>st</sup> March 2015</b>	<b>Year ended 31<sup>st</sup> March 2014</b>
Earnings	244.99	156.72
Outgo	213.01	379.95

**On behalf of the Board of Directors**

**Prasad Raghava Menon**  
 Chairman  
 DIN: 00005078

**THE EXTRACT OF THE ANNUAL RETURN**

(Pursuant to Section 92 (3) of the Companies Act, 2013 in the form of MGT-9)

**Form MGT- 09**
**Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> March 2015**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i.	CIN	U45203AP1979PLC057431
ii.	Registration Date	20 <sup>th</sup> February 1979
iii.	Name of the Company	Tata Projects Limited
iv.	Category / Sub-Category of the Company	Indian, Non-Government Company Limited by Shares
v.	Address of the Registered office and contact details	Mithona Towers – 1, 1-7-80 to 87, Prenderghast Road, Secunderabad – 500003
vi.	Whether listed Company (Yes/No)	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011. e-mail: csg-unit@tsrdarashaw.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated.

The Company operates its business through four Strategic Business Units Viz., Industrial Infrastructure, Urban Infrastructure, Quality Services and Utility Services.

S.No.	Name and Description of main products / services	NIC Code of the Product/ service - 2008	% to total turnover of the Company
1.	Industrial Infra	331,360,410,421,422,429, 711,712 and 854	96%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

Sl. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1	Artson Engineering Limited	L27290MH1978PLC020644	Subsidiary	75	2(87)
2	TEIL Projects Limited	U74140DL2008PLC180897	Associate	50	2(6)
3	Tata Projects Infrastructure Limited	U45200TG2013PLC088608	Subsidiary	100	2(87)
4	FoodCert India Private Limited	U74220TG2003PTC040523	Subsidiary	100	2(87)
5	TPL – TQA Quality Services South Africa (Proprietary) Limited	2009/012351/07	Subsidiary	60	2(87)
6	TPL – TQA Quality Services (Mauritius) Pty Limited	083234C1/GBL	Subsidiary	70	2(87)
7	TQ Services GmbH, Germany	HRB 68170	Subsidiary	100	2(87)
8	TPL-Asara Engineering South Africa (Proprietary) Limited	2014/ 193249/ 07	Subsidiary	70	2(87)
9	Al-Tawleed for Energy & Power Co, KSA (under Liquidation)	101/101000/8375	Associate	30	2(6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>	0	0	0	0.00%	0	0	0	0.00%	0
a) Individual / HUF	0	0	0	0.00%	0	0	0	0.00%	0
b) Central Government	0	0	0	0.00%	0	0	0	0.00%	0
c) State Government	0	0	0	0.00%	0	0	0	0.00%	0
d) Bodies corporate	0	0	0	0.00%	0	0	0	0.00%	0
e) Bank/ Financial Institutions	0	0	0	0.00%	0	0	0	0.00%	0
f) any other	0	0	0	0.00%	0	0	0	0.00%	0
<b>Sub-total (A) (1)</b>	0	0	0	0.00%	0	0	0	0.00%	0
<b>(2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0.00%	0	0	0	0.00%	0
b) Other – Individuals	0	0	0	0.00%	0	0	0	0.00%	0
c) Bodies corp.	0	0	0	0.00%	0	0	0	0.00%	0
d) Banks/ FI	0	0	0	0.00%	0	0	0	0.00%	0
e) Any other	0	0	0	0.00%	0	0	0	0.00%	0
<b>Sub-total (A) (2)</b>	0	0	0	0.00%	0	0	0	0.00%	0
<b>Total Shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	0	0	0	0.00%	0	0	0	0.00%	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0
b) Banks / Financial Institutions	0	0	0	0.00%	0	0	0	0.00%	0
c) Central Government	0	0	0	0.00%	0	0	0	0.00%	0
d) State Government	0	0	0	0.00%	0	0	0	0.00%	0
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0
g) FIs	0	0	0	0.00%	0	0	0	0.00%	0
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	1290000	735000	2025000	100%	2025000	0	2025000	100%	NIL
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0.00%	0	0	0	0.00%	0
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	0	0	0	0.00%	0	0	0	0.00%	0
c) Others (specify)									
Non Resident Individual	0	0	0	0.00%	0	0	0	0.00%	0
<b>Sub-total (B)(2)</b>	0	0	0	0.00%	0	0	0	0.00%	0
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	1290000	735000	2025000	100%	2025000	0	2025000	100%	NIL
<b>C. Shares held by Custodian for DR&amp; ADR</b>	0	0	0	0.00%	0	0	0	0.00%	0
<b>Grand Total (A+B+C)</b>	1290000	735000	<b>2025000</b>	<b>100%</b>	<b>2025000</b>	<b>0</b>	<b>2025000</b>	<b>100%</b>	<b>NIL</b>



## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	NIL	0	0.00%	0.00%	0	0.00%	0.00%	0.00%

## iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>At the beginning of the year</b>	0	0.00%	0	0.00%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.,)	0	0.00%	0	0.00%
2	<b>At the End of the year</b>	0	0.00%	0	0.00%

## iv) Shareholding Pattern of top ten Shareholders\* (other than Directors, Promoters and Holders of GDR and ADR)

S. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase / Decrease in Shareholding during the Year specifying reasons for increase/ decrease			At the end of the year (or the date)	
		No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company	Date	No. of shares	Increase/ (Decrease)	No. of shares	% of Total shares of the Company
1	The Tata Power Company Limited	9,67,500	47.78	9,67,500	47.78	Nil	Nil	Nil	9,67,500	47.78
2	Tata Steel Limited	90,000	4.44	2,18,250	10.77	30.05.14	1,28,250	Increase	2,18,250	10.77
3	Tata Chemicals Limited	1,93,500	9.56	1,93,500	9.56	Nil	Nil	Nil	1,93,500	9.56
4	Tata Sons Limited	1,35,000	6.67	1,35,000	6.67	Nil	Nil	Nil	1,35,000	6.67
5	Tata Motors Limited	1,35,000	6.67	1,35,000	6.67	Nil	Nil	Nil	1,35,000	6.67
6	Voltas Limited	1,35,000	6.67	1,35,000	6.67	Nil	Nil	Nil	1,35,000	6.67
7	The Indian Hotels Limited	90,000	4.44	90,000	4.44	Nil	Nil	Nil	90,000	4.44
8	Tata International Limited	90,000	4.44	90,000	4.44	Nil	Nil	Nil	90,000	4.44
9	Tata Industries Limited	60,750	3.00	60,750	3.00	Nil	Nil	Nil	60,750	3.00
10	TRF Limited	67,500	3.33	0	0.00	30.05.14	67,500	Decrease	0	0.00
11	Kalimati Investment Company Limited	60,750	3.00	0	0.00	30.05.14	60,750	Decrease	0	0.00

**v) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>At the beginning of the year</b> Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.,)	0	0.00%	0	0.00%
		0	0.00%	0	0.00%
2	At the End of the year	0	0.00%	0	0.00%

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment** (₹ in Lac)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	22,864.71	6,157.02	-	29,021.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>22,864.71</b>	<b>6,157.02</b>	-	<b>29,021.73</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	857.72	17,580.31	-	18,438.03
Reduction	-	-	-	-
<b>Net Change</b>	<b>857.72</b>	<b>17,580.31</b>	-	<b>18,438.03</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	23,722.43	23,737.33	-	47,459.76
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>23,722.43</b>	<b>23,737.33</b>	-	<b>47,459.76</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

(Amount in ₹)

S. No.	Particulars of Remuneration to Managing Director - Mr Vinayak Kashinath Deshpande	Total Amount
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	174,70,720
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9,35,000
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	0
2.	Stock Option	0
3.	Sweat Equity	0
4.	Commission	
	- as a % of profit	
	- others, specify	2,00,00,000
5.	Others, please Specify (Royalty)	0
	<b>Total (A)</b>	<b>3,84,05,720</b>
	<b>Ceiling as per the Act</b>	<b>11,15,00,000</b>

**B. Remuneration to other Directors**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors						Total
		Ms Neera Saggi	Mr Samir Kumar Barua	Mr P N Dhume	Mr Prasad R Menon	Mr S Ramakrishnan	Mr Parashuram G Date	
<b>1</b>	<b>Independent Directors</b>							
	• Fee for attending Board committee meetings and Independent Directors meeting	1,20,000	20,000	NA	NA	NA	NA	<b>1,40,000</b>
	• Commission	5,00,000	50,000	NA	NA	NA	NA	<b>5,50,000</b>
	<b>Total (B)(1)</b>	<b>6,20,000</b>	<b>70,000</b>	NA	NA	NA	NA	<b>6,90,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>							
	• Fee for attending Board committee meetings	NA	NA	2,55,000	3,20,000	3,00,000	20,000	8,95,000
	• Commission	NA	NA	12,00,000	20,00,000	15,00,000	50,000	47,50,000
	<b>Total (B) (2)</b>	NA	NA	<b>14,55,000</b>	<b>23,20,000</b>	<b>18,00,000</b>	<b>70,000</b>	<b>56,45,000</b>
	<b>Total (B)= (1)+(2)</b>	<b>6,20,000</b>	<b>70,000</b>	<b>14,55,000</b>	<b>23,20,000</b>	<b>18,00,000</b>	<b>70,000</b>	<b>63,35,000</b>
	<b>Total Managerial Remuneration</b>							
	<b>Overall Ceiling as per the Act</b>	<b>1,00,000 per meeting</b>	<b>1,00,000 per meeting</b>	<b>1,00,000 per meeting</b>	<b>1,00,000 per meeting</b>	<b>1,00,000 per meeting</b>	<b>1,00,000 per meeting</b>	

**Note**

Sitting Fee Details for the FY 2014-15	
Type of Meeting	Amount in Rs.
Board Meeting	20,000 per meeting effective July 2014
Audit Committee Meeting	20,000 per meeting effective July 2014
Nomination and Remuneration Committee	20,000 per meeting effective July 2014
Corporate Social Responsibility Committee	10,000 per meeting effective July 2014

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		MD	Company Secretary	CFO	TOTAL
<b>1.</b>	<b>Gross Salary</b>				
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	174,70,720	49,35,678	73,39,737	2,97,46,135
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	9,35,000	78,472	2,49,235	12,62,707
	c. Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0
<b>2.</b>	Stock Option	0	0	0	0
<b>3.</b>	Sweat Equity	0	0	0	0
<b>4.</b>	Commission				
	- as a % of profit				
	- others, specify	2,00,00,000	0	0	2,00,00,000
<b>5.</b>	Other, please specify	0	0	0	0
	<b>Total (A)</b>	<b>3,84,05,720</b>	<b>50,14,150</b>	<b>75,88,972</b>	<b>5,10,08,842</b>

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-
<b>B. Directors</b>					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-
<b>C. Other Officers in Default</b>					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-

On behalf of the Board of Directors

**Prasad Raghava Menon**  
Chairman  
DIN: 00005078

**ANNEXURE - 4**
**THE DETAILS OF THE LOANS, GUARANTEES, SECURITY OR INVESTMENTS MADE BY THE COMPANY**

(Pursuant to Section 186 of the Companies Act 2013)

**Corporate Guarantees**

Name and address of the person or body corporate to whom it is made or given	Amount in INR	Purpose
To Yes Bank on behalf of TEIL Projects Limited, Engineers India Bhawan, 1 Bhikaiji Cama Place, New Delhi- 110066	2,00,00,000	Enabling TEIL to avail financial assistance
To Tata Capital Financial Service Limited on behalf of Artson Engineering Limited, 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai-400076	20,00,00,000	Enabling AEL to avail short term loan
To Tata Capital Financial Service Limited on behalf of Artson Engineering Limited, 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai-400076	5,00,00,000	Enabling AEL to avail working capital demand loan
To Corporation Bank on behalf of Artson Engineering Limited, 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai-400076	30,00,00,000	Enabling AEL to avail financial assistance

**Loans**

Name and address of the person or body corporate to whom it is made or given	Amount in INR	Purpose
Artson Engineering Limited, 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai-400076	19,30,39,400	Working Capital

**Inter Corporate Deposits**

Name and address of the person or body corporate to whom it is made or given	Amount in INR	Purpose
Artson Engineering Limited, 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai-400076	21,00,00,000	Working Capital
NSL Nagapatnam Power and Infratech Pvt. Ltd, NSL Icon, Door No.8-2-648, Plot No. 1 to 4, Road No. 12, Banjara Hills, Hyderabad-500034	1,70,00,00,000	Deposit

**Acquisition of shares by the Company**

<b>Name and address of the person or body corporate whose securities have been acquired (Listed/ Unlisted entities)</b>	<b>Amount in INR</b>	<b>Purpose</b>
Virendra Garments Manufacturers Private Limited, Shah House 3rd Floor, Dr A B Road, Worli, Mumbai-4000018	1,20,000	Investment in equity shares
AL-Tawleed for Energy & Power Company, AL-Malaz, P.O. BOX-6108, Riyadh 1142, Saudi Arabia	75,60,000	Investment in equity shares
Artson Engineering Limited, 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai-400076	2,76,90,000	Investment in equity shares
TEIL Projects Limited, Engineers India Bhawan, 1 Bhikaiji Cama Place, New Delhi- 110066	4,99,99,970	Investment in equity shares
TPL-TQA Quality Services(Mauritius) Pty. Ltd., International Financial Services Limited, IFS Court Twenty Eight, Cyber-city, Ebene, Mauritius	11,36,521	Investment in equity shares
TPL-TQA Quality Services (South Africa) (Proprietary) Ltd., Mazars House 197 North Ridge Road, Morningside 4001, Durban 4000	9,33,549	Investment in equity shares
TQ Services Europe GmbH, Goethestraße 7, D-40237 Düsseldorf, Germany	17,33,000	Investment in equity shares
TQ Services Europe GmbH, Goethestraße 7, D-40237 Düsseldorf, Germany	40,86,750	Investment in equity shares
TQ Services Europe GmbH, Goethestraße 7, D-40237 Düsseldorf, Germany	41,63,170	Investment in equity shares
Tata Projects Infrastructure Limited, Room No.2, Ground Floor, Mithona Towers-1, 1-7-80 to 87, Prenderghast Road, Secunderabad - 500 003	4,99,940 equity shares	Investment in equity shares
FoodCert India Private Limited, Room No.3, Fourth Floor, Mithona Towers-1, 1-7-80 to 87, Prenderghast Road, Secunderabad - 500 003 (acquired 11,38,590 equity shares of Rs.10 each for an amount of Rs. 5999947/- from different shareholders)	59,99,947	Investment in equity shares
Tata Dilwoth Secord Meagher & Associates, Bombay House, 24, HomiModi Street, Mumbai-400001	1,80,000	Towards 60% of total capital

**On behalf of the Board of Directors**

**Prasad Raghava Menon**  
Chairman  
DIN: 00005078



**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES IN FORM NO. AOC- 2**

(Pursuant to the provisions of Section 134(3)(h) and Rule 8 of the Companies (Accounts), Rules, 2014)

**Details of contracts or arrangements or transactions not at arm's length basis**

Name and address of the person or body corporate to								
Sl. No.	Name(s) of related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in general meeting
<b>NIL</b>								

Sl. No.	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board/ Audit Committee	Amount paid as advances, if any
<b>Name(s) of the related party and nature of relationship - Artson Engineering Limited (Subsidiary Company)</b>					
1	Increase in unit rates of fabrication of structures at Nashik factory	Completion of the service/ Project	Amendment to PO No 3051 dated 31.07.2014 enhanced the rate from ₹ 11,67,66,024/- to ₹ 11,81,05,402/-	29.01.2015	NIL
2	Amendment in conversion cost of purchase order of fabrication and related works at Nagpur by enhancing the unit rates	Completion of the service/ Project	Amendment to PO No 1727 dated 19.08.2013 enhanced the rate from ₹ 41,69,37,941/- to ₹ 42,63,59,949/-	29.01.2015	NIL
3	Release of withheld retention money against submission of Bank guarantee	One time	Release of ₹ 50 Lac against submission of BG of equivalent value	29.01.2015	NIL
4	Placing order for fabrication of tanks	Completion of the service/ Project	Placing new order for fabrication of Tanks for Hazel Project AED 6219309 (or ₹ 10,57,28,253/-)	29.01.2015	NIL
5	Issue of PO for fabrication of piping work for Pipe Racks -Hazel Project	Completion of the service/Project	Placing new order for fabrication of piping work for Pipe Racks – Hazel Project AED 2262442 (or ₹ 3,90,95,000/-)	29.01.2015	NIL
6	Issue of PO for fabrication of piping work for Pipe Racks – Hazel Project	Completion of the service/Project	Placing a new order for erection work of 4,000 MT for Hazel Project, Sharjah. ₹ 30.26 crores	29.01.2015	NIL
7	Providing corporate guarantee in favour of ICICI Bank as security for facilities availed by AEL	One time/repayment of Working capital by AEL	Furnishing of Corporate Guarantee to ICICI Bank as security for facilities granted to AEL. ₹300 Million	29.01.2015	NIL

Sl. No.	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board/ Audit Committee	Amount paid as advances, if any
<b>Name(s) of the related party and nature of relationship - TEIL Projects Limited (Joint Venture Company)</b>					
8	Installation and commissioning of water purification plants	Completion of the service/ Project	Engaging services for commissioning and installation at ₹18,00,000/- per annum	29.01.2015	NIL
9	Agreement to bid jointly for supply, spares and O&M for water purification plants	time-to-time	Bidding jointly for supply and O & M for water purification plants wherein supply and spares are in TPL scope and O & M in TEIL scope	29.01.2015	NIL
10	Engaging services for maintenance of water purification plants	Completion of the service/ Project	AMC contracting ₹ 7.5 Lac per annum	29.01.2015	NIL
11	Engaging services for sales promotion for sale of water purification plants	Completion of the service/ Project	Appointment as agents at ₹ 81,00,000/- per annum	29.01.2015	NIL

**On behalf of the Board of Directors**

**Prasad Raghava Menon**  
Chairman  
DIN: 00005078

**SECRETARIAL AUDIT REPORT**

The Report as required under Section 204 of the Companies Act 2013 in form MR-3 is as provided below

For the financial year ended 31<sup>st</sup> March, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule number 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
**Tata Projects Limited,**  
Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Projects Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of Tata Projects Limited's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by Tata Projects Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of;

- (i) The Companies Act, 2013 and the Rules made there under;
- (ii) The Depositories Act 1996 and the Regulations and Bye-Laws framed there under.
- (iii) Foreign Exchange Management Act 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment.
- (iv) The Contract Labour (Regulation & Abolition) Act, 1970 and Central Rules, 1977
- (v) The Inter State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979 and Central Rules 1980
- (vi) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act 1996 & Central Rules 1998
- (vii) The Building and Other Construction Workers (Regulation of Employment and Conditions of Services) Cess Act 1996
- (viii) The Factories Act, 1948 & Factories Rules
- (ix) The Industrial Employment (Standing orders) Act, 1946 & Central Rules 1946
- (x) The Industrial Disputes Act 1947 & Rules 1957
- (xi) The Maternity Benefit Act, 1961
- (xii) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 & Central Rules 1960
- (xiii) The Child Labour (Prohibition & Regulation) Act, 1986 & Central Rules 1960
- (xiv) The A.P. Shops & Establishments Act, 1988
- (xv) The Payment of Wages Act, 1936
- (xvi) The Minimum Wages Act, 1948 & Central Rules 1950
- (xvii) The Payment of Bonus Act, 1965
- (xviii) The Equal Remuneration Act, 1976
- (xix) The Employees State Insurance Act, 1948, Central Rules 1950 & General Regulations 1950
- (xx) The Employees Provident Fund & Miscellaneous Provisions Act, 1952, Employees' Provident Funds Scheme 1952
- (xxi) The Payment of Gratuity Act, 1972 & Central Rules 1972
- (xxii) The Employees' Compensations Act, 1923 & Central Rules 1924

- (xxiii) The Mines Act, 1952
- (xxiv) The Mines and Mineral (Regulation and Development) Act, 1957
- (xxv) The Explosives Act, 1884 & Rules 2008
- (xxvi) The Batteries (Management and handling) Rules 2001
- (xxvii) The Air (Prevention and Control of Pollution) Act 1981 & Rules 1983
- (xxviii) The Water (Prevention and Control of Pollution) Act, 1974 & Rules 1975
- (xxix) The Noise Pollution (Control & Regulation) Rules 2000 with Diesel Generation Rules
- (xxx) The Environment (Protection) Act & Rules 1986
- (xxxi) The Energy Conservation Act 2003
- (xxxii) The Andhra Pradesh Fire Services Act 1999 and Andhra Pradesh Fire & Emergency Operations and Levy of Fee Rules 2006
- (xxxiii) The Motor Vehicles Act, 1988 and Rules

Acts Specified under Item Numbers (iv) to (xxxiii) based on their applicability are adopted and complied by Head office<sup>5</sup> or Sites<sup>#</sup> or Factories\* of Tata Projects Limited

<sup>5</sup>:- H.O. means Head office of Tata Projects Limited situated at Mithona Towers-1, 1-7-80 to 87, Prenderghast Road, Secunderabad-500003

<sup>#</sup>:- Site means Project sites at various places.

\*:- .TMU Nagpur & WPPDC, Medchal, Hyderabad units fall within the meaning of "Factory".

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at all Board and General Meetings were unanimous.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company has drawn a legal compliance manual pertinent to all labour, social security, safety and environmental laws applicable to it and compliances are monitored periodically through web-enabled systems.

I further report that during the audit period the Company has acquired an Indian Company and formed a Joint Venture Company in South Africa.

Place: Hyderabad  
Date: 04 May 2015

**A.V. SYAMALA**  
Practising Company Secretary  
**FCS 3906 CP 2632**

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## ANNEXURE A

To  
The Members  
Tata Projects Limited  
Hyderabad

My report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-  
A.V. SYAMALA  
Practising Company Secretary  
Membership No. FCS 3906  
Certificate of Practice No. 2632

Place: Hyderabad  
Date: 04 May 2015



## Standalone Financial Statements





## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TATA PROJECTS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **Tata Projects Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 Standalone 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 standalone 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 standalone 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 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 controls 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 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 standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2015, and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matter**

We invite attention to Note 30.10 regarding the financial statements of one of the Company's subsidiary having been prepared on a "going concern" basis. As at the Balance Sheet date, the net worth of the subsidiary has been fully

eroded and the Company has given financial assistance in the form of inter corporate and other loans aggregating ₹4,030.39 lac and project related advance of ₹2,047.51 lac. No provision has been made for reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government 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:
  - (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 standalone 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of all pending litigations on its financial position in its financial statements in accordance with the generally accepted accounting practice – also refer Note 30.1(i)(a) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 008072S)

**K. Rajasekhar**  
Partner  
(Membership No. 23341)

Place : Secunderabad  
Date : May 18, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Having regard to the nature of the Company's business/ activities/ results during the year, clauses (v) and (viii) of paragraph 3 of the Order are not applicable to the Company.

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the procedures of physical verification by way of physical count, site visits by the Management and certification of extent of work completion by competent persons, are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any major weaknesses in such internal control system.
- (v) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vi) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including 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 material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of 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 material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-Tax, Sales Tax, Service Tax, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lac)
Sales Tax Laws	Sales Tax	Sales Tax Appellate Tribunal	2002-03 to 2007-08 and 2009-10 to 2012-13	1,925.16
		Sales Tax Appellate Authority	1999-2000 to 2001-02 and 2003-04	34.16
		High Court	2001-02 and 2002-03	106.23
VAT Laws	Value Added Tax	First Appellate Authority	2006-07 to 2012-13	2,115.55
		Sales Tax Appellate Authority	2008-09	443.93
		High Court	2008-09	228.83

(d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

- (i) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (ii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (iii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (iv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 008072S)

**K. Rajasekhar**  
Partner  
(Membership No. 23341)

Place : Secunderabad  
Date : May 18, 2015

## Balance Sheet as at March 31, 2015

	Note No.	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
<b>A. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	2,025.00	2,025.00
(b) Reserves and surplus	4	84,883.60	76,702.98
		86,908.60	78,727.98
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	26.06	41.25
(b) Other long-term liabilities	6	-	1,041.54
(c) Long-term provisions	7	2,070.93	1,816.88
		2,096.99	2,899.67
<b>3 Current liabilities</b>			
(a) Short-term borrowings	8	47,459.76	29,021.73
(b) Trade payables	9	234,388.18	218,401.43
(c) Other current liabilities	10	108,217.46	99,921.14
(d) Short-term provisions	11	1,741.97	1,812.38
		391,807.37	349,156.68
<b>Total</b>		<b>480,812.96</b>	<b>430,784.33</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	20,744.02	23,169.29
(ii) Intangible assets	13	958.30	1,022.28
(iii) Capital work-in-progress		434.24	559.12
(b) Non-current investments	14	962.42	897.42
(c) Deferred tax assets (net)	15	5,941.27	5,597.02
(d) Long-term loans and advances	16	8,132.37	7,947.90
(e) Other non-current assets	17	3,783.99	1,846.47
		40,956.61	41,039.50
<b>2 Current assets</b>			
(a) Inventories	18	66,791.36	44,882.92
(b) Trade receivables	19	241,074.11	226,714.15
(c) Cash and cash equivalents	20	19,876.08	16,545.77
(d) Short-term loans and advances	21	84,158.72	87,596.55
(e) Other current assets	22	27,956.08	14,005.44
		439,856.35	389,744.83
<b>Total</b>		<b>480,812.96</b>	<b>430,784.33</b>
Corporate information	1		
Significant accounting policies	2		
<b>See accompanying notes forming part of the financial statements</b>			

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board of Directors**

<b>Prasad R Menon</b> Chairman	<b>Samir Kumar Barua</b> Director	<b>Neera Saggi</b> Director	<b>S Ramakrishnan</b> Director
<b>K Rajasekhar</b> Partner	<b>Vinayak K Deshpande</b> Managing Director	<b>Rajgopal Swami</b> Chief Financial Officer	<b>Dr A Raja Mogili</b> Company Secretary

Place: Secunderabad  
Date: 18<sup>th</sup> May, 2015

Place: Mumbai  
Date: 18<sup>th</sup> May, 2015



**Statement of Profit and Loss for the year ended March 31, 2015**

	Note No.	For the year ended March 31, 2015 ₹ in lac	For the year ended March 31, 2014 ₹ in lac
<b>1 Revenue from operations (gross)</b>		<b>344,439.97</b>	<b>367,024.31</b>
Less: Indirect taxes and duties		10,195.00	7,186.65
Revenue from operations (net)	23	334,244.97	359,837.66
<b>2 Expenses</b>			
(a) Contract execution expenses	25	265,282.74	295,277.68
(b) Cost of materials consumed (Refer Note No.30.6)		19,623.15	16,524.12
(c) Changes in inventories of finished goods, work-in-process and contracts-in-progress	26	-22,473.96	-20,698.60
(d) Employee benefits expense	27	30,293.58	27,534.07
(e) Other expenses	28	18,291.82	22,801.86
<b>Total</b>		<b>311,017.33</b>	<b>341,439.13</b>
<b>3 Earnings before exceptional item, interest, tax, depreciation and amortisation (EBITDA) (1-2)</b>		<b>23,227.64</b>	<b>18,398.53</b>
<b>4 Finance costs</b>	29	7,161.58	3,250.45
<b>5 Depreciation and amortisation expense</b>	12, 13	7,941.65	4,971.48
<b>6 Other income</b>	24	2,199.23	4,264.61
<b>7 Profit before exceptional items and tax (3-4-5+6)</b>		10,323.64	14,441.21
<b>8 Exceptional item (refer Note 30.15)</b>		4,030.85	-
<b>9 Profit before tax (7+8)</b>		14,354.49	14,441.21
<b>10 Tax expense</b>			
(a) Current tax		5,263.78	7,468.78
(b) Taxation of earlier years		-	-794.32
(c) Deferred tax		-278.93	-2,027.35
Net tax expense		4,984.85	4,647.11
<b>11 Profit for the year (9-10)</b>		9,369.64	9,794.10
Earnings per equity share (of ₹ 100 each) Basic and diluted (₹) (Refer Note 30.20)		462.70	483.66
Corporate information	1		
Significant accounting policies	2		
See accompanying notes forming part of the financial statements			

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**K Rajasekhar**  
Partner

 Place: Secunderabad  
Date: 18<sup>th</sup> May, 2015

**Prasad R Menon**  
Chairman

**Vinayak K Deshpande**  
Managing Director

 Place: Mumbai  
Date: 18<sup>th</sup> May, 2015

**Samir Kumar Barua**  
Director

**Rajgopal Swami**  
Chief Financial Officer

**For and on behalf of the Board of Directors**
**Neera Saggi**  
Director

**Dr A Raja Mogili**  
Company Secretary

**S Ramakrishnan**  
Director

## Cash flow statement for the year ended March 31, 2015

	For the year ended March 31, 2015 ₹ in lac	For the year ended March 31, 2014 ₹ in lac
<b>A. Cash flow from operating activities</b>		
Profit before tax and after exceptional item	14,354.49	14,441.21
Adjustments for:		
Exceptional Item (refer note 30.15)	(4,030.85)	-
Depreciation and amortisation expense	7,941.65	4,971.48
Finance costs	7,161.58	3,250.45
Interest income	(1,210.28)	(1,658.67)
Dividend income from subsidiary	(725.48)	(2,012.23)
Dividend income from current investments	-	(127.72)
Amortisation of premium and provision for diminution in the value of investments	-	0.05
Provision for foreseeable losses on contracts	(173.94)	(176.84)
(Profit) / Loss on sale of fixed assets	(22.00)	13.01
Liabilities/provisions no longer required written back	(23.22)	(153.71)
Net unrealised exchange (gain)/loss	(92.77)	15.44
	8,824.69	4,121.26
Operating profit before working capital changes	23,179.18	18,562.47
<u>Changes in working capital:</u>		
Adjustments for (increase)/decrease in operating assets:		
- Trade receivables	(16,161.53)	800.89
- Loans and advances	2,825.55	(602.55)
- Other assets	(14,206.75)	(9,785.97)
- Inventories	(21,908.44)	(20,959.36)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade payables, Other liabilities and Provisions	23,409.16	(773.50)
	(26,042.01)	(31,320.49)
Cash used in operations	(2,862.83)	(12,758.02)
Net income tax paid	(4,816.46)	(6,975.82)
<b>Net cash flows used in operating activities</b>	<b>(7,679.29)</b>	<b>(19,733.84)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets including capital advances	(5,654.78)	(7,855.66)
Proceeds from sale of fixed assets	4,562.09	60.95
Purchase of current investments	-	(11,120.00)
Proceeds from redemption of current investments	-	15,317.99
Investments in subsidiaries/joint ventures	(60.00)	(82.48)
Advance towards Share Application Money	-	(5.00)
Interest received	1,067.73	1,598.05
Inter-corporate deposits realised	-	6,500.00
Loan to subsidiaries	-	(300.00)
Dividend received from subsidiaries	725.48	2,012.23
<b>Net cash flows from investing activities</b>	<b>640.52</b>	<b>6,126.08</b>

**Cash flow statement for the year ended March 31, 2015**

	For the year ended March 31, 2015 ₹ in lac	For the year ended March 31, 2014 ₹ in lac
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowings	(17.86)	(7.60)
Proceeds from short-term borrowings (net)	18,438.03	25,192.38
Finance costs	(6,995.41)	(2,916.71)
Dividends paid including tax on dividend	(1,012.50)	(1,184.57)
<b>Net cash flows from financing activities</b>	<b>10,412.26</b>	<b>21,083.50</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>3,373.49</b>	<b>7,475.74</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>16,545.77</b>	<b>9,072.56</b>
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(43.18)	(2.53)
<b>Cash and cash equivalents at the end of the year (refer Note 2 below)</b>	<b>19,876.08</b>	<b>16,545.77</b>

**Note:**

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 (AS 3) on Cash Flow Statements.
- Cash and cash equivalents comprise:

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
(i) Cash	41.58	29.18
(ii) Balance with banks		
- in current accounts	10,701.95	7,159.53
- in EEFC accounts	6,817.65	4,350.52
- in deposit accounts	2,314.90	5,006.54
Cash and cash equivalents included in Note 20	<u>19,876.08</u>	<u>16,545.77</u>

- Comparative figures of the previous year have been regrouped wherever necessary to compare with those of current year.

In terms of our report attached  
**For Deloitte Haskins & Sells**  
 Chartered Accountants

**For and on behalf of the Board of Directors**

**K Rajasekhar**  
 Partner

**Prasad R Menon**  
 Chairman  
**Vinayak K Deshpande**  
 Managing Director

**Samir Kumar Barua**  
 Director  
**Rajgopal Swami**  
 Chief Financial Officer

**Neera Saggi**  
 Director  
**Dr A Raja Mogili**  
 Company Secretary

**S Ramakrishnan**  
 Director

Place: Secunderabad  
 Date: 18<sup>th</sup> May, 2015

Place: Mumbai  
 Date: 18<sup>th</sup> May, 2015

## Notes forming part of the financial statements

### Note 1 Corporate Information

Tata Projects Limited (TPL) was established in 1979 and is in the business of executing Engineering, Procurement and Construction (EPC) contracts in various infrastructure fields, comprising power generation, transmission, distribution and related ancillary services including manufacturing activity, telecommunications, civil construction and other allied engineering and quality services.

### Note 2 Significant Accounting Policies

#### 2.1 Basis of accounting and preparation of financial statements

The financial statements have been prepared in accordance with the generally accepted accounting principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ the Companies Act, 1956 ("the 1956 Act") as applicable.

The financial statements have been prepared on accrual basis under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures relating to contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Examples of such estimates include accounting for contract costs expected to be incurred to complete the projects, provisions for doubtful receivables, obligations under employee retirement benefit plans, income taxes, post contract warranties, and the useful lives of tangible and intangible fixed assets. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the difference between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

#### 2.3 Fixed Assets

Fixed Assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price and other attributable expenditure incurred in making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

#### 2.4 Depreciation and amortisation, impairment

Depreciation has been provided on the written down value method as per the useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of following assets, in whose case, life of the assets has been assessed as under based on technical advice, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset etc.

Scaffolding materials	5 years
Wire ropes and slings	2 years
Computer including software	3 years
Motor cars under car policy for executives	4 years

Leasehold land and leasehold improvements are amortized over the duration of the lease.

Assets costing less than ₹ 10,000 are fully depreciated in the year of capitalization.

In respect of the assets jointly owned by the Company in relation to the following jointly controlled operations (JCO), the depreciation in which case is provided as under:

- i. Tata Aldesa (JV) - Depreciation / amortisation on fixed assets is provided over the duration of the project.
- ii. TPL GYT (JV) - Depreciation / amortisation on fixed assets is provided over the duration of the project.
- iii. Tata Projects Balfour Beatty JV - Depreciation / amortisation on fixed assets, is provided over the duration of the project.

## Notes forming part of the financial statements

All fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss being the excess of carrying value over the recoverable value of the assets is charged to the Statement of Profit and Loss in the respective financial years. The impairment loss recognized in prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

### 2.5 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Premium paid on investments acquired to hold till maturity is amortised over the holding period.

Current investments are carried individually, at the lower of cost and fair value.

### 2.6 Inventories

Raw materials are valued at lower of cost, ascertained on "weighted average" method and net realisable value.

Finished goods are valued at lower of cost and net realisable values. Cost comprises, material and applicable manufacturing overheads and excise duty.

Stores and spares are valued at cost or below on weighted average basis.

Goods-in-transit are valued at cost or below.

### 2.7 Revenue recognition

#### (i) Income from Contracts

When the outcome of a construction contract can be measured reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The stage of completion is determined on the basis of actual work executed during the period.

For the purpose of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of the outcome of a contract is accounted for as a change in accounting estimates and the effect of which are recognised in the statement of profit and loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that the total contract cost will exceed total contract revenue, the expected loss is recognised as an expense in the statement of profit and loss in the period in which such probability occurs.

No profit is recognized till a minimum of 10% progress is achieved on the contract, except in case of Tata Aldesa (JV), jointly controlled operation, in respect of which no profit is recognised till a minimum of 2.5% progress is achieved on the project. Cost incurred and invoices raised in respect of such contracts are carried in the Balance Sheet as contracts in progress and advance billing respectively.

(ii) Revenue from sale of goods is recognized on dispatch of goods and on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty and other indirect taxes but exclude indirect taxes collected from customers.

(iii) Income from services rendered is recognised based on the agreements/arrangements with the concerned parties and when the services are rendered.

(iv) Other Income - Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established.

### 2.8 Unbilled revenues

Unbilled revenue represents value of work executed, billed subsequent to the Balance Sheet date and is valued at contract price.

### 2.9 Foreign Exchange Transactions

(i) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transaction.

Foreign currency monetary items outstanding at the balance sheet date are restated at the prevailing year

## Notes forming part of the financial statements

end rates. The resultant gain / loss upon such restatement along with gain / loss on account of foreign currency transactions are accounted in the statement of profit and loss.

- (ii) In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized in the statement of profit and loss.
- (iii) In respect of financial statements of integral foreign operations of foreign branches, fixed assets are recorded at cost, based on the exchange rate prevailing at the date of the transaction. Current assets and current liabilities are reported using the exchange rates on the date of balance sheet, income and expenses are translated at the monthly average rates of exchange. The resultant exchange gains / losses are recognized in the statement of profit and loss.

### 2.10 Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences and post retirement medical benefits.

#### Defined contribution plans

The company's contribution to provident fund and superannuation fund, considered as defined contribution plans are charged as an expense in the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

#### Defined benefit plans

For defined benefit plans, in the form of gratuity fund the cost of providing benefits is determined using the projected unit contract method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straightline basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

#### Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentives and compensated absences which are expected to occur within twelve months after the end of the period in which employee renders the related service.

The cost of short term compensated absence is accounted as under:

- a) In case of accumulated compensated absences, when employees render services that increase their entitlement of future compensated absences; and
- b) In case of non accumulating compensated absences, when the absences occur.

Provision for pension and medical benefits payable to retired Managing Directors is made on the basis of an actuarial valuation as at the Balance Sheet date.

#### Other long term employee benefits

Other long term employee benefits comprise compensated absences which is provided based on an actuarial valuation carried out in accordance with AS 15 as at the Balance Sheet date.

### 2.11 Taxes on income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Deferred tax is recognised on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets on unabsorbed depreciation,



## Notes forming part of the financial statements

carry forward of losses and items relating to capital losses are not recognised unless there is a virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities have been measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

### 2.12 Earnings per share

The earnings considered in ascertaining the company's Earnings Per Share (EPS) comprise net profit after tax (and includes the post tax effect of any extra ordinary items). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

### 2.13 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/(loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

### 2.14 Joint Ventures

The accounts of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the jointly controlled operations which are accounted on the basis of the audited accounts of the joint ventures on line-by-line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements.

### 2.15 Provisions and Contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

When it is probable at any stage of the contract, that the total cost will exceed the total contract revenue, the expected loss is recognised immediately.

Provision for anticipated warranty costs is made on the basis of technical and available cost estimates.

### 2.16 Operating cycle

The Company's activities (primarily construction activities) have an operating cycle that exceeds a period of twelve months. The Company has selected the duration of the individual contracts as its operating cycle, wherever appropriate, for classification of its assets and liabilities as current and non-current.

## Notes forming part of the financial statements

### Note 3 Share capital

	As at March 31, 2015		As at March 31, 2014	
	Number of shares	₹ in lac	Number of shares	₹ in lac
<b>Authorised</b> Equity shares of ₹ 100 each with voting rights	2,500,000	2,500.00	2,500,000	2,500.00
<b>Issued, Subscribed and Paid-up</b> Equity shares of ₹ 100 each with voting rights	2,025,000	2,025.00	2,025,000	2,025.00
<b>Total</b>	<b>2,025,000</b>	<b>2,025.00</b>	<b>2,025,000</b>	<b>2,025.00</b>

Notes:

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year**  
**Equity shares with voting rights**

	Year ended March 31, 2015		Year Ended March 31, 2014	
	Number of shares	Amount (₹ in lac)	Number of shares	Amount (₹ in lac)
As at beginning of the year	2,025,000	2,025.00	2,025,000	2,025.00
Changes during the year	-	-	-	-
<b>At the end of the year</b>	<b>2,025,000</b>	<b>2,025.00</b>	<b>2,025,000</b>	<b>2,025.00</b>

**(ii) Rights, preferences and restrictions attached to the equity shares**

The Company has only one class of equity shares having a par value of ₹ 100 each per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2015, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 50 (March 31, 2014: ₹ 50)

**(iii) Shareholders holding more than 5% of the equity shares**

	As at March 31, 2015		As at March 31, 2014	
	Number of shares	%	Number of shares	%
<b>Equity shares of ₹ 100 each with voting rights</b>				
The Tata Power Company Limited	967,500	47.78	967,500	47.78
Tata Steel Limited	218,250	10.78	90,000	4.44
Tata Chemicals Limited	193,500	9.56	193,500	9.56
Tata Sons Limited	135,000	6.67	135,000	6.67
Voltas Limited	135,000	6.67	135,000	6.67
Tata Motors Limited	135,000	6.67	135,000	6.67

**(iv) Aggregate number of bonus shares issued as fully paid up pursuant to contract without payment being received in cash during the period of five years immediately preceding the balance sheet date:**

	Aggregate number of shares	
	As at March 31, 2015	As at March 31, 2014
Equity shares allotted as fully paid bonus shares in 2008-09 by capitalisation of securities premium account.	<b>1,687,500</b>	1,687,500

**Notes forming part of the financial statements**
**Note 4 Reserves and surplus**

	<b>As at March 31, 2015 ₹ in lac</b>	<b>As at March 31, 2014 ₹ in lac</b>
<b>(a) Securities premium account</b>	4,987.50	4,987.50
<b>(b) General reserve</b>		
Opening balance	13,854.29	12,874.88
Add: Transferred from surplus in statement of profit and loss	936.96	979.41
Closing balance	14,791.25	13,854.29
<b>(c) Surplus in statement of profit and loss</b>		
Opening balance	57,861.19	50,059.00
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred tax credit of ₹ 65.32 lakhs) (refer Note 30.14)	(126.85)	-
Add: Profit for the year	9,369.64	9,794.10
Less: Dividend proposed to be distributed to equity shareholders [₹ 50 per share (March 31, 2014: ₹ 50 per share)]	(1,012.50)	(1,012.50)
Tax on dividend (refer Note below)	(49.67)	-
Transferred to general reserve	(936.96)	(979.41)
Closing balance	65,104.85	57,861.19
<b>Total</b>	<b>84,883.60</b>	<b>76,702.98</b>

**Note:**

Tax on dividend has been computed after considering the credit taken for dividend aggregating ₹ 725.48 lakhs (March 31, 2014: ₹ 2,012.23 lakhs) received from foreign subsidiaries TPL-TQA Quality Services (Mauritius) Pty Limited - ₹ 255.70 lakhs (March 31, 2014: ₹ 403.03 lakhs) and TPL-TQA Quality Services South Africa Pty Limited - ₹ 469.78 lakhs (March 31, 2014 : ₹ 1,609.20 lakhs) in respect of which income tax amounting to ₹ 123.30 lakhs (March 31, 2014: ₹ 341.98 lakhs) has been provided and included in current tax.

**Note 5 Long-term borrowings**

	<b>As at March 31, 2015 ₹ in lac</b>	<b>As at March 31, 2014 ₹ in lac</b>
<b>Term loan (unsecured)</b>		
From banks	34.37	52.23
Less: Current maturities of long-term borrowings disclosed under Note 10 - Other current liabilities	8.31	10.98
<b>Total</b>	<b>26.06</b>	<b>41.25</b>

**Note:**

Term loan from banks are repayable in equal periodic installments for a 10 year period from the date of avilment of respective loan and carry an interest of 14.1% p.a.

## Notes forming part of the financial statements

### Note 6 Other long-term liabilities

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
Trade payables *	-	1,041.54
<b>Total</b>	<b>-</b>	<b>1,041.54</b>

\* comprises retention money payable beyond the normal operating cycle.

### Note 7 Long-term provisions

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
<b>Provision for employee benefits</b>		
(i) Compensated absences	1,732.98	1,536.38
(ii) Post retirement medical benefits	41.55	39.19
(iii) Pension	296.40	241.31
<b>Total</b>	<b>2,070.93</b>	<b>1,816.88</b>

### Note 8 Short-term borrowings

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
<b>From banks</b>		
<b>Secured</b>		
Overdraft facilities (refer Note (i) below)	19,752.43	18,536.99
Buyer's credit (refer Note (ii) below)	-	4,327.72
Working capital demand loan	3,970.00	
<b>Unsecured</b>		
Overdraft facilities	7,211.20	2,684.16
Commercial advance	4,526.13	3,472.86
Working capital demand loan	2,000.00	-
Commercial Paper	5,000.00	-
<b>From others (Unsecured)</b>		
Loan from company - Intercompany deposit	5,000.00	-
<b>Total</b>	<b>47,459.76</b>	<b>29,021.73</b>

**Note:**

- (i) Overdraft facilities are secured by:
  - (a) a first charge on the book debts, inventories and other current assets ranking pari-passu.
  - (b) an exclusive charge on the entire receivables, fixed assets and current assets relating to the project being undertaken at Dubai, Kenya and Zambia.
- (ii) Buyer's credit are secured by a first charge on all the current assets including inventories, receivables and other moveable assets of the Company both present and future.

**Notes forming part of the financial statements**
**Note 9 Trade payables**

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
Acceptances	<b>19,069.73</b>	<b>16,383.08</b>
Other than Acceptances *	215,318.45	2,02,018.35
<b>Total</b>	<b>234,388.18</b>	<b>2,18,401.43</b>

\* includes provision for contract execution expenses ₹ 39,881.58 lac (March 31, 2014: ₹ 41,122.24 lac)

**Note:**

Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 \*

	<b>As at March 31, 2015</b>	As at March 31, 2014
(a) Principal amount remaining unpaid as at the end of the accounting year	676.22	2,207.10
(b) Interest due thereon remaining unpaid as at the end of the accounting year	25.59	154.76
(c) The amount of interest paid along with the amounts of payment made to the supplier beyond the appointed day	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	250.79	225.20
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	250.79	225.20
# amounts unpaid to micro and small enterprises on account of retention money has not been considered for the purpose of interest calculation.		

Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors.

## Notes forming part of the financial statements

### Note 10 Other current liabilities

	<b>As at March 31, 2015 ₹ in lac</b>	<b>As at March 31, 2014 ₹ in lac</b>
(a) Current maturities of long-term borrowings (refer Note 5 - Long-term borrowings)	8.31	10.98
(b) Interest accrued but not due on borrowings	202.98	17.60
(c) Interest accrued and due on borrowings	0.37	0.60
(d) Income received in advance (advance billing)	2,259.82	237.61
(e) Other payables :		
(i) Statutory remittances	2,486.31	2,216.72
(ii) Payables on purchase of fixed assets	747.23	2,626.24
(iii) Interest accrued on trade payables and mobilisation advance received	686.28	705.26
(iv) Security deposits received	359.17	320.04
(v) Advances from customers including mobilisation advances	101,263.88	92,136.34
(vi) Others (refer Note below)	203.11	1,649.75
<b>Total</b>	<b>108,217.46</b>	<b>99,921.14</b>

**Note:**

Includes amounts payable (net) to:

- a) Aldesa Construcciones, S.A. (JV Partner) ₹ Nil (March 31, 2014: ₹ 1,531.59 lac);
- b) Guangdong Yuantian Engineering Company (JV Partner) ₹ 17.63 lac (March 31, 2014: ₹ Nil)

### Note 11 Short-term provisions

	<b>As at March 31, 2015 ₹ in lac</b>	<b>As at March 31, 2014 ₹ in lac</b>
(a) Provision for employee benefits:		
(i) Compensated absences	406.64	358.38
(ii) Post retirement medical benefits	5.00	5.00
(iii) Pension	41.18	35.58
	452.82	398.96
(b) Provisions - Others:		
(i) Foreseeable losses on contracts (refer Note 30.22)	226.98	400.92
(ii) Proposed dividend	1,012.50	1,012.50
(iii) Tax on proposed dividend (refer Note below)	49.67	-
	1,289.15	1,413.42
<b>Total</b>	<b>1,741.97</b>	<b>1,812.38</b>

**Note:**

Tax on dividend has been computed after considering the credit taken for dividend aggregating ₹ 725.48 lac (March 31, 2014: ₹ 2,012.23 lac) received from foreign subsidiaries TPL-TQA Quality Services (Mauritius) Pty Limited - ₹ 255.70 lac (March 31, 2014: ₹ 403.03 lac) and TPL-TQA Quality Services South Africa Pty Limited - ₹ 469.78 lac (March 31, 2014 : ₹ 1,609.20 lac) in respect of which income tax amounting to ₹ 123.30 lac (March 31, 2014: ₹ 341.98 lac) has been provided and included in current tax.

**Notes forming part of the financial statements**

**Note 12 Tangible assets**

₹ in lac

Particulars	Gross block				Depreciation / Amortisation				Net Block		
	As at March 31, 2014	Additions	Deductions/ Adjustments	Re-classified as held for sale	As at March 31, 2015	As at March 31, 2014	For the year	Deductions/ Adjustments	Transition adjustment recorded against surplus balance in statement of profit and loss (Refer Note.30.14)	As at March 31, 2015	As at March 31, 2014
Freehold Land	112.60 (322.32)	-	-	-	112.60 (112.60)	-	-	-	-	112.60	112.60
Leasehold Land	51.98 (51.98)	-	-	(209.72)	51.98 (51.98)	0.55 (0.55)	-	-	-	47.12 (4.31)	47.67
Buildings	1,087.80 (819.53)	264.73 (268.27)	-	-	1,352.53 (1,087.80)	88.84 (46.69)	-	-	-	894.75 (368.94)	718.86
Leasehold Improvements	951.45 (879.79)	-	-	-	951.45 (951.45)	149.75 (151.64)	-	-	-	355.73 (445.97)	505.48
Plant and Machinery (including Erection / Construction Machinery)	33,222.38 (27,461.60)	3,777.96 (5,970.62)	281.93 (209.84)	-	36,718.41 (33,222.38)	5,913.65 (3,918.71)	232.21 (199.28)	55.74	-	16,828.15 (14,153.08)	19,069.30
Furnitures & Fixtures	1,048.08 (897.83)	258.63 (237.81)	26.38 (87.56)	-	1,280.33 (1,048.08)	205.45 (129.76)	8.05 (56.54)	0.71	-	528.94 (553.28)	494.80
Vehicles*	1,300.12 (1,210.64)	180.87 (146.25)	128.88 (56.77)	-	1,352.11 (1,300.12)	215.72 (206.34)	93.49 (36.29)	0.94	-	501.93 (727.01)	573.11
Office Equipment	1,959.22 (1,429.49)	637.00 (567.27)	16.97 (37.54)	-	2,579.25 (1,959.22)	728.28 (167.82)	10.99 (25.90)	130.09	-	1,568.75 (721.37)	1,237.85
Computers	1,476.69 (1,236.46)	307.76 (240.59)	102.15 (0.36)	-	1,682.30 (1,476.69)	242.30 (166.40)	98.52 (0.10)	4.67	-	456.59 (1,077.26)	399.43
R & D - Capital Mobile Desalination Plant	40.24 (40.24)	-	-	-	40.24 (40.24)	2.48 (1.65)	-	-	-	7.71 (30.05)	10.19
<b>Total</b>	<b>41,250.56</b> <b>(34,349.88)</b>	<b>5,426.95</b> <b>(7,502.47)</b>	<b>556.31</b> <b>(392.07)</b>	<b>-</b> <b>(209.72)</b>	<b>46,121.20</b> <b>(41,250.56)</b>	<b>7,547.02</b> <b>(4,789.56)</b>	<b>443.26</b> <b>(318.11)</b>	<b>192.15</b> <b>-</b>	<b>25,377.18</b> <b>(18,081.27)</b>	<b>20,744.02</b> <b>23,169.29</b>	

\* includes heavy vehicles viz. tractors, trailers and tippers



## Notes forming part of the financial statements

### Note 13 Intangible assets

₹ in lac

Particulars	Gross block				Depreciation / Amortisation				Net Block			
	As at March 31, 2014	Additions	Deductions/ Adjustments	Re-classified as held for sale	As at March 31, 2015	As at March 31, 2014	For the year	Deductions/ Adjustments	Transition adjustment recorded against surplus balance in statement of profit and loss (Refer Note:30.14)	As at March 31, 2015	As at March 31, 2014	
Software	1,817.95 (783.66)	328.20 (1,034.29)	-4.55	-	2,150.70 (1,817.95)	795.67 (613.75)	394.63 (181.92)	-2.08	0.02	1,192.40 (795.67)	958.30	1,022.28
Goodwill	2,132.57 (2,132.57)	-	-	-	2,132.57 (2,132.57)	2,132.57 (2,132.57)	-	-	-	2,132.57 (2,132.57)	-	-
<b>Total</b>	<b>3,950.52</b> <b>(2,916.23)</b>	<b>328.20</b> <b>(1,034.29)</b>	<b>-4.55</b>	<b>-</b>	<b>4,283.27</b> <b>(3,950.52)</b>	<b>2,928.24</b> <b>(2,746.32)</b>	<b>394.63</b> <b>(181.92)</b>	<b>-2.08</b>	<b>0.02</b>	<b>3,324.97</b> <b>(2,928.24)</b>	<b>958.30</b>	<b>1,022.28</b>

Amounts in brackets represent previous year numbers

**Notes forming part of the financial statements**
**Note 14 Non-current investments**

	<b>As at March 31, 2015 ₹ in lac</b>	<b>As at March 31, 2014 ₹ in lac</b>
<b>Trade Investments (At cost unless stated otherwise)</b>		
<b>a) Investment in equity instruments</b>		
<b>(i) of subsidiaries</b>		
Artson Engineering Limited (refer Note 30.10) 2,76,90,000 (March 31, 2014: 2,76,90,000) equity shares of ₹1 each fully paid-up	276.90	276.90
TPL-TQA Quality Services (Mauritius) Pty Limited 16,800 (March 31, 2014: 16,800) equity shares of EUR 1 each fully paid-up	11.37	11.37
TPL-TQA Quality Services South Africa (Pty) Limited 150,000 (March 31, 2014: 150,000) equity shares of ZAR 1 each fully paid-up	9.34	9.34
TQ Services Europe GmbH 125,000 (March 31, 2014: 125,000) equity shares of EUR 1 each fully paid-up	99.81	99.81
Tata Projects Infrastructure Limited 50,000 (March 31, 2014: Nil) equity shares of ₹ 10 each fully paid-up	5.00	-
Foodcert India Private Limited 11,38,600 (March 31, 2014: Nil) equity shares of ₹ 10 each fully paid-up	60.00	-
<b>(ii) of joint ventures - jointly controlled entities</b>		
Al-Tawleed for Energy & Power Company (under liquidation) 300 (March 31, 2014: 300) cash shares of Saudi Arabian Rials (SAR) 2000 per share equivalent to SAR 6,00,000 fully paid Less: Provision for diminution in value of investments	75.60 (75.60)	75.60 (75.60)
-		
TEIL Projects Limited 49,99,997 (March 31, 2014: 49,99,997) equity shares of ₹10 each fully paid-up	500.00	500.00
<b>(iii) of associates</b>		
Virendra Garments Manufacturing Private Limited 1,200 (March 31, 2014: 1,200) shares of ₹ 100 each fully paid-up Less: Provision for diminution in value of investments	1.20 (1.20)	1.20 (1.20)
-		
<b>b) Investment in partnership firms</b>		
Tata Dilworth Secord Meagher & Associates (refer Note below) Less: Provision for diminution in value of investments	1.80 (1.80)	1.80 (1.80)
-		
<b>Total</b>	<b>962.42</b>	<b>897.42</b>
Aggregate amount of listed and quoted investments	276.90	276.90
Aggregate market value of listed and quoted investments	7,753.20	6,908.66
Aggregate amount of unquoted investments	685.52	620.52

Note: Other details relating to investment in partnership firm

Name of the firm	As at March 31, 2015			As at March 31, 2014		
	Name of partner in the firm	Share of Capital	Share of each partner in the profits of the firm	Name of partner in the firm	Share of Capital	Share of each partner in the profits of the firm
Tata Dilworth Secord, Meagher & Associates	(i) Tata Projects Limited	1.80	60%	(I) Tata Projects Limited	1.80	60%
	(ii) Dilworth Secord, Meagher & Associates	1.20	40%	(ii) Dilworth Secord, Meagher & Associates	1.20	40%

## Notes forming part of the financial statements

### Note 15 Deferred tax assets (net)

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
A. Tax effect of items constituting deferred tax liability	-	-
B. Tax effect of items constituting deferred tax assets		
Depreciation	1,443.00	327.97
Provision for doubtful debts and advances	3,465.33	4,305.81
Provision for foreseeable losses	78.56	136.27
Provision for compensated absences and gratuity	868.11	738.14
Disallowance under section 43B	60.70	61.18
Others	25.57	27.65
<b>Deferred tax assets (net)</b>	<b>5,941.27</b>	<b>5,597.02</b>

### Note 16 Long-term loans and advances (unsecured, considered good)

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
(a) Capital Advances	77.67	53.16
(b) Loan and advances to related parties (refer Note 30.10)		
- Subsidiary company Artson Engineering Limited		
- Inter Corporate Deposit	2,100.00	2,100.00
- Loans	1,930.39	1,930.39
	<u>4,030.39</u>	<u>4,030.39</u>
© Security deposits	1,244.22	1,081.81
(d) Deposits with government authorities	2,546.92	2,067.40
(e) Loans and advances to employees	30.48	47.66
(f) Prepaid expenses	34.36	46.83
(g) Advance towards Share Application Money	-	5.00
(h) Advance income tax [net of provision for tax ₹ 42,297.26 lakhs (March 31, 2014 : ₹ 36,916.09 lakhs)]	142.05	589.37
(l) Advance payment of fringe benefit tax (net)	26.28	26.28
<b>Total</b>	<b>8,132.37</b>	<b>7,947.90</b>

### Note 17 Other non-current assets

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
Long-term trade receivables *	3,783.99	1,846.47
<b>Total</b>	<b>3,783.99</b>	<b>1,846.47</b>

\* comprises retention money receivable beyond the normal operating cycle.

**Notes forming part of the financial statements**
**Note 18 Inventories (valued at lower of cost and net realisable value)**

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
(a) Raw materials	1,402.09	1,888.77
(b) Work-in-process	614.63	732.49
(c) Finished goods	14.30	10.74
(d) Stores and spares	17.63	96.47
(e) Contracts-in-progress	64,742.71	42,154.45
<b>Total</b>	<b>66,791.36</b>	<b>44,882.92</b>

**Note 19 Trade receivables #**

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Unsecured, considered good	20,581.64	16,254.92
Doubtful	9,271.49	11,913.54
	29,853.13	28,168.46
Less: Provision for doubtful trade receivables	(9,271.49)	(11,913.54)
	20,581.64	16,254.92
Unsecured, considered good	220,492.47	210,459.23
<b>Total</b>	<b>241,074.11</b>	<b>226,714.15</b>

# includes retention money receivable ₹ 124,848.26 lac (March 31, 2014 : ₹ 121,872.36 lac)

**Note 20 Cash and cash equivalents**

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
(a) Cash on hand	41.58	29.18
(b) Balances with banks:		
- In current accounts	10,701.95	7,159.53
- In EEFC accounts	6,817.65	4,350.52
- In demand deposit accounts (refer Note below)	2,314.90	5,006.54
<b>Total</b>	<b>19,876.08</b>	<b>16,545.77</b>

**Note:**

Deposit accounts include ₹ Nil (March 31, 2014 : ₹ Nil) demand deposits with remaining maturity of more than 12 months from the balance sheet date.

## Notes forming part of the financial statements

### Note 21 Short-term loans and advances (Unsecured, considered good unless otherwise stated)

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
(a) Loan and advances to related parties (refer Note 30.10)		
- Subsidiary company Artson Engineering Limited		
- Project related advances	2,047.51	3,255.81
	2,047.51	3,255.81
(b) Security deposits	509.50	605.97
(c) Loans and advances to employees	163.02	174.78
(d) Prepaid expenses	1,092.76	721.01
(e) Balances with government authorities		
CENVAT credit receivable	12.11	29.74
VAT credit receivable	1,164.80	903.07
Sales tax deducted at source	9,250.95	7,287.21
Customs duty refund receivable	178.13	817.16
	10,605.99	9,037.18
(f) Inter-corporate deposits	17,000.00	17,000.00
(g) Mobilisation advance	27,719.09	37,723.68
(h) Other project related advances		
Unsecured, considered good (Refer Notes (i) and (ii) below)	25,020.85	19,078.12
Doubtful	608.00	621.13
	25,628.85	19,699.25
Less: Provision for doubtful advances	(608.00)	(621.13)
	25,020.85	19,078.12
<b>Total</b>	<b>84,158.72</b>	<b>87,596.55</b>

Note:(i) Includes ₹ Nil (March 31, 2014: ₹ 128.47 lakhs) recoverable from Balfour Beatty Infrastructure India Private Limited (JV Partner)

(ii) Includes ₹ 2,524.97 lakhs (March 31,2014: ₹ Nil) recoverable from Aldesa Construcciones, S.A. (JV Partner)

**Notes forming part of the financial statements**
**Note 22 Other current assets (unsecured, considered good unless otherwise stated)**

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
(a) Unbilled revenue	25,941.25	12,178.32
(b) Accruals :		
(i) Interest accrued on deposits	17.84	87.93
(ii) Interest accrued on loans to subsidiary (doubtful)	133.02	133.02
(iii) Interest accrued on mobilisation advance given	342.39	129.75
	493.25	350.70
Less: Provision for doubtful interest accrued on loans to subsidiary	(133.02)	(133.02)
	360.23	217.68
(c) Others		
(i) Insurance and other claims receivable		
Unsecured, considered good	12.03	16.97
Doubtful	73.25	73.25
	85.28	90.22
Less: Provision for doubtful claims	(73.25)	(73.25)
	12.03	16.97
(ii) Contractually reimbursable expenses	1,642.57	1,193.81
(iii) Fixed assets held for sale (at lower of cost and estimated realisable value) (refer Note below)	-	398.66
	1,654.60	1,609.44
<b>Total</b>	<b>27,956.08</b>	<b>14,005.44</b>
Note:		
Details of fixed assets held for sale		
Freehold land	-	209.72
Buildings (partly completed transferred from capital work-in-progress)	-	188.94
	-	398.66

## Notes forming part of the financial statements

### Note 23 Revenue from operations

	For the year ended March 31, 2015 ₹ in lac	For the year ended March 31, 2014 ₹ in lac
(a) Income from contracts (refer note (i) below)	329,295.09	359,024.30
(b) Income from services (refer note (ii) below)	8,431.75	6,263.63
(c) Income from sale of goods (refer note (iii) below)	2,379.21	520.63
(d) Share of profit from Joint Venture	3,750.54	701.23
(e) Other operating revenues (refer note (iv) below)	583.38	514.52
<b>Revenue from operations (Gross)</b>	<b>344,439.97</b>	<b>367,024.31</b>
Less: Indirect taxes and duties	10,195.00	7,186.65
<b>Total</b>	<b>334,244.97</b>	<b>359,837.66</b>
Notes:		
(i) Income from contracts comprises :		
- Supply of contract equipment and materials	157,396.52	232,865.12
- Civil and erection works	171,898.57	126,159.18
<b>Total</b>	<b>329,295.09</b>	<b>359,024.30</b>
(ii) Income from services comprises :		
- Quality inspection services	8,431.75	6,263.63
<b>Total</b>	<b>8,431.75</b>	<b>6,263.63</b>
(iii) Income from sale of goods comprises :		
- Sale of BWRO units	2,379.21	520.63
<b>Total</b>	<b>2,379.21</b>	<b>520.63</b>
(iv) Other operating revenues comprises :		
- Sale of scrap	547.72	496.38
- Duty drawback	35.66	18.14
<b>Total</b>	<b>583.38</b>	<b>514.52</b>



**Notes forming part of the financial statements**
**Note 24 Other income**

	<b>For the year ended March 31, 2015 ₹ in lac</b>	<b>For the year ended March 31, 2014 ₹ in lac</b>
(a) Interest income (refer Note (i) below)	1,210.28	1,658.67
(b) Dividend income :		
from current investments		
- mutual funds	-	127.72
from long-term investments		
- subsidiaries	725.48	2,012.23
(c) Net gain/(loss) on foreign currency transactions and translations	64.98	(68.34)
(d) Other non-operating income (refer Note (ii) below)	198.49	534.33
<b>Total</b>	<b>2,199.23</b>	<b>4,264.61</b>
Notes:		
(i) Interest Income comprises :		
- Interest from banks on deposits	284.21	580.04
- Interest on inter corporate deposits	-	252.14
- Interest income from current investments	-	4.18
- Interest income on mobilisation advance given	921.86	770.41
- Interest on loans to subsidiary	-	9.46
- Interest on refund of income tax	-	36.37
- Other interest	4.21	6.07
<b>Total</b>	<b>1,210.28</b>	<b>1,658.67</b>
(ii) Other non-operating income comprises :		
- Hire charges	60.29	374.11
- Liabilities/Provisions no longer required written back	23.22	153.71
- Profit / (loss) on sale of fixed assets (net)	22.00	(13.01)
- Miscellaneous income	92.98	19.52
<b>Total</b>	<b>198.49</b>	<b>534.33</b>

**Note 25 Contract execution expenses**

	<b>For the year ended March 31, 2015 ₹ in lac</b>	<b>For the year ended March 31, 2014 ₹ in lac</b>
(a) Cost of supplies/erection and civil works *	259,498.01	290,114.94
(b) Engineering fees	1,648.43	1,799.59
(c) Insurance premium	1,925.63	1,700.63
(d) Bank guarantee and letter of credit charges	2,210.67	1,662.52
<b>Total</b>	<b>265,282.74</b>	<b>295,277.68</b>
* includes increase / (decrease) in excise duty of ₹(27.34) lac previous year: ₹ 84.32 lakhs) on finished goods		

## Notes forming part of the financial statements

### Note 26 Changes in inventories of finished goods, work-in-process and contracts-in-progress

	<b>For the year ended March 31, 2015 ₹ in lac</b>	For the year ended March 31, 2014 ₹ in lac
<b>Inventories at the end of the year</b>		
Finished goods	14.30	10.74
Work-in-process	614.63	732.49
Contracts-in-progress	64,742.71	42,154.45
	<b>65,371.64</b>	<b>42,897.68</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	10.74	69.02
Work-in-process	732.49	302.19
Contracts-in-progress	42,154.45	21,827.87
	<b>42,897.68</b>	<b>22,199.08</b>
<b>Net (increase)/decrease</b>	<b>(22,473.96)</b>	<b>(20,698.60)</b>

### Note 27 Employee benefits expense

	<b>For the year ended March 31, 2015 ₹ in lac</b>	For the year ended March 31, 2014 ₹ in lac
(a) Salaries and wages	26,363.16	23,998.51
(b) Contribution to provident and other funds	2,851.98	2,471.70
© Staff welfare expenses	1,078.44	1,063.86
<b>Total</b>	<b>30,293.58</b>	<b>27,534.07</b>

**Notes forming part of the financial statements**
**Note 28 Other expenses**

	<b>For the year ended March 31, 2015 ₹ in lac</b>	<b>For the year ended March 31, 2014 ₹ in lac</b>
Consumption of stores and spare parts	339.87	364.51
Rent	2,792.47	2,347.14
Repairs and maintenance		
- Building	1.80	4.01
- Machinery	677.17	434.17
- Others	733.65	433.02
Processing charges	962.70	674.47
Power and fuel	981.28	889.07
Rates and taxes	194.48	156.60
Insurance	93.48	156.84
Motor vehicle expenses	3,683.03	2,949.84
Travelling and conveyance	2,557.27	2,154.97
Legal and professional	2,434.77	2,409.76
Payment to auditors (refer Note below)	37.42	45.76
Communication expenses	584.37	524.31
Printing and stationery	320.62	277.40
Staff recruitment and training expenses	178.96	152.56
Business development expenditure	401.18	234.32
Bank charges	195.42	102.65
Freight and handling charges	974.70	423.49
Amortisation of premium and provision for diminution in the value of investments	-	0.05
Bad debts	-	268.35
Provision for doubtful trade receivables	<u>3,489.17</u>	<u>6,121.54</u>
	3,489.17	6,389.89
Less: Provision for doubtful trade receivables reversed	<u>(6,131.22)</u>	<u>(905.19)</u>
	(2,642.05)	5,484.70
Advances written off	-	204.38
Add: Provision for doubtful loans and advances	<u>105.71</u>	<u>221.13</u>
	105.71	425.51
Less: Provision for doubtful loans and advances reversed	<u>(118.84)</u>	<u>-</u>
	(13.13)	425.51
Agency commission	109.63	81.49
Brand equity contribution	755.00	790.40
Miscellaneous expenses	1,937.73	1,284.82
<b>Total</b>	<b><u>18,291.82</u></b>	<b><u>22,801.86</u></b>
Note:		
Payment to auditors comprises (net of service tax)		
(a) To statutory auditors		
Audit fees	25.00	20.00
Tax audit fees	2.00	2.00
Limited review fees	6.00	6.00
Other services *	1.15	15.93
Reimbursement of expenses	0.92	0.30
(b) To Cost auditor for cost audit	<u>2.35</u>	<u>1.53</u>
<b>Total</b>	<b><u>37.42</u></b>	<b><u>45.76</u></b>

\* includes amounts paid to other auditors Nil (previous year : ₹2.25 lac)

## Notes forming part of the financial statements

### Note 29 Finance costs

	For the year ended March 31, 2015 ₹ in lac	For the year ended March 31, 2014 ₹ in lac
(a) Interest expense on :		
(i) Borrowings	5,621.90	1,188.79
(ii) Mobilisation advance received	1,373.08	1,768.84
(iii) Delayed payment of income tax	62.52	8.19
(iv) Others	55.83	193.14
(b) Other borrowing costs	48.25	91.49
<b>Total</b>	<b>7,161.58</b>	<b>3,250.45</b>

### Note 30 Additional information to the financial statements

#### 30.1 Contingent liabilities and commitments (to the extent not provided for)

	For the year ended March 31, 2015 ₹ in lac	For the year ended March 31, 2014 ₹ in lac
<b>(i) Contingent liabilities:</b>		
(a) Claim against the Company not acknowledged as debt Matters under dispute:		
Sales tax	5,963.37	5,745.83
Service tax	13,229.83	11,577.72
Income tax	74.62	74.62
Third party claims from disputes relating to contracts	-	10.00
(b) Guarantees		
Performance and other bank guarantees issued by banks on behalf of the Company (refer Note 1,2 below)	431,176.92	355,375.09
Corporate guarantees (refer Note 1 below)	14,751.23	11,666.56
(c) Others - liquidated damages	Amounts indeterminate	Amounts indeterminate

Future cash outflows in respect of the matters in (a) above are determinable only on receipt of judgements/decisions pending at various forums/authorities

#### Notes:

- Includes bank guarantees of ₹ Nil (March 31, 2014: ₹ 800.00 lac) and Corporate guarantee of ₹ 5500.00 lac given on behalf of its subsidiary, Artson Engineering Limited and remaining outstanding as on March 31, 2015. The amount of loan outstanding against such guarantees given is ₹ 2,100.00 lac (March 31, 2014: ₹ 2,021.45 lac).
- Includes ₹ 71,385.90 lac (March 31, 2014: ₹ 39,160.54 lac) given on behalf of the following jointly controlled operations.

#### ₹ in lac

(i) Tata Aldesa (JV)	54,928.35	(March 31, 2014: ₹ 33,307.66 lac)
(ii) Tata Projects Balfour Beatty JV	100	(March 31, 2014: ₹ 200.00 lac)
(iii) Tata Projects Limited VNR JV Pkg 1	2,719.86	(March 31, 2014: ₹ 2,766.29 lac)
(iv) Tata Projects Limited VNR JV Pkg 2	2,748.68	(March 31, 2014: ₹ 2,886.59 lac)
(v) GYT TPL	10,988.01	(March 31, 2014: ₹ Nil)

**71,385.90**

#### (ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advance ₹ 77.67 lac (March 31, 2014: ₹ 53.16 lac)]	393.92	653.00
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**Notes forming part of the financial statements**
**30.2 Details on derivative instruments and unhedged foreign currency exposures**

a) Outstanding forward exchange contracts entered into by the Company as on March 31, 2015

Currency	Amount (in Million)	Buy/Sell	Cross Currency
Euro	- (1.13)	- (Buy)	- (Rupees)
USD	- (4.68)	- (Buy)	- (Rupees)

Amounts in brackets represent previous year numbers

b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	Currency	As at March 31, 2015		As at March 31, 2014	
		Foreign currency (in Millions)	₹ in lac	Foreign currency (in Millions)	₹ in lac
1 Short term borrowings	USD	-	-	0.11	63.86
	EUR	-	-	0.60	498.53
	AED	-	-	4.80	784.27
2 Receivables	AED	46.75	7,933.22	19.71	3,223.34
	KES	400.40	2,682.67	590.29	4,108.05
	WON	846.38	473.98	51.33	29.03
	QAR	0.46	77.90	-	-
	EUR	0.03	21.94	0.10	79.37
	ZAR	1.22	62.34	0.56	31.71
	SAR	0.50	83.69	0.52	83.69
	ZMW	3.44	280.94	48.42	4,529.64
	USD	0.11	65.65	0.55	332.00
	CHF	-	-	0.03	20.26
	NPR	250.56	1,553.45	-	-
	JPY	0.87	4.53	-	-
3 Payables	QAR	0.80	137.81	-	-
	AED	63.37	10,753.56	11.35	1,855.13
	SGD	0.003	1.21	0.07	32.42
	WON	52.17	29.22	-	-
	KES	486.11	3,256.95	482.85	3,360.32
	SAR	0.21	34.39	0.21	34.39
	ZMW	56.83	4,636.95	70.72	6,616.12
	USD	1.66	1,037.27	1.86	1,114.43
	EURO	0.17	114.42	0.15	121.33
	CHF	0.01	4.72	-	-
	JPY	45.70	237.65	-	-
	NPR	240.67	1,492.16	-	-
4 Interest accrued on buyer's credit	USD	-	-	0.001	0.88
	EUR	-	-	0.006	4.89
5 Cash and cash equivalents	SGD	0.001	0.67	0.002	0.86
	AED	9.05	1,535.87	1.13	185.48
	USD	17.93	11,175.36	7.19	4,321.03
	EUR	1.01	677.72	0.06	49.67
	WON	341.91	191.47	373.09	208.93
	KES	60.86	407.78	27.31	190.00
	ZMW	4.59	374.54	3.96	368.82
	NPR	15.83	98.15	-	-

c) The net difference in foreign exchange credited to the Statement of Profit and Loss is ₹ 64.98 lac (March 31, 2014: ₹ (68.34) lac).

## Notes forming part of the financial statements

	For the year ended March 31, 2015 ₹ in lac	For the year ended March 31, 2014 ₹ in lac
<b>30.3 Value of imports on CIF basis:</b>		
(i) Project related equipment and materials	355.45	20,792.58
(ii) Capital goods	23.94	1,337.50
(iii) Stores and spares	7.86	7.86
<b>30.4 Expenditure in foreign currency:</b>		
(i) Expenditure incurred on projects (including professional and consultancy fees)	20,199.82	15,075.05
(ii) Travel	644.47	672.14
(iii) Interest	69.55	117.62
(iv) Income Tax	-	0.50
<b>30.5 Earnings in foreign exchange:</b>		
(i) Erection and engineering services	23,740.41	13,609.30
(ii) Interest	19.61	6.75
(iii) Dividend	725.48	2,012.23
(iv) Miscellaneous income	13.68	43.48
<b>30.6 Raw materials consumed</b>		
(i) Steel	15,548.05	14,524.49
(ii) Zinc	2,366.25	1,723.98
(iii) Others	1,708.85	275.65
<b>Total</b>	<b>19,623.15</b>	<b>16,524.12</b>

The consumption figures shown above are after adjustment of excess and shortages found on physical verification.

### 30.7 Details of consumption of imported and indigenous items:

	As at March 31, 2015	
	₹ in lac	%
<b>a) Imported</b>		
(i) Spare parts	7.86	2.31
	(-)	(-)
<b>b) Indigenous</b>		
(i) Raw Materials	19,623.15	100
	(16,524.12)	(100)
(ii) Spare parts	332.01	97.69
	(364.51)	(100)

Amounts in brackets represent previous year numbers

**Notes forming part of the financial statements**
**30.8 Disclosures required to be made under Accounting Standard (AS-7) Construction Contracts**

	<b>For the year ended March 31, 2015 ₹ in lac</b>	For the year ended March 31, 2014 ₹ in lac
Contract revenue recognised during the year	329,295.09	359,024.30
Aggregate of contract costs incurred and recognised profits (less recognized losses) upto the reporting date	2,124,920.04	1,905,855.57
Advances received for contracts-in-progress	101,110.70	92,031.92
Retention money for contracts-in-progress	128,632.25	123,718.83
Gross amount due from customers for contract work	90,683.96	54,332.77

**30.9** in line with accepted practice in construction business, certain revision to costs and billing of previous years which have crystallised during the year have been dealt with in the current year. The Statement of Profit and Loss for the year includes debits (net) aggregating ₹ 9,933.03 lac [March 31, 2014 : ₹ 9,919.70 lac - credits (net)] on account of changes in estimates.

**30.10** (i) In the year 2007-08, under a sanctioned scheme of the Board for Industrial and Financial Reconstruction (BIFR), the Company became a strategic investor in Artson Engineering Limited (Artson), a Public Limited Company listed on the Bombay Stock Exchange by acquiring 75% of the equity share capital of Artson. In terms of the rehabilitation scheme sanctioned by BIFR, the Company is exempt from the provisions of Section 73 and 186 and relevant provisions of the Companies Act, 2013 (Section 58A and 372A and relevant provisions of the Companies Act, 1956) and the regulation there under for the purpose of providing loan and guarantees and subscribing to the equity capital of Artson.

(ii) The Company has an investment of ₹ 276.90 lac in Artson, has loaned amounts aggregating ₹ 4,030.39 lac and has given project advances aggregating ₹ 2,047.51 lac which are outstanding as on March 31, 2015. Of this, the management has extended the moratorium for repayment of loans aggregating ₹ 4,030.39 lac for a further period, with repayments falling due in five installments commencing March 31, 2018. Artson has applied to the BIFR seeking conversion of the loan advanced by the Company and the interest thereon into 44,18,22,878 4% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 1/- each credited as fully paid up, to be allotted to the Company on a preferential allotment basis. Artson's net worth has been fully eroded. Artson's financial statements for the year ended March 31, 2015 have been prepared on going concern basis. Considering the order book position of the Company and Artson's capabilities to execute certain portions of these contracts, Management is of the view that the financial position of Artson will continue to improve and hence no provision is required on this account at this stage.

(iii) In view of the foregoing, as a prudent measure, interest income for the year in respect of loans given to Artson aggregating ₹ 403.04 lac (March 31, 2014 : ₹ 382.84 lac) and cumulatively as at March 31, 2015 of ₹ 1068.67 lac (March 31, 2014 : ₹ 665.63 lac) has not been recognised. The Management is in the process of obtaining necessary approvals for waiver of interest on the loans given to Artson aggregating ₹ 4,030.39 lac.

**30.11** Note 16 - Long-term loans and advances includes ₹ 610.00 lac (March 31, 2014: ₹ 610.00 lac) on account of taxes deducted at source on inter state supplies under applicable Value Added Tax Acts. The Company has contested the deduction in the applicable judicial forum and is confident of a favorable outcome in the matter.

**30.12** The Company's tower manufacturing facility located at Nagpur is entitled to certain incentives under "Package Scheme of Incentives – 2007" which includes, Industrial Promotion Subsidy (IPS) equivalent of 30% of eligible investments, limited to ₹ 384.93 lac, which will be sanctioned and disbursed as per modalities to be determined by Government of Maharashtra. Benefit will be accounted on such final determination.



## Notes forming part of the financial statements

**30.13** Provision for taxation includes ₹ Nil (March 31 2014: ₹0.50 lac) paid / payable in other countries.

**30.14** During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II.

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 126.85 lac (net of deferred tax credit of ₹65.32 lac) against the opening surplus balances in the Statement of Profit and Loss under Reserves and surplus.

The depreciation expense in the statement of profit and loss for the year is higher by ₹ 2,187.94 lac consequent to the change in the useful life of the assets.

**30.15** Exceptional item represents profit on sale of freehold land and buildings (partly completed transferred from capital work-in-progress) aggregating ₹ 4,030.85 lac. As at March 31, 2014, these assets were disclosed under Other current assets as "Fixed assets held for sale".

**Notes forming part of the financial statements**
**30.16 Employee benefits**
**(a) Defined benefit plans**

The following table sets out the status of the defined benefit schemes and the amounts recognised in the financial statements: ₹ in lac

Particulars	Year ended March 31, 2015			Year ended March 31, 2014		
	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits
	Funded	unfunded	unfunded	Funded	unfunded	unfunded
<b>I Components of employer's expense</b>						
Current service cost	279.63	-	-	256.67	-	-
Interest cost	213.77	23.32	3.75	168.79	20.62	2.20
Expected return on plan assets	(203.08)	-	-	(156.15)	-	-
Past service cost	-	-	-	-	-	-
Actuarial losses / (gains)	202.25	77.43	(0.35)	18.52	18.22	29.78
<b>Total expense recognized in the Statement of Profit and Loss</b>	<b>492.57</b>	<b>100.75</b>	<b>3.40</b>	<b>287.83</b>	<b>38.84</b>	<b>31.98</b>
<b>II Net asset / (liability) recognised in the Balance Sheet</b>						
Present value of defined benefit obligation	2,916.89	337.58	46.55	2,273.08	276.89	44.19
Fair value on plan assets	(2,927.86)	-	-	(2,333.92)	-	-
Surplus / (Deficit)	10.97	(337.58)	(46.55)	60.84	(276.89)	(44.19)
Unrecognised past service cost	-	-	-	-	-	-
<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>10.97</b>	<b>(337.58)</b>	<b>(46.55)</b>	<b>60.84</b>	<b>(276.89)</b>	<b>(44.19)</b>
<b>III Change in defined benefit obligation (DBO) during the year</b>						
Present value of DBO at beginning of the year	2,273.08	276.89	44.19	2,020.65	273.63	28.95
Current service cost	279.63	-	-	256.67	-	-
Interest cost	213.77	23.32	3.75	168.79	20.62	2.20
Actuarial (gains)/losses	286.66	77.43	(0.35)	2.77	18.22	29.78
Benefits paid	(136.25)	(40.06)	(1.04)	(175.80)	(35.58)	(16.74)
<b>Present value of DBO at the end of the year</b>	<b>2,916.89</b>	<b>337.58</b>	<b>46.55</b>	<b>2,273.08</b>	<b>276.89</b>	<b>44.19</b>
<b>IV Change in fair values of assets during the year</b>						
Plan assets at beginning of the year	2,333.91	-	-	1,919.32	-	-
Expected return on plan assets	203.08	-	-	156.15	-	-
Actual company contributions	442.70	40.06	1.04	450.00	35.58	16.74
Actuarial gain / (loss)	84.42	-	-	(15.75)	-	-
Benefits paid	(136.25)	(40.06)	(1.04)	(175.80)	(35.58)	(16.74)
Plan assets at the end of the year	2,927.86	-	-	2,333.92	-	-
Actual return on plan assets	287.50	-	-	140.39	-	-

## Notes forming part of the financial statements

### 30.16 Employee benefits (cond....)

#### (a) Defined benefit plans

The following table sets out the status of the defined benefit schemes and the amounts recognised in the financial statements: ₹ in lac

	Year ended March 31, 2015			Year ended March 31, 2014		
	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits
	Funded	unfunded	unfunded	Funded	unfunded	unfunded
<b>V The major categories of plan assets</b>						
Funded with Tata AIG Life Insurance Co. Ltd.	2,927.86	-	-	2,333.92	-	-
<b>VI Actuarial assumptions</b>						
Discount rate	8.00%	8.00%	8.00%	9.00%	9.00%	9.00%
Expected rate of return on plan assets	9.00%			9.00%		
Salary escalation	6.00%	-	-	6.00%	-	-
Attrition	10%			10%		
Mortality	Indian Assured Lives Mortality (2006-08) ULT Table			Indian Assured Lives Mortality (2006-08) ULT Table		

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

**Notes forming part of the financial statements**
**30.16 Employee benefits (cond....)  
VII Experience adjustments**

	2014-15			2013-14			2012-13			2011-12			2010-11		
	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits
Present value of DBO	2,916.89	337.58	46.55	2,273.08	276.89	44.19	2,020.65	273.63	28.95	1,447.99	211.13	27.71	1,175.28	106.86	-
Fair value of plan assets	2,927.86	-	-	2,333.92	-	-	1,919.32	-	-	1,447.72	-	-	1,191.27	-	-
Status [Surplus/(Deficit)]	10.97	(337.58)	(46.55)	60.84	(276.89)	(44.19)	(101.33)	(273.63)	(28.95)	(0.27)	(211.13)	(27.71)	15.99	(106.86)	-
Experience adjustment on plan assets [gain/(loss)]	84.42	-	-	(15.75)	-	-	34.63	-	-	9.05	-	-	(10.39)	-	-
Experience adjustment on plan liabilities [gain/(loss)]	123.46	57.40	(3.45)	140.05	35.87	14.03	199.02	74.92	(1.69)	200.96	25.02	-	201.60	33.72	-

**b) Defined contribution plan**

In respect of the defined contribution plans, an amount of ₹ 2,414.38 lac (March 31, 2014: ₹ 2,132.40 lac) has been recognised as an expense in the statement of profit and loss during the year.

## Notes forming part of the financial statements

### 30.17 Segment Information

- 1 The Company is in the business of executing Engineering, Procurement and Construction (EPC) contracts in various infrastructure fields, comprising power generation, transmission, distribution and related ancillary services including manufacturing activity, telecommunications, civil construction and other allied engineering and quality services. The projects are executed both in India and abroad. Considering the core activities of the Company as above, the primary segment is business segment and secondary segment is geographical segment.

Accordingly the primary segments of the Company are:

- (i) EPC
- (ii) Services
- (iii) Others

and secondary segments of the Company are:

- (i) Domestic
- (ii) Overseas

- 2 Reporting for business segment is on the following basis:  
Revenue relating to individual segment is recorded in accordance with accounting policies followed by the Company. All expenditure, which is directly attributable to a project, is charged to the project and included in the respective segment to which the project related. The costs which cannot be reasonably attributable to any project and are in the nature of general administrative overheads are shown as unallocable expenses.  
Fixed assets employed in the specific project are allocated to the segment to which the project relates. The depreciation on the corresponding assets is charged to respective segments.

**Notes forming part of the financial statements**
**30.17 Segment information (contd..)**

₹ in lac

Particulars	Business segments			Eliminations	Total
	EPC	Services	Others		
1 Revenue	323,399.68 (353,061.18)	8,431.75 (6,259.56)	2,413.54 (516.92)	-	334,244.97 (359,837.66)
2 Inter segment revenue	-	232.89 (628.83)		232.89 (628.83)	-
3 Segment revenue	323,399.68 (353,061.18)	8,664.64 (6,888.39)	2,413.54 (516.92)	232.89 (628.83)	334,244.97 (359,837.66)
4 Segment result	23,566.62 (21,730.29)	1,925.66 (912.35)	421.68 (121.93)	-	25,913.96 (22,764.57)
5 Unallocable expenses (net)					10,627.97 (9,337.52)
6 Finance costs					7,161.58 (3,250.45)
7 Operating income (4-5-6)					8,124.41 (10,176.60)
8 Other income (net)					2,199.23 (4,264.61)
9 <b>Profit before exceptional items and taxes (7+8)</b>					<b>10,323.64</b> <b>(14,441.21)</b>
10 Exceptional items					4,030.85 (-)
11 <b>Profit before tax (9+10)</b>					<b>14,354.49</b> <b>(14,441.21)</b>
12 Tax expense					4,984.85 (4,647.11)
13 <b>Profit for the period / year (11-12)</b>					<b>9,369.64</b> <b>(9,794.10)</b>
Segment assets	438,222.56 (383,498.10)	5,046.36 (2,495.60)	1,974.88 (9.49)		445,243.80 (386,003.19)
Unallocable assets					35,569.16 (44,781.14)
<b>Total assets</b>					<b>480,812.96</b> <b>(430,784.33)</b>
Segment liabilities	338,103.82 (315,364.35)	788.61 (462.65)	1,211.21 (139.22)		340,103.64 (315,966.22)
Unallocable liabilities					53,800.72 (36,090.13)
<b>Total liabilities</b>					<b>393,904.36</b> <b>(352,056.35)</b>
<u>Other information</u>					
Capital expenditure (allocable)	3,597.76 (5,810.16)	0.94 (0.96)	179.25 -		3,777.95 (5,811.12)
Capital expenditure (unallocable)					1,876.83 (2,044.54)
Depreciation and amortisation (allocable)	6,159.37 (4,024.46)	6.90 (21.10)	0.95 (0.06)		6,167.22 (4,045.62)
Depreciation and amortisation (unallocable)					1,774.43 (925.86)

## Notes forming part of the financial statements

### 30.17 Segment information (contd..)

₹ in lac

Geographical segment	Revenue - for the year ended March 31, 2015	Segment assets as at March 31, 2015	Capital expenditure incurred during the year ended March 31, 2015
Domestic	310,439.57 (344,010.93)	452,827.59 (412,842.78)	5,624.00 (7,842.24)
Overseas	23,805.40 (15,826.73)	27,985.37 (17,941.55)	30.78 (13.42)
<b>Total</b>	<b>334,244.97</b> <b>(359,837.66)</b>	<b>480,812.96</b> <b>(430,784.33)</b>	<b>5,654.78</b> <b>(7,855.66)</b>

Amounts in brackets represent previous year numbers

### 30.18 Related party transactions

#### Details of related parties:

#### Description of relationship

- (i) Entity holding more than 20%
- (ii) Subsidiaries

#### Names of related parties

The Tata Power Company Limited (TPCL)  
 Artson Engineering Limited (AEL)  
 TPL-TQA Quality Services (Mauritius) Pty Limited (TPL TQA Mauritius)  
 TPL-TQA Quality Services South Africa (Pty) Limited (TPL TQA SA)  
 TQ Services Europe, GmbH (TQ GmbH)  
 Tata Projects Infrastructure Limited (TPIL) w.e.f. June 26, 2013  
 Foodcert India Private Limited (FoodCert) w.e.f. February 28, 2015

- (iii) Jointly controlled entities (JCE)

AI Tawleed for Energy & Power Company (AI Tawleed)  
 TEIL Projects Limited (TEIL)

- (iv) Jointly controlled operations (JCO)

Tata Projects Limited -  
 VNR Infrastructure Ltd - Package 1 (JV) (TPL VNR JV - Pkg 1)  
 Tata Projects Limited -  
 VNR Infrastructure Ltd - Package 2 (JV) (TPL VNR JV - Pkg 2)  
 Tata Projects - Balfour Beatty (JV) (TP BB JV) w.e.f. April 1, 2013  
 Tata - Aldesa (JV) w.e.f. April 1, 2013  
 GYT-TPL (JV) w.e.f. September 23, 2014

- (v) Associates

Virendra Garments Manufacturing Private Limited (VGMPL)

- (vi) Key Management Personnel (KMP)

Mr. Vinayak K Deshpande, Managing Director  
 Mr. Rajgopal Swami, Chief Financial Officer



**Notes forming part of the financial statements**

**30.18 Related party transactions (Contd....)**  
**Details of related party transactions during the year ended March 31, 2015 and balance outstanding as at March 31, 2015**

₹ in lac

Particulars	Entity holding more than 20%		Subsidiaries							JCE			JCO					KMP	Total
	TPCL	AEL	TPL TOA Mauritius	TPL TOA SA	TO GmbH	FoodCert	TPIL	Total	AI Jawheed	TEIL	Total	TPL VNR JV Pkg 1	TPL VNR JV Pkg 2	TP BB JV	GYT-TPL	Tata - Aldeza (JV)	Total		
Revenue from operations	476.41 (1,496.09)	-	28.51 (158.18)	194.46 (689.35)	-	-	-	222.97 (847.53)	-	-	-	1,112.19 (2,581.26)	1,144.00 (2,311.67)	-	-	3,659.60 (4,892.95)	5,915.79 (7,236.57)	-	6,615.17 (7,236.57)
Contract execution expenses	-	6,372.72 (4,580.63)	-	-	2.31 (22.33)	-	-	6,375.03 (4,602.96)	-	-	-	-	-	-	-	-	-	-	6,375.03 (4,602.96)
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)	(9.46)
Other expenses	(-)	13.63 (19.19)	(-)	(-)	(-)	(-)	(-)	13.63 (19.19)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	13.63 (19.19)
Dividend received	(-)	(-)	(-)	(-)	1.08 (24.74)	(-)	(-)	1.08 (24.74)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	1.08 (24.74)
Proposed dividend	483.75 (483.75)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	483.75 (483.75)
Purchase of Fixed Assets	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investments	(-)	(-)	(-)	(-)	(82.48)	(-)	(-)	65.00 (82.48)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	65.00 (82.48)
Advance towards share application money	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Loans and advance given (net)	(-)	-1,208.30 (2,429.01)	(-)	(-)	(-)	(-)	(-)	-1,208.30 (2,429.01)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-1,208.30 (2,429.01)
Mobilisation advance received (net)	-48.09 (-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-1,142.42 (4,103.91)
Reimbursable expenses (net)	1.11 (-)	44.39 (19.01)	(-)	(-)	(-)	(-)	(-)	44.39 (19.01)	(-)	(-)	(-)	2.29 (0.38)	0.58 (0.33)	(-)	(-)	(141.58)	2.87 (536.91)	(-)	86.46 (681.26)
Remuneration	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Guarantees given	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	-6.72 (-161.15)	-1,300.00 (800.00)	(-)	(-)	(-)	(-)	(-)	-1,300.00 (800.00)	(-)	(-)	(-)	-200.00 (-250.70)	-377.30 (-76.95)	-199.00 (200.00)	10,988.01 (48,890.48)	16,637.71 (49,018.13)	26,849.42 (48,890.48)	(-)	25,542.70 (49,529.33)

Amounts in brackets represents previous year numbers.

## Notes forming part of the financial statements

### 30.18 Related party transactions (Contd...) Balances outstanding at the end of the year

₹ in lac

Particulars	Entity holding more than 20%		Subsidiaries						JCE		JCO						KMP	Total	
	TPCL	AEL	TPL TOA Mauritius	TPL TOA SA	TQ GmbH	FoodCert	TPIL	Total	AI Taxised	TEIL	Total	TPL VNR JV Pkg 1	TPL VNR JV Pkg 2	TP BB JV	GYT-TPL	Tata - Alesia (JV)			Total
Trade receivables	649.19 (2,734.85)	55.31 (7.78)	3.58 (31.71)	43.46 (60.30)	-	-	-	102.35 (99.79)	83.69 (83.69)	-	83.69 (83.69)	1,420.76 (1,808.64)	1,385.40 (1,788.07)	-	-	366.80 (141.58)	3,535.02 (4,132.91)	-	4,008.19 (7,051.24)
Loans and advances	-	6,077.90	-	-	-	-	6,077.90	-	-	-	-	-	-	-	-	-	-	-	6,077.90
Investment	-	(7,286.20)	(-)	(-)	(-)	60.00	(7,286.20)	(-)	(-)	(-)	(-)	(-)	(-)	(50.00)	(-)	(-)	(50.00)	(-)	(7,336.20)
Advance towards share application money	-	-	-	-	-	-	-	(5.00)	-	-	-	-	-	-	-	-	-	-	(5.00)
Contractually reimbursable expenses	1.11	303.02 (258.63)	-	-	-	-	303.02 (258.63)	1.83 (1.83)	104.06 (65.97)	105.89 (67.80)	2.67 (0.38)	0.91 (0.33)	-	-	-	1.62	5.20 (0.71)	-	415.22 (327.14)
Provision for doubtful loans and advances	-	133.02 (133.02)	-	-	-	-	133.02 (133.02)	-	-	-	-	-	-	-	-	-	-	-	133.02 (133.02)
Other current assets- Unbilled revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,709.53	1,709.53	-	1,709.53
Trade payables	-	1,271.88 (1,182.60)	-	-	0.44	-	1,272.32 (1,182.60)	34.39 (34.39)	-	34.39 (34.39)	-	-	-	6.44	-	-	6.44	-	1,313.15 (1,216.99)
Other current liabilities	383.23 (431.32)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	3,412.36 (4,099.31)	3,413.28 (4,507.61)	(-)	3,796.51 (4,938.99)
Proposed dividend	483.75 (483.75)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	483.75 (483.75)
Commission payable	-	-	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	200.00 (175.00)
Guarantees given	1,836.69 (1,843.41)	5,500.00 (6,800.00)	(-)	(-)	(-)	(-)	5,500.00 (6,800.00)	-	-	-	2,719.86 (2,919.86)	2,764.02 (3,141.32)	1.00 (200.00)	10,988.01 (200.00)	(-)	65,655.84 (49,018.13)	82,128.73 (55,279.31)	(-)	89,465.42 (63,922.72)

Amounts in brackets represents previous year numbers.

## Notes forming part of the financial statements

### 30.19 Details of leasing arrangements

#### Operating lease: As lessee

- i) The Company's significant leasing arrangements are in respect of operating leases for premises (residences, office, etc.). The leasing arrangements, which are not non-cancellable range generally between 11 months to 9 years or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rents payable are recognized in the Statement of Profit and Loss for the year as Rent under Note 28 - Other expenses.
- ii) With regard to certain other non-cancellable operating leases for premises, the future minimum lease rental are as follows:

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
Not later than one year	497.41	763.11
Later than one year and not later than five years	463.11	1,068.97
Later than five years	90.86	275.50
	<b>1,051.38</b>	<b>2,107.58</b>

### 30.20 Earnings per share (EPS):

	For the year ended March 31, 2015	For the year ended March 31, 2014
a) Profit for the year (₹ in lac)	9,369.64	9,794.10
b) Weighted Average number of Equity Shares of ₹ 100 each outstanding during the year (No's)	2,025,000	2,025,000
<b>Earnings per share</b>		
c) Basic and diluted (₹) (a/b)	462.70	483.66

## Notes forming part of the financial statements

### 30.21 Interest In joint ventures

The Company has interests in the following joint ventures - Jointly controlled operations (JCO) and Jointly controlled entities (JCE)

(i) Jointly controlled operations (JCO)

Name of joint venture and country of incorporation	% of interest	Amount of interest based on accounts for the year ended March 31, 2015	
		Contingent liabilities	Capital commitments
Tata Projects Limited - VNR Infrastructure Ltd (JV) - Package 1 -India (unaudited)	80% (80%)	2,719.86 (2,766.29)	- (-)
Tata Projects Limited - VNR Infrastructure Ltd (JV) - Package 2 -India (unaudited)	85% (85%)	2,748.68 (2,886.59)	- (-)
Tata Aldesa JV - India (audited)	50% 50%	54,298.35 (33,307.66)	- (-)
Tata Projects - Balfour Beatty JV - India (audited)	100% 50%	1.00 (200.00)	- (-)
GYT-TPL (JV) - (unaudited)	49% (-)	10,988.01 (-)	- (-)

(ii) Jointly controlled entities (JCE)

	% of interest	Amount of interest based on accounts for the year ended March 31, 2015					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
TEIL Projects Limited - India As per audited accounts as on March 31, 2015	50%	130.22 (123.09)	130.22 (123.09)	99.52 (117.11)	163.89 (162.89)	- (-)	- (-)
M/s Al-Tawleed for Energy & Power Co. (under liquidation) - Kingdom of Saudi Arabia  As per Management Accounts as on December 31, 2014	30%	1,963.23  (1,922.88)	1,963.23  (1,922.88)	-  (-)	-  (-)	-  (-)	-  (-)

Amounts in brackets represents previous year numbers.

**Notes forming part of the financial statements****30.22 Details of provisions**

The Company has made provisions for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

₹ in lac

<b>Particulars</b>	<b>As at April 1, 2014</b>	<b>Additions</b>	<b>Utilisation</b>	<b>As at March 31, 2015</b>
Provision for foreseeable losses on contracts	400.92	-	173.94	226.98
	(577.76)	(1,852.24)	(2,029.08)	(400.92)

Amounts in brackets represents previous year numbers.

**30.23** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**For and on behalf of the Board Directors**

**Prasad R Menon**  
Chairman

**Samir Kumar Barua**  
Director

**Neera Saggi**  
Director

**S Ramakrishnan**  
Director

**Vinayak K Deshpande**  
Managing Director

**Rajgopal Swami**  
Chief Financial Officer

**Dr A Raja Mogili**  
Company Secretary

Place: 18th May 2015

Date : Mumbai

## Financial Statistics

₹ in lac

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
1 Gross Revenue from Operations	47,310.45	93,319.24	134,395.47	193,408.58	275,675.98	306,702.21	307,431.43	359,010.57	367,024.31	344,439.97
2 Operating Expenditure (Incl. Indirect Taxes and Duties)	44,460.04	89,677.40	128,046.85	182,341.38	254,407.23	279,317.74	285,501.99	346,878.14	348,638.79	321,212.33
3 Operating Profit	2,850.41	3,641.84	6,348.62	11,067.20	21,268.75	27,384.47	21,929.44	12,132.43	18,385.52	23,227.64
4 Other Income	220.40	528.39	2,692.20	1,756.62	2,338.50	2,958.35	5,452.31	6,109.76	4,494.06	6,230.08
5 Interest	208.17	426.33	696.02	1,152.08	1,383.57	1,472.17	2,207.01	3,016.75	3,466.89	7,161.58
6 Depreciation and Amortisation	641.58	1,417.58	1,672.68	1,985.78	1,816.96	2,307.06	2,791.74	3,696.13	4,971.48	7,941.65
7 Profit before Taxation	2,221.06	2,326.32	6,672.12	9,685.96	20,406.72	26,563.59	22,383.00	11,529.31	14,441.21	14,354.49
8 Profit after Taxation	1,430.81	1,194.31	4,323.66	5,906.45	13,267.50	17,950.75	15,470.41	8,487.61	9,794.10	9,369.64
9 Earnings Per Share (EPS) - Rs./ shares	636	411	1,281	292	655	886	764	419	484	462.70
10 Dividend per share (%)	70%	100%	125%	30%	75%	100%	100%	50%	50%	0.50
11 Dividend Pay-out Ratio (%)	13%	33%	11%	12%	13%	13%	15%	14%	12%	11%
12 Return On Capital Employed (ROCE) %	29%	18%	27%	29%	43%	42%	32%	21%	17%	18%
13 Return On Net Worth (RONW) %	24%	9%	26%	27%	40%	37%	25%	12%	12%	11%
14 Long Term Debts / Equity	0.13	0.28	0.20	0.15	0.10	0.05	0.02	0.06	0.37	55%
15 Total Debts / Equity	0.31	0.28	0.46	0.39	0.13	0.05	0.02	0.06	0.37	55%
16 Capital	225.00	337.50	337.50	2,025.00	2,025.00	2,025.00	2,025.00	2,025.00	2,025.00	2,025.00
17 Shareholder's Reserves	5,804.16	12,788.18	16,336.99	19,563.95	31,054.59	46,657.69	59,774.59	67,921.38	76,702.98	84,883.60
18 Debenture Redemption Reserve	-	281.25	562.50	843.75	843.75	843.75	843.75	-	-	-
19 Borrowings	1,872.79	3,716.89	7,646.48	8,382.08	4,335.24	2,316.99	1,309.32	3,889.18	29,073.96	47,494.13
20 Gross Block (incl. Capital WIP)	7,348.84	9,792.70	14,281.54	16,435.21	19,981.44	24,264.42	28,200.39	38,740.42	45,760.20	50,838.71
21 Depreciation	2,115.71	3,454.86	5,088.91	6,948.41	8,656.55	10,808.70	12,871.80	16,356.14	21,009.51	28,702.15
22 Net Block	5,233.13	6,337.84	9,192.63	9,486.80	11,324.89	13,455.72	15,328.59	22,384.28	24,750.69	22,136.56



**PROFIT AND LOSS STATEMENT**

For the year ended 31/03/2022

Consolidated figures (INR)

Amount in Lakhs (INR)

Particulars	2021		2020		Change	% Change
	Actual	Budget	Actual	Budget		
<b>Total Sales Revenue (1)</b>	2,371,874	2,400,000	2,190,812	2,190,812	18.1%	8.3%
<b>Total Cost of Sales (2)</b>	1,471,000	1,400,000	1,340,000	1,340,000	51.2%	23.3%
<b>Gross Profit (3) = (1) - (2)</b>	900,874	1,000,000	850,812	850,812	41.9%	19.0%
<b>Operating Expenses</b>						
Selling Expenses	171,000	170,000	160,000	160,000	1.2%	0.6%
Admin & Marketing	400,000	400,000	390,000	390,000	2.5%	1.3%
R&D	20,000	20,000	19,000	19,000	5.0%	2.5%
Finance	10,000	10,000	9,000	9,000	10.0%	5.0%
Other	10,000	10,000	9,000	9,000	10.0%	5.0%
<b>Total Operating Expenses (4)</b>	611,000	610,000	578,000	578,000	28.9%	13.7%
<b>Operating Profit (5) = (3) - (4)</b>	289,874	390,000	272,812	272,812	33.0%	15.3%
<b>Finance Income</b>	10,000	10,000	9,000	9,000	10.0%	5.0%
<b>Finance Expense</b>	(10,000)	(10,000)	(9,000)	(9,000)	10.0%	5.0%
<b>Profit Before Tax (6) = (5) + Finance Income - Finance Expense</b>	289,874	390,000	272,812	272,812	33.0%	15.3%
<b>Income Tax Expense</b>	(10,000)	(10,000)	(9,000)	(9,000)	10.0%	5.0%
<b>Profit After Tax (7) = (6) - Income Tax Expense</b>	279,874	380,000	263,812	263,812	38.0%	17.5%

## Consolidated Financial Statements





## **INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF TATA PROJECTS LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Tata Projects Limited** (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities 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. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Basis for Qualified Opinion**

The consolidated financial statements include the unaudited financial statements/ financial information of one jointly controlled entity (Previous year ended March 31, 2014: one subsidiary and one jointly controlled entity), whose financial statements/ financial information reflects total assets (net) of ₹1,952.93 lac as at March 31, 2015 (As at March 31, 2014: ₹1,917.57 lac), total revenues of ₹Nil (Previous year ended March 31, 2014: ₹Nil) and net cash inflows amounting to ₹0.32 lac (Previous year ended March 31, 2014: ₹6.73 lac) for the year ended on that date, as considered in the consolidated financial statements. Our opinion, in so far as it relates to the amounts included in respect of this jointly controlled entity, is based solely on such unaudited financial statements/ financial information.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph above, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Other Matters**

- (a) We did not audit the financial statements / financial information of 5 subsidiaries, and one jointly controlled entity, whose financial statements / financial information reflect total assets (net) of ₹6,782.59 lac as at March 31, 2015, total revenues of ₹2,095.95 lac and net cash flows amounting to ₹1,163.96 lac for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements/financial information of one subsidiary whose financial statements / financial information reflect total assets (net) of ₹199.45 lac as at March 31, 2015, total revenues of ₹435.01 lac and net cash flows amounting to ₹27.73 lac for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information is not material to the Group.
- (c) The consolidated financial statements do not include the Group's share of net profit/ loss as at March 31, 2015 in respect of an associate [Refer Note 2.2 (i) to the Notes forming part of the consolidated financial statements], which could not be determined, as the Management has not obtained the financial statements of this associate. The value of investment in such associate has been fully provided for in the consolidated financial statements of the Company. Based on the explanations provided by the Management, it is expected that there should be no material impact on the consolidated financial statements consequent to any possible adjustments in respect of the aforesaid entity where no financial statements are available, since the size of the entity in the context of the Group is not material.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and jointly controlled company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and, except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. Except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, the consolidated financial statements disclose the impact of all pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities in accordance with the generally accepted accounting practice - also refer Note 30.1(i)(a) to the consolidated financial statements.
    - ii. Except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, the Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 008072S)

**K. Rajasekhar**  
Partner  
(Membership No. 23341)

Place : Secunderabad  
Date: May 18, 2015

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT  
ON THE CONSOLIDATED FINANCIAL STATEMENTS**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes three subsidiary companies and one jointly controlled company incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

In respect of one subsidiary company incorporated in India which has been audited by other auditors, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of this entity, since the report of the other auditors under the Order has not been provided to us, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered.

- (i) In respect of the fixed assets of the Holding Company, subsidiary companies and jointly controlled company incorporated in India:
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company, subsidiary companies and jointly controlled company incorporated in India:
  - (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
  - (b) In our opinion and the opinion of the other auditors, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above and according to the information and explanations given to us and the other auditors, having regard to the nature of inventory, the procedures of physical verification by way of physical count, site visits by the Management of the respective entities and certification of extent of work completion by competent persons, are reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - (c) In our opinion and the opinion of the other auditors, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding company, subsidiary companies and jointly controlled company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company, subsidiary companies and jointly controlled company incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our and the other auditors audit, no major weakness in such internal control system has been observed.
- (v) According to the information and explanations given to us and the other auditors, in our opinion and the

opinion of the other auditors, the Holding Company, subsidiary companies and jointly controlled company incorporated in India have not accepted any deposits during the year. There are no unclaimed deposits in respect of the Holding Company, subsidiary companies and jointly controlled company incorporated in India.

- (vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company, subsidiary companies and jointly controlled company incorporated in India, have, where applicable, *prima facie*, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and the other auditors, in respect of statutory dues of the Holding company, subsidiary companies and jointly controlled entity incorporated in India:
- The respective entities have been regular in depositing 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 material statutory dues applicable to the respective entities with the appropriate authorities, except for a subsidiary company incorporated in India, in respect of which the entity has generally been regular in depositing 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 material statutory dues applicable to it with the appropriate authorities .
  - There were no undisputed amounts payable by the respective entities in respect of 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 material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
  - Details of dues of Income-Tax, Sales Tax, and Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is pending</b>	<b>Period to which the Amount relates</b>	<b>Amount involved (₹ in lac)</b>
Sales Tax Laws	Sales Tax	First Appellate Authority	2002-03 to 2007-08 and 2009-10 to 2012-13	1,925.16
		Sales Tax Appellate Tribunal	1999-2000 to 2001-02 and 2003-04	34.16
		High Court	2001-02 and 2002-03	106.23
VAT Laws	Value Added Tax	First Appellate Authority	2006-07 to 2012-13	2,115.55
		Sales Tax Appellate Tribunal	2008-09	443.93
		Commissioner Appeals High Court	2007-08 2008-09	101.52 228.83
Commercial Tax Officer (Andhra Pradesh)	Works Contract differences in value of property passing and sale in transit	Commissioner Appeals	1998-99	12.21
Commercial Tax (West Bengal)	Works Contract value	Commissioner Appeals	1998-99 to 2000-01	2.08

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount relates	Amount involved (₹ in lac)
Commercial Tax (Punjab)	Penalty levied on account of missing in transport of material	Joint Director cum Deputy Excise & Taxation Commissioner (Appeals)	2010-11	8.03
Income Tax Act	Demand of tax in respect of certain claims not admitted	Commissioner Appeals	2010-11 and 2012-13	672.07

- (d) There are no amounts that are due to be transferred by the aforesaid entities to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Group its associates and jointly controlled entities does not have consolidated accumulated losses at the end of the financial year and the Group, its associates and jointly controlled entities have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies and jointly controlled companies incorporated in India, where applicable, have not defaulted in the repayment of dues to financial institutions and banks. The Holding Company, subsidiary companies and jointly controlled company incorporated in India have not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company for loans taken by its jointly controlled entity from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Group, its associates and jointly controlled entities. According to the information and explanations given to the other auditors, the subsidiary companies and jointly controlled company incorporated in India have not given guarantees for loan taken by others from banks and financial institutions.
- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors term loans have not been obtained by the respective entities other than for term loans obtained by the Holding Company and a subsidiary company incorporated in India, in respect of which, the term loans have been applied by the Holding Company and subsidiary company incorporated in India during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its subsidiary companies and jointly controlled company incorporated in India and no fraud on the Holding Company, its subsidiary companies and jointly controlled company incorporated in India has been noticed or reported during the year.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration No.008072S

K. Rajasekhar  
Partner  
Membership No. 23341

Place : Secunderabad

Date: May 18, 2015



## Consolidated Balance Sheet as at March 31, 2015

	Note No.	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
<b>A. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	2,025.00	2,025.00
(b) Reserves and surplus	4	78,649.26	71,475.63
		80,674.26	73,500.63
<b>2 Minority interest</b>			
		338.49	809.48
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	26.06	41.25
(b) Other long-term liabilities	6	148.16	1,218.86
(c) Long-term provisions	7	2,102.43	1,847.48
		2,276.65	3,107.59
<b>4 Current liabilities</b>			
(a) Short-term borrowings	8	49,990.18	31,442.55
(b) Trade payables	9	238,640.19	222,227.59
(c) Other current liabilities	10	108,807.19	100,208.30
(d) Short-term provisions	11	1,888.98	2,041.81
		399,326.54	355,920.25
<b>Total</b>		<b>482,615.94</b>	<b>433,337.95</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	21,425.16	24,091.98
(ii) Intangible assets	13	960.94	1,023.46
(iii) Capital work-in-progress		434.24	559.12
(b) Goodwill on consolidation (refer Note 30.16)		391.25	344.07
(c) Non-current investments	14	-	-
(d) Deferred tax assets (net)	15	5,941.27	5,597.02
(e) Long-term loans and advances	16	5,468.63	5,364.20
(f) Other non-current assets	17	4,054.41	1,992.65
		38,675.90	38,972.50
<b>2 Current assets</b>			
(a) Inventories	18	68,733.95	46,692.05
(b) Trade receivables	19	243,040.99	228,638.16
(c) Cash and cash equivalents	20	20,430.74	18,210.51
(d) Short-term loans and advances	21	83,728.66	86,092.93
(e) Other current assets	22	28,005.70	14,731.80
		443,940.04	394,365.45
<b>Total</b>		<b>482,615.94</b>	<b>433,337.95</b>
Corporate information	1		
Basis of consolidation and significant accounting policies	2		

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Prasad R Menon**  
Chairman

**Samir Kumar Barua**  
Director

**Neera Saggi**  
Director

**S Ramakrishnan**  
Director

**K Rajasekhar**  
Partner

**Vinayak K Deshpande**  
Managing Director

**Rajgopal Swami**  
Chief Financial Officer

**Dr A Raja Mogili**  
Company Secretary

Place: Secunderabad  
Date: 18<sup>th</sup> May, 2015

Place: Mumbai  
Date: 18<sup>th</sup> May, 2015



**Consolidated Statement of Profit and Loss for the year ended March 31, 2015**

	Note No.	For the year ended March 31, 2015 ₹ in lac	For the year ended March 31, 2014 ₹ in lac
<b>1 Revenue from operations (gross)</b>		347,321.45	378,729.93
Less: Indirect taxes and duties		10,768.72	7,513.62
<b>Revenue from operations (net)</b>	23	<b>336,552.73</b>	<b>371,216.31</b>
<b>2 Expenses</b>			
(a) Contract execution expenses	25	262,555.39	297,990.54
(b) Cost of materials consumed (refer Note 30.2)		22,873.49	19,008.57
(c) Changes in inventories of finished goods, work-in-process and contracts-in-progress	26	(22,793.23)	(20,671.86)
(d) Employee benefits expense	27	31,017.28	28,441.36
(e) Other expenses	28	19,266.63	24,986.45
<b>Total</b>		<b>312,919.56</b>	<b>349,755.06</b>
<b>3 Earnings before exceptional item, interest, tax, depreciation and amortisation (EBITDA) (1-2)</b>		<b>23,633.17</b>	<b>21,461.25</b>
<b>4 Finance costs</b>	29	7,470.34	3,656.35
<b>5 Depreciation and amortisation expense</b>	12, 13	8,181.00	5,124.09
<b>6 Other income</b>	24	1,503.84	2,332.42
<b>7 Profit before exceptional item and tax (3-4-5+6)</b>		<b>9,485.67</b>	<b>15,013.23</b>
<b>8 Exceptional item (refer Note 30.9)</b>		4,030.85	-
<b>9 Profit before tax (7+8)</b>		<b>13,516.52</b>	<b>15,013.23</b>
<b>10 Tax expense</b>			
(a) Current tax		5,274.89	8,415.85
(b) Taxation of earlier years		-	(893.49)
(c) Deferred tax		(278.93)	(2,027.35)
<b>Net tax expense</b>		<b>4,995.96</b>	<b>5,495.01</b>
<b>11 Profit after tax and before minority interest (9-10)</b>		<b>8,520.56</b>	<b>9,518.22</b>
<b>12 Minority interest</b>		10.95	992.08
<b>13 Profit for the year (11-12)</b>		<b>8,509.61</b>	<b>8,526.14</b>
<b>Earnings per equity share (of ₹100 each)</b>			
Basic and diluted (₹) (refer Note 30.15)		420.23	421.0
Corporate information	1		
Basis of consolidation and significant accounting policies	2		
<b>See accompanying notes forming part of the consolidated financial statements</b>			

In terms of our report attached  
**For Deloitte Haskins & Sells**  
 Chartered Accountants

**For and on behalf of the Board of Directors**

**K Rajasekhar**  
 Partner  
 Place: Secunderabad  
 Date: 18<sup>th</sup> May, 2015

**Prasad R Menon**  
 Chairman  
**Vinayak K Deshpande**  
 Managing Director  
 Place: Mumbai  
 Date: 18<sup>th</sup> May, 2015

**Samir Kumar Barua**  
 Director  
**Rajgopal Swami**  
 Chief Financial Officer

**Neera Saggi**  
 Director  
**S Ramakrishnan**  
 Director  
**Dr A Raja Mogili**  
 Company Secretary

## Consolidated Cash flow statement for the year ended March 31, 2015

	For the year ended March 31, 2015 ₹ in lac	For the year ended March 31, 2014 ₹ in lac
<b>A. Cash flow from operating activities</b>		
Profit before tax and after exceptional item	13,516.52	15,013.23
Adjustments for:		
Exceptional item (refer Note 30.9)	(4,030.85)	-
Depreciation and amortisation expense	8,181.00	5,124.09
Finance costs	7,470.34	3,656.35
Interest income	(1,219.39)	(1,660.57)
Dividend income from current investments	-	(127.72)
Amortisation of premium and provision for diminution in the value of investments	-	0.05
Provision for foreseeable losses on contracts	(173.94)	(176.84)
(Profit)/Loss on sale of fixed assets	(25.08)	25.89
Liabilities/provisions no longer required written back	(27.48)	(208.11)
Net unrealised exchange (gain)/loss	(92.77)	15.44
	10,081.83	6,648.58
Operating profit before working capital changes	23,598.35	21,661.81
<u>Changes in working capital:</u>		
Adjustments for (increase)/decrease in operating assets:		
- Trade receivables	(16,328.64)	2,725.35
- Loans and advances	1,914.50	1,050.41
- Other assets	(13,543.47)	(9,859.44)
- Inventories	(22,041.90)	(21,752.51)
Adjustments for increase/(decrease) in operating liabilities:		
- Trade payables, Other liabilities and Provisions	23,500.56	(3,189.57)
	(26,498.95)	(31,025.76)
Cash used in operations	(2,900.60)	(9,363.95)
Net income tax paid	(4,986.63)	(8,019.68)
<b>Net cash flows used in operating activities</b>	<b>(7,887.23)</b>	<b>(17,383.63)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets including capital advances	(5,723.91)	(7,925.39)
Proceeds from sale of fixed assets	4,570.41	74.47
Bank balances not considered as cash and cash equivalents (net)	48.31	24.45
Purchase of current investments	-	(11,120.00)
Proceeds from redemption of current investments	-	15,333.55
Interest received	1,090.30	1,587.03
Inter-corporate deposits realised	-	6,500.00
<b>Net cash flows (used in)/from investing activities</b>	<b>(14.89)</b>	<b>4,474.11</b>

**Consolidated Cash flow statement for the year ended March 31, 2015**

Note No.	For the year ended March 31, 2015 ₹ in lac	For the year ended March 31, 2014 ₹ in lac
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowings	(17.86)	(24.47)
Proceeds from short-term borrowings	18,547.63	24,445.70
Finance costs	(7,303.43)	(3,323.08)
Dividend paid including tax on dividend	(1,012.50)	(1,184.57)
<b>Net cash flows from financing activities</b>	<b>10,213.84</b>	<b>19,913.58</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>2,311.72</b>	<b>7,004.06</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>18,136.37</b>	<b>11,134.84</b>
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(43.18)	(2.53)
<b>Cash and cash equivalents at the end of the year (refer Note 2 below)</b>	<b>20,404.91</b>	<b>18,136.37</b>

**Notes:**

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 (AS 3) on Cash Flow Statements.
- Cash and cash equivalents comprise:

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
(i) Cash	48.92	29.80
(ii) Balance with banks		
- in current accounts	11,207.64	8,696.10
- in EEFC account	6,817.65	4,350.52
- in deposit accounts	2,314.89	5,044.64
	20,389.10	18,121.06
Share of joint ventures	15.81	15.31
Cash and cash equivalents included in Note 20	20,404.91	18,136.37

- Comparative figures of the previous year have been regrouped wherever necessary to compare with those of current year.

In terms of our report attached  
**For Deloitte Haskins & Sells**  
 Chartered Accountants

**For and on behalf of the Board of Directors**

**K Rajasekhar**  
Partner

**Prasad R Menon**  
Chairman

**Samir Kumar Barua**  
Director

**Neera Saggi**  
Director

**S Ramakrishnan**  
Director

Place: Secunderabad  
Date: 18<sup>th</sup> May, 2015

**Vinayak K Deshpande**  
Managing Director

**Rajgopal Swami**  
Chief Financial Officer

**Dr A Raja Mogili**  
Company Secretary

Place: Mumbai  
Date: 18<sup>th</sup> May, 2015

## Notes forming part of the consolidated financial statements

### Note 1 Corporate information

Tata Projects Limited (the Parent Company) and its subsidiaries and jointly controlled entities (together the 'Group') are in the business of executing Engineering, Procurement and Construction (EPC) contracts in various infrastructure fields, comprising power generation, transmission, distribution and related ancillary services including manufacturing activity, telecommunications, civil construction and other allied engineering and quality services.

### Note 2 Significant Accounting Policies

#### 2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Group have been prepared in accordance with the generally accepted accounting principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provision of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act") as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year except for the change in the accounting policy for depreciation as more fully described in Note 30.10

#### 2.2 Principles of consolidation

The consolidated financial statements relate to Tata Projects Limited (the "Company"), its subsidiary companies and jointly controlled entities. The consolidated financial statements have been prepared on the following basis:

- (a) The financial statements of the subsidiary companies and jointly controlled entities used in the consolidation are drawn up to the same reporting date as that of the company i.e., March 31, 2015, except for a jointly controlled entity as mentioned in i (ii) below for which financial statements as on reporting date are not available. These have been consolidated based on latest available financial statements. Necessary adjustments have been made, for the effects of significant transaction and other events between the reporting dates of the such financial statements and these consolidated financial statements.
- (b) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after elimination intra-group balances, intra group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (c) Share of profit/loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transaction and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.
- (d) The excess of cost to the group of its investments in the subsidiary companies/ jointly controlled entities over its share of equity of the subsidiary companies/ jointly controlled entities, at the dates on which the investments in the subsidiary companies/ jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies/ jointly controlled entities as on the date of investment is in excess of cost of investments of the group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.
- (e) Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary

## Notes forming part of the consolidated financial statements

### Note 2 Significant Accounting Policies (Contd...)

companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

- (f) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
- (g) Goodwill arising on consolidation is not amortised but tested for impairment.
- (h) Following subsidiary companies, associates and jointly controlled entities have been considered in the preparation of the consolidated financial statements:
  - (i) The subsidiaries considered in the preparation of these consolidated financial statements are:

Name of the subsidiary	Country of incorporation	Percentage of ownership interest	
		As at March 31, 2015	As at March 31, 2014
Artson Engineering Limited	India	75	75
TPL-TQA Quality Services (Mauritius) Pty Limited	Mauritius	70	70
TPL-TQA Quality Services South Africa (Pty) Limited	South Africa	60	60
TQ Services Europe GmbH	Germany	100	100
Tata Projects Infrastructure Limited (with effect from June 26, 2013)	India	100	100
Food Cert India Pvt Ltd (with effect from February 28, 2015)	India	100	100

- (ii) Interest in Joint ventures - Jointly controlled entities

Name of the Joint Venture	Country of incorporation	Percentage holding	
		As at March 31, 2015	As at March 31, 2014
AlTawleed For Energy & Power Company	Kingdom of Saudi Arabia	30	30
TEIL Projects Limited	India	50	50

- i)
  - i) The consolidation of the following subsidiary/ joint venture has been done on the basis of unaudited financial statements certified by the management
    - TQ Services Europe GmbH
    - AlTawleed for Energy and Power Company
  - ii) The financial statements of Al Tawleed for Energy and Power Company considered in the consolidated financial statements is based on management accounts drawn for the period from January 1, 2014 to December 31, 2014. The Company is under liquidation.

## Notes forming part of the consolidated financial statements

### Note 2 Significant Accounting Policies (Contd...)

j) The group's associate is:-

Name of the Company	Country of incorporation	Percentage of ownership interest	
		As at March 31, 2015	As at March 31, 2014
Virendra Garments Manufacturing Private Limited	India	24	24

The financial statements of the above Company is not available and hence has not been considered for consolidation.

#### 2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported amounts of income and expenses during the year. Examples of such estimates include accounting for contract costs expected to be incurred to complete the projects, provisions for doubtful receivables, obligations under employee retirement benefit plans, income taxes, post contract warranties, and the useful lives of tangible and intangible assets. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known / materialise.

#### 2.4 Fixed Assets

Fixed Assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price and other attributable expenditure incurred in making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

#### 2.5 Depreciation and amortisation, impairment

Depreciation has been provided on the written down value method as per the useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of following assets, in whose case life of the assets has been assessed as under based on technical advise, taking into account the nature of the assets.

Scaffolding Materials	5 years
Wire ropes and slings	2 years
Computer including software	3 years
Motor Cars under car policy for executives	4 years

Leasehold land and leasehold improvements are amortized over the duration of the lease.

In respect of the assets jointly owned by the Company in relation to the following jointly controlled operations (JCO), the depreciation in which case, is provided as under:

- i) Tata Aldesa (JV) - Depreciation / amortisation on fixed assets is provided over the duration of the project.
- ii) GYTTP - Depreciation / amortisation on fixed assets is provided over the duration of the project.
- iii) Tata Projects Balfour Beatty JV - Depreciation / amortisation on fixed assets, is provided over the duration of the project

In respect of the parent company, assets costing less than ₹ 10,000 each are fully depreciated in the year of capitalisation.

All fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss being the excess of carrying value over the recoverable value of the assets is

## Notes forming part of the consolidated financial statements

### Note 2 Significant Accounting Policies (Contd...)

charged to the Statement of Profit and Loss in the respective financial years. The impairment loss recognized in prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

#### 2.6 Goodwill on Consolidation

To state goodwill arising on consolidation at cost, and to recognise, where applicable, any impairment.

#### 2.7 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Premium paid on investments acquired to hold till maturity is amortised over the holding period.

Current Investments are carried individually, at the lower of cost and fair value.

#### 2.8 Inventories

Raw materials are valued at lower of cost, ascertained on "weighted average" method and net realisable value.

Finished goods are valued at lower of cost and net realisable values. Cost comprises, material and applicable manufacturing overheads and excise duty.

Stores and spares are valued at cost or below on weighted average basis.

Goods-in-transit are valued at cost or below.

#### 2.9 Revenue recognition

##### (i) Revenue from Construction Contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purpose of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in the contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the consolidated statement of profit and loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the consolidated statement of profit and loss in the period in which such probability occurs.

No profit is recognised till a minimum of 10% progress is achieved on the contract except in case of Tata Aldesa (JV), jointly controlled operation, in respect of which no profit is recognised till a minimum of 2.5% progress is achieved on the contract. Cost incurred and invoices raised in respect of such contracts are carried in the consolidated Balance Sheet as contracts in progress and advance billing respectively.

##### (ii) Revenue from sale of goods is recognized on dispatch of goods and on transfer of significant risks and



## Notes forming part of the consolidated financial statements

### Note 2 Significant Accounting Policies (Contd...)

rewards of ownership to the buyer which generally coincides with the delivery of goods to customers. Sales include excise duty and other indirect taxes but exclude indirect taxes collected from customers.

(iii) Income from services rendered is recognised based on the agreements/arrangements with the concerned parties and when services are rendered.

(iv) Other Income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established.

#### 2.10 Unbilled revenues

Unbilled revenue represents value of work executed, billed subsequent to the Balance Sheet date and is valued at contract price.

#### 2.11 Foreign Exchange Transactions

(i) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary items outstanding at the balance sheet date are restated at the prevailing year end rates. The resultant gain / loss upon such restatement along with gain / loss on account of foreign currency transactions are accounted in the consolidated statement of profit and loss.

(ii) In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized in the consolidated statement of profit and loss.

(iii) In respect of financial statements of integral foreign operations of foreign branches, fixed assets are recorded at cost, based on the exchange rate prevailing at the date of the transaction. Current assets and current liabilities are reported using the exchange rates on the date of balance sheet, income and expenses are translated at the monthly average rates of exchange. The resultant exchange gains / losses are recognized in the consolidated statement of profit and loss.

#### 2.12 Employee benefits

Employee benefits include provident fund, superannuation fund, compensated absences and post retirement medical benefits.

##### Defined contribution plans

The Group's contribution to provident fund and superannuation fund, considered as defined contribution plans are charged as an expense in the consolidated statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

##### Defined benefit plans

For defined benefit plans, in the form of gratuity fund the cost of providing benefits is determined using the projected unit contract method with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the consolidated statement of profit and loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Provision for pension and medical benefits payable to retired Managing Directors is made on the basis of an actuarial valuation as at the Balance Sheet date.



## Notes forming part of the consolidated financial statements

### Note 2 Significant Accounting Policies (Contd..)

#### Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short term compensated absences is accounted as under :

- a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- b) In case of non-accumulating compensating absences, when the absences occur.

#### Other long term employee benefits

Other long term employee benefits comprise compensated absences which is provided based on an actuarial valuation carried out in accordance with AS 15 as at the Balance Sheet date.

In respect of Al Tawleed For Energy and Power Company, the provision for end of service benefit is provided as per regulatory requirements of its country of incorporation.

#### **2.13 Taxes on income**

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located. Deferred tax is recognised on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets on unabsorbed depreciation, carry forward of losses and items relating to capital losses are not recognised unless there is a virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities have been measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

#### **2.14 Earnings per share**

The earnings considered in ascertaining the Group's Earnings Per Share (EPS) comprises net profit after tax (and includes the post tax effect of any extra ordinary items). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

#### **2.15 Segment reporting**

The group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/(loss) amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

## Notes forming part of the consolidated financial statements

### Note 2 Significant Accounting Policies (Contd...)

#### 2.16 Jointly controlled operations

The accounts of the Parent Company reflect its share of the Assets, Liabilities, Income and Expenditure of the jointly controlled operations which are accounted on the basis of the audited accounts of the jointly controlled operations on line-by-line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the Joint Venture Agreements.

#### 2.17 Provisions and Contingencies

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the consolidated financial statements.

When it is probable at any stage of the contract, that the total cost will exceed the total contract revenue, the expected loss is recognised immediately.

Provision for anticipated warranty costs is made on the basis of technical and available cost estimate.

#### 2.18 Operating cycle

The Group's activities (primarily construction activities) has an operating cycle that exceeds a period of twelve months. The Group has selected the duration of the individual contracts as its operating cycle, wherever appropriate, for classification of its assets and liabilities as current and non-current.

### 3 Share capital

	As at March 31, 2015		As at March 31, 2014	
	Number of shares	₹ in lac	Number of shares	₹ in lac
<b>Authorised</b> Equity shares of ₹ 100 each with voting rights	2,500,000	2,500.00	2,500,000	2,500.00
<b>Issued, Subscribed and Paid-up</b> Equity shares of ₹ 100 each with voting rights	2,025,000	2,025.00	2,025,000	2,025.00
<b>Total</b>	<b>2,025,000</b>	<b>2,025.00</b>	<b>2,025,000</b>	<b>2,025.00</b>

Notes:

#### (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

##### Equity shares with voting rights

	Year ended March 31, 2015		Year Ended March 31, 2014	
	Number of shares	Amount (₹ in lac)	Number of shares	Amount (₹ in lac)
As at beginning of the year	2,025,000	2,025.00	2,025,000	2,025.00
Changes during the year	-	-	-	-
<b>At the end of the year</b>	<b>2,025,000</b>	<b>2,025.00</b>	<b>2,025,000</b>	<b>2,025.00</b>

**Notes forming part of the consolidated financial statements**
**Note 3 Share capital**
**(ii) Rights, preferences and restrictions attached to the equity shares**

The Company has only one class of equity shares having a par value of ₹ 100 each per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2015, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 50 (March 31, 2014: ₹ 50)

**(iii) Shareholders holding more than 5% of the equity shares**

	As at March 31, 2015		As at March 31, 2014	
	Number of shares	%	Number of shares	%
<b>Equity shares of ₹ 100 each with voting rights</b>				
The Tata Power Company Limited	967,500	47.78	967,500	47.78
Tata Steel Limited	218,250	10.78	90,000	4.44
Tata Chemicals Limited	193,500	9.56	193,500	9.56
Tata Sons Limited	135,000	6.67	135,000	6.67
Voltas Limited	135,000	6.67	135,000	6.67
Tata Motors Limited	135,000	6.67	135,000	6.67

**(iv) Aggregate number of bonus shares issued as fully paid up pursuant to contract without payment being received in cash during the period of five years immediately preceding the balance sheet date:**

	Aggregate number of shares	
	As at March 31, 2015	As at March 31, 2014
Equity shares allotted as fully paid bonus shares in 2008-09 by capitalisation of securities premium account.	1,687,500	1,687,500

## Notes forming part of the consolidated financial statements

### Note 4 Reserves and surplus

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
<b>(a) Securities premium account</b>	4,987.50	4,987.50
<b>(b) General reserve</b>		
Opening balance	13,854.29	12,874.88
Add: transferred from surplus in the consolidated statement of profit and loss	936.96	979.41
Closing balance	14,791.25	13,854.29
<b>(c) Foreign currency translation reserve</b>		
Opening balance	45.70	19.88
(Less)/Add: effect of foreign exchange rate variations during the year	(121.64)	25.82
Closing balance	(75.94)	45.70
<b>(d) Capital reserve on consolidation</b> (refer Note 30.17)	70.01	77.84
<b>(e) Surplus in consolidated statement of profit and loss</b>		
Opening balance	52,510.30	45,976.07
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred tax credit of ₹ 65.32 lac) (refer Note 30.10)	(144.34)	-
Add: Profit for the year	8,509.61	8,526.14
Less: Dividend proposed to be distributed to equity shareholders [₹ 50 per share (March 31, 2014: ₹ 50 per share)]	(1,012.50)	(1,012.50)
Tax on dividend (refer Note below)	(49.67)	-
Transferred to general reserve	(936.96)	(979.41)
Closing balance *	58,876.44	52,510.30
<b>Total</b>	<b>78,649.26</b>	<b>71,475.63</b>

\* includes Group share of loss in joint ventures ₹ 922.40 lakhs (March 31, 2014: ₹ 856.88 lakhs)

#### Note:

Tax on dividend has been computed after considering the credit taken for dividend aggregating ₹ 725.48 lac (March 31, 2014: ₹ 2,012.23 lac) received from foreign subsidiaries TPL-TQA Quality Services (Mauritius) Pty Limited ₹ 255.70 lac (March 31, 2014: ₹ 403.03 lac) and TPL-TQA Quality Services South Africa Pty Limited ₹ 469.78 lac (March 31, 2014: ₹ 1,609.20 lac) in respect of which income tax amounting to ₹ 123.30 lac (March 31, 2014: ₹ 341.98 lac) has been provided and included in current tax.

**Notes forming part of the consolidated financial statements**
**Note 5 Long-term borrowings**

	<b>As at March 31, 2015 ₹ in lac</b>	<b>As at March 31, 2014 ₹ in lac</b>
<b>Term loans (unsecured)</b>		
From banks	34.37	52.23
Less: Current maturities of long-term borrowings disclosed under Note 10 - Other current liabilities	8.31	10.98
	26.06	41.25
<b>Sales tax deferment loan</b>	8.04	8.04
Less: Current maturities of long-term borrowings disclosed under Note 10 - Other current liabilities	8.04	8.04
	-	-
	26.06	41.25
Share of joint ventures	-	-
<b>Total</b>	<b>26.06</b>	<b>41.25</b>

**Note:** Term loans from banks are repayable in equal periodic installments for a 10 year period from the date of availment of respective loan and carries an interest of 14.1% p.a.

**Note 6 Other Long-term liabilities**

	<b>As at March 31, 2015 ₹ in lac</b>	<b>As at March 31, 2014 ₹ in lac</b>
a) Trade payables *	134.36	1,207.57
b) Security deposit received	13.80	11.29
	148.16	1,218.86
Share of joint ventures-	-	-
<b>Total</b>	<b>148.16</b>	<b>1,218.86</b>

\* comprises retention money payable beyond the normal operating cycle.

**Note 7 Long-term provisions**

	<b>As at March 31, 2015 ₹ in lac</b>	<b>As at March 31, 2014 ₹ in lac</b>
<b>Provision for employee benefits</b>		
(i) Compensated absences	1,759.82	1,563.02
(ii) Post retirement medical benefits	41.55	39.19
(iv) Pension	296.40	241.31
	2,097.77	1,843.52
Share of joint ventures	4.66	3.96
<b>Total</b>	<b>2,102.43</b>	<b>1,847.48</b>

## Notes forming part of the consolidated financial statements

### Note 8 Short-term borrowings

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
<b>From Banks</b>		
- <b>Secured</b>		
Overdraft facilities (refer Note (i) below)	19,752.43	21,221.15
Buyer's credit (refer Note (ii) below)	-	4,327.72
Working capital facilities (refer Note (iii) below)	3,959.46	202.45
- <b>Unsecured</b>		
Overdraft facilities	7,211.20	-
Commercial advance	4,526.13	3,472.86
Working capital demand loan	2,100.00	-
Commercial Paper	5,000.00	-
<b>From others (Unsecured)</b>		
Loan from company - Inter corporate deposit	7,000.00	-
	49,549.22	31,043.18
Share of joint ventures	440.96	399.37
<b>Total</b>	<b>49,990.18</b>	<b>31,442.55</b>

#### Notes :

- (i) Overdraft facilities are secured by:
  - (a) a first charge on the book debts, inventories and other current assets ranking pari-passu.
  - (b) an exclusive charge on the entire receivables, fixed assets and current assets relating to the project being undertaken at Dubai, Kenya and Zambia
- (ii) Buyer's credit are secured by a first charge on all the current assets including inventories, receivables and other moveable assets of the Company both present and future.
- (iii) Working capital loan is secured by a first charge on inventories, receivables, other current assets and also secured by guarantee given by the Parent Company.

### Note 9 Trade payables

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
Acceptances	19,069.73	16,383.08
Other than Acceptances *	217,804.39	204,130.86
	236,874.12	220,513.94
Share of joint ventures	1,766.07	1,713.65
<b>Total</b>	<b>238,640.19</b>	<b>222,227.59</b>

\* includes provision for contract execution expenses ₹ 40,505.03 lac (March 31, 2014: ₹ 41,579.01 lac)

**Notes forming part of the consolidated financial statements**
**Note 10 Other current liabilities**

	<b>As at March 31, 2015 ₹ in lac</b>	<b>As at March 31, 2014 ₹ in lac</b>
(a) Current maturities of long-term borrowings (refer Note 5 - Long-term borrowings)	16.35	19.02
(b) Interest accrued but not due on borrowings	202.98	17.60
(c) Interest accrued and due on borrowings	0.96	0.45
(d) Income received in advance (advance billing)	2,410.97	237.61
(e) Other payables :		
(i) Statutory remittances	2,708.91	2,427.25
(ii) Payables on purchase of fixed assets	747.23	2,626.24
(iii) Interest accrued on trade payables and mobilisation advance received	686.28	705.26
(iv) Security deposits received	359.17	320.04
(v) Mobilisation advances from customers	101,406.31	92,136.34
(vi) Others (refer Note below)	211.77	1,665.13
	<b>108,750.93</b>	<b>100,154.94</b>
Share of joint ventures	56.26	53.36
<b>Total</b>	<b>108,807.19</b>	<b>100,208.30</b>

**Note:**

Includes amounts payable (net) to

a) Aldesa Construcciones, S.A. (JV Partner) ₹ Nil (March 31, 2014: ₹ 1,531.59 lac);

b) Guangdong Yuantian Engineering Company (JV Partner) ₹ 17.63 lac (March 31, 2014: ₹ Nil)

**Note 11 Short-term provisions**

	<b>As at March 31, 2015 ₹ in lac</b>	<b>As at March 31, 2014 ₹ in lac</b>
(a) Provision for employee benefits:		
(i) Compensated absences	410.21	364.07
(ii) Gratuity	18.01	17.90
(iii) Post retirement medical benefits	5.00	5.00
(iv) Pension	41.18	35.58
	<b>474.40</b>	<b>422.55</b>
(b) Provisions - Others:		
(i) Taxation (net)	122.68	204.27
(ii) Foreseeable losses on contracts (refer Note 30.18)	226.98	400.92
(iii) Proposed dividend	1,012.50	1,012.50
(iv) Tax on proposed dividend (refer Note below)	49.67	
	<b>1,411.83</b>	<b>1,617.69</b>
	<b>1,886.23</b>	<b>2,040.24</b>
Share of joint ventures	2.75	1.57
<b>Total</b>	<b>1,888.98</b>	<b>2,041.81</b>

**Note:**

Tax on dividend has been computed after considering the credit taken for dividend aggregating ₹ 725.48 lac (March 31, 2014: ₹ 2,012.23 lac) received from foreign subsidiaries TPL-TQA Quality Services (Mauritius) Pty Limited ₹ 255.70 lac (March 31, 2014: ₹ 403.03 lac) and TPL-TQA Quality Services South Africa Pty Limited ₹ 469.78 lac (March 31, 2014: ₹ 1,609.20 lac) in respect of which income tax amounting to ₹ 123.30 lac (March 31, 2014: ₹ 341.98 lac) has been provided and included in current tax.

## Notes forming part of the consolidated financial statements

₹ in lac

Particulars	Gross block						Depreciation / Amortisation						Net Block	
	As at March 31, 2014	Additions	Deductions/ Adjustments	Re-classified as held for sale	Currency re-align-ment	As at March 31, 2015	As at March 31, 2014	For the year	On deductions	Transition adjustment recorded against surplus balance in Statement of Profit and Loss (Refer Note 30.10)	Currency re-align-ment	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Freehold Land	116.89 (326.61)	-	-	-	-	-	-	-	-	-	-	116.89	116.89	116.89
Leasehold Land	51.98 (51.98)	-	-	(209.72)	-	(116.89)	5.71 (3.76)	0.59 (1.95)	-	-	6.30 (5.71)	45.68	46.27	46.27
Buildings	1,289.05 (1,020.78)	264.73 (268.27)	-	-	-	1,553.78 (1,289.05)	469.61 (411.74)	100.77 (57.87)	-	-	-	983.40	819.44	819.44
Leasehold Improvements	951.45 (879.79)	-	-	-	-	951.45 (951.45)	445.97 (294.33)	149.75 (151.64)	-	-	-	355.73	505.48	505.48
Plant and Machinery (including erection/ construction machinery)	35,404.73 (29,588.47)	3,791.43 (6,027.55)	281.93 (211.29)	-	-	38,914.23 (35,404.73)	15,630.66 (11,803.33)	6,090.56 (4,026.84)	232.21 (199.51)	56.02	-	17,369.20	19,774.07	19,774.07
Furniture & Fixtures	1,195.02 (1,063.65)	258.74 (242.91)	36.54 (111.54)	-	-	1,417.22 (1,195.02)	661.75 (585.23)	220.47 (142.24)	13.32 (65.72)	1.76	-	546.56	533.27	533.27
Vehicles*	1,334.02 (1,267.34)	180.87 (146.25)	128.88 (79.57)	-	-	1,386.01 (1,334.02)	758.93 (604.95)	216.47 (207.07)	93.49 (53.09)	0.97	-	503.13	575.09	575.09
Office Equipment	2,115.04 (1,590.39)	639.38 (568.17)	17.67 (43.52)	-	-	2,736.75 (2,115.04)	825.39 (676.32)	749.44 (176.57)	11.36 (27.50)	142.12	-	1,031.16	1,289.65	1,289.65
Computers	1,611.21 (1,365.19)	308.76 (246.38)	102.15 (0.36)	-	-	1,817.82 (1,611.21)	1,198.06 (1,023.80)	250.18 (174.36)	98.52 (0.10)	8.77	-	459.33	413.15	413.15
R&D - Capital Mobile Desalination Plant	40.24 (40.24)	-	-	-	-	40.24 (40.24)	30.05 (28.40)	2.48 (1.65)	-	-	-	7.71	10.19	10.19
	44,109.63 (37,194.44)	5,443.91 (7,571.19)	567.17 (446.28)	(209.72)	-	48,986.37 (44,109.63)	20,026.13 (15,431.86)	7,780.71 (4,940.19)	448.90 (345.92)	209.64	(20,026.13)	21,418.79	24,083.50	24,083.50
Share of joint ventures	31.82 (29.02)	0.03 (0.03)	-	-	0.41 (2.77)	32.26 (31.82)	23.34 (20.06)	2.26 (1.19)	-	-	0.29 (2.09)	6.37	8.48	8.48
<b>Total</b>	<b>44,141.45</b> (37,223.46)	<b>5,443.94</b> (7,571.22)	<b>567.17</b> (446.28)	<b>(209.72)</b>	<b>0.41</b> (2.77)	<b>49,018.63</b> (44,141.45)	<b>20,049.47</b> (15,451.92)	<b>7,782.97</b> (4,941.38)	<b>448.90</b> (345.92)	<b>209.64</b>	<b>0.29</b> (2.09)	<b>21,425.16</b>	<b>24,091.98</b>	<b>24,091.98</b>

\* includes heavy vehicles viz. tractors, trailers and tippers



**Notes forming part of the consolidated financial statements**
**Note 13 Intangible assets**

₹ in lac

Particulars	Gross block				Depreciation / Amortisation						Net Block		
	As at March 31, 2014	Additions	Deductions/ Adjustments	Re-classified as held for sale	Currency re-align-ment	As at March 31, 2015	As at March 31, 2014	For the year	On deductions	Transition adjustment recorded against surplus balance in Statement of Profit and Loss (Refer Note 30.10)	Currency re-align-ment	As at March 31, 2015	As at March 31, 2014
Software	1,822.27 (787.98)	332.43 (1,034.29)	-4.54	-	-	2,159.24 (1,822.27)	798.81 (616.10)	397.39 (182.71)	-2.08	0.02	-	1,198.30 (798.81)	1,023.46
Goodwill	2,132.57 (2,132.57)	-	-	-	-	2,132.57 (2,132.57)	2,132.57 (2,132.57)	-	-	-	-	2,132.57 (2,132.57)	-
Share of joint ventures	3,954.84 (2,920.55)	332.43 (1,034.29)	-4.54	-	-	4,291.81 (3,954.84)	2,931.38 (2,748.67)	397.39 (182.71)	-2.08	0.02	-	3,330.87 (2,931.38)	1,023.46
	1.05 (1.05)	0.64	-	-	-	1.69 (1.05)	1.05 (1.05)	0.64	-	-	-	1.69 (1.05)	-
<b>Total</b>	<b>3,955.89 (2,921.60)</b>	<b>333.07 (1,034.29)</b>	<b>-4.54</b>	<b>-</b>	<b>-</b>	<b>4,293.50 (3,955.89)</b>	<b>2,932.43 (2,749.72)</b>	<b>398.03 (182.71)</b>	<b>-2.08</b>	<b>0.02</b>	<b>-</b>	<b>3,332.56 (2,932.43)</b>	<b>1,023.46</b>

Amounts in brackets represent previous year numbers

## Notes forming part of the consolidated financial statements

### Note 14 Non-current investments

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
<b>Trade Investments (At cost unless stated otherwise)</b>		
<b>a) Investment in equity instruments</b>		
Virendra Garments Manufacturing Private Limited		
1,200 (March 31, 2013: 1,200) shares of ₹100 each fully paid-up	1.20	1.20
Less: Provision for diminution in value of investments	(1.20)	(1.20)
	-	-
<b>b) Investment in partnership firms</b>		
Tata Dilworth Secord Meagher & Associates (Refer note below)	1.80	1.80
Less: Provision for diminution in value of investments	(1.80)	(1.80)
	-	-
	-	-
Share of joint ventures	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note: Other details relating to investment in partnership firm

Name of the firm	As at March 31, 2015			As at March 31, 2014		
	Name of partner in the firm	Share of Capital	Share of each partner in the profits of the firm	Name of partner in the firm	Share of Capital	Share of each partner in the profits of the firm
Tata Dilworth Secord, Meagher & Associates	(i) Tata Projects Limited	1.80	60%	(I) Tata Projects Limited	1.80	60%
	(ii) Dilworth Secord, Meagher & Associates	1.20	40%	(ii) Dilworth Secord, Meagher & Associates	1.20	40%

### Note 15 Deferred tax assets (net)

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
A. Tax effect of items constituting deferred tax liability	-	-
B. Tax effect of items constituting deferred tax assets		
Depreciation	1,443.00	327.97
Provision for doubtful debts and advances	3,465.33	4,305.81
Provision for foreseeable losses	78.56	136.27
Provision of compensated absences and gratuity	868.11	738.14
Disallowance under section 43B	60.70	61.18
Others	25.57	27.65
	5,941.27	5,597.02
Share of joint ventures	-	-
<b>Deferred tax assets (net)</b>	<b>5,941.27</b>	<b>5,597.02</b>

**Notes forming part of the consolidated financial statements**
**Note 16 Long-term loans and advances (unsecured, considered good, unless otherwise stated)**

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
(a) Capital Advances	77.67	53.16
(b) Security deposits		
Unsecured, considered good	1,275.83	1,119.85
Doubtful	199.00	199.00
	<u>1,474.83</u>	<u>1,318.85</u>
Less: Provision for doubtful deposits	(199.00)	(199.00)
	<u>1,275.83</u>	<u>1,119.85</u>
(c) Deposits with government authorities	3,408.91	2,963.85
(d) Loans and advances to employees	30.48	47.66
(e) Prepaid expenses	34.35	46.83
(f) Advance income tax (net)	592.12	961.97
(g) Advance payment of fringe benefit tax (net)	26.28	26.28
(h) Other project related advances		
Unsecured, considered good	-	138.27
Doubtful	300.90	162.63
	<u>300.90</u>	<u>300.90</u>
Less: Provision for doubtful advances	(300.90)	(162.63)
	<u>-</u>	<u>138.27</u>
	5,445.64	5,357.87
Share of joint ventures	22.99	6.33
<b>Total</b>	<b>5,468.63</b>	<b>5,364.20</b>

**Note 17 Other non-current assets**

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
Long-term trade receivables *	4,054.41	1,992.65
	<u>4,054.41</u>	<u>1,992.65</u>
Share of joint ventures	-	-
<b>Total</b>	<b>4,054.41</b>	<b>1,992.65</b>

\* comprises retention money receivable beyond the normal operating cycle.

## Notes forming part of the consolidated financial statements

### Note 18 Inventories (valued at lower of cost and net realisable value)

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
(a) Raw materials	2,424.10	3,096.59
(b) Work-in-process	1,515.94	1,314.33
(c) Finished goods	14.30	10.74
(d) Stores and spares	17.63	96.47
(e) Contracts-in-progress	64,761.98	42,173.92
<b>Total</b>	<b>68,733.95</b>	<b>46,692.05</b>

### Note 19 Trade receivables #

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Unsecured, considered good	19,861.61	15,395.46
Doubtful	9,778.26	12,134.91
	29,639.87	27,530.37
Less: Provision for doubtful trade receivables	(9,778.26)	(12,134.91)
	19,861.61	15,395.46
<b>Other Trade receivables</b>		
Unsecured, considered good	222,404.03	212,495.31
	242,265.64	227,890.77
Share of joint ventures	775.35	747.39
<b>Total</b>	<b>243,040.99</b>	<b>228,638.16</b>

# includes retention money receivable ₹1,25,224.17 lac (March 31, 2014: ₹1,22,240.55 lac)

### Note 20 Cash and cash equivalents

	<b>As at March 31, 2015 ₹ in lac</b>	As at March 31, 2014 ₹ in lac
<b>A. Cash and cash equivalents (as per AS 3-Cash Flow Statement)</b>		
(a) Cash on hand	48.92	29.80
(b) Balances with banks:		
- In current accounts	11,207.64	8,696.10
- In EEFC accounts	6,817.65	4,350.52
- In demand deposit accounts	2,314.89	5,044.64
	20,389.10	18,121.06
Share of joint ventures	15.81	15.31
	20,404.91	18,136.37
<b>B. Other bank balances</b>		
Margin money/deposit accounts - original maturity more than 3 months (refer Note below)	25.83	74.14
<b>Total</b>	<b>20,430.74</b>	<b>18,210.51</b>

**Note:**

Margin money/deposit accounts include ₹25.83 lac (March 31, 2014: ₹ 0.83 lac) which have an original maturity of more than twelve months from the balance sheet date which have been given against bank guarantees.

**Notes forming part of the consolidated financial statements**
**Note 21 Short-term loans and advances (Unsecured, considered good unless otherwise stated)**

	<b>As at March 31, 2015 ₹ in lac</b>	<b>As at March 31, 2014 ₹ in lac</b>
(a) Security deposits	510.58	639.65
(b) Loans and advances to employees	178.31	178.85
(c) Prepaid expenses	1,128.11	743.18
(d) Balances with government authorities		
CENVAT credit receivable	12.11	29.74
VAT credit receivable	1,165.26	903.07
Sales tax deducted at source	9,250.95	7,287.21
Customs duty refund receivable	178.13	817.16
	<b>10,606.45</b>	<b>9,037.18</b>
(e) Inter-corporate deposits	17,000.00	17,000.00
(f) Mobilisation advances	28,066.80	38,200.79
(g) Other project related advances		
Unsecured, considered good *	25,026.24	19,083.50
Doubtful	608.00	621.13
	<b>25,634.24</b>	<b>19,704.63</b>
Less: Provision for doubtful advances	(608.00)	(621.13)
	<b>25,026.24</b>	<b>19,083.50</b>
	<b>82,516.49</b>	<b>84,883.15</b>
Share of joint ventures	1,212.17	1,209.78
<b>Total</b>	<b>83,728.66</b>	<b>86,092.93</b>

(i) Includes ₹ Nil (March 31, 2014: ₹ 128.47 lac) recoverable from Balfour Beatty Infrastructure India Private Limited (JV Partner)

(ii) Includes ₹ 2,524.97 lac (March 31, 2014: ₹ Nil) recoverable from Aldesa Construcciones, S.A. (JV Partner)

## Notes forming part of the consolidated financial statements

### Note 22 Other current assets (unsecured, considered good unless otherwise stated)

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
(a) Unbilled revenue	26,281.72	13,124.35
(b) Accruals :		
(i) Interest accrued on deposits	28.37	111.92
(ii) Interest accrued on mobilisation advance given	342.39	129.75
	370.76	241.67
(c) Others		
(i) Insurance and other claims receivables		
Unsecured, considered good	15.07	16.97
Doubtful	73.25	73.25
	88.32	90.22
Less: Provision for doubtful claims	(73.25)	(73.25)
	15.07	16.97
(ii) Contractually reimbursable expenses	1,287.53	901.64
(iii) Fixed assets held for sale (at lower of cost and estimated realisable value) (refer Note below)	-	398.66
	1,302.60	1,317.27
	27,955.08	14,683.29
Share of joint ventures	50.62	48.51
<b>Total</b>	<b>28,005.70</b>	<b>14,731.80</b>
Note:		
Details of fixed assets held for sale		
Freehold land	-	209.72
Buildings (partly completed transferred from capital work-in-progress)		188.94
		398.66

**Notes forming part of the consolidated financial statements**
**Note 23 Revenue from operations**

	<b>For the year ended March 31, 2015 ₹ in lac</b>	<b>For the year ended March 31, 2014 ₹ in lac</b>
(a) Income from contracts (refer Note (I) below)	329,295.09	359,100.29
(b) Income from services (refer Note (ii) below)	10,826.77	14,765.36
(c) Income from sale of goods (refer Note (iii) below)	2,709.34	3,509.61
(d) Share of profit from Joint Venture	3,750.54	701.23
(e) Other operating revenues (refer note (iv) below)	640.57	538.46
	<b>347,222.31</b>	<b>378,614.95</b>
Share of joint ventures	99.14	114.98
<b>Revenue from operations (Gross)</b>	<b>347,321.45</b>	<b>378,729.93</b>
Less: Indirect taxes and duties	10,768.72	7,513.62
<b>Total</b>	<b>336,552.73</b>	<b>371,216.31</b>
<b>Notes:</b>		
(i) Income from contacts comprises :		
- Supply of contract equipment and materials	157,396.52	232,941.11
- Civil and erection works	171,898.57	126,159.18
<b>Total</b>	<b>329,295.09</b>	<b>359,100.29</b>
(ii) Income from services comprises :		
- Quality inspection services	10,540.82	14,253.38
- Manpower services	285.95	511.98
<b>Total</b>	<b>10,826.77</b>	<b>14,765.36</b>
(iii) Income from sale of goods comprises :		
- Sale of BWRO units	2,379.21	520.63
- Sale of pressure vessels and air receivers	330.13	2,988.98
<b>Total</b>	<b>2,709.34</b>	<b>3,509.61</b>
(iv) Other operating revenues comprises :		
- Sale of scrap	604.89	520.32
- Duty drawback	35.68	18.14
<b>Total</b>	<b>640.57</b>	<b>538.46</b>

## Notes forming part of the consolidated financial statements

### Note 24 Other income

	For the year ended March 31, 2015 ₹ in lac	For the year ended March 31, 2014 ₹ in lac
(a) Interest income (refer Note (i) below)	1,219.39	1,660.57
(b) Dividend income :		
from current investments		
- mutual funds	-	127.72
(c) Net gain /(loss) on foreign currency transactions and translations	69.84	(73.14)
(d) Other non-operating income (refer Note (ii) below)	214.23	615.14
	1,503.46	2,330.29
Share of joint ventures	0.38	2.13
<b>Total</b>	<b>1,503.84</b>	<b>2,332.42</b>
Notes:		
(i) Interest Income comprises :		
- Interest from banks on deposits	293.32	591.07
- Interest on inter corporate deposits	-	252.14
- Interest income from current investments	-	4.18
- Interest income on mobilisation advance given	921.86	770.41
- Interest on income tax refund	-	36.37
- Other interest	4.21	6.40
<b>Total</b>	<b>1,219.39</b>	<b>1,660.57</b>
(ii) Other non-operating income comprises :		
- Hire charges	60.29	374.11
- Liabilities/provisions no longer required written back	27.48	208.11
- Profit / (Loss) on sale of fixed assets (net)	25.08	(25.89)
- Miscellaneous income	101.38	58.81
<b>Total</b>	<b>214.23</b>	<b>615.14</b>

### Note 25 Contract execution expenses

	For the year ended March 31, 2015 ₹ in lac	For the year ended March 31, 2014 ₹ in lac
(a) Cost of supplies/erection and civil works *	255,009.09	289,600.81
(b) Technical and engineering fees	3,368.66	4,923.19
(c) Insurance premium	1,925.63	1,733.95
(d) Bank guarantee and letter of credit charges	2,214.91	1,683.97
	262,518.29	297,941.92
Share of joint ventures	37.10	48.62
<b>Total</b>	<b>262,555.39</b>	<b>297,990.54</b>

\* includes increase / (decrease) in excise duty of ₹ (27.34) lac (previous year: ₹ 84.32 lac) on finished goods



**Notes forming part of the consolidated financial statements**
**Note 26 Changes in inventories of finished goods, work-in-process and contracts-in-progress**

	<b>For the year ended March 31, 2015 ₹ in lac</b>	<b>For the year ended March 31, 2014 ₹ in lac</b>
<b>Inventories at the end of the year</b>		
Finished goods	14.30	10.74
Work-in-process	1,515.94	1,314.33
Contracts-in-progress	64,761.98	42,173.92
	<b>66,292.22</b>	<b>43,498.99</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	10.74	245.02
Work-in-process	1,314.33	507.27
Contracts-in-progress	42,173.92	22,074.84
	<b>43,498.99</b>	<b>22,827.13</b>
Share of joint ventures	(22,793.23)	(20,671.86)
	-	-
<b>Net (increase)/decrease</b>	<b>(22,793.23)</b>	<b>(20,671.86)</b>

**Note 27 Employee benefits expense**

	<b>For the year ended March 31, 2015 ₹ in lac</b>	<b>For the year ended March 31, 2014 ₹ in lac</b>
(a) Salaries and wages	26,954.11	24,761.15
(b) Contribution to provident and other funds	2,889.79	2,534.92
(c) Staff welfare expenses	1,091.51	1,077.17
	30,935.41	28,373.24
Share of joint ventures	81.87	68.12
<b>Total</b>	<b>31,017.28</b>	<b>28,441.36</b>

## Notes forming part of the consolidated financial statements

### Note 28 Other expenses

	<b>For the year ended March 31, 2015 ₹ in lac</b>	<b>For the year ended March 31, 2014 ₹ in lac</b>
Consumption of stores and spare parts	339.87	364.51
Rent	2,881.63	2,442.56
Repairs and maintenance		
- Building	1.80	4.01
- Machinery	677.17	434.17
- Others	733.65	433.02
Processing charges	962.70	674.47
Power and fuel	981.28	889.07
Rates and taxes	249.39	179.69
Insurance	93.48	156.84
Motor vehicle expenses	3,713.94	3,053.82
Travelling and conveyance	2,598.99	3,568.16
Legal and professional	2,572.40	2,560.12
Payment to auditors (refer Note below)	58.58	72.67
Communication expenses	617.22	576.92
Printing and stationery	328.41	287.46
Staff recruitment and training expenses	178.96	152.56
Business development expenditure	402.94	238.11
Bank charges	198.35	105.08
Freight and handling charges	974.70	423.49
Amortisation of premium and provision for diminution in the value of investments	-	0.05
Bad debts	70.44	268.35
Provision for doubtful trade receivables	3,774.57	6,164.91
	<u>3,845.01</u>	<u>6,433.26</u>
Less: Provision for doubtful trade receivables reversed	(6,131.22)	(905.19)
	(2,286.21)	5,528.07
Advances written off	-	204.38
Provision for doubtful loans and advances	243.98	383.76
	<u>243.98</u>	<u>588.14</u>
Less: Provision for doubtful loans and advances reversed	(118.84)	-
	125.14	588.14
Agency commission	109.63	81.49
Brand equity contribution	755.00	790.40
Cash discount	-	-
Miscellaneous expenses	1,959.61	1,336.88
	<u>19,228.63</u>	<u>24,941.76</u>
Share of joint ventures	38.00	44.69
<b>Total</b>	<b><u>19,266.63</u></b>	<b><u>24,986.45</u></b>
Note:		
Payment to auditors comprises (net of service tax)		
(a) To Statutory auditors		
Audit fees	42.32	42.34
Tax audit fees	3.25	3.00
Limited review fees	6.00	6.00
Other services	2.80	18.43
Reimbursement of expenses	1.86	1.37
(b) To Cost auditor for cost audit	2.35	1.53
<b>Total</b>	<b><u>58.58</u></b>	<b><u>72.67</u></b>

**Notes forming part of the consolidated financial statements**
**Note 29 Finance costs**

	<b>For the year ended March 31, 2015 ₹ in lac</b>	<b>For the year ended March 31, 2014 ₹ in lac</b>
(a) Interest expense on :		
(i) Borrowings	5,899.92	1,558.00
(ii) Mobilisation advance received	1,373.08	1,768.84
(iii) Delayed payment of income tax	68.52	33.27
(iv) Others	55.90	193.25
(b) Other borrowing costs	67.74	319.16
	<b>7,465.16</b>	<b>3,872.52</b>
Share of joint ventures	5.18	0.27
<b>Total</b>	<b>7,470.34</b>	<b>3,872.79</b>

**Note 30 Additional notes to the consolidated financial statements**
**30.1 Contingent liabilities and commitments (to the extent not provided for)**

	<b>For the year ended March 31, 2015 ₹ in lac</b>	<b>For the year ended March 31, 2014 ₹ in lac</b>
<b>(i) Contingent liabilities:</b>		
(a) Claim against the Company not acknowledged as debt Matters under dispute:		
Sales tax	6,087.21	5,768.14
Service tax	13,229.83	11,577.72
Income tax	746.69	211.34
Third party claims from disputes relating to contracts	1,143.00	910.00
(b) Guarantees		
Performance and other bank guarantees issued by banks on behalf of the Company (refer Note 1,2 below)	431,176.92	353,353.64
Corporate guarantees (refer Note 1 below)	12,651.23	11,666.56
(c) Others - liquidated damages	Amounts indeterminate	Amounts indeterminate

Future cash outflows in respect of the matters in (a) above are determinable only on receipt of judgments/ decisions pending at various forums/authorities

**Notes:**

1 Includes bank guarantees of ₹ Nil (March 31, 2014 : ₹ 800.00 lac) and Corporate guarantee of ₹ 3,400 lac (March 31, 2014: ₹ 3,978.55 lac) given by the Parent Company on behalf of its subsidiary Artson Engineering Limited and outstanding as on March 31, 2015.

2 Includes ₹ 71,385.90 lac (March 31, 2014: ₹ 39,160.54 lac) given on behalf of the following jointly controlled operations.

	<b>₹ in lac</b>	
(i) Tata Aldesa (JV)	54,928.35	(March 31, 2014: ₹ 33,307.66 lac)
(ii) Tata Projects Balfour Beatty JV	1.00	(March 31, 2014: ₹ 200.00 lac)
(iii) Tata Projects Limited VNR JV Pkg 1	2,719.86	(March 31, 2014: ₹ 2,766.29 lac)
(iv) Tata Projects Limited VNR JV Pkg 2	2,748.68	(March 31, 2014: ₹ 2,886.59 lac)
(v) GYT TPL	10,988.01	(March 31, 2014: ₹ Nil)
	<u>71,385.90</u>	

**(ii) Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advance ₹ 77.67 lac (March 31, 2014 : ₹ 53.16 lac)]	393.32	653.00
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## Notes forming part of the consolidated financial statements

### 30.2 Raw materials consumed

	<b>For the year ended March 31, 2015 ₹ in lac</b>	For the year ended March 31, 2014 ₹ in lac
Steel / Plates	18,711.22	16,572.91
Zinc	2,366.25	1,723.98
Others ( including lead, pipes and paints)	1,796.02	711.68
<b>Total</b>	<b>22,873.49</b>	<b>19,008.57</b>

The consumption figures shown above are after adjustment of excess and shortages found on physical verification.

### 30.3 Details on derivative instruments and unhedged foreign currency exposures

a) Outstanding forward exchange contracts entered into by the Company as on March 31, 2015

<b>Currency</b>	<b>Amount (in Million)</b>	<b>Buy/Sell</b>	<b>Cross Currency</b>
Euro	1.13	Buy	Rupees
USD	4.68	Buy	Rupees

Amounts in brackets represent previous year numbers

b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	Currency	As at March 31, 2015		As at March 31, 2014	
		Foreign currency (in Millions)	₹ in lac	Foreign currency (in Millions)	₹ in lac
1 Short term borrowings	USD	-	-	0.11	63.86
	EUR	-	-	0.60	498.53
	AED	-	-	4.80	784.27
2 Receivables	AED	46.75	7,933.22	19.71	3,223.34
	KES	400.40	2,682.67	590.29	4,108.05
	WON	846.38	473.9	51.33	29.03
	QAR	0.46	77.90	-	-
	EUR	0.55	365.46	0.23	186.80
	ZAR	18.48	948.21	24.50	1,396.93
	SAR	11.83	1,991.02	11.84	1,950.09
	ZMW	3.44	280.94	48.42	4,529.64
	USD	0.11	65.65	0.55	322.00
	CHF	-	-	0.03	20.26
	NPR	250.56	1,553.45	-	-
3. Payables	JPY	0.87	4.53	-	-
	QAR	0.80	137.81	-	-
	AED	63.37	10,753.56	11.35	1,855.13
	SGD	0.003	1.21	0.07	32.42
	EUR	0.43	287.21	0.21	169.55
	ZAR	8.56	439.34	11.44	652.72
	SAR	12.89	2,169.93	12.88	2,124.25
	WON	52.17	29.22	-	-
	KES	486.11	3,256.95	482.85	3,360.32
	ZMW	56.83	4,636.95	70.72	6,616.12
	USD	1.66	1,037.27	1.86	1,114.43
CHF	0.01	4.72	-	-	
JPY	45.70	237.65	-	-	
NPR	240.67	1,492.16	-	-	

**Notes forming part of the consolidated financial statements**

- b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below (Contd...):

	Currency	As at March 31, 2015		As at March 31, 2014	
		Foreign currency (in Millions)	₹ in lac	Foreign currency (in Millions)	₹ in lac
4 Interest accrued on buyer's credit	USD	-	-	0.001	0.88
	EUR	-	-	0.006	4.89
5 Cash and cash equivalents	SGD	0.001	0.67	0.002	0.86
	AED	9.05	1,535.87	1.13	185.48
	USD	17.93	11,175.36	7.19	4,321.03
	WON	341.91	191.47	373.09	208.93
	KES	60.86	407.78	27.31	190.00
	EUR	1.16	775.81	0.63	520.71
	ZAR	5.55	284.65	16.62	947.61
	SAR	0.09	15.59	0.09	15.27
	ZMW	4.59	374.54	3.96	368.82
NPR	15.83	98.15	-	-	

- c) The net difference in foreign exchange credited to the Consolidated Statement of Profit and Loss is ₹ 69.84 lac (March 31, 2014: ₹ (73.14) Lac).

**30.4** Note 16 - Long-term loans and advances includes ₹ 610.00 lac (March 31, 2014: ₹ 610.00 lac) on account of taxes deducted at source on inter state supplies under applicable Value Added Tax Acts. The Parent Company has contested the deduction in the applicable judicial forum and is confident of a favorable outcome in the matter.

**30.5** The Parent Company's tower manufacturing facility located at Nagpur is entitled to certain incentives under "Package Scheme of Incentives – 2007" which includes, Industrial Promotion Subsidy (IPS) equivalent of 30% of eligible investments, limited to ₹ 384.93 lac, which will be sanctioned and disbursed as per modalities to be determined by Government of Maharashtra. Benefit will be accounted on such final determination.

**30.6** The Draft Rehabilitation Scheme proposed by the subsidiary company (Artson Engineering Limited) was sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) on December 18, 2007 and accordingly the scheme was given effect to in the financial statements prior to the Parent Company acquiring the stake. The subsidiary company has filed an application on October 14, 2013 to BIFR seeking an extension and modification of the sanctioned scheme. Based on the current order book position and continuing operational and financial support of the Parent Company, the Management is confident about the subsidiary company's ability to continue as a going concern.

The subsidiary company has filed an appeal with Appellate Authority for Industrial and Financial Reconstruction (AAIFR) with reference to the sanctioned scheme in respect of Income Tax matters, exemption from applicability of Clause 49 of the listing agreement, from property / house rent tax by Nasik Municipal Corporation, etc. The subsidiary company has received an order from AAIFR dated January 1, 2009 specifying waivers of the above mentioned taxes and penalties and accordingly the effect has been given in the consolidated financial statements.

The independent auditors, in their report on the financial statements of Artson Engineering Limited, have in respect of the matters discussed above, given an emphasis of matter paragraph, in which, without qualifying their opinion, have drawn attention to the financial statements having been prepared on a "going concern" basis.

## Notes forming part of the consolidated financial statements

### 30.7 Disclosures required to be made under Accounting Standard (AS-7) Construction Contracts

	<b>For the year ended March 31, 2015 ₹ in lac</b>	For the year ended March 31, 2014 ₹ in lac
Contract revenue recognised during the year	329295.09	359,100.29
Aggregate of contract costs incurred and recognised profits (less recognized losses) upto the reporting date	2163239.10	1,942,112.36
Advances received for contracts-in-progress	101353.11	92,254.08
Retention money for contracts-in-progress	128902.67	123,865.01
Gross amount due from customers for contract work	91043.70	55,298.27

**30.8** In line with accepted practice in construction business, certain revision to costs and billing of previous years which have crystallised during the year have been dealt with in the current year. The Consolidated Statement of Profit and Loss for the year includes debits (net) aggregating ₹ 9,933.03 lac (March 31, 2014 : ₹ 9,919.70 lac - credits (net)) on account of changes in estimates.

**30.9** Exceptional item represents profit on sale of freehold land and buildings (partly completed transferred from capital work-in-progress) aggregating ₹ 4,030.85 lac. As at March 31, 2014, these assets were disclosed under Other current assets as "Fixed assets held for sale".

**30.10** During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II.

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 144.34 lac (net of deferred tax credit of ₹ 65.32 lac) against the opening surplus balance in the Consolidated Statement of Profit and Loss under Reserves and surplus.

The depreciation expense in the Consolidated Statement of Profit and Loss for the year is higher by ₹ 2,188.22 lac consequent to the change in useful life of the assets.

**Notes forming part of the consolidated financial statements**
**30.11 Employee benefits**
**(a) Defined benefit plans**

The following table sets out the status of the defined benefit schemes and the amounts recognised in the financial statements:

₹ in lac

	Year ended March 31, 2015			Year ended March 31, 2014		
	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits
	Funded	unfunded	unfunded	Funded	unfunded	unfunded
<b>I Components of employer's expense</b>						
Current service cost	290.35	-	-	269.17	-	-
Interest cost	216.55	23.32	3.75	171.38	20.62	2.20
Expected return on plan assets	(205.00)	-	-	(159.12)	-	-
Past service cost	-	-	-	-	-	-
Actuarial losses/(gain)	199.11	77.43	(0.35)	25.47	18.22	29.78
<b>Total expense recognized in the Consolidated Statement of Profit and Loss</b>	<b>501.01</b>	<b>100.75</b>	<b>3.40</b>	<b>306.90</b>	<b>38.84</b>	<b>31.98</b>
<b>II Net asset / (liability) recognised in the Consolidated Balance Sheet</b>						
Present value of defined benefit obligation	2,952.50	337.58	46.55	2,317.52	276.89	44.19
Fair value on plan assets	(2,945.47)	-	-	(2,360.46)	-	-
Surplus/(Deficit)	(7.03)	(337.58)	(46.55)	42.94	(276.89)	(44.19)
Unrecognised past service cost	-	-	-	-	-	-
<b>Net asset/(liability) recognised in the Consolidated Balance Sheet</b>	<b>(7.03)</b>	<b>(337.58)</b>	<b>(46.55)</b>	<b>42.94</b>	<b>(276.89)</b>	<b>(44.19)</b>
<b>III Change in defined benefit obligation (DBO) during the year</b>						
Present value of DBO at beginning of the year	2,317.52	276.89	44.19	2,062.56	273.63	28.95
Current service cost	290.35	-	-	269.17	-	-
Interest cost	216.55	23.32	3.75	171.38	20.62	2.20
Actuarial (gains)/losses	283.64	77.43	(0.35)	9.35	18.22	29.78
Benefits paid	(155.56)	(40.06)	(1.04)	(194.94)	(35.58)	(16.74)
<b>Present value of DBO at the end of the year</b>	<b>2,952.50</b>	<b>337.58</b>	<b>46.55</b>	<b>2,317.52</b>	<b>276.89</b>	<b>44.19</b>

## Notes forming part of the consolidated financial statements

### 30.11 Employee benefits (Contd....)

#### (a) Defined benefit plans

The following table sets out the status of the defined benefit schemes and the amounts recognised in the financial statements:

₹ in lac

	Year ended March 31, 2015			Year ended March 31, 2014		
	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits
	Funded	unfunded	unfunded	Funded	unfunded	unfunded
<b>IV Change in fair values of assets during the year</b>						
Plan assets at beginning of the year	2,360.45	-	-	1,960.39	-	-
Expected return on plan assets	205.01	-	-	159.12	-	-
Actual company contributions	451.04	40.06	1.04	452.01	35.58	16.74
Actuarial gain / (loss)	84.53	-	-	(16.12)	-	-
Benefits paid	(155.56)	(40.06)	(1.04)	(194.94)	(35.58)	(16.74)
Plan assets at the end of the year	2,945.47	-	-	2,360.46	-	-
Actual return on plan assets	289.54	-	-	143.00	-	-
<b>V The major categories of plan assets</b>						
Funded with Tata AIG Life Insurance Company Limited and Life Insurance Corporation of India.	2,945.47	-	-	2,360.46	-	-
<b>VI Actuarial assumptions</b>						
Discount rate	8.00%	8.00%	8.00%	9.00%	9.00%	9.00%
Expected rate of return on plan assets	9.00%			9.00%		
Salary escalation	6.00%	-	-	6.00%	-	-
Attrition	10%			10%		
Mortality	Indian Assured Lives Mortality (2006-08) ULT Table			Indian Assured Lives Mortality (2006-08) ULT Table		

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.



**Notes forming part of the consolidated financial statements**

**30.11 Employee benefits (cond....)  
VII Experience adjustments**

₹ in lac

Particulars	2014-15			2013-14			2012-13			2011-12			2010-11		
	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits
Present value of DBO	2,952.50	337.58	46.55	2,317.52	276.89	44.19	2,062.56	273.63	28.95	1,478.78	211.13	27.71	1,198.44	106.86	-
Fair value of plan assets	2,945.47	-	-	2,360.46	-	-	1,960.39	-	-	1,481.66	-	-	1,220.68	-	-
Status [Surplus/(Deficit)]	(7.03)	(337.58)	(46.55)	42.94	(276.89)	(44.19)	(102.17)	(273.63)	(28.95)	2.88	(211.13)	(27.71)	22.24	(106.86)	-
Experience adjustment on plan assets [gain/(loss)]	-	-	-	(16.12)	-	-	34.62	-	-	9.05	-	-	(10.42)	-	-
Experience adjustment on plan liabilities [gain/(loss)]	125.38	57.40	(3.45)	144.09	35.87	14.03	199.02	74.92	(1.69)	200.96	25.02	-	197.34	33.72	-

(b) Defined contribution plan

In respect of defined contribution plan an amount of ` 2,452.19 lac (March 31, 2014 ` 2,195.62 lac) has been recognised as an expense in the Consolidated Statement of Profit and Loss during the year.

## Notes forming part of the consolidated financial statements

### 30.12 Segment Information

1. The Group is in the business of executing Engineering, Procurement and Construction (EPC) contracts in various infrastructure fields, comprising power generation, transmission, distribution and related ancillary services including manufacturing activity, telecommunications, civil construction and other allied engineering and quality services. The projects are executed both in India and abroad. Considering the core activities of the Group as above, the primary segment is business segment and secondary segment is geographical segment.

Accordingly the primary segments of the Group are:

- 1 EPC
- 2 Services
- 3 Others

and secondary segments of the Group are:

- 1 Domestic
- 2 Overseas

2. Reporting for business segment is on the following basis:

Revenue relating to individual segment is recorded in accordance with accounting policies followed by the Group. All expenditure, which is directly attributable to a project, is charged to the project and included in the respective segment to which the project related. The costs which cannot be reasonably attributable to any project and are in the nature of general administrative overheads are shown as unallocable expenses.

Fixed assets employed in the specific project are allocated to the segment to which the project relates. The depreciation on the corresponding assets is charged to respective segments.

₹ in lac

Particulars	Business segments			Eliminations	Total
	EPC	Services	Others		
Revenue	329,871.95 (357,427.03)	10,866.33 (15,770.87)	2,413.54 (3,505.91)	6,599.09 (5,487.50)	336,552.73 (371,216.31)
Inter segment revenue	- -	232.89 (628.83)	- -	232.89 (628.83)	- -
1 Segment revenue	329,871.95 (357,427.03)	11,099.22 (16,399.70)	2,413.54 (3,505.91)	6,831.98 (6,116.33)	336,552.73 (371,216.31)
2 Segment result	23,647.31 (17,858.19)	2,011.15 (4,705.57)	421.68 (3,110.92)		26,080.14 (25,674.68)
3 Unallocable expenses (net)					10,627.97 (9,337.52)
4 Finance costs					7,470.34 (3,656.35)
5 Operating income (2-3-4)					7,981.83 (12,680.81)
6 Other income (net)					1,503.84 (2,332.42)
7 <b>Profit before exceptional items and taxes (5+6)</b>					<b>9,485.67</b> <b>(15,013.23)</b>
8 Exceptional items					4,030.85 (-)

**Notes forming part of the consolidated financial statements**
**30.12 Segment Information (Contd...)**

₹ in lac

Particulars	Business segments			Eliminations	Total
	EPC	Services	Others		
9 Profit before tax (7+8)					13,516.52 (15,013.23)
10 Tax expense					4,995.96 (5,495.01)
11 Profit for the year (9-10)					<b>8,520.56</b> <b>(9,518.22)</b>
Segment assets	442,484.10 (387,512.82)	6,775.34 (5,628.11)	1,974.88 (9.49)		451,234.32 (393,150.42)
Unallocable assets					31,381.62 (40,187.53)
<b>Total assets</b>					<b>482,615.94</b> <b>(433,337.95)</b>
Segment liabilities	342,525.61 (319,613.41)	1,429.15 (959.34)	1,211.21 (139.22)		345,165.97 (320,711.97)
Unallocable liabilities					56,437.22 (38,315.87)
<b>Total liabilities</b>					<b>401,603.19</b> <b>(359,027.84)</b>
<u>Other information</u>					
Capital expenditure (allocable)	3,618.39 (5,879.86)	1.90 (0.99)	179.25 -		3,799.54 (5,880.85)
Capital expenditure (unallocable)					1,924.37 (2,044.54)
Depreciation and amortisation (allocable)	6,396.98 (4,175.88)	8.64 (22.29)	0.95 (0.06)		6,406.57 (4,198.23)
Depreciation and amortisation (unallocable)					1,774.43 (925.86)

₹ in lac

Geographical segment	Revenue - for the year ended March 31, 2015	Segment assets as at March 31, 2015	Capital expenditure incurred during the year ended March 31, 2015
Domestic	310,585.48 (347,384.85)	451,024.74 (410,571.42)	5,693.13 (7,911.97)
Overseas	25,967.25 (23,831.46)	31,591.20 (22,766.53)	30.78 (13.42)
<b>Total</b>	<b>336,552.73</b> <b>(371,216.31)</b>	<b>482,615.94</b> <b>(433,337.95)</b>	<b>5,723.91</b> <b>(7,925.39)</b>

Amounts in brackets represents previous year numbers.

## Notes forming part of the consolidated financial statements

### 30.13 Related party transactions

#### Details of related parties:

Description of relationship	Names of related parties
(i) Entity holding more than 20%	The Tata Power Company Limited (TPCL)
(ii) Jointly controlled operations (JCO)	Tata Projects Limited - VNR Infrastructure Ltd - Package 1 (JV) (TPL VNR JV - Pkg 1) Tata Projects Limited - VNR Infrastructure Ltd - Package 2 (JV) (TPL VNR JV - Pkg 2) Tata Projects - Balfour Beatty JV (TP BB JV) w.e.f. April 1, 2013 Tata Aldesa JV w.e.f. April 1, 2013 TPL GYT JV w.e.f. September 23, 2014
(iii) Jointly controlled entities (JCE)	AI Tawleed for Energy & Power Company (AI Tawleed) TEIL Projects Limited (TEIL)
(iv) Associates	Virendra Garments Manufacturing Private Limited (VGMPL)
(v) Key Management Personnel (KMP)	Mr. Vinayak K Deshpande, Managing Director Mr. Rajgopal Swami, Chief Financial Officer

**Notes forming part of the consolidated financial statements**

**30.13 Related party transactions (Contd...)**

Details of related party transactions during the year ended March 31, 2015 and balance outstanding as at March 31, 2015

₹ in lac

Particulars	Entity holding more than TPCL	JCE			JCO						KMP	Total		
		AI Tawleed	TEIL	Total	TPL VNR JV Pkg 1	TPL VNR JV Pkg 2	TP BB JV	GYT-TPL	Tata - Aldesa (JV)	Total				
Revenue from operations	476.41 (1,496.09)	- (-)	- (-)	- (-)	1,112.19 (2,581.28)	1,144.00 (2,311.67)	- (-)	- (-)	- (-)	3,659.60 (4,892.95)	- (-)	5,915.79 (4,892.95)	- (-)	6,392.20 (6,389.04)
Proposed dividend	483.75 (483.75)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	483.75 (483.75)
Purchase of Fixed Assets	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	13.97 (-)	- (-)	- (-)	- (-)	- (-)	13.97 (-)	- (-)	13.97 (-)
Loans and advance given (net)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	-50.00 (50.00)	- (-)	- (-)	- (-)	- (-)	-50.00 (50.00)	- (-)	-50.00 (50.00)
Mobilisation advance received (net)	-48.09 (-)	- (-)	- (-)	- (-)	-167.99 (-58.31)	-239.39 (62.91)	- (-)	- (-)	- (-)	-686.95 (4,099.31)	- (-)	-1,094.33 (4,103.91)	- (-)	-1,142.42 (4,103.91)
Reimbursable expenses (net)	1.11 (-)	- (-)	19.04 (12.67)	19.04 (12.67)	2.29 (0.38)	0.58 (0.33)	- (-)	- (-)	- (-)	- (-)	- (-)	2.87 (536.91)	- (-)	23.02 (549.58)
Remuneration	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	459.95 (403.80)	459.95 (403.80)
Guarantees given	-6.72 (-161.15)	- (-)	- (-)	- (-)	-200.00 (-250.7)	-377.30 (-76.95)	-199.00 (200.00)	10,988.01 (-)	16,637.71 (49,018.13)	26,849.42 (48,890.48)	- (-)	26,842.70 (48,729.33)	- (-)	26,842.70 (48,729.33)

Amounts in brackets represents previous year numbers.

## Notes forming part of the consolidated financial statements

### 30.13 Related party transactions (Contd...)

Balances outstanding at the end of the year

Particulars	Entity holding more than TPCL	JCE		JCO						KMP	Total		
		AI Tawfeed	TEIL	Total	TPL VNR JV Pkg 1	TPL VNR JV Pkg 2	TP BB JV	GYT-TPL	Tata - Aidesa (JV)			Total	
													58.58 (58.58)
Trade receivables	649.19 (2,734.85)	58.58 (58.58)	- (-)	58.58 (58.58)	1,420.76 (1,808.64)	1,385.40 (1,788.07)	- (-)	- (-)	- (-)	366.80 (141.58)	- (-)	3,535.02 (4,132.91)	3,880.73 (6,926.34)
Loans and advances	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (50.00)
Contractually reimbursable expenses	1.11 (-)	1.28 (1.28)	52.03 (32.99)	53.31 (34.27)	2.67 (0.38)	0.91 (0.33)	- (-)	- (-)	- (-)	1.62 (-)	- (-)	5.20 (0.71)	59.62 (34.98)
Unbilled revenue	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,709.53 (-)	- (-)	1,709.53 (-)	1,709.53 (-)
Trade payables	- (-)	24.07 (24.07)	- (-)	24.07 (24.07)	- (-)	- (-)	6.44 (-)	- (-)	- (-)	- (-)	- (-)	6.44 (-)	30.51 (24.07)
Other current liabilities	383.23 (431.32)	- (-)	- (-)	- (-)	-14.42 (153.57)	15.34 (254.73)	- (-)	- (-)	- (-)	3,412.36 (4,099.31)	- (-)	3,413.28 (4,507.61)	3,796.51 (4,938.93)
Proposed dividend	483.75 (483.75)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	483.75 (483.75)
Commission payable	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	200.00 (175.00)	- (-)	200.00 (175.00)
Guarantees given	1,836.69 (1,843.41)	- (-)	- (-)	- (-)	2,719.86 (2,919.86)	2,764.02 (3,141.32)	1.00 (200.00)	10,988.01 (-)	65,655.84 (49,018.13)	82,128.73 (55,279.31)	- (-)	83,965.4 (57,122.72)	

Amounts in brackets represents previous year numbers.

## Notes forming part of the consolidated financial statements

### 30.14 Details of leasing arrangements

#### Operating lease:As lessee

- i) The Company's significant leasing arrangements are in respect of operating leases for premises (residences, office, etc.). The leasing arrangements, which are not non-cancellable range generally between 11 months to 9 years or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rents payable are recognized in the Statement of Profit and Loss for the year as Rent under Note 28 - Other expenses.
- ii) With regard to certain other non-cancellable operating leases for premises, the future minimum lease rental are as follows:

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
Not later than one year	571.98	926.18
Later than one year and not later than five years	463.11	1,068.97
Later than five years	90.86	275.50
	<b>1,125.95</b>	<b>2,270.65</b>

### 30.15 Earnings per Share (EPS):

	For the year ended March 31, 2015	For the year ended March 31, 2014
a) Profit for the year (₹ in lac)	8,509.61	8,526.14
b) Weighted Average number of Equity Shares of ₹ 100 each outstanding during the year (No's)	20,250.00	2,025,000
<b>Earnings per share</b>		
c) Basic and diluted (₹) (a/b)	420.23	421.04

### 30.16 Goodwill on consolidation

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
Opening Balance	344.07	343.77
Add: on acquisition of FoodCert India Limited during the year	47.54	-
Add: Exchange difference during the year on translation of Goodwill of foreign subsidiaries	(0.36)	0.30
<b>Total</b>	<b>344.07</b>	<b>343.77</b>

### 30.17 Capital reserve on consolidation

	As at March 31, 2015 ₹ in lac	As at March 31, 2014 ₹ in lac
Opening Balance	77.84	80.25
Less: Exchange difference during the year on translation of Goodwill of foreign subsidiaries	(7.83)	(2.41)
<b>Total</b>	<b>70.01</b>	<b>77.84</b>

## Notes forming part of the consolidated financial statements

### 30.17(a) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount (in ₹lac)	As % of consolidated profit or loss	Amount (in ₹ lac)
<b>Parent</b> Tata Projects Limited	100.48	81,059.67	173.75	14,785.70
<b>Subsidiaries</b>				
<b>Indian</b>				
1. Artson Engineering Limited	(1.14)	(921.77)	(77.06)	(6,558.56)
2. Tata Projects Infrastructure Limited	0.01	4.88	-	(0.12)
3. FoodCert India Private Limited	0.01	10.91	(0.02)	(1.55)
<b>Foreign</b>				
1. TPL-TQA Quality Services (Mauritius) Pty Limited	0.19	156.98	1.35	115.14
2. TPL-TQA Quality Services South Africa (Pty) Limited	0.96	774.64	1.84	156.86
3. TQ Services Europe, GmbH	0.14	114.98	1.03	87.45
<b>Minority Interests in all subsidiaries</b>	(0.42)	(338.49)	(0.13)	(10.95)
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
1. Virendra Garments Manufacturing Private Limited #	-	-	-	-
<b>Joint Ventures (as per proportionate consolidation)</b>				
<b>Indian</b>				
1. TEIL Projects Limited	0.01	5.39	(0.76)	(64.36)
<b>Foreign</b>				
1. Al Tawleed for Energy & Power Company	(0.24)	(192.93)	-	-
<b>Total</b>	<b>100.00</b>	<b>80,674.26</b>	<b>100.00</b>	<b>8,509.61</b>

# The financial statements of Virendra Garments Manufacturers Private Limited is not available and hence has not been considered for consolidation.



**Notes forming part of the consolidated financial statements****30.18 Details of provisions**

The Company has made provisions for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

<b>Particulars</b>	<b>As at April 1,2014</b>	<b>Additions</b>	<b>Utilisation</b>	<b>As at March 31,2015</b>
Provision for foreseeable losses on contracts	400.92	-	173.94	226.98
	(577.76)	1,852.24	2,029.08	(400.92)

Amounts in brackets represents previous year numbers

**30.19** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

**For and on behalf of the Board of Directors**

**Prasad R Menon**  
Chairman

**Samir Kumar Barua**  
Director

**Neera Saggi**  
Director

**S Ramakrishnan**  
Director

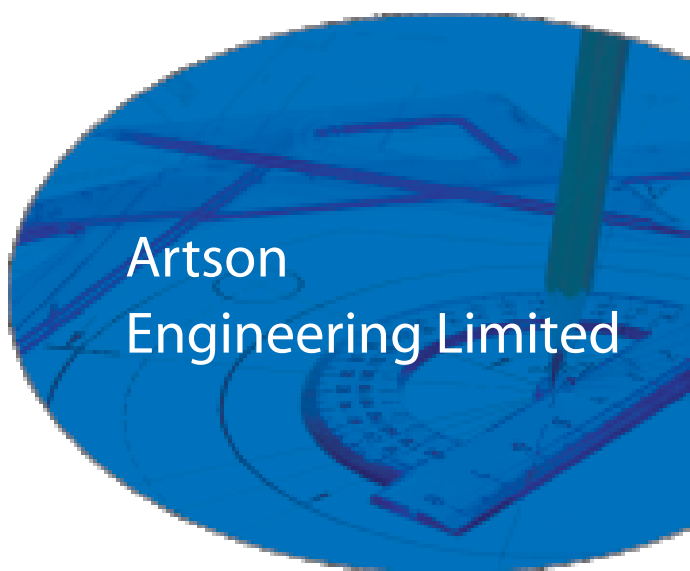
**Vinayak K Deshpande**  
Managing Director

**Rajgopal Swami**  
Chief Financial Officer

**Dr A Raja Mogili**  
Company Secretary

Place: Mumbai  
Date: 18th May 2015

## Subsidiary Companies Financial Statements



**Artson Engineering Limited**

(A subsidiary of Tata Projects Limited)

Corporate Identity Number: L27290MH1978PLC020644

Tel No.022 66255600. Fax: + 91 2266255614 Email:artson@artson.net . Website:www.artson.net

**BOARD OF DIRECTORS**

(As on 14th May 2014)

Chairman  
Directors**Vinayak Deshpande**  
**Michael Bastian**  
**Nalin Shah**  
**Pralhad Pawar**  
**Shashikant Oak**  
**Leja Hattiangadi**

Special Director

**Registered Office**11th Floor,  
Hiranandani Knowledge Park,  
Technology Street, Powai,  
Mumbai-400 076**Manufacturing Units**D-5, MIDC Plot No.D-1,  
Ambad, Umred Industrial Area,  
Nashik-422 010 MIDC Umred,  
Dist- Nagpur-441 203**Share Registrars and Transfer Agents**Sharepro Services (India) Private Limited  
(Registered Office)  
UNIT: Artson Engineering Limited  
13AB, Samhita Warehousing Complex,  
2nd Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri-Kurla Road, Sakinaka,  
Andheri (East), Mumbai-400 072Sharepro Services (India) Private Limited  
(Investor Relation Centre)  
UNIT: Artson Engineering Limited  
912, Raheja Centre,  
Free Press Journal Road,  
Nariman Point,  
Mumbai-400 021**Bankers**Corporation Bank  
ICICI Bank Limited**Monitoring Agency**

Bank of India

**Statutory Auditors**

Chokshi &amp; Chokshi, Chartered Accountants

**Internal Auditors**

Patel &amp; Deodhar, Chartered Accountants

**Secretarial Auditor**P. P. Shah & Co., Practicing Company  
Secretaries

## DIRECTORS' REPORT

### TO THE MEMBERS,

The Directors present their Thirty-Sixth Annual Report along with the Audited Financial Statement for the Financial Year ended 31<sup>st</sup> March 2015.

### 1. Performance of the Company

The Company's performance for the year is summarised below:

#### Financial Highlights

(₹ Crore)

Particulars	Financial Year ended 31st March 2015	Financial Year ended 31st March 2014
Sales and Other Income	65.09	79.61
Profit/ (Loss) before Finance Cost, Tax, Depreciation and Exceptional Items	3.41	(1.84)
Profit/ (Loss) before tax	(1.99)	(8.33)
Profit/ (Loss) after tax	(1.99)	(8.33)
Profit/ (Loss) brought forward	(67.40)	(59.07)
Profit/ (Loss) available for appropriation	(69.56)	(67.40)

### 1. Operations

The Company's Total Income for the year under review aggregated ₹ 65.09 Crore (Previous year- ₹ 79.61 Crore). The operations of the Company for the year under review resulted in a Loss after Tax of ₹ 1.99 Crore (Previous year – Loss after Tax ₹ 8.33 Crore).

The Company commenced the financial year with an order backlog of about ₹ 56 Crore. During the year under review, the Company received new orders with estimated value of about ₹ 60 Crore and thus, the orders available for execution aggregated approx ₹ 116 Crore.

During the year under review, the Company successfully restarted its operations in United Arab Emirates (UAE) and commenced the execution of the works entailing fabrication, erection and painting of tanks and pipe rack along with exports of fabricated items and fabrication and storage of chemical tanks at Sharjah, UAE.

In respect of the tankage order being undertaken at Gujarat, the Company has nearly completed civil works and shortly, it will commence the execution of mechanical portion of the order.

In addition to the execution of the order pertaining to manufacture of buffer vessels, Nashik factory was also occupied with the execution of crude tank pre-fabrication and piping spooling and it is presently under final stage of completion.

Majority of the orders which are being executed in Sharjah, UAE, were awarded only in the 3<sup>rd</sup> quarter of the Financial Year ended 31<sup>st</sup> March 2015. Although the Company could complete the order pertaining to design, engineering, manufacturing, supply, testing and commissioning of buffer vessels, it could not garner similar such orders due to lack of activity in the market. Demand at Gamharia (Jamshedpur) slowed after KPO related fabrication dispatches. During the year under review, the Company has also completed major portion of the order entailing fabrication and supply of structurals at the Company's manufacturing facility at Nagpur. The Company intends to undertake Nagpur yard development activity.

Cumulative effect of the above has resulted in the Company's Turnover for the Financial Year 2014-15 falling below expectations.

The Company's Nashik factory has started manufacturing bottling plant and machinery for overseas and

domestic markets. With renewal of the existing certifications and new certifications of American Society of Mechanical Engineers (ASME), the Company is hopeful of booking new orders for manufacturing pressure vessels. As a matter of fact, the Company is the first pressure vessel manufacturing unit in the Nashik industrial area. It has obtained ISO 9001-2008 certification for manufacturing & supply of Engineering, Procurement, Construction of Oil & Gas Process & Storage System, structure for power & steel plant, including various types of process industries.

## 2. Rehabilitation Scheme sanctioned by the Board for Industrial and Financial Reconstruction

The Company's Miscellaneous Application (MA) with the Board for Industrial and Financial Reconstruction (BIFR), containing a proposal for modification of the sanctioned scheme, by converting the total outstanding loan, availed from Tata Projects Limited (TPL), the Holding Company, aggregating ₹44.18 Crore (including interest upto 31<sup>st</sup> March 2013) into 44,18,22,878 4 % Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 1/- each to be allotted to TPL on preferential allotment basis and also extension of the rehabilitation period, is still pending with the BIFR.

During the year under review, the Company had also filed one more MA with the BIFR seeking certain reliefs and concessions from the Income Tax Department which are perceived to be in the interest of the Company.

## 3. Borrowings

As mentioned above, the Miscellaneous Application pertaining to financial restructuring proposal is pending consideration by the BIFR. Accordingly, the Company was not required to repay the balance installments of term-loan as well as the outstanding inter-corporate deposits availed from Tata Projects Limited (TPL). At the hearings granted by the BIFR from time to time, TPL and Bank of India (the Monitoring Agency) have informed the BIFR about their approval for the modifications proposed in the Miscellaneous Applications.

## 4. Short-term loan from Tata Capital Financial Services Limited

During the Financial Year under review, the Company has borrowed a short term loan aggregating ₹21 Crore (Working Capital Demand Loan: ₹1 Crore and Short term loan: ₹20 Crore) from Tata Capital Financial Services Limited. The Company has also retired the Corporation Bank loan of ₹ 20 Crore.

## 5. Extract of the Annual Return

An extract of the Annual Return as provided under Section 92 (3) of the Companies Act, 2013 is annexed to this Report and forms part of this Report.

## 6. Number of meetings of the Board of Directors

6 (six) Board Meetings were held during the year under review. The dates of these Board Meetings are 14<sup>th</sup> May 2014, 19<sup>th</sup> July 2014, 17<sup>th</sup> October 2014, 19<sup>th</sup> November 2014, 16<sup>th</sup> January 2015 and 12<sup>th</sup> March 2015.

## 7. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2014-15.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed and there was no material departures from them;
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c. the Directors had taken proper and sufficient care for the 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 fraud and other irregularities; and

- d. the Directors had prepared the annual accounts on a going concern basis;
- e. the Directors had laid down internal financial controls to be followed by the Company and that such financial controls are adequate and were operating effectively.
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

#### **8. Directors and Key Managerial Personnel**

Based on the recommendations of the Nomination and Remuneration Committee, Ms. Leja Hattiangadi was appointed as an Additional Director (Non-Executive and Independent) effective 12<sup>th</sup> March 2015. The Board has formed an opinion that Ms. Leja Hattiangadi possesses the requisite skills and knowledge and it would be in the interest of the Company to appoint Ms. Leja Hattiangadi as an Independent Director of the Company.

Pursuant to Section 161 of the Companies Act, 2013, Ms. Leja Hattiangadi holds office as Additional Director, upto the ensuing Annual General Meeting, but is eligible for re-appointment. The Company has received notice in writing from a member proposing the candidature of Ms. Leja Hattiangadi for the office of Director. Accordingly, proposal for appointment of Ms. Leja Hattiangadi as Director is being placed before the shareholders for their approval at the ensuing Annual General Meeting.

Pursuant to Section 149 of the Companies Act, 2013, the Board has, subject to the approval of the Members at the ensuing Annual General Meeting, approved the appointment of Ms. Leja Hattiangadi, as an Independent Director on the Board of the Company for a term of 5 consecutive years effective from 12<sup>th</sup> March 2015.

Ms. Hattiangadi satisfies the criteria for independence laid down in the Companies Act, 2013 and accordingly, the Board recommends the proposal for appointment of Ms. Leja Hattiangadi as an Independent Director for approval by the shareholders at the ensuing Annual General Meeting.

As per the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pralhad Pawar retires by rotation and being eligible, offers himself for re-appointment.

Mr. A. K. Misra, a non-executive director and nominee of Tata Projects Limited resigned as a Director of the Company effective 5<sup>th</sup> May 2015. The Board has placed on record its appreciation of the significant role played by Mr. Misra during his tenure as a Director.

There has been no change in the composition of the Board of Directors except the induction of Ms. Leja Hattiangadi as an Additional Director (Non-Executive and Independent) and cessation of Mr. A. K. Misra as a Director on the Company's Board.

During the year under review, Mr. Pratik Agrawal, was appointed as Chief Financial Officer (CFO) effective 21<sup>st</sup> July 2014 and he ceased to be the CFO of the Company effective 12<sup>th</sup> December 2014. In his place Mr. Rajesh Mandale has been appointed as the CFO effective 2<sup>nd</sup> February 2015. No other Key Managerial Personnel has been appointed or has tendered resignation during the Financial Year 2014-15.

The Company has filed a Miscellaneous Application (No. 536/ 2013 dated 16<sup>th</sup> October 2013) ['MA'] with the Board for Industrial and Financial Reconstruction (BIFR), seeking amongst others, the exemption from the mandatory requirement pursuant to Section 269 of the Companies Act, 1956 or any such provision under the Companies Act, 2013 regarding the appointment of Managing Director/ Whole Time Director / Manager until the period of rehabilitation of the Scheme. The said MA is pending consideration by the BIFR. In view thereof, the Company has not appointed Managing Director/ Whole Time Director / Manager.

#### **9. Declaration given by Independent Directors**

As per the requirement of Section 149 (7) of the Companies Act, 2013, Mr. Nalin Shah, Mr. Michael Bastian and Ms. Leja Hattiangadi, Independent Directors have given their respective declarations that they meet the criteria of independence as specified under Section 149 (6) of the Act.

#### **10. Particulars of Loans, guarantees or investments**

The Company has neither given any loans or guarantee nor provided any security in connection with loan to any body corporate or person nor has it acquired by subscription, purchase or otherwise, the securities of anybody corporate as provided under Section 186 of the Companies Act, 2013.

## 11. Remuneration Policy

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors has approved and adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company as required under Section 178 (3) of the Companies Act, 2013. The Company has adopted Governance Guidelines which inter-alia covers the composition and role of the Board, Board Appointment, Induction & Development, Director Remuneration, Code of Conduct, Board Effectiveness Review and mandates of the Board Committees. The Remuneration Policy is annexed to this Report and forms part of this Report.

## 12. Particulars of contracts or arrangements with related parties

Particulars of contracts or arrangements with related parties in form No. AOC- 2 as required pursuant to the provisions of Section 134(3)(h) and Rule 8 of the Companies (Accounts), Rules, 2014 is annexed to this Report and forms part of this Report.

## 13. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgoings

Particulars prescribed under Section 134(3)(m) of the Companies Act, 2013 are given in an Annexure to this Report and forms part of this Report.

## 14. Risk Management Policy

The Company has adopted a Risk Management and Mitigation Policy. A formal Risk reporting system has been devised by the Company. Risk Management Committee has also been constituted comprising of a Director and senior officials of the Company.

## 15. Annual Evaluation

The performance of Board of Directors and the Committees constituted by the Board and the individual directors has been evaluated during the Financial Year ended 31<sup>st</sup> March 2015.

## 16. Particulars of Subsidiary companies or Joint ventures or associate company

The Company does not have any joint venture with any person or an associate company as defined under Section 2 (6) of the Companies Act, 2013 ('the Act') or subsidiary company as defined under Section 2 (87) of the Act.

## 17. Particulars of Deposits

During the year under review, the Company has neither accepted any deposit covered under Chapter V of the Companies Act, 2013 nor has it accepted deposit which are not in compliance with the requirements of Chapter V.

## 18. Particulars of Material Orders

During the year under review, neither any Regulator nor any Court or Tribunal has passed any significant and material order impacting the going concern status and the Company's operations in future.

## 19. Audit Committee

The Audit Committee comprises of Mr. Nalin Shah, Mr. Michael Bastian, the Independent Directors and Mr. Shashikant Oak, the BIFR Nominee. Mr. Nalin Shah and Mr. Michael Bastian are Chartered Accountants by profession and Mr. Oak has vast experience in the Ministry of Finance. The composition of the Committee is as per the provisions of Section 177 of the Companies Act, 2013. The Audit Committee continues to provide valuable advice and guidance in the areas of costing, finance and internal controls.

## 20. Auditors

M/s. Chokshi & Chokshi LLP, Chartered Accountants, the Statutory Auditors of the Company are due to retire at the ensuing Annual General Meeting. The Company has received a written consent and a certificate from the Statutory Auditors, under Section 139 of the Companies Act, 2013, stating that the appointment, if made will be in accordance with Rule 4 (1) of the Companies (Audit and Auditors) Rules, 2014.

## 21. Cost Auditors

The Company has filed the Cost Compliance Report and the Cost Audit Report for the Financial Year ended

31<sup>st</sup> March 2014 with the Ministry of Corporate Affairs (MCA) on 14<sup>th</sup> August 2014 and 18<sup>th</sup> August 2014 respectively, which is within the prescribed time.

Considering then prevailing provisions, the Company had appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, as the Company's Cost Auditors for the Financial Year 2014-15 pursuant to the Companies (Audit and Auditors) Rules, 2014 ('Rules').

The said Rules were amended by MCA vide its Notification dated 31<sup>st</sup> December 2014. Consequently, the amended Rules are not applicable to the Company and hence, Cost Audit is not applicable to the Company for the year under review.

## **22. Particulars of Employees**

Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report and forms part of this Report.

## **23. Secretarial Audit Report**

During the year under review, the Company had appointed M/s. P.P. Shah, Practicing Company Secretaries, Mumbai as the Secretarial Auditor for the Financial Year 2014-15. The report in form MR- 3 on the Audit carried out by the said Auditor is annexed to this Report.

## **24. Purchase of shares of the Company**

The Company does not give any loan, guarantee or security, or any financial assistance to the employees of the Company for the purpose of a purchase or subscription for any shares of the Company or its Holding company pursuant to Section 67 (2) of the Companies Act, 2013.

## **25. Corporate Social Responsibility Committee**

The provisions of Section 135 of the Companies Act, 2013 are not presently applicable to the Company.

## **26. Vigil Mechanism**

The Company has adopted a Whistle Blower Policy to report to the Management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. Under this policy, the employees can approach the Company's Ethics Counsellor/ Chairman of the Audit Committee.

## **27. Issue of shares with differential voting rights**

The Company has not issued any shares with differential voting rights pursuant to the provisions of Rule 4 of the Companies (Share Capital and Debenture) Rules, 2014.

## **28. Issue of sweat equity shares**

During the year under review, the Company has not issued any sweat equity shares to any of its employees, pursuant to the provisions of Rule 8 of the Companies (Share Capital and Debenture) Rules, 2014.

## **29. Employee Stock Option**

The Company does not have any Employee Stock Option Scheme for its employees.

## **30. Report on Corporate Governance and Management Discussion and Analysis Report**

SEBI has vide its Circular (Ref No. CIR/CFD/POLICY CELL/7/2014 dated 15<sup>th</sup> September 2014) amongst others, made the compliance with the provisions of amended Clause 49 of the Listing Agreement, non-mandatory for time being, to those companies having paid-up equity share capital not exceeding ₹10 Crore and Net Worth not exceeding ₹25 Crore as on the last day of the previous financial year. Considering that the Company's paid-up equity share capital was ₹3.69 Crore and the Net Worth was negative as on 31<sup>st</sup> March 2014, compliance with the provisions of revised Clause 49 of the Listing Agreement is not mandatory to the Company.

Accordingly, for the year under review, the reports stating compliance with revised Clause 49 of the Listing Agreement dealing with the Code of Corporate Governance and the Management Discussion and Analysis have not been annexed to this Report.



## 31. Acknowledgments

The Directors wish to place on record their sincere appreciation for the unrelenting support received during the year from the Shareholders, Tata Projects Limited, customers – both in India and abroad, suppliers, vendors and service providers, Banks, the Board for Industrial and Financial Reconstruction (BIFR), the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) and other Government and Regulatory authorities, Financing and lending institutions. The Board wishes to record its deep appreciation to all the employees and workers of the Company for their dedication and commitment.

For and on behalf of the Board of Directors

**Vinayak Deshpande**  
Chairman

Mumbai, 4<sup>th</sup> May 2015

## ANNEXURE TO THE DIRECTORS' REPORT

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgoings

Information as per Section 134(3)(m) read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the Financial Year ended 31<sup>st</sup> March 2015:

#### A. Conservation of Energy

The Company is conscious of the need for energy conservation and striving to explore the possibilities of reducing energy consumption in all the areas of operations including the office premises as well as its manufacturing facilities at Nashik and Nagpur. Environment and energy conservation days were observed to create awareness among employees and business associates on conservation of energy.

#### B. Technology Absorption

Not applicable

#### C. Foreign Exchange Earnings and Outgoings

(₹ Crore)

Particulars	Financial Year ended 31st March 2015	Financial Year ended 31st March 2014
Earnings	2.10	1.72
Outgo	4.07	1.59

For and on behalf of the Board of Directors

**Vinayak Deshpande**

Chairman

Mumbai, 4th May 2015

**Annexure to Directors' Report – Refer Point no. 5  
Form MGT- 09**

**Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> March 2015**  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

<b>Corporate Identity Number</b>	L27290MH1978PLC020644
<b>Registration date</b>	18 <sup>th</sup> September 1978
<b>Name of the Company</b>	Artson Engineering Limited
<b>Category/ Sub-Category of the Company</b>	Company limited by shares, Indian Non-Government company
<b>Address of Registered Office and contact details</b>	11 <sup>th</sup> Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai- 400 076 Tel No. 91 22 66255600 Fax No. 91 22 66255614 Email id: artson@artson.net
<b>Whether listed company (yes/ no)</b>	<b>Yes</b>
<b>Name, Address and contact details of Registrar and Transfer Agent</b>	Share pro Services (India) Private Limited (Registered Office) Unit: Artson Engineering Limited 13AB, Samhita Warehousing Complex, 2 <sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072 Contact details: 022 67720300 Email id: sharepro@shareproservices.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing to 10% or more of the total turnover of the Company shall be stated:

<b>Sr. No.</b>	<b>Name and description of main products/ services</b>	<b>NIC Code of product/ service</b>	<b>% to total turnover of the Company</b>
1.	Manufacture of Structural Metal Products	2511 [NIC – 2008]	71.18%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

All the business activities contributing to 10% or more of the total turnover of the Company shall be stated:

<b>Sr. No.</b>	<b>Name and Address</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% Of Shares</b>	<b>Applicable Section</b>
1	Tata Projects Limited <b>Regd. Address:</b> Mithona Towers-1, 1-7-80 to 87, Opp. Wesley Co-Ed. Jr. College, Secunderabad - 500 003	U45203AP1979PLC057431	Holding	<b>75%</b>	2 (46)

(Note: The Company does not have any Subsidiary company and associate company)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

##### i. Category-wise share holding

Category of Shareholders	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% Change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical		Total
<b>A. Promoters</b>								
<b>1. Indian</b>								
a. Individual/HUF	0	0	0	0.00%	0	0	0	0.00%
b. Central Government	0	0	0	0.00%	0	0	0	0.00%
c. State Government	0	0	0	0.00%	0	0	0	0.00%
d. Bodies Corporate	2,76,90,000	-	2,76,90,000	75 %	2,76,90,000	-	2,76,90,000	75 %
e. Banks/Financial Institutions	0	0	0	0.00%	0	0	0	0.00%
f. Any Other	0	0	0	0.00%	0	0	0	0.00%
<b>Sub-total (A)(1)</b>	<b>2,76,90,000</b>	<b>-</b>	<b>2,76,90,000</b>	<b>75 %</b>	<b>2,76,90,000</b>	<b>-</b>	<b>2,76,90,000</b>	<b>75 %</b>
<b>(2) Foreign</b>								
a. NRIs-Individuals	0	0	0	0.00%	0	0	0	0.00%
b. Other-Individuals	0	0	0	0.00%	0	0	0	0.00%
c. Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%
d. Banks/Financial Institutions	0	0	0	0.00%	0	0	0	0.00%
e. Any Other	0	0	0	0.00%	0	0	0	0.00%
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>27690000</b>	<b>0</b>	<b>27690000</b>	<b>75.00 %</b>	<b>27690000</b>	<b>0</b>	<b>27690000</b>	<b>75.00 %</b>
								<b>0.00%</b>

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)**

**i. Category-wise share holding**

Category of Shareholders	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
<b>B. Public Shareholding</b>							
<b>1. Institutions</b>							
a. Mutual Funds/ UTI	0	2,875	2,875	0	2,875	2,875	0
b. Banks/ Financial Institutions	0	1,400	1,400	0	1,400	1,400	0
c. Central Government	0	0	0	0	0	0	0
d. State Government	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0
f. Insurance Companies	0	0	0	0	0	0	0
g. FIs	0	770	0	0	770	0	0
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0
h. Other (specify)	0	0	0	0	0	0	0
<b>Sub- total (B)(1)</b>	<b>0</b>	<b>5045</b>	<b>0</b>	<b>0</b>	<b>5045</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>							
<b>a. Bodies Corporate</b>							
i. Indian	1157519	12645	1170164	1029998	12645	1042643	(0.35%)
ii. Overseas	0	0	0	0	0	0	0
<b>b. Individuals</b>							
i. Individual shareholders holding nominal share capital upto Rs.1 lakh	4992852	1739431	6732283	5100485	1578247	6678732	18.09% (0.14%)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

##### i. Category-wise share holding

Category of Shareholders	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1132500	0	1132500	1199500	0	1199500	3.25%
<b>c. Others specify</b>							
i. Non Resident Individual	117673	72335	190008	267345	36735	304080	0.82%
<b>Sub- total (B)(2)</b>	<b>7400544</b>	<b>1824411</b>	<b>9224955</b>	<b>7597328</b>	<b>1627627</b>	<b>9224955</b>	<b>24.99%</b>
<b>Total Public Shareholding (b)=(B)(1) + (B)(2)</b>	<b>7400544</b>	<b>1829456</b>	<b>9230000</b>	<b>7597328</b>	<b>1632672</b>	<b>9230000</b>	<b>25.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0.00%
<b>GRAND TOTAL = (A) + (B) + (C)</b>	<b>35090544</b>	<b>1829456</b>	<b>36920000</b>	<b>35287328</b>	<b>1632672</b>	<b>36920000</b>	<b>100.00%</b>

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)**

**ii. Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			Change in shareholding during the year
		No. of shares	% of Total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of Total shares of the Company	% of shares pledged / encumbered to total shares	
1	Tata Projects Limited	27690000	75%	0.00%	27690000	75%	0.00%	0.00%

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)**

**iii. Change in Promoter's shareholding (please specify, if there is no change)**

Sr. No.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / Sweat equity etc)	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
<b>1</b>	<b>At the beginning of the year</b>	27690000	75%	27690000	75%
		0	0	0	0
<b>2</b>	<b>At the End of the year</b>	27690000	75%	27690000	75%

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

##### iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the Year specifying reasons for increase/ decrease			Cumulative Shareholding during the year		At the end of the year (or the date of separation, if separated during the Year)	
		No. of shares	% of Total shares of the Company	Date	No. of shares	Increase/ (Decrease)	No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
1	Sarnam Trading and Mercantile Pvt Ltd	400000	1.08%	Nil	Nil	Nil	400000	1.08%	400000	1.08%
2	Meenaxi Mehta	300000	0.81%	17.10.2014	6083	Increase	306083	0.83%	367000	0.99%
					27898		333981	0.90%		
					33019		367000	0.99%		
3	Narayan Keshaydas Jagasia	282500	0.77%	Nil	Nil	Nil	282500	0.77%	282500	0.77%
4	Renuka Pranav Shah	200000	0.54%	Nil	Nil	Nil	200000	0.54%	200000	0.54%
5	Pranav M Shah	200000	0.54%	Nil	Nil	Nil	200000	0.54%	200000	0.54%
6	Smita N Navare	150000	0.41%	Nil	Nil	Nil	150000	0.41%	150000	0.41%
7	Emdee Stockbro Private Limited *	115000	0.31%	18.04.2014	5000	(Decrease)	110000	0.30%	1033	0.002%
				11.07.2014	108967	(Decrease)	1033	0.002%		
8	Shama Prakash Chopde	98740	0.27%	Nil	Nil	Nil	98740	0.27%	98740	0.27%



**IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)**  
**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the Year specifying reasons for increase/decrease			Cumulative Shareholding during the year		At the end of the year (or the date of separation, if separated during the Year)	
		No. of shares	% of Total shares of the Company	Date	No. of shares	Increase/ (Decrease)	No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
9	Heera Lal Bhasin	95638	0.26%	04.04.2014	1600	(Decrease)	94038	0.25%	95427	0.26%
				30.06.2014	25	Increase,	94063	0.25%		
				07.11.2014	2712	(Decrease)	91351	0.25%		
				21.11.2014	3181	(Decrease)	88170	0.24%		
				31.12.2014	3242	Increase	91412	0.25%		
				20.03.2015	500	Increase	91912	0.25%		
				27.03.2015	3515	Increase	95427	0.26%		
10	Shama P Chopde	95200	0.26%	Nil	Nil	95200	0.26%	95200	0.26%	
11	Romiyu Thekkinedath Mercily	Nil	Nil	17.10.2014	4531	Increase	4531	0.01%	99759	0.27%
				24.10.2014	1854	Increase	6385	0.02%		
				31.10.2014	12723	Increase	19108	0.05%		
				28.11.2014	17278	Increase	36386	0.10%		
				05.12.2014	12854	Increase	49240	0.13%		
				19.12.2014	8900	Increase	58140	0.16%		
				31.12.2014	1575	Increase	59715	0.16%		
				02.01.2015	616	Increase	60331	0.16%		
				09.01.2015	4204	Increase	64535	0.17%		
				16.01.2015	3524	Increase	68059	0.18%		
				23.01.2015	14297	Increase	82356	0.22%		
				30.01.2015	350	Increase	82706	0.22%		
				06.02.2015	239	Increase	82945	0.22%		
13.02.2015	121	Increase	83066	0.22%						
27.02.2015	3243	Increase	86309	0.23%						
20.03.2015	12950	Increase	99259	0.27%						
27.03.2015	500	Increase	99759	0.27%						

**Notes:**

\*- Consequent to the sale of shares by Emdee Stockbro Private Limited, it is no longer part of Top 10 shareholders of the Company.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lac)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	3930.39	0.00	2100.00	6030.39
ii. Interest due but not paid	473.39	0.00	0	473.39
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>4403.78</b>	<b>0.00</b>	<b>2100.00</b>	<b>6503.78</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	0.00	2100.00	0	2100.00
- Reduction	(2000.00)	0	0	(2000.00)
<b>Net Change</b>	<b>(2000.00)</b>	<b>2100.00</b>	<b>0.00</b>	<b>100.00</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	1930.39	2100.00	2100.00	6130.39
ii. Interest due but not paid	473.39	0.00	0.00	473.39
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>2403.78</b>	<b>2100.00</b>	<b>2100.00</b>	<b>6603.78</b>

**Note:** The Company's Miscellaneous Application (No.563/ 2013 dated 14<sup>th</sup> October 2013) seeking modification is pending with the BIFR. The modification proposals include conversion of Secured Loan (₹ 1930.39 Lac), Deposits (₹ 2100.00 Lac) and interest upto 31<sup>st</sup> March 2013 (₹ 387.83 Lac) into 4 % OCCRPS. Please refer para No.2 of the Directors' Report.a

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NA \*

Sr.No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
<b>1.</b>	<b>Gross Salary</b> Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	<b>Refer Note given below.</b>	
	a. Value of perquisites u/s 17(2) Income-tax Act, 1961		
	b. Profits in lieu of salary under section 17(3) Income tax Act, 1961		
<b>2</b>	Stock Option		
<b>3</b>	Sweat Equity		
<b>4</b>	Commission - as a % of profit - others, specify		
<b>5</b>	Other, please specify		
	<b>Total (A)</b> Ceiling as per Act		

\* The Company has filed a Miscellaneous Application (No.536/ 2013 dated 14<sup>th</sup> October 2013) [“MA”] with the Board for Industrial and Financial Reconstruction (BIFR), seeking amongst others, the exemption from the mandatory requirement pursuant to Section 269 of the Companies Act, 1956 or any such provision under the Companies Act, 2013 regarding the appointment of Managing Director/ Whole Time Director / Manager until the period of rehabilitation of the Scheme. The said MA is pending consideration by the BIFR. In view thereof, the Company has not appointed Managing Director/ Whole Time Director / Manager.

**V. INDEBTEDNESS**
**B. Remuneration to other directors:**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. A. K. Misra	Mr. Michael Bastian	Mr. Shashi kant Oak	Mr. Nalin Shah	Ms. Leja Hattiangadi	
<b>1</b>	<b>Independent Directors</b>						
	Fee for attending Board committee meetings and Independent Directors meeting	0	70,000	0	75,000	10,000	1,55,000
	Commission	0	0	0	0	0	0
	<b>Total (B)(1)</b>	<b>0</b>	<b>70,000</b>	<b>0</b>	<b>75,000</b>	<b>10,000</b>	<b>1,55,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>						
	Fee for attending Board committee meetings	40,000	0	70,000	0	0	<b>1,10,000</b>
	Commission	0	0	0	0	0	0
	<b>Total (B) (2)</b>	<b>40,000</b>	<b>0</b>	<b>70,000</b>	<b>0</b>	<b>0</b>	<b>1,10,000</b>
	<b>Total (B)= (1)+(2)</b>	<b>40,000</b>	<b>70,000</b>	<b>70,000</b>	<b>75,000</b>	<b>10,000</b>	<b>2,65,000</b>
	<b>Total Managerial Remuneration</b>	<b>40,000</b>	<b>70,000</b>	<b>70,000</b>	<b>75,000</b>	<b>10,000</b>	<b>2,65,000</b>
	<b>Overall Ceiling as per the Act</b>	Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 prescribes sitting fees of Rs. 1 Lac to be paid to each director per meeting. The above sitting fees are within the prescribed limit.					

**Notes:**

- For the Financial Year 2014-15, the sitting fees of Rs. 5,000/- has been paid to each Non-Executive Director for attending each Board Meeting and the meetings of Audit, Management, Nomination and Remuneration Committees and Independent Directors.
- No sitting fees are paid to Mr. Vinayak Deshpande, Chairman and Mr. Pralhad Pawar, Director, who are nominees of Tata Projects Limited (TPL) and in employment of TPL.

## V. INDEBTEDNESS

### C. Remuneration to key managerial personnel other than MD/MANAGER/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		MD/ WTD/ Manager/ CEO*	Company Secretary	CFO	Total
<b>1.</b>	<b>Gross Salary</b>				
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	5,78,166	12,29,825	<b>18,07,991</b>
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	c. Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0
<b>2</b>	Stock Option	0	0	0	0
<b>3</b>	Sweat Equity	0	0	0	0
<b>4</b>	Commission				
	- as a % of profit				
	- others, specify	0	0	0	0
<b>5</b>	Other, please specify	0	0	0	0
	<b>Total (A)</b>	<b>0</b>	<b>578166</b>	<b>12,29,825</b>	<b>18,07,991</b>

\* The Company has filed a Miscellaneous Application (No. 536/ 2013 dated 14<sup>th</sup> October 2013) ['MA'] with the Board for Industrial and Financial Reconstruction (BIFR), seeking amongst others, the exemption from the mandatory requirement pursuant to Section 269 of the Companies Act, 1956 or any such provision under the Companies Act, 2013 regarding the appointment of Managing Director/ Whole Time Director / Manager until the period of rehabilitation of the Scheme. The said MA is pending consideration by the BIFR. In view thereof, the Company has not appointed Managing Director/ Whole Time Director / Manager.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-
<b>B. Directors</b>					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-
<b>C. Other Officers in Default</b>					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-

For Artson Engineering Limited

**Vinayak Deshpande**  
Chairman

Mumbai, 4<sup>th</sup> May 2015

**ANNEXURE TO DIRECTORS' REPORT – REFER POINT NO. 11****Remuneration Policy****Remuneration policy for Directors, Key Managerial Personnel and other employees**

The philosophy for remuneration of directors, Key Managerial Personnel (“KMP”) and all other employees of **Artson Engineering Limited** (“company”) is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“**Act**”) and Clause 49(IV)(B)(1) of the Equity Listing Agreement (“**Listing Agreement**”). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee (“**NRC**”) has considered the factors laid down under Section 178(4) of the Act, which are as under:

- a. *“the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;*
- b. *relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and*
- c. *remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals”*

Key principles governing this remuneration policy are as follows:

**• Remuneration for independent directors and non-independent non-executive directors**

- Independent directors (“ID”) and non-independent non-executive directors (“NED”) may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
- Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

- **Remuneration for managing director (“MD”) / executive directors (“ED”) / KMP / rest of the employees**

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

- Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
- Driven by the role played by the individual,
- Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
- Consistent with recognized best practices and
- Aligned to any regulatory requirements.

In terms of remuneration mix or composition,

- The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursing or insurance cover and accidental death and dismemberment through personal accident insurance.
- The company provides retirement benefits as applicable.
- [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.]
- [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
  - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
  - Industry benchmarks of remuneration,
  - Performance of the individual.
- The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

- **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

- **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

**Annexure to Directors Report - Refer Point No. 12**

**AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014

**1. Details of contracts or arrangements or transactions not at arm's length basis**

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under the first proviso to section 188
1.	TATA PROJECTS LIMITED ( TPL)	Sub-leasing of manufacturing facility created by TPL on the land admeasuring about 26,330.20 located at Plot No.D1, Umred Industrial Area, Village: Dhurkheda, Taluk: Umred, District: Nagpur.	9th August 2014 to 31st July 2016 LIMITED (TPL) additional	INR 50,000 per month	With a view to expand operations, the Company had entered into a Supplemental Sub-let Agreement with TPL. Considering that (a) TPL is the Holding Company of the Company (b) an existing sub-let agreement is already in subsistence and continuing and also considering the financial position of the Company, this transaction is justified.	14th May 2014	NIL	8th August 2014

**Annexure to Directors Report - Refer Point No. 12  
AOC - 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

**2. Details of contracts or arrangements or transactions at arm's length basis**

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1.	TATA PROJECTS LIMITED	Supply of Fabricated Structures using built-up sections of Grade E-250, as per Project technical spec. & drawings	1st September 2014 to 31st January 2015	INR 9,87,91,252	NA	INR 9,879,125
2.	TATA PROJECTS LIMITED	Erection of Tanks for Dyke1 & Dyke 2 for Hazel Project	30th January 2015 to 29th January 2016	AED 17,800,063	NA	AED 1,780,006
3.	TATA PROJECTS LIMITED	Fabrication and painting of 31 Nos of Tanks including painting of Carbon Structural plateforms etc. for storage Tank as per project technical specification	15th December 2014 to 14th June 2015	AED 6,219,309	NA	AED 621,931
4.	TATA PROJECTS LIMITED	Fabricated lifting beam for vessel as per project technical specification and drawings	27th May 2014 to 5th June 2014	INR 286,805	NA	NIL
5.	TATA PROJECTS LIMITED	Supply of Fabricated Pipe Rack structure -Hazel Projects	27th January 2015 to 15th March 2015	INR 390,95,000	NA	INR 39,09,500
6.	TATA PROJECTS LIMITED	Rent, Maintenance & Allied Service charges for use of 2737.25 Sq.M at the Company's Registered Office at 11th Floor, Hiranandani knowledge Park, Powai	from 1st April 2014	INR 4,00,000 Per Month	NA	NIL
7.	TATA PROJECTS LIMITED	Shared Services/ Reimbursement of Expenses	1st April 2014 to 31st March 2015	INR 1,80,76,368.91	NA	NIL
8.	TATA PROJECTS LIMITED	Shared Services Income	1st April 2014 to 31st March 2015	INR 90,35,903	NA	NIL

Note: Amount of advance has been paid by Tata Projects Limited as per the contractual terms.

**For ARTSON ENGINEERING LIMITED**

**VINAYAK DESHPANDE**

Chairman

4th May 2015, Mumbai



**Annexure to Directors' Report - Refer point no. 22**

Information as per Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**1. Ratio of Remuneration of each Director to the median remuneration of employees for the financial year ended 31st March 2015**

	Designation	Ratio	Remuneration (*)	Median Remuneration
Mr. Vinayak Deshpande	Chairman	0	0.00	2.57
Mr. Nalin M Shah	Director	29%	0.75	2.57
Mr. Michael Bastian	Director	27%	0.70	2.57
Mr. A.K.Misra	Director	16%	0.40	2.57
Mr. Shashikant Oak	Director	27%	0.70	2.57
Mr. Pralhad Pawar	Director	0%	0.00	2.57
Ms. Leja Hattiangadi	Director	4%	0.10	2.57

(\*) AEL paid only sitting fees to the non -executive directors except those nominated by Tata Projects Limited & are presently in the employment with Tata Projects Limited.

**2. % Increase of remuneration of each Director, CFO, CEO, CS in the Financial Year**

Directors	% increase
Mr. Vinayak Deshpande	0%
Mr. Nalin M Shah	67%
Mr. Michael Bastian	75%
Mr. A.K.Misra	60%
Mr. Shashikant Oak	8%
Mr. Pralhad Pawar	0%
Ms. Leja Hattiangadi	N.A.
<b>CFO &amp; Company Secretary</b>	
Mr. Pratik Agrawal /Mr. Rajesh Mandale (*), CFO	N.A.
Ms. Anuja Bhate, Company Secretary	25%

(\*) CFO for the year 2013-14 was deputed by the Holding company - Tata Projects Limited. % increase in remuneration of Directors is only due to increase in number of meetings held during the Year pursuant to the provisions of the Companies Act, 2013. There was no revision in the amount of sitting fees during the Year.

**3. % Increase in median remuneration of employees in the Financial Year - 17%**
**4. Number of permanent Employees on the roll of the company - 86**
**5. The explanation on the relationship between average increase in remuneration against the performance of the Company**

	2014-15	2013-14
Total Income (₹ Lac)	6509.2	7961.31
EBIDTA (₹ Lac)	341.61	(196.82)
EBIDTA as % of total Income	5%	-2%
PAT (₹ Lac)	(199.50)	(833.34)
PAT as % of total Income	-3%	-10%

Average increase in the remuneration of employees is in line with market scenario and as a measure to motivate employees for better future performance

**6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company**

Average increase in the remuneration of Key Managerial Personnel is in line with market scenario and as a measure to motivate them for better future performance

	Ratio	2014-15	2013-14
7. Variations in the market capitalisation of the Company	12%	10337.60	9211.54
8. Price earnings ratio	76%	(0.54)	(2.26)

**9. Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer - 12%**

(Note: Pursuant to the provisions contained in the rehabilitation scheme sanctioned by the BIFR at its hearing held on 27th November 2007 ('Sanctioned Scheme'), the face value of the Company's equity shares has been reduced from ₹ 10/- per share to ₹1/- per share fully paid-up)

**10. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year - 38%

percentile increase in the managerial remuneration - 17%

Average increase in the remuneration of employee is in line with market scenario and as a measure to motivate employees for better future performance

**11. Comparison of each remuneration of Key Managerial Personnel against the performance of the Company**

	2014-15	2013-14
Total Income (₹ Lac)	6509.2	7961.31
EBIDTA (₹ Lac)	341.61	(196.82)
EBIDTA as % of total Income	5%	-2%
PAT (₹ Lac)	(199.50)	(833.34)
PAT as % of total Income	-3%	-10%
Increase in remuneration of Ms. Anuja Bhate, Company Secretary is 25%		

**12. The key parameter for any variable components of the remuneration of the Director- Nil**

**13. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year** 2%

Highest Remuneration paid to Director (₹ in Lac) 0.75

Highest Remuneration paid to employees other than Director (₹ in Lac) 32.32

**14. It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and employees during the year is as per the Remuneration Policy of the Company**

For ARTSON ENGINEERING LIMITED

**VINAYAK DESHPANDE**

Chairman

4th May 2015, Mumbai

**Annexure to the Directors' Report - refer Point no. 22**  
Statement pursuant to Section 197 of the Companies Act, 2013 and Rule 5 (2) of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name of the Employee	Age (Years)	Designation	Remuneration		Nature of employment whether contractual or otherwise	Qualification	Total Experience (Years)	Date of commencement of Employment in the Company	Previous Employment [Employer and Designation]	% of equity shares held	whether employee related to any director
				Gross (Rs.)	Net (Rs.)							
	Nil	Nil	Nil	Nil	Nil		Nil	Nil	Nil	Nil	Nil	Nil
Employed throughout the year and were in receipt of remuneration not less than Rs.60,00,000 per annum												
Employed for the part of the year and were in receipt of remuneration not less than Rs.5,00,000 per month												
1	Mr.Gurnam Singh	51	COO	690000	385865	Permanent	BE- Mechanical Engineering	28	01.07.2013	ISGEC Heavy Engineering	0	No
2	Mr.T.Senthil nathan	40	Senior General Manager- Business Development & Projects	1739347	1588481	Permanent	BSc - Mechanical, Diploma in Production Mgmt, DME, PMP	22	02.06.1997	Balmer Lawrie Freight Containers Ltd	0	No
3	Mr.Mukeshwar Tiwary	60	Senior Manager- Projects	597545	597545	Permanent	Bsc	35	14.11.1994	Vijay Tanks & Vessels	0	No
Employed throughout the Financial Year or for the part of the year and were in receipt of remuneration in excess of that drawn by Managing Director or Whole Time Director or Manager and holds either himself or along with spouse and dependant children, not less than 2 % of equity shares												
		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note :

1. Net Remuneration is after Tax Deduction at Source and other statutory deductions. It also includes an amount paid towards Gratuity, Leave Encashment and Leave Travel Allowance

FORM NO. MR - 3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

To,

**The Members,  
Artson Engineering Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Artson Engineering Limited**. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the **Artson Engineering Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Artson Engineering Limited** ("the Company") for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not Notified, hence not applicable to the Company during the Audit Period)**
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited; **(except for revised Clause 49 of the Listing Agreement\*)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**\*As per SEBI circular bearing reference CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the provisions of clause 49 of the Listing Agreement are not mandatorily required to be complied by a Company whose paid up share capital does not exceed ₹ 10 crores and net worth does not exceed ₹ 25 crores as on March 31, 2014.**

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

As per the provisions of section 203 (1) of the Companies Act, 2013, the Company is required to appoint the following Key Managerial Personnel:

- a. Managing Director or Chief Executive Officer or manager and in their absence, a Whole-Time Director.
- b. Company Secretary
- c. Chief Financial Officer

The Company has appointed Company Secretary and Chief Financial Officer. *The Company has not appointed any personnel from category a above.* In this regard the management of the Company has provided the following reply:

“The Company has filed a Miscellaneous Application (No. 536/ 2013 dated 14<sup>th</sup> October 2013) [‘MA’] with the Board for Industrial and Financial Reconstruction (BIFR), seeking amongst others, the exemption from the mandatory requirement pursuant to Section 269 of the Companies Act, 1956 or any such provision under the Companies Act, 2013 regarding the appointment of Managing Director/ Whole Time Director / Manager until the period of rehabilitation of the Scheme. The said MA is pending consideration by the BIFR. In view thereof, the Company has not appointed Managing Director/ Whole Time Director / Manager.”

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Place:** Mumbai

**Date :** May 4, 2015

Signature:

**For P. P. Shah & Co.,  
Practicing Company Secretaries  
Pradip Shah  
FCS No. 1483  
C P No.: 436**

## INDEPENDENT AUDITORS' REPORT

### To the Members of

### Artson Engineering Limited

#### 1. **Report on the Financial Statements**

We have audited the accompanying financial statements of Artson Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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.

#### 2. **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.

#### 3. **Auditors' 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 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.

#### 4. **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 loss and its cash flows for the year ended on that date.

#### 5. **Emphasis of matter**

Without qualifying our report we draw attention to Note 36 to the financial statements on going concern which has been relied upon by us.

Our opinion is not modified in respect of this matter.

**6. Report on Other Legal and Regulatory Requirements**

- 6.1 As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 6.2 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, 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 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;
  - f. 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 has disclosed the impact of pending litigations on its financial position in Note 30 to its financial statements.
    - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts, if any, and the company does not have any derivative contracts;
    - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place of Signature: Mumbai  
Date : 4<sup>th</sup> May, 2015

For **Chokshi & Chokshi LLP**  
Chartered Accountants  
(Firm Registration No. 101872W/W100045)

**Pooja Mehta**  
**Partner**  
Membership No. 133578



## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 6 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- I. In respect of its fixed assets:
  - (a) The Company is maintaining records showing full particulars, including quantitative details and situations of all the fixed assets.
  - (b) According to the information and explanations given to us, the fixed assets are being physically verified by the Management at all its offices in a phased manner at reasonable intervals which in our opinion is reasonable having regard to the size of the Company and nature of assets, except that no verification is done for the fixed assets where the job sites are closed/under dispute. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii.
  - (a) According to the information and explanation given to us, physical verification has been conducted by the management as at the year end in respect of the finished goods in process, stores, spare parts and raw materials, except that no verification is done for the inventory where the job sites are closed/under dispute
  - (b) In our opinion and according to the information and explanations given by the management, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business and in respect of sites where no verification is done internal documentations are done and relied upon.
  - (c) No material discrepancies have been noticed on verification of inventory between the physical stock and the book records in respect of sites where physical verification is carried out. The discrepancies noticed have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. As the Company has not granted any loans, secured or unsecured, to parties listed in the Registers maintained under Section 189 of the Companies Act, 2013, consequently, clause 3(iii) (a) & (b) of the order are not applicable.
- iv. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and the sale of goods and services. Further, during the course of our audit, we have neither come across nor have been informed of any continuing failure to correct any major weakness in such internal controls.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any public deposits and hence directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable. As per the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this respect.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not undertaken a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
  - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other statutory dues, as applicable, with the appropriate authorities and no such undisputed statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date those become payable.



- (b) According to the records of the Company and the information and explanations given to us, disputed dues payable by the Company as on 31<sup>st</sup> March 2015 on account of Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/ Duty of Custom/ Duty of Excise or Value Added Tax are as under:

Sr. No	Name of Statute	Nature of Dues	Amount (₹ in Lac)	Period to which the amount relates	Forum where dispute is pending
1	Commercial Tax Officer (Andhra Pradesh)	Works Contract differences in value of property passing and sale in transit.	12.21	1998-99	Commissioner (Appeals)
2	Commercial Tax (West Bengal)	Works Contract value	2.08	1998-99 1999-00 2000-01	Commissioner (Appeals)
3	Commercial Tax (Punjab))	Penalty levied on account of documents missing in transport of material	8.03	2010-11	Joint Director cum Deputy Excise & Taxation Commissioner (Appeals)
4	Sales Tax (Maharashtra)	Demand of VAT	101.52	2007-08	Commissioner (Appeals)
5	Income Tax	Demand of tax in respect of certain claims not admitted	136.72	AY 2010-11	Commissioner (Appeals)
6	Income Tax	Demand of tax in respect of certain claims not admitted.	535.35	A.Y 2012-13	Commissioner (Appeals)

- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- viii. The accumulated losses of the Company are more than its paid up capital and free reserves. The Company has not incurred cash loss during the current financial year (Previous year ₹457.42 lac).
- ix. According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion, the Company has not defaulted in repayment of dues to any financial institution or banks or debenture holders.
- x. According to the information and explanations given to us and the representations made by the management, the Company has not given any Guarantee for loans taken by others from any bank or financial institutions.
- xi. In our opinion and according to the information and explanations given to us, term loans availed by the Company were *prima-facie* applied by the Company during the year for the purpose for which they were obtained.
- xii. During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have not come across any instances of fraud, either noticed or reported during the year, on or by the Company.

For **Chokshi & Chokshi LLP**  
Chartered Accountants  
(Firm Registration No. 101872W/W100045)

Place of Signature: Mumbai  
Date : 4<sup>th</sup> May, 2015

**Pooja Mehta**  
**Partner**  
Membership No. 133578

## Balance Sheet as at 31st March 2015

Particulars	Notes	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>A. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	369.20	369.20
Reserves and Surplus	4	(6,956.42)	(6,740.59)
		(6,587.22)	(6,371.39)
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	4,030.39	4,030.39
Deferred Tax Liability (net)	32 (a)	-	-
Other long-term Liabilities	6	148.16	177.32
Long-term Provisions	7	26.84	26.64
		4,205.39	4,234.35
<b>Current Liabilities</b>			
Short-term Borrowings	8	2,089.46	2,021.45
Trade Payables	9	2,628.01	2,869.21
Other Current Liabilities	10	4,071.09	4,196.65
Short-term Provisions	11	21.58	23.59
		8,810.14	9,110.90
<b>Total</b>		<b>6,428.31</b>	<b>6,973.86</b>
<b>B. ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	12	674.36	914.35
Intangible Assets	13	2.64	1.18
		677.00	915.53
Deferred Tax Asset (net)	32 (a)	-	-
Long-term Loans and Advances	14	1,343.16	1,445.36
Other Non-current Assets	15	296.25	147.01
		2,316.41	2,507.90
<b>Current Assets</b>			
Inventories	16	1,942.59	1,809.13
Trade Receivables	17	1,599.87	1,006.39
Cash and Bank Balances	18	116.28	224.95
Short-term Loans and Advances	19	388.73	506.93
Other Current Assets	20	64.43	918.56
		4,111.90	4,465.96
<b>Total</b>		<b>6,428.31</b>	<b>6,973.86</b>
Notes to the Financial Statements	1-50		

As per our report of even date

for Chokshi & Chokshi, LLP  
Chartered Accountants  
FRN : 101872W/W100045

Pooja Mehta  
Partner  
Membership No. 133578

Place: Mumbai  
Date: 4th May 2015

Rajesh Mandale  
Chief Financial Officer

Anuja Bhat  
Company Secretary

Place: Mumbai  
Date : 4th May 2015

For and on behalf of the Board

Vinayak Deshpande  
Chairman

Nalin M. Shah  
Director

Pralhad Pawar  
Director

**Statement of Profit and Loss for the year ended March 31, 2015**

Particulars	Notes	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>Income</b>			
Revenue from operations (gross)	21	7,045.97	8,198.10
Less: Excise Duty		(573.72)	(294.29)
Revenue from operations (net)		6,472.25	7,903.81
Other Income	22	36.95	57.50
<b>Total Revenue (I)</b>		<b>6,509.20</b>	<b>7,961.31</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	23	3,250.34	2,484.45
Project execution expenses	24	1,949.38	4,547.95
(Increase)/Decrease in work-in-progress and contracts-in-progress	25	(319.27)	(149.26)
Employee benefits expenses	26	575.91	769.98
Other expenses	27	711.23	491.87
Finance costs	28	303.50	485.10
Depreciation and amortisation expense	12 & 13	237.61	151.42
<b>Total Expenses (II)</b>		<b>6,708.70</b>	<b>8,781.51</b>
<b>Profit/(Loss) before exceptional Items and tax</b>		<b>(199.50)</b>	<b>(820.20)</b>
Exceptional Items	29	-	13.14
<b>Profit/(Loss) before tax</b>		<b>(199.50)</b>	<b>(833.34)</b>
<b>Tax expenses</b>			
Current tax		-	-
Taxation of earlier years		-	-
Deferred tax	32 (a)	-	-
<b>Total Tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) after tax for the year</b>		<b>(199.50)</b>	<b>(833.34)</b>
<b>Earnings per equity share (nominal value of share ₹ 1/-)</b>			
<b>Before Extraordinary Items</b>			
Basic and Diluted		<b>(0.54)</b>	(2.26)
<b>After Extraordinary Items</b>			
Basic and Diluted		<b>(0.54)</b>	<b>(2.26)</b>
Notes to the Financial Statements	1-50		

As per our report of even date

 for Chokshi & Chokshi, LLP  
 Chartered Accountants  
 FRN: 101872W/W100045

 Pooja Mehta  
 Partner  
 Membership No. 133578

 Place: Mumbai  
 Date: 4th May 2015

 Rajesh Mandale  
 Chief Financial Officer

 Anuja Bhate  
 Company Secretary

 Place: Mumbai  
 Date : 4th May 2015

For and on behalf of the Board

 Vinayak Deshpande  
 Chairman

 Nalin M. Shah  
 Director

 Pralhad Pawar  
 Director

## Cash Flow Statement for the year ended 31st March 2015

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>A. Cash Flow from Operating Activities</b>		
Profit/(Loss) Before Tax	(199.50)	(833.34)
Adjustments for:		
Depreciation and amortisation expense	237.61	151.42
Finance costs	303.50	485.10
Interest income	(9.00)	(11.03)
Profit on Sales of Assets	(3.08)	13.14
	529.03	638.63
Operating profit before working capital changes	329.53	(194.71)
Adjustments for:		
Trade receivables	(593.48)	659.17
Long-term loans and advances	102.20	(4.79)
Short-term loans and advances	118.20	(336.26)
Other current assets	854.13	(349.77)
Other non-current assets	(149.24)	224.87
Inventories	(133.47)	(793.15)
Trade payables	(241.20)	1,017.43
Other current liabilities	(125.56)	890.28
Other long-term liabilities	(29.16)	(35.90)
Long-term provisions	0.20	(4.27)
Short-term provisions	(2.01)	11.49
	(199.39)	1,279.10
Cash generated from operations	130.14	1,084.39
Taxes Paid (net)	-	-
<b>Net cash from operating activities</b>	<b>130.14</b>	<b>1,084.39</b>
<b>B. Cash flow from investing activities</b>		
Purchase of current investments		
Purchase of fixed assets and CWIP	(20.62)	(68.72)
Investment in Deposits (With maturity more than three months)	73.31	24.45
Sale of fixed assets	8.30	13.12
Interest received	9.00	11.03
<b>Net Cash used in Investing Activities</b>	<b>69.99</b>	<b>(20.12)</b>

**Cash Flow Statement for the year ended 31st March 2015 (Contd...)**

	<b>31st March 2015</b> ₹ Lac	31st March 2014 ₹ Lac
<b>C. Cash Flow from financing activities</b>		
Proceeds from long-term borrowings	-	300.00
		-
Proceeds from long-term borrowings - current	-	(806.40)
Proceeds from short-term borrowings	68.01	-
Interest paid	<u>(303.50)</u>	<u>(485.10)</u>
<b>Net cash from financing activities</b>	<b><u>(235.49)</u></b>	<b><u>(991.50)</u></b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b><u>(35.36)</u></b>	<b><u>72.77</u></b>
<b>Cash and cash equivalent at the beginning of the year</b>	<b><u>151.64</u></b>	<b><u>78.88</u></b>
<b>Cash and cash equivalent at the end of the year</b>	<b><u>116.28</u></b>	<b><u>151.64</u></b>

## Notes:

1. The Cash Flow Statement has been prepared following the indirect method except in case of Purchase and Sale of investments and Taxes paid which have been considered on the basis of actual movement of cash with necessary adjustments in corresponding Assets and Liabilities.
2. Cash and Cash Equivalents represent Cash and Bank Balances only.

As per our report of even date

 for Chokshi & Chokshi, LLP  
 Chartered Accountants  
 FRN:101872W/W100045

 Pooja Mehta  
 Partner  
 Membership No.133578

 Place: Mumbai  
 Date: 4th May 2015

 Rajesh Mandale  
 Chief Financial Officer

 Anuja Bhate  
 Company Secretary

 Place: Mumbai  
 Date : 4th May 2015

For and on behalf of the Board

 Vinayak Deshpande  
 Chairman

 Nalin M. Shah  
 Director

 Pralhad Pawar  
 Director

## Notes To Financial Statements

### 1. Corporate Information

Artson Engineering Limited ("the Company") is a company limited by shares incorporated under the Companies Act, 2013. The Company's Registered Office is situated at Mumbai. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the Scrip Code is 522134.

The Company was incorporated in the year 1978 and since inception, the Company has commissioned, on turn-key basis, several fuel storage and handling facility systems. The Company operates in only one business segment i.e Engineering Procurement & Construction contract in Oil, Gas & Hydrocarbon (OG&H) Sector and ancillary services; including manufacturing activity.

The Company was referred to the BIFR as a sick company under the provisions of Section 3 (1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company's reference as a sick company was registered under Case No. 152/2004 with the BIFR. At the hearing held on 27th November 2007, the BIFR sanctioned the Rehabilitation Scheme of the Company and the Order sanctioning the scheme of rehabilitation was received by the Company on 18th December 2007 (Sanctioned Scheme). The Company has made an application on 17th October 2013 for extension of the Rehabilitation Scheme as referred above and pending the final hearing, the Sanctioned Scheme is under implementation.

### 2. Significant Accounting Policies:

The Significant Accounting Policies have been predominantly prescribed below in order of the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

#### i) Method of Accounting and preparation of the Financial Statements:

The financial statements have been prepared in accordance with the generally accepted accounting principles (GAAP) in India under the historical cost convention on an accrual basis. These financial statements have been prepared to comply with the material aspects of the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services offered, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

#### ii) Revenue Recognition

##### a. Manufacturing activities:

Sales of Goods is recognized when significant risks and rewards of ownership are transferred to buyer. Sales exclude amount recovered towards Excise Duty and Sales Tax.

##### b. Erection / Construction activities:

Revenues from execution of contract is recognized on the Percentage Completion method. The stage of completion is determined on the basis of actual work executed during the year. Running bills are accounted as sales on monthly basis. No profit is recognized till a minimum of 10% progress is achieved on the contract except in case of contracts executed on cost-plus basis. Costs incurred and invoices raised in respect of such contracts are carried in the Balance Sheet as contract in progress and advance billing respectively. When it is probable at any stage of the contract that the total cost will exceed the total contract revenue, the expected loss is recognized immediately. In case of arbitration awards which are granted in favour of the Company, any amount to be received is treated as income in the year of receipt of such award. Liquidated damages/ Penalties are accounted for as cost when such delays and causes are attributable to the Company or when deducted by the client.

c. Work done but not billed: Value of work executed, billed subsequent to the Balance Sheet date, is valued at the contract price.

## Notes To Financial Statements (Contd...)

- d. i. Income and Expenses are accounted on accrual basis except capital incentive from Government authorities and liquidated damages to the extent under negotiation.
- ii. VAT set-off is based on returns filed with appropriate authorities.
- e. Bank Guarantee commission is accounted in the year of execution/renewal of guarantee.

### iii) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known/materialise.

### iv) Fixed Assets:

#### Tangible

All tangible fixed assets are stated at historical cost (as reduced by CENVAT credit) less accumulated depreciation. The cost of fixed assets comprises its purchase price and other attributable expenditure incurred in making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

#### Intangible

Intangible Assets are initially recognised at cost and are stated at cost less depreciation and impairment (if any). The cost of an internally generated intangible asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use. These Intangible Assets comprise of Computer Softwares.

### v) Depreciation /Amortization on Fixed Assets:

- a. Depreciation has been provided for on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- b. Leasehold Land, for 99 years and Leasehold Improvements are amortized over the period of the lease.

### vi) Impairment of Assets:

As at each Balance Sheet date, the Company assesses the realizable value of all the assets. If there is any indication of fall in the realizable value over the carrying cost of the assets, impairment in value of the assets is recognized.

### vii) Valuation of Inventories:

- a. Stage of completion and cost of completion in respect of engineering and construction contracts in progress, being technical matters, are estimated and certified by the Company's technical personnel.
- b. Stock of all the raw materials, construction materials, stores and spares lying at store, sites/ factory have been valued at the lower of cost (FIFO) and the net realisable value.
- c. Work-in Progress are valued at the lower of cost and the net realizable value.

### viii) Investments:

- a. Investments intended to be held for more than one year are classified as long term investments and are carried at cost of acquisition inclusive of other attributable expenses. Diminution in the value of investment is provided for, if such diminution is of other than temporary nature, in the value of such investments.
- b. Current Investments are carried at the lower of cost and the fair value.

### ix) Foreign Currency Transactions:

- a. Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transaction.
- b. Monetary assets and liabilities denominated in foreign currencies at the year-end are translated at the year-end exchange rates.

## Notes To Financial Statements (Contd...)

- c. The exchange difference on conversion are credited or charged to the Statement of Profit and Loss.
- d. Financial statement of Foreign operations, which are integral operations are translated using the same principles as stated above except following items which are translated as below:

Sl.No.	Nature of the account	Policy
1.	Opening and Closing Work-in-progress	Exchange Rate at the commencement and close of the year respectively.
2.	Fixed Assets and Depreciation	Exchange Rate used for the translation of the respective date of purchase of fixed assets.

### x) Employee benefits:

- a. The Company's contribution to Provident Fund is charged to the Statement of Profit and Loss.
- b. Other long term employee benefits comprise compensated absences which is provided based on an actuarial valuation carried out in accordance with AS 15 as at the Balance Sheet date.
- c. The gratuity liability, which is a defined benefit plan, is provided on the basis of actuarial valuation as on Balance Sheet date on the projected unit credit method and the same is funded with Life Insurance Corporation of India.

### xi) Segment Reporting:

The Company is in the business of Engineering, Procurement & Construction contract in Oil, Gas & Hydrocarbon (OG&H) Sector and ancillary services, including manufacturing activity. More than 90% of the income is only from Engineering & Construction contracts in OG&H Sector and ancillary services. The projects are executed both in India and abroad. Considering the core activity of the Company as above, the primary segment is geographical segment. Accordingly the reportable segments of the Company are:

1. Domestic
2. Overseas

### xii) Earnings Per Share:

The Company reports basic earnings per share in accordance with the Accounting Standard 20 'Earnings per share'. Basic earnings per share, is computed by dividing the net profit or loss for the year, by the weighted average number of equity shares outstanding during the year.

### xiii) Taxation (including Deferred Tax):

Provision for Income Tax is made for both current and deferred taxes. Current tax is provided on the basis of the taxable income in accordance with and at the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates, and tax laws that have been enacted or substantively enacted, subject to prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognized unless there is a virtual certainty that there will be sufficient future taxable income available to realize such assets.

### xiv) Borrowing Costs:

Borrowing costs which are directly attributable to acquisition, construction and production of qualifying assets, are capitalized.

### xv) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if:

- a. The Company has a present obligation as a result of past events.
- b. A probable outflow of resources is expected to settle the obligation.
- c. The amount of the obligation is best estimate required to settle the obligation at the Balance Sheet date.



## Notes To Financial Statements (Contd...)

- d. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Reimbursement expected in respect of the expenditure required to settle a provision is recognized only when it is virtually certain that reimbursement will be received.

Contingent Liability is disclosed in the case of:

- A present obligation arises from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- A present obligation when no reliable estimate is possible, and
- A possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized, nor disclosed. Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

### xvi) Extraordinary Items:

The Extraordinary items are Income or Expenses that arise from events of transactions that are clearly distinct from the ordinary activities and therefore, are not expected to recur frequently or regularly.

The nature and amount of each extra ordinary item is identified and disclosed in the Statement of Profit and Loss in a manner that its impact on current profit or loss can be perceived.

### xvii) Operating Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rents under operating leases are recognised in the profit and loss account on a straight line.

## Note 3 Share Capital

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>Authorized capital</b>		
(i) 150,000,000 Equity Shares of ₹ 1/- each	1,500.00	1,500.00
(ii) 200,000 Preference Shares of ₹ 100/- each	200.00	200.00
<b>Issued, Subscribed and Paid-up</b>		
36,920,000 Equity Shares of ₹ 1/- each	369.20	369.20
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>369.20</b>	<b>369.20</b>

### a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	31st March 2015		31st March 2014	
	No.	₹ Lac	No.	₹ Lac
At the beginning of the year	36,920,000	369.20	36,920,000	369.20
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>36,920,000</b>	<b>369.20</b>	<b>36,920,000</b>	<b>369.20</b>

### b. Terms/rights attached to equity shares

The Company's issued, subscribed and paid-up capital comprises of equity shares only and no preference share have been issued. The Company's paid-up capital comprises only one class, i.e. equity shares having par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share.

## Notes To Financial Statements (Contd...)

### The liability of the members is limited.

The Company's shares are listed on the Bombay Stock Exchange Limited (BSE).

### Restriction on distribution of Dividend:

Pursuant to the Provisions of the Sanctioned Scheme, the Company is not permitted to declare any dividend to the equity shareholders without the prior approval of the BIFR/Monitoring Agency (MA) during the period of rehabilitation.

- c. **No bonus shares have been issued, no shares have been issued for consideration other than cash and no shares have been bought back during the last five years**
- d. **Details of shareholders holding more than 5% shares in the Company**

	Nature	31st March 2015		31st March 2014	
		No.	% holding	No.	% holding
<b>Equity shares of ₹1/- each fully paid</b>					
Tata Projects Limited	Holding Company	27,690,000	75	27,690,000	75

### e. Reduction in paid-up value of equity shares

Pursuant to the provisions of the Sanctioned Scheme, effective 26 December 2007 the paid-up value of the equity shares has been reduced from ₹ 10 per share to ₹ 1 per share fully paid-up. On reduction, the paid-up capital of the Company was reduced to ₹ 92,30,000 comprising of 92,30,000 equity share of ₹ 1 each. On 4 January 2008, the Company allotted 2,76,90,000 equity share of ₹ 1 each to Tata Projects Limited. Consequent to the allotment of these shares, the Company has become a subsidiary of Tata Projects Limited (shareholding of 75% in the Company's paid-up capital). The Company's paid-up capital has thus been increased to ₹ 3,69,20,000 comprising of 3,69,20,000 equity share of ₹ 1 each.

## Note 4 Reserves and Surplus

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
Balance as per last Balance Sheet	(6,740.59)	(5,907.25)
Depreciation adjustment (Ref Note No 12c)	(16.33)	-
Loss for the year	(199.50)	(833.34)
<b>Net surplus / (deficit) in the Statement of Profit and Loss</b>	<b>(6,956.42)</b>	<b>(6,740.59)</b>
<b>Total Reserves and Surplus</b>	<b>(6,956.42)</b>	<b>(6,740.59)</b>

## Note 5 Long-term Borrowings

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>Loans and advances from related parties</b>		
Secured*	1,930.39	1,930.39
Unsecured	2,100.00	1,800.00
	<b>4,030.39</b>	<b>3,730.39</b>

### Foot Note:

- \* Term Loan from the Holding Company in terms of the Sanctioned Scheme of BIFR dated 18 December 2007 secured against the immovable property and all title deeds of the property.

**Notes To Financial Statements (Contd...)**
**Maturity Profile of Long-term borrowings**

₹ Lac

Maturity Profile	31st March 2015 ₹ Lac		31st March 2014 ₹ Lac	
	Loans & Advances from Related Parties (secured)	Loans & Advances from Related Parties (unsecured)	Loans & Advances from Related Parties (secured)	Loans & Advances from Related Parties (unsecured)
1-2 Years	370.00	-	-	<b>2,100.00</b>
2-3 Years	520.00	2,100.00	-	-
3-4 Years	520.00	-	370.00	-
Beyond 4 Years	520.39	-	1,560.39	-
<b>Total</b>	<b>1,930.39</b>	<b>2,100.00</b>	<b>1,930.39</b>	<b>2,100.00</b>

**Foot Note :**

Based on an in-principle approval granted by the Holding Company for extension of dates for moratorium as proposed by the Company, the maturity profile of the loans and their classification into Current and Non-current has been done for the current year .

The rate of interest is 10% p.a. For further details refer note 36.

The above Maturity Profile may change subject to approval of modification application made to BIFR as referred in Note 36

**Note 6 Other Long-term Liabilities**

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>Trade Payables</b>		
To MSMED [See Note 35]	—	—
Others	<b>134.36</b>	166.03
<b>Others</b>		
Security deposits received	<b>13.80</b>	11.29
	<b>148.16</b>	177.32

**Note 7 Long-term Provisions**

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>Provision for employee benefits</b>		
Provision for compensated absences	<b>26.84</b>	26.64
	<b>26.84</b>	26.64

## Notes To Financial Statements (Contd...)

### Note 8 Short-term Borrowings

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>Loans repayable on demand</b>		
From banks		
Secured*	(10.54)	2,021.45
Unsecured**	2,100.00	—
	<b>2,089.46</b>	2,021.45

#### Foot Note:

- \* 1. Working Capital loan from Corporation Bank of ₹ (10.54) Lac (Previous year ₹ 2021.45 Lac) is secured by first charge by way of hypothecation of inventories, books debts and other current assets.
- \*\* 2. Term Loan from Tata Capital Financial Service Ltd ₹ 20 Crores and Working Capital Demand Loan ₹ 1 Crores guaranteed Unconditionally and irrevocable corporate guarantee from Holding Company

### Note 9 Trade Payables

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
To MSMED [See Note 35]	19.07	86.98
Others	2,608.94	2,782.23
	<b>2,628.01</b>	2,869.21

### Note 10 Other Current Liabilities

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
Current maturities of long term Debt	8.04	8.04
Interest accrued and due on borrowings	473.39	472.64
Income received in advance	151.15	-
Other payables		
Advances from customers	1,625.33	1,186.54
Liability for contract expenses	623.45	456.77
Liability for other expenses	426.18	1,301.48
Statutory dues	144.89	123.74
Other payable (includes reimbursement and withheld amount )	618.66	647.44
	<b>4,071.09</b>	<b>4,196.65</b>

### Note 11 Short-Term Provisions

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>Provision for employee benefits</b>		
Gratuity	18.01	17.90
Compensated absences	3.57	5.69
	<b>21.58</b>	<b>23.59</b>

**Notes To Financial Statements (Contd...)**
**Note 12 Tangible Fixed Assets**

(₹ Lac)

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2014 (at cost)	Additions	Deductions/ Other adjustments	As at 31-03-2015 (at cost)	As at 01-04-2014	For the year 31.03.2015	Deductions/ Other adjustments	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
<b>Tangible Assets</b>										
1. Leasehold Land	4.29 (4.29)	-	-	4.29 (4.29)	1.40 -	0.04 (1.40)	-	1.44 (1.40)	2.85 (2.89)	2.89 (4.29)
2. Buildings -	201.26 (201.26)	-	-	201.26 (201.26)	100.66 (89.49)	11.93 (11.18)	-	112.59 (100.67)	88.67 (100.59)	100.60 (111.77)
3. Leasehold Improvements	-	-	-	-	-	-	-	-	-	-
4. Plant and Machinery	2,182.36 (2,126.88)	13.47 (56.93)	- (1.45)	2,195.83 (2,182.36)	1,477.58 (1,369.68)	177.19 (108.13)	- (0.23)	1,654.77 (1,477.58)	541.07 (704.78)	704.79 (757.19)
5. Computers	134.53 (128.74)	0.43 (5.79)	-	134.96 (134.53)	120.80 (112.84)	11.98 (7.96)	-	132.78 (120.80)	2.18 (13.73)	13.73 (15.90)
6. Furniture and Fixtures	146.86 (165.74)	0.11 (5.10)	10.16 (23.98)	136.81 (146.86)	108.39 (105.09)	16.07 (12.48)	5.27 (9.18)	119.19 (108.39)	17.62 (38.47)	38.47 (60.65)
7. Office Equipment	79.53 (84.55)	2.38 (0.90)	0.69 (5.92)	81.22 (79.53)	55.02 (52.38)	20.72 (4.32)	0.36 (1.68)	75.38 (55.02)	5.84 (24.51)	24.51 (32.18)
8. Electrical Installation	76.32 (76.38)	-	0.01 (0.06)	76.31 (76.32)	48.91 (44.54)	12.47 (4.43)	0.01 (0.06)	61.37 (48.91)	14.94 (27.41)	27.41 (31.84)
9. Vehicles	33.91 (56.71)	-	- (22.80)	33.91 (33.91)	31.93 (48.00)	0.79 (0.73)	- (16.80)	32.72 (31.93)	1.19 (1.98)	1.98 (8.71)
<b>TOTAL</b>	<b>2,859.06</b>	<b>16.39</b>	<b>10.86</b>	<b>2,864.59</b>	<b>1,944.69</b>	<b>251.19</b>	<b>5.64</b>	<b>2,190.23</b>	<b>674.36</b>	<b>914.34</b>
<i>Previous Year</i>	<i>(2,844.55)</i>	<i>(68.72)</i>	<i>(54.21)</i>	<i>(2,859.06)</i>	<i>(1,822.03)</i>	<i>(150.63)</i>	<i>(27.95)</i>	<i>(1,944.71)</i>	<i>(914.34)</i>	<i>-</i>

**Note:**

- Figure in bracket are of previous year.
- Deletion to Fixed Assets includes Furniture and Fixture discarded Gross Block ₹ NIL (P.Y ₹ 23.98 lac), Accumulated Depreciation ₹ NIL (P.Y ₹9.18 lac) & Net Charged to Statement of Profit and Loss ₹ NIL (P.Y ₹ 13.14 lac).
- Deletion to Fixed Assets includes Electrical Installation discarded Gross Block ₹Nil (P.Y ₹38.45 Lac), Accumulated Depreciation ₹ Nil (P.Y ₹ 10.81 Lac) & Net Charged to Statement of Profit and Loss ₹ Nil (P.Y ₹ 27.64 Lac).
- Depreciation for the year 31.03.2015 includes depreciation on assets whose remaining useful life is NIL as on 01.04.2014. Accordingly Rs 16.33 lac has been debited to retained earnings as per Schedule II of the Companies Act 2013.

**Note 13 Intangible Fixed Assets**

(₹ Lac)

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2014 (at cost)	Additions	Deductions/ Other adjustments	As at 31-03-2015 (at cost)	As at 01-04-2014	For the year	Deductions/ Other adjustments	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
<b>Intangible Assets</b>										
1. Computer Software (Acquired)	4.32 (4.32)	4.23	-	8.55 (4.32)	3.14 (2.35)	2.76 (0.79)	-	5.91 (3.14)	2.64 (1.18)	1.18 (1.97)
<b>TOTAL</b>	<b>4.32</b>	<b>4.23</b>	<b>-</b>	<b>8.55</b>	<b>3.14</b>	<b>2.76</b>	<b>-</b>	<b>5.91</b>	<b>2.64</b>	<b>1.18</b>
<i>- Previous Year</i>	<i>(4.32)</i>	<i>-</i>	<i>-</i>	<i>(4.32)</i>	<i>(2.35)</i>	<i>(0.79)</i>	<i>-</i>	<i>(3.14)</i>	<i>(1.18)</i>	<i>-</i>

## Notes To Financial Statements (Contd...)

### Note 14 Long-Term Loans and Advances

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>Security deposits</b>		
Unsecured, considered good	31.61	38.04
Doubtful	199.00	199.00
	<b>230.61</b>	237.04
Provision for doubtful deposits	(199.00)	(199.00)
	<b>31.61</b>	38.04
<b>Other loans and advances (unsecured, considered good)</b>		
Advances recoverable in cash or in kind or for value to be received [See note 37 (d)]		
Unsecured, considered good	0.00	138.27
Doubtful	300.90	162.63
	300.90	300.90
Provision for doubtful deposits	(300.00)	(162.63)
	0.00	138.27
Advance income-tax (net of provision for taxation)	449.58	372.60
Balances with statutory/government authorities	861.97	896.45
	<b>1,311.55</b>	<b>1,407.32</b>
<b>Total</b>	<b>1,343.16</b>	<b>1,445.36</b>

### Note 15 Other Non-Current Assets

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>A. Trade receivables not due for payment</b>		
Unsecured, considered good		
<b>Long-Term Trade Receivables (Unsecured)</b>		
Considered good [See Note 37 (b)]*	270.42	146.18
<b>Other bank balances</b>		
In Deposit Accounts with original maturity for more than 12 months ( See Note No.31 )	25.83	0.83
<b>Total</b>	<b>146.18</b>	<b>371.05</b>

\* Comprises of Retention money receivable

### Note 16 Inventories

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
Raw materials and components	1,022.01	1,207.82
Work-in-progress at factory	901.31	581.84
Contracts-in-progress	19.27	19.47
	<b>1,942.59</b>	<b>1,809.13</b>

**Notes To Financial Statements (Contd...)**
**Note 17 Trade Receivables**

	<b>31st March 2015</b> ₹ Lac	31st March 2014 ₹ Lac
Outstanding for a period exceeding six months from the date they are due for payment (unsecured)		
Considered good	<b>679.74</b>	448.04
Considered doubtful	<b>506.38</b>	221.37
	<b>1,186.12</b>	<b>669.41</b>
Provision for doubtful receivables	(506.38)	(221.37)
(A)	<b>679.74</b>	448.04
Others (unsecured)		
Considered good	920.13	558.35
Doubtful	—	—
	<b>920.13</b>	<b>558.35</b>
Provision for doubtful receivables	—	—
(B)	<b>920.13</b>	<b>558.35</b>
<b>Total (A + B)</b>	<b>1,599.87</b>	<b>1,006.39</b>

**Note 18 Cash and Bank Balances**

	<b>31st March 2015</b> ₹ Lac	31st March 2014 ₹ Lac
<b>Cash and Cash Equivalents</b>		
<b>Balances with banks:</b>		
In current accounts	110.26	112.92
In deposit accounts with original maturity of less than 3 months [See Note 32 (a)]	—	38.10
Cash in hand	6.02	0.62
	<b>116.28</b>	<b>151.64</b>
<b>Other bank balances</b>		
In Deposit Accounts with original maturity for more than 3 months but less than 12 months	—	73.31
	—	<b>73.31</b>
	<b>116.28</b>	<b>224.95</b>

**Note 19 Short-Term Loans and Advances**

	<b>31st March 2015</b> ₹ Lac	31st March 2014 ₹ Lac
<b>Other loans and advances</b>		
(Unsecured, considered good)		
Advances to staff	1.75	4.07
Advances to contractors/suppliers	347.70	477.11
Prepaid expenses	33.89	20.37
Other loans and advances	5.39	5.38
<b>Total</b>	<b>388.73</b>	<b>506.93</b>

## Notes To Financial Statements (Contd...)

### Note 20 Other Current Assets

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>Unsecured, considered good</b>		
Work done but not billed	53.90	894.57
Interest accrued on fixed deposit/margin money	10.53	23.99
	<b>64.43</b>	918.56

### Note 21 Revenue from Operations

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>Sale of goods / products manufactured</b>		
Pressure Vessels and Air Receivers/Structural	5,207.42	2,988.98
<b>Sale of services</b>		
Income from Erection/Supply Contracts	1,495.43	4,656.62
Income from Manpower Supply Contracts	285.95	511.98
<b>Other operating revenue</b>		
Scrap Sales	57.17	40.52
<b>Gross Revenue from Operations</b>	7,045.97	8,198.10
Less: Excise Duty	(573.72)	(294.29)
<b>Net Revenue from Operations</b>	<b>6,472.25</b>	<b>7,903.81</b>

### Note 22 Other Income

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
Interest Income	9.00	11.03
Exchange Rate Difference (net) [See Note 41]	2.84	—
Profit on Sale of Assets	3.08	0.26
Miscellaneous Income	22.03	46.21
	<b>36.95</b>	57.50

### Note 23 Cost of Raw Materials and Components Consumed

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Inventory at the beginning of the year	1,207.82	563.93
Add: Purchases	3,064.53	3,128.34
	4,272.35	3,692.27
Less: Inventory at the end of the year	(1,022.01)	(1,207.82)
	<b>3,250.34</b>	<b>2,484.45</b>



## Notes To Financial Statements (Contd...)

### Note 24 Project Execution Expenses

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
Cost of Erection Services	1,423.53	3,594.65
Motor Vehicle expenses	28.04	96.93
Hire Charges Machineries	105.82	221.13
Works Contract Tax and Other Taxes	16.26	36.99
Liquidated Damages and Penalty	55.53	35.33
Site Expenses	70.56	131.86
Rent for Guest House/Office at Site	33.31	59.82
Provision for Contract Expenses	166.69	248.19
Insurance Premium	25.45	33.32
Professional Charges	–	56.94
Bank Guarantee and Letter of Credit charges	4.24	21.45
Other Project Expenses	19.95	11.34
	<b>1,949.38</b>	<b>4,547.95</b>

### Note 25 (Increase)/Decrease in Work-in-progress and Contracts-in-progress

	31st March 2015 ₹Lac	31st March 2014 ₹ Lac
<b>Work in Progress and contract in Progress at the end of the year</b>		
Work-in-progress	901.31	581.84
Contracts-in-progress	19.27	19.47
	<b>920.58</b>	<b>601.31</b>
<b>Work in Progress and contracts-in-Progress at the beginning of the year</b>		
Work-in-progress	581.84	205.08
Contracts-in-progress	19.47	246.97
	601.31	452.05
<b>Net (Increase)/Decrease</b>	<b>(319.27)</b>	<b>(149.26)</b>

### Note 26 Employee Benefit Expenses

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
Salaries, Wages and Bonus	535.76	703.98
Contribution to Provident and Other Funds *	37.81	63.22
Staff Welfare Expenses	2.34	2.78
	<b>575.91</b>	<b>769.98</b>

\* Includes ₹ 24.03 lac (Previous Year ₹ 31.38 lac towards Defined Contribution Plan and ₹ 8.65 lac (Previous Year ₹ 20.04 lac) towards Defined Benefit Plan and ₹ 5.13 Lac (Previous Year ₹ 11.80 Lac) for PF administration Charges and Other Fund.

## Notes To Financial Statements (Contd...)

### Note 27 Other Expenses

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
Office Rent	47.11	19.61
Rates and Taxes	27.95	4.31
Motor Vehicle Expenses	2.87	7.05
Traveling Expenses	29.70	49.20
Legal and Professional Fees [See Note 42]	127.16	98.66
Postage and Telephone	22.73	23.38
Printing and Stationery	7.81	10.06
Business Development Expenditure	1.76	3.79
Registration Expenses - Overseas	-	17.04
Directors' Fees	2.66	1.95
Exchange Rate Difference (net) [See Note 40]	-	14.54
Provision for Doubtful Debts	285.01	43.37
Provision for Doubtful Advances	138.27	162.63
Miscellaneous expenses	18.20	36.28
	<b>711.23</b>	<b>491.87</b>

### Note 28 Finance Costs

	31st March 2015 ₹ Lac	31st March 2013 ₹ Lac
Interest Expenses		
On Borrowing	278.01	463.94
On Deferred/Delayed payment of Taxes	6.00	9.93
<b>Other Borrowing Costs</b>	19.49	11.23
	<b>303.50</b>	<b>485.10</b>

### Note 29 Exceptional Items

	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
Furniture, Office Equipment and Vehicle Discarded	—	13.14
	—	<b>13.14</b>

**Notes To Financial Statements (Contd...)**
**30 Contingent liabilities not provided for:**

Sr. No.	Name of Statute	Nature of Dues	For the year ended March 2015	For the year ended March 2014	Period	Forum
1	Commercial Tax (Andhra Pradesh)	Works Contract Tax	12.21	12.21	F.Y. 1998-99	Commissioner (Appeal)
2	Commercial Tax (West Bengal)	Works Contract Tax	2.08	2.08	F.Y. 1998-99	Commissioner (Appeal)
3	Commercial Tax (Punjab)	Penalty	8.03	8.03	F.Y. 1999-00 F.Y. 2000-01 F.Y. 2010-11	Joint Director cum Deputy Excise & Taxation Commissioner (Appeal)
4	Sales Tax	Vat	101.52	-	FY-2007-08	Commissioner (Appeal)
5	Income Tax		136.72	136.72	A.Y. 2010-11	CIT (A)
6	Income Tax		535.35	-	A.Y. 2012-13	CIT (A)
7	Third party claim from disputes relating to contracts		1,143.00	900.00		

**31.** All the Fixed Deposit receipts are lying with the banks towards margin money against Bank guarantees issued by Banks.

**32. a. Deferred Tax Liabilities as on 31 March 2015 comprise of:**

Particulars	Balance as on 31st March 2015 (₹ Lac)	Balance as on 31st March 2014 (₹ Lac)
Deferred Tax Liability/(Asset): Arising on account of timing difference in:		
I. Depreciation	(44.51)	(8.05)
Deferred Tax Asset: Arising on account of timing difference in:		
I. Provision for Compensated Absences	(9.39)	(9.99)
ii. Provision for Gratuity	(5.56)	(5.53)
iii. Provision for Bonus	(6.89)	(7.34)
iv. Provision for doubtful debts	(154.47)	(50.25)
v. Provision for doubtful Advances	(156.47)	(13.40)
<b>Net Deferred Tax (Asset)/Liability</b>	<b>(377.30)</b>	<b>(94.56)</b>
Net Deferred Tax (Asset)/Liability recognized during the year (See Foot Note) Nil	(1.20)	

Note: Note: On grounds of prudence, the Company has recognised Deferred Tax Asset only to the extent of the future reversal of Deferred Tax Liability. During the year, there is no reversal of Deferred Tax Liability (Previous Year ₹ 1.20 lac).

b. Provision for tax under the Income Tax Act, 1961 is not made as there are no chargeable profits during the year.

## Notes To Financial Statements (Contd...)

### 33 a. Related Parties and Relationships

Holding Company:Tata Projects Limited

Key Managerial Personnel : Mr Rajesh Mandale, Chief Financial Officer from 2 February 2015, Miss Ajuja Bhate, Company Secretary from February 2014 and Mr Pratik Agrawal, Chief Financial Officer from 21 July 2014 to 12 December 2014.(See Note 49)

### b. Related Party Transactions

Information as required under AS-18 on "Related Party Disclosures" is as follows:

Name of the related party	Nature of relation	Nature of transaction	2014-15 (₹ Lac)	2013-14 (₹ Lac)
Tata Projects Limited	Holding Company	Secured Loan outstanding as at the beginning of the year	<b>1,930.39</b>	1,930.39
		Secured Loan taken during the year	—	—
		Secured Loan repaid during the year	—	—
		Secured Loan outstanding as at year end	<b>1,930.39</b>	1,930.39
		Unsecured Loan outstanding as at the beginning of the year	<b>2,100.00</b>	1,800.00
		Unsecured Loan taken during the year	—	300.00
		Unsecured Loan repaid during the year	—	—
		Unsecured Loan outstanding as at year end	<b>2,100.00</b>	2,100.00
		Interest payable at the beginning of the year	<b>472.65</b>	387.84
		Interest accrued and due during the year	—	94.27
		Interest Paid during the year	—	9.46
		Interest payable at the end of the year	<b>472.65</b>	472.65
		Sale of Goods/Services	<b>4,894.62</b>	3,999.05
		Receivables as at end of the year	<b>1,401.18</b>	2.48
Balance of Mobilisation / Advance as at the end of year	<b>1,483.53</b>	1,141.99		
		Liability for Reimbursement of Expenses	<b>392.57</b>	421.35
Mr.P.S. Chopde Executive Director (Manufacturing)	Key Management Personnel (upto 10 th April 2013)	Managerial Remuneration	—	<b>0.80</b>
Ms Anuja Bhate	Key Management Personnel	Company Secretary	<b>5.78</b>	—
Mr.Pratik Agrawal	Key Managerial Personnel (From 2 July 2014 to 12 December 2014 )	Chief Financial Officer	<b>8.25</b>	—
Mr.Rajesh Mandale	Key Managerial Personnel (From 2 February 2015)	Chief Financial Officer	<b>4.05</b>	—

**Notes To Financial Statements (Contd...)**
**34 Disclosure as required by As-7 on "Accounting for Construction Contracts" is as follows:**

Sr.No. Particulars	2014-15 (₹ Lac)	2013-14 (₹ Lac)
a. Contract revenue recognized during the year	1781.38	5,168.61
b. Amount of Customer Advances (net of recoveries from progressive bills )	242.41	222.16
c. Retention amount	114.71	143.12
d. Aggregate amount of contract costs incurred in respect of ongoing contracts net of recognized profits (less recognized loss) up to the reporting date. (Including the contracts closed during the year)	38,319.06	36,256.79
e. Gross amount due from customers for contract work	1,398.25	1,331.13

\* The Company is following Percentage Completion Method for recognising contract revenue.

\* The Company has adopted Completion of Physical Proportion of the Contract Work Method to determine the stage of completion of contracts in progress.

**35 Disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

According to information available with the Management and relied upon by the auditors, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to micro and small enterprises under the said Act as follows:

- a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:

Sr. No. Particulars	Balance as at 31st March 2015 (₹ Lac)	Balance as at 31st March 2014 (₹ Lac)
i Principal amount remaining unpaid	19.07	86.98
ii Interest accrued, due and remained unpaid thereon	24.90	12.30
iii Payment made to suppliers (other than interest) beyond the appointed day during the year	232.14	239.76
iv interest paid to suppliers under MSMED Act (other than Section 16)	—	—
v interest paid to suppliers under MSMED Act (Section 16)	—	—
vi interest due and payable towards suppliers under MSMED Act for payments already made	3.71	1.34
vii interest accrued and remaining unpaid at the end of the year to suppliers under the MSMED Act	24.90	12.30

**36** The Company is registered with the Board for Industrial and Financial Reconstruction (BIFR) as a sick company and BIFR has vide its order dated 18 December 2007 sanctioned the rehabilitation scheme ("the Sanctioned Scheme"). While most of the provisions of the Sanctioned Scheme have been implemented, the Company was not able to achieve positive net worth as at 31 March 2013; accordingly, the Company has filed application on 17 October 2013 to BIFR seeking an extension and modification of the Sanctioned Scheme. The modification also includes conversion of Loans of ₹ 44.18 lac (including interest up to 31 March 2013 and loan of ₹ 300 lac taken during the three months period ended 30 June 2013, but excluding interest of ₹ 94.27 lac for the three months period ended 30 June 2013) of the Holding Company as at 31 March 2013 into 4% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 1/-each, which is pending for approval from BIFR. In view of this, and based on written confirmation from the Holding Company, no provision has been made for

## Notes To Financial Statements (Contd...)

interest payable to it amounting to ₹705.60 lac for the period 1 July 2013 to 31 March 2015 (including ₹ 403.04 lac for year ended 31 March 2015 ). The Management is considering various alternatives for achieving profitability and positive cash flow. Based on the current order book position, operating results for the current year and considering the continued support of the Holding Company, barring unforeseen circumstances, the Management is confident about the Company's ability to continue as a going concern and the Auditors of the Company have put an "emphasis of matter" paragraph on the aforesaid matter in the Auditor's Report for the year ended 31 March 2015.

- 37** a. In the opinion of the Management, all Current Assets, Loans & Advances are approximately of the same value if realized in the ordinary course of business. Provision for all the known liabilities and doubtful receivables is adequately made.
- b. Trade receivables include retention of ₹ 270.42 lac (Previous Year ₹ 146.18 lac) receivable on completion of projects.
- c. Balance outstanding against Trade Receivable and Trade Payable (including debit balances), are subject to reconciliation and confirmation with respective parties. Provision of ₹ 276.23 lac (Previous Year ₹ 43.37 lac) for doubtful debts is made during the year; resulting in total provision of ₹ 497.60 lac as at 31 March 2015. (Previous Year ₹ 221.37 lac)
- d. Long term Loans and Advances includes ₹ 300.90 lac reimbursement receivable from client. Provision of ₹ 300.90 lac (Previous Year ₹ 162.63 lac) has been made during the year.

### 38 Earnings per share (Basic & Diluted)

	2014-15	2013-14
a. Net profit/(loss) available for equity share holders (₹ Lac)	<b>(199.50)</b>	(833.34)
b. Number of equity shares (Face value ₹ 1/-) (No. in Lac)	<b>369.20</b>	369.20
c. Basic and diluted earnings per share (₹)	<b>(0.54)</b>	(2.26)

### 39 Details of earning and expenditure in foreign currency:

PARTICULARS	2014-15 (₹ Lac)	2013-14 (₹ Lac)
Earning in foreign exchange (Amount expended in equivalent Indian rupees)	<b>210.74</b>	172.47
Expenditure in foreign currency (Amount expended in equivalent Indian rupees)	<b>406.72</b>	158.98

- 40** The net Gain on account of exchange rate difference amounting to ₹ 2.84 lac (Previous Year Loss of ₹ 14.54 lac) has been accounted in the Statement of Profit and Loss in compliance with AS-11.

### 41 Quantitative Details:

#### a. Erection / Construction Activities:

In respect of Erection / Construction activities, the materials procured by the Company are directly delivered to the project sites and charged off in the year of purchase. It is not practicable to furnish the quantitative information in respect of these items due to diversified size and nature of business.

**Notes To Financial Statements (Contd...)**
**b. Manufacturing Activities:**

The relevant quantitative details for commercial operations carried out at factories are as follows:

**i) Raw materials and component Consumed :**

	Unit	2014-15		2013-14	
		Quantity	Value (₹ Lac)	Quantity	Value (₹ Lac)
Plates/Steel	(MT)	7,544.64	3,163.17	5,023.51	2,048.42
Pipes	(MT)	1.15	—	76.42	36.54
Paints	Litres	47,708.00	41.46	27,739.00	23.16
Others		—	83.35	—	—
Less : Provision Reversal		—	(101.44)	—	—
			<b>3186.54</b>		<b>2,108.12</b>
<b>TOTAL</b>			<b>2,108.12</b>		1,155.99

**ii) Imported/Indigenous Raw materials Consumed :**

	2014-15		2013-14	
	Value (₹ Lac)	%	Value (₹ Lac)	%
Imported	62.59	2%	NIL	NIL
Indigenous	3,123.59	98%	2,108.12	100%

**iii) Manufacturing Sales:**

Turnover	Unit	2014-15		2013-14	
		Quantity	Value (₹ Lac)	Quantity	Value (₹ Lac)
Structural	(MT)	5,350.03	3,777.86	3,661.18	2,988.98
Vessels Nos.		14.00	1,429.56		
Less :- Excise Duty			(573.72)	—	—
<b>TOTAL</b>			<b>4,633.70</b>		<b>2,988.98</b>

**42 Legal and Professional Fees include Auditors' Remuneration as below:**

Nature of services	2014-15 (₹ Lac)	2013-14 (₹ Lac)
Audit fees	7.00	6.00
Tax Audit fees	1.25	1.00
Taxation matters	1.65	1.00
Transfer Pricing Audit	—	1.50
Reimbursement of expenses	0.94	1.07
Service Tax*	1.22	1.17
<b>Total</b>	<b>12.06</b>	<b>11.74</b>

\*Set off claimed

## Notes To Financial Statements (Contd...)

### 43 The Actuarial Valuation of Gratuity and compensated absences has been done and the details of the same are:

Particular	Gratuity (funded)		Compensated Absences (Unfunded)	
	2014-15 (₹ Lac)	2013-14 (₹ Lac)	2014-15 (₹ Lac)	2013-14 (₹ Lac)
<b>a. Expenses recognized in the statement of P &amp; L</b>				
Current Service Cost	10.72	12.50	15.08	19.23
Interest Cost	2.78	2.59	2.08	2.68
Expected Return on Plan Assets	(1.92)	(2.97)	-	-
Net Actuarial (Gain)/Loss recognized for the period	(3.14)	6.95	(6.64)	(14.33)
Expense recognized in the Statement of P & L* (Note 26)	8.44	19.07	10.52	7.58
*Exclude ₹ 0.21 lac ( Previous Year ₹ 0.97 lac Paid directly by the Company)				
<b>b. Movement in the Liability recognised in Balance Sheet</b>				
Opening Net Liability	17.91	0.84	32.33	42.18
Expenses as above	8.44	19.07	10.52	7.58
Contribution Paid	(8.34)	(2.00)	(12.44)	(17.43)
Closing Net Liability	18.01	17.91	30.41	32.33
<b>c. Changes in present value of obligations</b>				
PVO at the beginning of year	44.44	41.91	32.33	42.18
Interest Cost	2.78	2.59	2.08	2.67
Current Service Cost	10.72	12.50	15.08	19.24
Benefits Paid	(19.31)	(19.14)	(12.44)	(17.43)
Actuarial (Gain)/Loss on obligation	(3.02)	6.58	(6.64)	(14.33)
PVO at end of year	35.61	44.44	30.41	32.33
<b>d. Changes in fair value of Plan Assets</b>				
Fair Value Plan Assets at Beginning of the year	26.54	41.07	-	-
Expected Return on plan Assets Contribution	1.93	2.97	-	-
Contributions	8.34	2.00	-	-
Benefit Paid	(19.31)	(19.14)	-	-
Actuarial Gain/ (Loss) on Plan Assets	0.11	(0.36)	-	-
Fair Value of Plan Assets at end year	17.61	26.54	-	-
<b>e. Actual Return on Plan Assets</b>	<b>2.04</b>	2.61	-	-
<b>f. Category of Assets as at the end of the year</b>				
Insurer Managed Funds *	17.61	26.54	-	-

\* Based on the data available with Company, Investment Pattern for LIC managed funds is as Central Government securities - 22.19 %, State Government securities - 29.06%, other approved securities - 0.99%, Debenture and Bonds - 29.92 %, Equity Shares - 5.50%, Fixed Deposit- 12.34 %.



**Notes To Financial Statements (Contd...)**
**g. Experience Adjustment**

<b>Gratuity</b>	<b>2015</b>	2014	2013	2012	2011
Defined Benefit Obligation	35.61	44.44	41.91	30.79	23.17
Fair Value of Planned Assets	17.61	26.53	41.07	33.94	29.41
(Surplus)/Deficit	18.00	17.91	0.84	(3.15)	(6.24)
Experience Adjustment on Plan Liabilities [(Gain)/Loss]	(3.02)	6.58	(1.38)	1.04	8.74
Experience Adjustment on Plan Asset [(Gain)/Loss]	(0.11)	0.36	(0.24)	—	—
<b>Compensated Absences</b>					
Defined Benefit Obligation	30.41	32.33	42.18	27.63	15.95
Experience Adjustment on Plan Liabilities [(Gain)/Loss]	(1.92)	(9.85)	(2.13)	(9.43)	(4.92)

**h. Actuarial Assumptions**

<b>Gratuity Mortality</b>	<b>2014-15 LIC (1994-96) Ult.</b>	2013-14 LIC (1994-96) Ult.
Interest/Discount Rate	<b>8%</b>	8%
Rate of Increase In Compensation	<b>10%</b>	4%
Rate of Return (expected) on plan Assets	<b>9.15%</b>	9.15%
Employee Attrition Rate (PS)	<b>10%</b>	10%
Expected Average Remaining Service	<b>7.26</b>	7.32

<b>Compensated Absences Mortality</b>	<b>2014-15 LIC (1994-96) Ult.</b>	2013-14 LIC (1994-96) Ult.
Interest/Discount Rate	<b>8%</b>	8%
Rate of Increase In Compensation	<b>10%</b>	10%
Employee Attrition Rate (PS)	<b>10%</b>	10%
Expected Average Remaining Service	<b>7.27</b>	7.32

- I. Expected Contribution to be made to the plan assets in financial year 2015-16 is ₹ 9.49 lac (Previous Year ₹ 17.40 lac)

**44 Segmental Reporting (Geographical Segments):**

<b>a Sales</b>	<b>2014-15 (₹ Lac)</b>	2013-14 (₹ Lac)
Domestic	<b>6213.53</b>	<b>7,700.56</b>
Overseas	<b>207.81</b>	<b>167.04</b>
<b>Total</b>	<b>6,421.34</b>	<b>7,867.60</b>

**b Total carrying amount of segment assets by location of Assets.**

	<b>2014-15 (₹ Lac)</b>	2013-14 (₹ Lac)
Domestic	<b>637.88</b>	<b>857.85</b>
Overseas	<b>39.12</b>	<b>57.68</b>
<b>Total</b>	<b>677.00</b>	<b>915.53</b>

**c Cost incurred on acquisition of tangible and intangible Fixed Assets.**

	<b>2014–15 (₹ Lac)</b>	2013–14 (₹ Lac)
Domestic	<b>2,747.39</b>	2,659.96
Overseas	<b>125.75</b>	203.42
<b>Total</b>	<b>2,873.14</b>	2,863.38

- 45** Effective 1 April 2014 the Company has changed the estimated useful life of group of assets in line with the recommended useful life as per Part C of Schedule II to the Companies Act, 2013. As per para 7 (b) of Notes of Part C of Companies Act, 2013, where the remaining useful life of an asset as on the effective date is nil, the carrying amount of the asset should be recognised in the retained earnings. Such carrying amount as on 1 April 2014 for the Company is ₹16.33 lac.
- 46** The Company has not contributed any amount towards Corporate Social Responsibility (CSR) in term of Section 135 as there are no profits attributable to CSR.
- 47** The Company has taken factory premises under cancelable and non-cancelable operating lease. The lease agreement is for two years and option of renewal on expiry of lease period is based on mutual agreement. Rental expenses towards cancelable and non cancelable operating lease charged to Statement of Profit and Loss amount to ₹ 6.00 lac ( Previous Year ₹ 4.00 lac )
- 48** In line with accepted practice in construction business, certain revisions of costs and billing of previous year which have crystallised during the year have been dealt with during the current year.
- 49** The Company has filed in October 2013 a Miscellaneous Application (No.536 of 2013) ("MA") with the Board for Industrial and Financial Reconstruction ("BIFR") containing various proposals for modifications to the sanctioned Scheme. The said MA is pending with the BIFR. Vide one of the proposals contained in the said MA, the Company has sought exemption from the appointment of Managing Director (MD)/Manager (M)/Whole-time Director (WD). During the course of the proceedings before the BIFR, a legal opinion has also been submitted on the matter. Accordingly, the Company has not appointed any MD/M/WD, which is one of the categories of the Key Managerial Personnel (KMP) under the Companies Act, 2013. The Company has appointed qualified and experienced KMP in other categories viz. Company Secretary and Chief Financial Officer.
- 50** Previous year's figures have been regrouped and restated wherever necessary to make their classification comparable with that of the current year.

As per our report of even date

for Chokshi & Chokshi, LLP  
Chartered Accountants  
FRN:101872W/W100045

Pooja Mehta  
Partner  
Membership No.133578

Place: Mumbai  
Date: 4th May 2015

Rajesh Mandale  
Chief Financial Officer

Anuja Bhate  
Company Secretary

Place: Mumbai  
Date : 4th May 2015

For and on behalf of the Board

Vinayak Deshpande  
Chairman

Nalin M. Shah  
Director

Pralhad Pawar  
Director





TPL-TQA  
Quality Services  
(Mauritius) Pty Limited

**TPL-TQA Quality Services (Mauritius) Pty Limited****Company Information**

		<b>DATE OF APPOINTMENT</b>
<b>DIRECTORS:</b>	Kapildeo Joory	29 August 2008
	Dhanapalan Naidoo	8 April 2009
	Krishan Kumar Gupta	8 April 2009
	Arun Kumar Misra	8 April 2009
	Anandan Varatharajoo Naidoo	12 June 2009
	Vinayak Kashinath Deshpande	27 February 2012
	Zakir Hussein Niamut	23 October 2012
<b>REGISTERED OFFICE:</b>	IFS Court, Twenty Eight Cybercity Ebène Mauritius	
<b>ADMINISTRATOR &amp; SECRETARY AND MAURITIAN TAX AGENT</b>	International Financial Services Limited IFS Court, Twenty Eight Cybercity Ebène Mauritius	
<b>BANKER:</b>	SBI Mauritius Ltd 7th Floor, Wing 2, SBI Tower Mindspace Building Ebène Mauritius	
<b>AUDITOR:</b>	Deloitte 7th Floor, Raffles Tower 19 Cybercity Ebène Mauritius	

## **TPL-TQA Quality Services (Mauritius) Pty Limited**

### **COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH, 2015**

The directors present the audited financial statements of TPL-TQA Quality Services (Mauritius) Pty Limited (the “Company”) for the year ended 31 March 2015.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company is to facilitate the inspection activities to be rendered to Eskom Holdings Limited, SA and other companies as required.

#### **RESULTS**

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

The Company has declared and paid dividend of EUR468,904 (2014: EUR676,200) to its shareholders during the financial year under review.

#### **DIRECTORS**

The present membership of the Board is set out on page 2. All directors served office during the year under review.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITORS**

The auditor, Deloitte, has indicated its willingness to continue in office until the next Annual Meeting.

## **TPL-TQA Quality Services (Mauritius) Pty Limited**

### **CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001**

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required for **TPL-TQA Quality Services (Mauritius) Pty Limited** under the Mauritius Companies Act 2001 during the year ended 31 March 2015.

**for International Financial Services Limited**  
Secretary

**Registered office:**

IFS Court  
Twenty Eight  
Cybercity  
Ebene  
Mauritius

Date: 6 May 2015

## Independent auditor's report to the shareholders of TPL-TQA Quality Services (Mauritius) Pty Limited

7th floor, Raffles Tower  
19 Cybercity,  
Ebene, Mauritius

This report is made solely to the company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Report on the Financial Statements

We have audited the financial statements of **TPL-TQA Quality Services (Mauritius) Pty Limited** on pages 6 to 20 which comprise the statement of financial position as at 31 March 2015 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### Director's responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to category 1 Global Business Licence companies. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that 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 conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

### Opinion

In our opinion, the financial statements on pages 6 to 20 give a true and fair view of the financial position of **TPL-TQA Quality Services (Mauritius) Pty Limited** as at 31 March 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies.

### Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- In our opinion, proper accounting records have been kept by the company as far as appears from our examination of those records.

**Deloitte**  
**Chartered Accountants**

6 May 2015

**Pradeep Malik, FCA**  
**Licensed by FRC**



**TPL-TQA Quality Services (Mauritius) Pty Limited  
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015	2014 EUR
<b>Revenue</b>			
Subcontract Cost	2(g)	<b>553,998</b> <b>(407,942)</b>	773,866 (268,473)
		<b>146,056</b>	505,393
<b>Other Income</b>			
Interest income		<b>148</b>	411
<b>Total income</b>		<b>146,204</b>	505,804
<b>OPERATING EXPENSES</b>			
Professional fees	11	<b>18,034</b>	24,511
Licence fees		<b>1,909</b>	1,928
Audit fees		<b>7,580</b>	14,985
Foreign exchange loss		<b>2,657</b>	-
Bank charges		<b>583</b>	1,668
<b>Total expenditure</b>		<b>30,763</b>	43,092
<b>PROFIT BEFORE TAX</b>		<b>115,441</b>	462,712
Taxation	9	<b>(3,476)</b>	(13,869)
<b>PROFIT FOR THE YEAR</b>		<b>111,965</b>	448,843
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>111,965</b>	448,843

**TPL-TQA Quality Services (Mauritius) Pty Limited**  
**STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015**

	Notes	2015 EUR	2014 EUR
<b>ASSETS</b>			
<u>Current assets</u>			
Trade and other receivables	5	<b>328,030</b>	135,938
Cash and cash equivalents		<b>37,759</b>	514,901
<b>Total assets</b>		<b>365,789</b>	650,839
<b>EQUITY AND LIABILITIES</b>			
<u>Capital and reserves</u>			
Stated capital	6	<b>24,000</b>	24,000
Retained earnings		<b>205,055</b>	561,994
<b>Total equity</b>		<b>229,055</b>	585,994
<u>Current liabilities</u>			
Trade and other payables	7	<b>136,486</b>	63,684
Loan from shareholder	8	-	3
Taxation	9	<b>248</b>	1,158
		<b>136,734</b>	64,845
<b>Total equity and liabilities</b>		<b>365,789</b>	650,839

Approved by the Board of Directors and authorised for issue on 6 May 2015.

**Director**

**Director**

**TPL-TQA Quality Services (Mauritius) Pty Limited**
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015**

	Note	Stated capital EUR	Retained earnings EUR	Total EUR
At 1 April 2013		24,000	789,351	813,351
Profit for the year and total comprehensive income		-	448,843	448,843
Dividend	10	-	(676,200)	(676,200)
<b>At 31 March 2014</b>		<b>24,000</b>	561,994	585,994
Profit for the year and total comprehensive income		-	111,965	111,965
Dividend	10	-	(468,904)	(468,904)
<b>At 31 March 2015</b>		<b>24,000</b>	<b>205,055</b>	<b>229,055</b>

**TPL-TQA Quality Services (Mauritius) Pty Limited**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015**

	<b>2015 EUR</b>	<b>2014 EUR</b>
<b>Cash flows from operating activities</b>		
Profit before tax	<b>115,441</b>	462,712
<i>Adjustments for:</i>		
Interest received	<b>(148)</b>	(411)
Operating profit before working capital changes	<b>115,293</b>	462,301
(Increase) /decrease in trade and other receivables	<b>(192,092)</b>	155,382
Increase / (decrease) in trade and other payables	<b>72,802</b>	(55,379)
<b>Cash (used in) / generated from operating activities</b>	<b>(3,997)</b>	562,304
Tax paid	<b>(4,386)</b>	(18,508)
<b>Net cash (used in) / generated from operating activities</b>	<b>(8,383)</b>	543,796
<b>Cash flows from investing activities</b>		
Interest received	<b>148</b>	411
<b>Net cash generated from investing activities</b>	<b>148</b>	411
<b>Cash flows from financing activities</b>		
Payment of dividend	<b>(468,904)</b>	(676,200)
Repayment of loan	<b>(3)</b>	-
<b>Net cash used in financing activities</b>	<b>(468,907)</b>	(676,200)
<b>Net decrease in cash and cash equivalents</b>	<b>(477,142)</b>	(131,993)
<b>Cash and cash equivalents at 1 April</b>	<b>514,901</b>	646,894
<b>Cash and cash equivalents at 31 March</b>	<b>37,759</b>	514,901

## TPL-TQA Quality Services (Mauritius) Pty Limited Notes to the Financial Statements for the Year Ended 31 March 2015

### 1. BACKGROUND INFORMATION

TPL-TQA Quality Services (Mauritius) Pty Limited (the "Company") was incorporated in Mauritius under the Companies Act 2001 on 29 August 2008 as a private company with liability limited by shares and has its registered office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius. It holds a Category 1 Global Business Licence issued by the Financial Services Commission.

The principal activity of the Company is to facilitate the inspection activities rendered to Eskom Holdings Limited, SA and other companies as required.

### 2. ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS"). The preparation of financial statements in accordance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. A summary of the more important accounting policies, which have been applied consistently, is set out below:-

#### (a) Basis of preparation

The financial statements are prepared under the historical cost convention.

#### (b) Foreign currency translation

##### *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The financial statements of the Company are presented in Euro ("EUR"), which is the Company's functional currency and presentation currency.

##### *Transactions and balances*

Transactions denominated in foreign currencies are translated in EUR at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities are translated at the rate of exchange ruling at reporting date. Exchange differences arising on translation and realised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the statement of profit or loss and other comprehensive income.

#### (c) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and are held for the purpose of meeting short term cash commitments rather than investment or other purpose.

#### (d) Financial instruments

Financial instruments are recognised on the Company's statement of financial position when the Company has become 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 and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit or loss.

##### Financial Assets

Financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

## TPL-TQA Quality Services (Mauritius) Pty Limited

### Notes to the Financial Statements for the Year Ended 31 March 2015 (Contd....)

#### Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Trade and other receivables, bank balances and cash are measured at amortised cost using the effective interest method less any impairment.

#### Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

A significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

#### Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### Financial liabilities

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and definitions of a financial liability and equity instrument.

## TPL-TQA Quality Services (Mauritius) Pty Limited

### Notes to the Financial Statements for the Year Ended 31 March 2015(Contd....)

#### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### *Financial liabilities*

Financial liabilities are classified as 'other financial liabilities'.

#### *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

#### *Effective interest method*

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

#### *Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when the Company's obligations are discharged, cancelled or they expire.

#### **e) Related parties**

Parties are considered to be related if one party has control, joint control or exercises significant influence over the other party or is a member of the key management personnel of the other party.

#### **f) Payables**

Payables are stated at amortised cost.

#### **g) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

##### *(i) Inspection fees*

Inspection fees are recognised on an accrual basis based on the labour hours delivered at the contractually agreed rates.

##### *(ii) Interest income*

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **h) Expense recognition**

All expenses are accounted for in the statement of profit or loss and other comprehensive income on an accruals basis.

#### **i) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

## TPL-TQA Quality Services (Mauritius) Pty Limited

### Notes to the Financial Statements for the Year Ended 31 March 2015 (Contd....)

#### *Income tax*

Income tax on the profit for the year comprises of current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

#### *Deferred tax*

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### *Income tax*

Income tax on the profit for the year comprises of current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

#### *Deferred tax*

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **j) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

### **3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)**

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are effective for accounting periods beginning on 1 April 2014.

#### **3.1 Standards and Interpretations adopted with no effect on the financial statements**

The following new and revised Standards and Interpretations have been applied in these interim financial statements. Their application has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

IAS 32 Financial instruments: Presentation – Amendments to application guidance on offsetting of financial assets and financial liabilities

IAS 36 Impairment of Assets – Amendments arising from Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 Financial Instruments: Recognition and Measurement – Amendments for novations of derivatives

IFRS 12 Disclosure of interests in other entities – Amendments for investment entities



## TPL-TQA Quality Services (Mauritius) Pty Limited

### Notes to the Financial Statements for the Year Ended 31 March 2015 (Contd....)

#### 3.2 New and Revised Standards and Interpretations in issue but not yet effective

At the date of the authorisation of these financial statements, the following Standards and Interpretation were in issue but effective for annual periods beginning on or after the respective date as indicated:

- IAS 1 Presentation of Financial Statements – Amendments resulting from disclosure initiative (effective 1 January 2016)
- IAS 24 Related Party Disclosures - Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities) (effective 1 July 2014)
- IAS 39 Financial Instruments: Recognition and Measurement - Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective 1 January 2018)
- IFRS 7 Financial Instruments Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016)
- IFRS 7 Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)
- IFRS 7 Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)
- IFRS 9 Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 January 2018)
- IFRS 13 Fair Value Measurement - Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52) (effective 1 July 2014)
- IFRS 13 Fair Value Measurement - Amendments resulting from Annual Improvements 2010-2012 Cycle (Short term receivables and payables) (Amendments to basis for conclusion only)

The directors anticipate that these standards and interpretations will be applied in the financial statements on the above effective dates in future years. The directors have not yet had an opportunity to consider the potential impact of the application of those amendments.

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

*Critical accounting judgements in applying the Company's accounting policies*

In the process of applying the Company's accounting policies, which are described in Note 2, the directors have made the following judgements that have the most significant effect on the amounts recognised in the accounts.

*Determination of functional currency*

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the Euro.

#### 5. TRADE AND OTHER RECEIVABLES

	2015 EUR	2014 EUR
Prepaid expenses	2,179	2,169
Inspection fees receivable	326,434	133,769
Impairment of receivable	(583)	-
	<b>328,030</b>	135,938

## TPL-TQA Quality Services (Mauritius) Pty Limited

### Notes to the Financial Statements for the Year Ended 31 March 2015 (Contd....)

The inspection fees are receivable from Eskom Holdings Limited (“Eskom”), a state-owned company in South Africa, pursuant to a Professional Services Contract dated 16 October 2008 entered into by Eskom, Tata Projects Limited and TQA Consultants Africa (Pty) Ltd Joint Venture Consortium (TPL-TQA Quality Services (Mauritius) Pty Limited) for quality and inspection services.

The above agreement was adopted by the Company on 8 April 2009 following the acquisition of the Company by Tata Projects Limited and TQA Consultants Africa (Pty) Ltd. Inspection fees are generally due for payment within 30 days from date of receipt of invoices by Eskom and subject to clearance of necessary clarifications requested or as agreed by the Company and Eskom.

#### Ageing of receivable from Eskom

	2015 EUR	2014 EUR
30-90 days	<b>136,682</b>	51,416
91-180 days	<b>149,798</b>	51,881
181-360 day	19,674	-
More than 360 days	-	583
<b>Total</b>	<b>306,154</b>	103,879

During the year under review, the Company had a total ageing receivable of **EUR306,737** from Eskom, out of which an amount of **EUR583** is considered to be impaired as the directors are of the view that EUR583 is no more recoverable. The directors however believe that the amount of **EUR306,154** is still recoverable as of date and is not impaired.

#### 6. STATED CAPITAL

	2015 EUR	2014 EUR
24,000 Ordinary shares of EUR1 each	<b>24,000</b>	24,000

Fully paid ordinary shares carry one vote per share and the right to dividends.

#### 7. TRADE AND OTHER PAYABLES

	2015 EUR	2014 EUR
Inspection services	<b>123,727</b>	45,101
Other payables	<b>12,759</b>	18,583
	<b>136,486</b>	63,684

The inspection services fees are payable to Tata Projects Limited, TQA Consultants Africa (Pty) Ltd and TQS Europe GmbH for services provided in respect of inspection of equipments, components and commodities in various countries.

Inspection fees are generally payable within 30 days from invoice date or as agreed between the parties. No interest is charged on trade payables balances. The Company has financial risk management policies in place to ensure that all payables are paid within credit timeframe.

## TPL-TQA Quality Services (Mauritius) Pty Limited

### Notes to the Financial Statements for the Year Ended 31 March 2015 (Contd....)

#### 8. LOAN FROM SHAREHOLDER

	2015 EUR	2014 EUR
TQA Consultants Africa (Pty) Ltd	-	3

The loan from the TQA Consultants Africa (Pty) Ltd, one of the shareholders, was repaid during the year under review.

#### 9. TAXATION

The Company is liable to income tax on its chargeable income at the rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual tax suffered or 80% of Mauritian tax payable in respect of its net income, thus reducing its maximum effective tax rate payable to 3%.

At 31 March 2015, a provision for tax of **EUR248** (2014:EUR1,158) has been made in the financial statements.

##### (i) Tax reconciliation

	2015 EUR	2014 EUR
Profit before taxation	115,441	462,712
Tax at the applicable rate of 15%	17,316	69,407
Tax effect of:		
- Exempt income	(22)	(62)
- Unallowable expenses	87	
- Deemed Foreign tax credit	(13,905)	(55,476)
Income tax expense	3,476	13,869

##### (ii) Tax liability

	2015 EUR	2014 EUR
At 1 April	1,158	5,797
Income tax expense	3,476	13,869
Tax paid during the year	(4,386)	(18,508)
At 31 March	248	1,158

#### 10. DIVIDEND

During the year ended 31 March 2015, the Company declared and paid dividend amounting to **EUR468,904** (2014:EUR676,200) to its existing shareholders.

The details of the dividend declared and paid were as follows:

	2015 EUR	2014 EUR
10 July 2014	68,904	
20 November 2014	400,000	
	<b>676,200</b>	
2 September 2013		408,472
23 December 2013		267,728
		<b>676,200</b>

Dividend declared and paid during the year is of **EUR19.54** (2014:EUR28.18) per share.

## TPL-TQA Quality Services (Mauritius) Pty Limited

### Notes to the Financial Statements for the Year Ended 31 March 2015 (Contd....)

#### 11. RELATED PARTY TRANSACTIONS

During the year under review, the Company transacted with the following related parties. The nature, volume of transactions and balances with related parties are as follows:

Name of related party	Relationship	Nature of transaction	Volume EUR		Balance EUR	
			2015	2014	2015	2014
Tata Projects Limited	Shareholder	Inspection services payable	39,907	237,526	4,196	38,244
TQA Consultants Africa (Pty) Ltd	Shareholder	Inspection services payable	32,813	25,190	-	1,100
TQS Europe GmbH	Subsidiary of shareholder	Inspection services payable	335,222	5,757	119,531	5,757
TQA Consultants Africa (Pty) Ltd	Shareholder	Loan	(3)	-	-	(3)
International Financial Services Limited ("IFS")	Administrator and Secretary	Professional fees	18,034	24,511	5,230	10,499

A director of the Company, Mr Kapildeo Joory is also director of International Financial Services Limited ("IFS", the Administrator/Secretary) and is deemed to have beneficial interest in the Administration Agreement and the Tax letter of engagement between the Company and the Administrator/Secretary.

The payable to IFS is unsecured, interest-free and would be settled at a date agreeable between the parties.

#### Professional fees:

	2015 EUR	2014 EUR
Administration fees	12,654	19,131
Tax filing fees	1,250	1,250
Directors fees	3,000	3,000
Secretarial fees	1,130	1,130
	<b>18,034</b>	24,511

#### 12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

##### Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of equity, comprising stated capital and retained earnings.

##### Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial assets, financial liabilities and equity instruments are disclosed in Note 2 to the financial statements.

**TPL-TQA Quality Services (Mauritius) Pty Limited**
**Notes to the Financial Statements for the Year Ended 31 March 2015 (Contd....)**
**Categories of financial instruments**

	<b>2015 EUR</b>	2014 EUR
<b>Financial assets</b>		
Loans and receivables (including cash and cash equivalents)	<b>363,610</b>	648,670
<b>Financial liabilities</b>		
At cost	<b>136,486</b>	63,687

Prepayments amounting to **EUR2,179** (2014:EUR2,169) have not been included in the financial assets.

**Financial risk management**

In its ordinary operations, the Company's activities expose it to various types of risks, which are associated with the financial instruments and markets in which it provides services. The following are a summary of the main risks:

(i) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's financial assets, except the cash and cash equivalents, are non-interest-bearing. As such, the Company's income and operating cash flows are not significantly independent of changes in market interest rates.

(ii) *Credit risk*

The Company takes on exposure to credit risk, which is the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company.

Financial assets that potentially expose the Company to credit risk consist principally of inspection fees receivable from Eskom Holdings Limited. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's Statement of Financial Position.

<i>Carrying Amount</i>	<b>2015 EUR</b>	2014 EUR
Trade receivables	<b>325,851</b>	133,769

(iii) *Currency risk*

All of the financial assets and liabilities of the Company are denominated in Euro. Consequently, the Company is not exposed to currency risk.

(iv) *Liquidity risk management*

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

(v) *Liquidity and interest risk tables*

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

**TPL-TQA Quality Services (Mauritius) Pty Limited**
**Notes to the Financial Statements for the Year Ended 31 March 2015 (Contd....)**

	<b>Less than 1 year 2015</b>	Less than 1 year 2014
	<b>EUR</b>	EUR
<b>Financial assets</b>		
Non-interest bearing	<b>325,851</b>	133,769
Variable interest rate instruments	<b>37,759</b>	514,901
	<b>363,610</b>	648,670
<b>Financial liabilities</b>		
Non-interest bearing	<b>136,486</b>	63,687

*(vi) Fair values*

The Company's financial assets and liabilities include cash and cash equivalents, trade and other receivables, loans from shareholders and trade and other payables. The carrying amounts of these assets and liabilities approximate their fair values.

**13. HOLDING COMPANY**

Tata Projects Limited, a company incorporated in India is the holding company and TQA Consultants Africa (Pty) Ltd is the other shareholder of the Company.





TPL-TQA  
Quality Services  
South Africa  
(Proprietary) Limited



## TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED

(Registration number 2009/012351/07)

### Annual Financial Statements for the Year Ended 31 March 2015

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#### General Information

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Quality Assurance and Consulting Services
<b>Directors</b>	Krishan K. Gupta Dhanapalan Naidoo Arun K. Misra Anandan V. Naidoo Vinayak K. Deshpande
<b>Registered office</b>	Second Floor, Suite 201 Convention House 125 Florence Nzama Street Durban 4001
<b>Business address</b>	Second Floor, Suite 201 Convention House 125 Florence Nzama Street Durban 4001
<b>Postal address</b>	PO Box 1163 Durban 4000
<b>Holding company</b>	Tata Projects Limited Incorporated in India
<b>Banker</b>	First National Bank
<b>Auditor</b>	Ted Naidoo Chartered Accountants Registered Auditor
<b>Company registration number</b>	2009/012351/07
<b>Tax reference number</b>	9254/523/17/9
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The annual financial statements were independently compiled by: S Pillay Chartered Accountant (SA)

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**TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED**

(Registration number 2009/012351/07)

**Annual Financial Statements for the Year Ended 31 March 2015**

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12/14 Charles Strachan Road  
Mayville  
P.O.Box 18521, Dalbridge 4014  
Tel : (031) 261 1489  
Fax: (031) 261 5778  
Practice No.:938394

**Report to the Independent Auditors**

To the shareholders of TPL-TQA Quality Services South Africa (Pty) Ltd

We have audited the accompanying financial statements of TPL-TQA Quality Services South Africa (Pty) Ltd, which comprise the directors' report, the balance sheet as at 31 March 2015, the income statement, the statement of changes in equity and cash flow statement for the period ended, a summary of significant accounting policies and other explanatory notes set out on pages 4 to 23.

**Directors Responsibility for the financial statements**

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with international Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 31 March 2015 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards, and in the manner required by Companies Act of South Africa,

**Ted Naidoo Chartered Accountants**

Registered Accountants and Auditors

R.N. Naidoo C.A. (S.A.), HONS. B.Compt., B. Com.  
Registered Accountants and Auditors  
IRBA Registration No.186716

Durban

## **TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED**

(Registration number 2009/012351/07)

### **Directors' Responsibilities and Approval**

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The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 24, which have been prepared on the going concern basis, were approved by the directors on 07 May 2015 and were signed on its behalf by:

**Krishan K. Gupta**  
Director

**Dhanapalan Naidoo**  
Director

## TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED

(Registration number 2009/012351/07)

### Annual Financial Statements for the Year Ended 31 March 2015

#### Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of TPL-TQA Quality Services South Africa Proprietary Limited for the year ended 31 March 2015.

#### 1. Nature of business

TPL-TQA Quality Services South Africa Proprietary Limited was incorporated in South Africa with interests in the Quality Assurance and Consulting Services industry. The company operates in South Africa.

These services are supplied solely to Eskom Holdings Limited South Africa.

There have been no material changes to the nature of the company's business from the prior year.

#### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

#### 3. Share capital

Authorised		2015 No. of shares		2014 No. of shares	
Ordinary shares		500,000		500,000	
Issued		2015 R	2014 R	2015 Number of shares	2014
Ordinary shares		<b>250,000</b>	250,000	<b>250,000</b>	250,000

There have been no changes to the authorised or issued share capital during the year under review.

#### 4. Dividends

The directors have declared and paid a dividend of R 14,173,502 for year ended 31 March 2015 (31 March 2014: R45,297,500).

#### 5. Directorate

The directors in office at the date of this report are as follows:

##### Directors

Krishan K. Gupta

Dhanapalan Naidoo

Arun K. Misra

Anandan V. Naidoo

Vinayak K. Deshpande

There have been no changes to the Directorate for the year under review.

#### 6. Holding company

The company's holding company is Tata Projects Limited and is incorporated in India.

#### 7. Events after the reporting period

The directors are not aware of any material reportable event which occurred after the reporting date and up to the date of this report.

## **TPL-TQA QUALITY SERVICES SOUTH AFRICA PROPRIETARY LIMITED**

(Registration number 2009/012351/07)

### **Annual Financial Statements for the Year Ended 31 March 2015**

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#### **8. Going concern**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

#### **9. Auditors**

Ted Naidoo Chartered Accountants continued in office as auditors for the company for 2015.

#### **10. Secretary**

The company had no secretary during the year.

**TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED**

(Registration number 2009/012351/07)

**Statement of Financial Position as at 31 March 2015**

		Figures in Rand	
	Notes	2015	2014
<b>Assets</b>			
<b>Current Assets</b>			
Trade and other receivables	3	18,483,542	24,994,678
Cash and cash equivalents	4	5,548,802	16,615,081
		<b>24,032,344</b>	<b>41,609,759</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	5	250,000	250,000
Retained income		14,003,122	28,857,801
		<b>14,253,122</b>	<b>29,107,801</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Current tax payable	6	2,388,052	3,564,797
Trade and other payables	7	7,391,170	8,937,161
		<b>9,779,222</b>	<b>12,501,958</b>
<b>Total Equity and Liabilities</b>		<b>24,032,344</b>	<b>41,609,759</b>

**Statement of Comprehensive Income as at 31 March 2015**

Figures in Rand

	Notes	2014	2013
Revenue	10	26,599,364	137,271,104
Cost of sales	11	(25,134,052)	(86,051,632)
<b>Gross profit</b>		<b>1,465,312</b>	<b>51,219,472</b>
Operating expenses		(2,145,030)	(223,259)
<b>Operating profit</b>	<b>15</b>	<b>(679,718)</b>	<b>50,996,213</b>
Finance costs	16	(1,459)	(1,892)
<b>Profit before taxation</b>		<b>(681,177)</b>	<b>50,994,321</b>
Taxation	17	(13,946,427)	(13,946,427)
<b>Profit for the year</b>		<b>(681,177)</b>	<b>37,047,894</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(681,177)</b>	<b>37,047,894</b>

**TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED**

(Registration number 2009/012351/07)

**Statement of Changes in Equity as at 31 March 2015**

Figures in Rand

	Share capital	Retained income	Total equity
<b>Balance at 01 April 2013</b>	<b>250,000</b>	<b>37,107,407</b>	<b>37,357,407</b>
Profit for the year	-	37,047,894	37,047,894
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>37,047,894</b>	<b>37,047,894</b>
Dividends	-	(45,297,500)	(45,297,500)
<b>Balance at 01 April 2014</b>	<b>250,000</b>	<b>28,857,801</b>	<b>29,107,801</b>
Loss for the year	-	(681,177)	(681,177)
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(681,177)</b>	<b>(681,177)</b>
Dividends	-	(14,173,502)	(14,173,502)
<b>Balance at 31 March 2015</b>	<b>250,000</b>	<b>14,003,122</b>	<b>14,253,122</b>

**Statement of Cash Flows**

Figures in Rand

	Notes	2015	2014
<b>Cash flows from operating activities</b>			
Cash receipts from customers		120,743,908	84,189,551
Cash generated from operations	18	4,775,837	50,574,686
Finance costs		(1,459)	(1,892)
Dividends		(14,173,502)	(45,297,500)
Tax paid	19	(1,667,155)	(14,396,089)
<b>Net cash used in operating activities</b>		<b>(11,066,279)</b>	<b>(9,120,795)</b>
<b>Total cash movement for the year</b>		<b>(11,066,279)</b>	<b>(9,120,795)</b>
Cash at the beginning of the year		16,615,081	25,735,876
<b>Total cash at end of the year</b>	4	<b>5,548,802</b>	<b>16,615,081</b>

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**TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED**  
**(Registration number 2009/012351/07)****Annual Financial Statements for the Year Ended 31 March 2015**  
**Notes to the Annual Financial Statements**

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**1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except as indicated, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

**1.1 Financial instruments****Classification**

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

**Initial recognition and measurement**

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, including transaction costs for those that are not at fair value through profit or loss.

Transaction costs on financial instruments at fair value through profit or loss are recognised immediately in profit or loss.

Regular way purchases of financial assets are accounted for at trade date.

**Subsequent measurement**

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

**Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

**Fair value determination**

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

**Trade and other receivables**

Trade receivables are measured at initial recognition at fair value, plus any transaction costs using the effective



## TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED (Registration number 2009/012351/07)

### Annual Financial Statements for the Year Ended 31 March 2015 Notes to the Annual Financial Statements

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interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss account. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered objective evidence that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

#### **Trade and other payables**

Trade payables are initially measured at fair value, less any transaction costs and are subsequently measured at amortised cost, using the effective interest rate method.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value plus any transaction costs and subsequently measured at amortised cost.

For the purposes of the cash flow the cash per the statement of cash flows is made up of cash and cash equivalents as well as bank overdrafts.

## **1.2 Tax**

### **Tax expenses**

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

### **Current tax assets and liabilities**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### **Deferred tax assets and liabilities**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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**TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED**  
**(Registration number 2009/012351/07)****Annual Financial Statements for the Year Ended 31 March 2015**  
**Notes to the Annual Financial Statements**

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A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**1.3 Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

**Operating leases – lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

**1.4 Share capital and equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

**1.5 Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest is recognised, in profit or loss, using the effective interest rate method.

## **TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED** **(Registration number 2009/012351/07)**

### **Annual Financial Statements for the Year Ended 31 March 2015** **Notes to the Annual Financial Statements**

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#### **1.6 Turnover**

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

#### **1.7 Cost of sales**

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

## **2. New Standards and Interpretations**

### **IAS 1 Presentation of Financial Statements**

The amendment now requires items of other comprehensive income to be presented as:

- Those which will be reclassified to profit or loss
- Those which will not be reclassified to profit or loss.

The related tax disclosures are also required to follow the presentation allocation.

In addition, the amendment changed the name of the statement of comprehensive income to the statement of profit or loss and other comprehensive income.

The effective date of the amendment is for years beginning on or after 01 July 2012.

The impact of the amendment is not material.

### **IAS 19 Employee Benefits Revised**

- Require recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements
- Introduce enhanced disclosures about defined benefit plans
- Modify accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits
- Clarification of miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features

The effective date of the amendment is for years beginning on or after 01 January 2013.

The impact of the amendment is not material.

## **2. New Standards and Interpretations**

### **2.1 Standards and interpretations not yet effective**

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2015 or later periods:

#### **IFRS 9 Financial Instruments**

This new standard is the first phase of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.

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**TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED**  
**(Registration number 2009/012351/07)****Annual Financial Statements for the Year Ended 31 March 2015**  
**Notes to the Annual Financial Statements**

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- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.

The effective date of the standard is currently open.

The company expects to adopt the standard for the first time when it becomes effective.

It is unlikely that the standard will have a material impact on the company's annual financial statements.

**IAS 15 – Revenue from contract with customers**

New standard that establishes a single, comprehensive and robust framework for the recognition, measurement and disclosure of revenue.

The company expects to adopt the standard for the first time when it becomes effective for years beginning on or after 01 January 2017.

**IAS 24 – Related party disclosures**

Amendments:

- The definition of related parties includes the entity, or any member of a group of which it is a part, that provides key management personnel services to the reporting entity or its parent.
- Details of the individual employee benefits do not need to be disclosed for an entity that provides key management personnel services.

**IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets**

The amendment brings the disclosures for impaired assets whose recoverable amount is fair value less costs to sell in line with the disclosure requirements of IFRS 13 Fair Value Measurements.

The effective date of the amendment is for years beginning on or after 01 January 2014.

The company has adopted the amendment for the first time in the 2015 financial statements.

The impact of the amendment is set out in note Changes in Accounting Policy.

**TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED**  
**(Registration number 2009/012351/07)**
**Annual Financial Statements for the Year Ended 31 March 2015**  
**Notes to the Annual Financial Statements**
**3. Trade and other receivables**

Figures in Rand

	2015	2014
Trade receivables	12,633,479	23,551,366
Trade receivables (Unapproved invoices)	5,586,055	902,304
Deposits	264,008	541,008
	<b>18,483,542</b>	<b>24,994,678</b>
<p><b>Credit quality of trade and other receivables</b></p> <p>The credit quality of trade and other receivables that are neither past due (0 to 30 days) nor impaired are evaluated by management on an ongoing basis.</p> <p><b>Fair value of trade and other receivables</b></p> <p>Trade and other receivables</p>		
	18,483,542	24,994,678
<p>Trade receivables are carried at amortised cost, with fair value being approximated by such carrying value, due to short term nature of the receivables.</p> <p><b>Trade receivables past due but not impaired</b></p> <p>Past due but not impaired debtor relates to amounts of which management are aware and through discussions with the customer are confident that these amounts are fully recoverable.</p> <p>The ageing of trade receivables as at 31 March 2015 are as follows:</p> <p>The ageing of trade receivables as at 31 March 2014 are as follows:</p>		
0-30 days	1,337,103	2,803,860
31-60 days	-	2,956,179
61-90 days	755,246	4,361,848
91-120 days	401,543	6,829,759
120-180 days	2,822,475	6,599,720
greater than 365 days	<b>12,633,479</b>	<b>23,551,366</b>
<p><b>Trade and other receivables impaired</b></p> <p>Trade receivables of R1,454,697 inclusive of vat (2014 : RNil) which were outstanding for greater than 365 days were impaired and the amount of R1,276,050 net of vat was provided for as bad debts through the statement of comprehensive income at 31 March 2015.</p>		

**TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED**  
**(Registration number 2009/012351/07)**

**Annual Financial Statements for the Year Ended 31 March 2015**  
**Notes to the Annual Financial Statements**

**4. Cash and cash equivalents**

Cash and cash equivalents consist of:

Figures in Rand

	2015	2014
Bank balances	<b>5,548,802</b>	16,615,081

**Credit quality of cash at bank and short term deposits, excluding cash on hand**

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired are considered acceptable due to the credit rating of the company's banker.

**5. Share capital**

	2015	2014
<b>Authorised</b>		
500,000 Ordinary shares of no par value	500,000	500,000
<b>Issued</b>		
250,000 Ordinary shares of no par value	250,000	250,000

250,000 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

**6. Current tax payable**

	2015	2014
SA Normal tax payable	846,947	846,947
Dividend withholding tax	1,541,105	2,717,850
	<b>2,388,052</b>	<b>3,564,797</b>

Current tax payable consists of amounts payable to the South African Revenue Services for local income tax and dividend withholding tax.

**7. Trade and other payables**

Figures in Rand

	2015	2014
Trade payables	599,122	845,177
Tata Consulting Engineers Limited	2,148,865	3,208,962
VAT	543,653	1,472,088
Tata Projects Limited	1,215,179	1,057,866
Accrued expense	283,841	151,984
TQA Consultants Africa (Pty) Ltd	2,600,510	2,201,084
	<b>7,391,170</b>	<b>8,937,161</b>

**Fair value of trade and other payables**

Figures in Rand

	2015	2014
Trade payables	<b>7,391,170</b>	8,937,161

Trade and other payables are carried at amortised cost, with the fair value being approximated by such carrying value, due to the short term nature of the payables.

**TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED**  
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**Annual Financial Statements for the Year Ended 31 March 2015**  
**Notes to the Annual Financial Statements**

Figures in Rand

	2015	2014
<b>8. Financial assets by category</b>		
The accounting policies for financial instruments have been applied to the line items below		
<b>Loans and receivables</b>		
Trade and other receivables	12,633,479	23,551,366
Cash and cash equivalents	5,548,802	16,615,081
	<b>18,182,281</b>	<b>40,166,447</b>
<b>9. Financial liabilities by category</b>		
The accounting policies for financial instruments have been applied to the line items below:		
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	6,847,517	7,465,073
	<b>6,847,517</b>	<b>7,465,073</b>
<b>10. Revenue</b>		
Rendering of services	26,599,364	137,271,104
<b>11. Cost of sales</b>		
Cost of services	17,553,397	63,362,992
Accommodation for migrant employees	4,902,100	15,810,614
Travel	2,512,555	6,506,426
Visa application	166,000	371,600
	<b>25,134,052</b>	<b>(86,051,632)</b>
<b>12. Accounting fees</b>		
Monthly processing fees -current year	67,250	72,600
Compilation fees -current year	54,000	60,600
Consulting	-	7,750
Tax and secretarial services	18,653	19,195
Other	-	600
	<b>139,903</b>	<b>160,745</b>
<b>13. Fines and penalties</b>		
Interest and penalties on late payment of taxation	-	254,223
Reversal of prior year penalties	-	(912,793)
	<b>310,025</b>	<b>(658,570)</b>
<b>14. Auditor's remuneration</b>		
Audit fees -current year	<b>79,800</b>	70,000
Audit fees -prior year adjustment	-	900
	<b>79,800</b>	<b>70,900</b>

**TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED**  
(Registration number 2009/012351/07)

**Annual Financial Statements for the Year Ended 31 March 2015**  
**Notes to the Annual Financial Statements**

Figures in Rand

	2015	2014
<b>15. Operating (Loss) profit</b>		
Operating (Loss) profit for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	136,697	137,976
• Accommodation for migrant employees		
• Contractual amounts	4,902,100	15,810,614
	<u>5,038,797</u>	<u>15,948,590</u>
Auditor's remuneration	70,900	105,686
Accounting fees	160,745	111,805
<b>16. Finance costs</b>		
Interest	1,459	1,892
	<u>1,459</u>	<u>1,892</u>
<b>17. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current</b>		
Local income tax -current period	-	15,610,186
Local income tax -prior year overprovision	-	(1,663,759)
	<u>-</u>	<u>13,946,427</u>
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense		
Accounting Loss	(681,177)	50,994,321
Tax at the applicable tax rate of 28% (2014: 28%)	(190,730)	14,278,410
<b>Tax effect of adjustments on taxable income</b>		
Non -deductible expenses	(1,224,643)	1,331,776
Prior period adjustment	-	(1,663,759)
Computed tax loss carried forward	1,415,373	-
	<u>-</u>	<u>13,946,427</u>
No provision has been made for 2015 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R 1,415,373 (2014: R -).		
<b>18. Cash generated from operations</b>		
Loss before taxation	(681,177)	50,994,321
<b>Adjustments for:</b>		
Finance costs	1,459	1,892
Dividend withholding tax	490,410	-
<b>Changes in working capital:</b>		
Trade and other receivables	6,511,136	15,775,073
Trade and other payables	(1,545,991)	(16,196,600)
	<u>4,775,837</u>	<u>50,574,686</u>



## TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED (Registration number 2009/012351/07)

### Annual Financial Statements for the Year Ended 31 March 2015 Notes to the Annual Financial Statements

Figures in Rand

	2015	2014
<b>19. Tax paid</b>		
Balance at beginning of the year	(3,564,797)	(4,014,459)
Current tax for the year recognised in profit or loss	-	(13,946,427)
Dividend withholding tax	(490,410)	-
Balance at end of the year	2,388,052	3,564,797
	<b>(1,667,155)</b>	<b>(14,396,089)</b>
<b>20. Dividends paid</b>		
Dividends	(14,173,502)	(45,297,500)
<b>21. Commitments</b>		
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	1,453,697	2,859,234

Operating lease payments represent rentals payable by the company for certain of its office properties and accommodation for its consulting engineers. Leases are negotiated for an average term of three years.

#### 22. Related parties

Relationships	
Holding company	Tata Projects Limited
Shareholder with significant influence	Tata Projects Limited TQA Consultants Africa Proprietary Limited Tata Consulting Engineers Limited

Figures in Rand

	2015	2014
<b>Related party balances</b>		
<b>Amounts included in Trade Payables regarding related parties</b>		
Tata Projects Limited	1,215,179	1,057,866
TQA Consultants Africa Proprietary Limited	2,600,510	2,201,084
Tata Consulting Engineers Limited	2,148,865	3,208,962
<b>Related party transactions</b>		
<b>Cost of services rendered by related parties</b>		
Tata Projects Limited	3,745,145	11,640,631
TQA Consultants Africa Proprietary Limited	8,790,326	37,559,225
Tata Consulting Engineers Limited	5,017,926	14,163,137

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**TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED**  
**(Registration number 2009/012351/07)**

**Annual Financial Statements for the Year Ended 31 March 2015**  
**Notes to the Annual Financial Statements**

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**23. Directors' emoluments**

No emoluments were paid to the directors or any individuals holding a prescribed office during the year 31 March 2014:RNil).

**24. Risk management**

**Capital risk management**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

**Financial risk management**

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

**Liquidity risk**

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

**Interest rate risk**

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

**Credit risk**

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

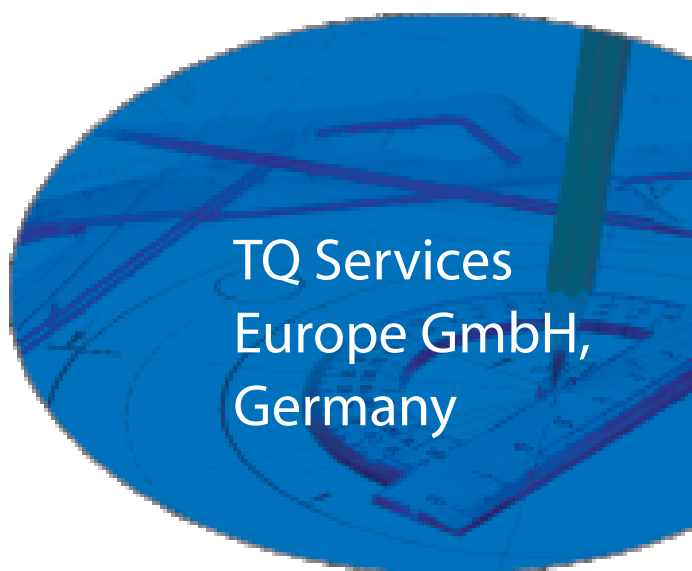
Trade receivables comprise a single debtor viz Eskom Holdings SOC Ltd. Eskom Holdings SOC Ltd is a public company with the Government of the Republic of South Africa as its sole shareholder. It supplies approximately 95% of South Africa's electricity and more than 40% of Africa's electricity. It has stand alone credit quality rating of b3 (b1) and b- (b) by Moody and Standard and Poor respectively, although both agencies have downgraded Eskom Holdings SOC Ltd by a notch it has limited if not minimal credit risk.

**TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED**  
 (Registration number 2009/012351/07)

**Annual Financial Statements for the Year Ended 31 March 2015**  
**Notes to the Annual Financial Statements**

Figures in Rand

	Notes	2015	2014
<b>Revenue</b>			
Rendering of services		26,599,364	137,271,104
<b>Cost of sales</b>			
Cost of services		(17,553,397)	(63,362,992)
Accommodation for migrant employees		(4,902,100)	(15,810,614)
Travel		(2,512,555)	(6,506,426)
Visa application		(166,000)	(371,600)
	11	<b>(25,134,052)</b>	<b>(86,051,632)</b>
<b>Gross profit</b>		<b>1,465,312</b>	<b>51,219,472</b>
<b>Operating expenses</b>			
Accounting fees	12	139,903	160,745
Annual duty		3,000	3,000
Auditor's remuneration		79,800	70,900
Bad debts		1,276,050	-
Bank charges		16,208	18,750
Fines and penalties	13	310,025	(658,570)
Lease rentals on operating lease		136,697	137,976
Telephone and fax		183,347	490,458
		<b>2,145,030</b>	<b>223,259</b>
<b>Operating (Loss) profit</b>	15	<b>(679,718)</b>	50,996,213
Finance costs	16	(1,459)	(1,892)
<b>(Loss) Profit before taxation</b>		<b>(681,177)</b>	<b>50,994,321</b>
Taxation	17	-	13,946,427
<b>(Loss) Profit for the year</b>		<b>(681,177)</b>	<b>37,047,894</b>



**TQ SERVICES EUROPE GmbH  
General Information**

<b>Country of incorporation and domicile</b>	Germany
<b>Nature of business and principal activities</b>	Inspection & Expediting services, Field Quality services, Certification services, Technical training courses and Supplier Assessment, in Europe.
<b>Managing Director</b>	Krishan K.Gupta
<b>Prokurist</b>	Mainak Dutta
<b>Registered office</b>	Fritz-Vomfelde Strasse 34 40547 Dusseldorf, Germany
<b>Legal Advisors</b>	Poppek Law Firm, Dusseldorf, Germany
<b>Share capital Details</b>	EUR 125,000 (Euro One Hundred and Twenty Five Thousand Only)
<b>Banker</b>	Deutsche Bank, Düsseldorf, Germany
<b>Tax advisory Firm</b>	BM Partner Revision GmbH, Dusseldorf, Germany
<b>Tax reference number</b>	103/5763/1696
<b>Date of registration</b>	29 <sup>th</sup> June 2012
<b>Register of Deeds No.</b>	503 for 2012
<b>Level of assurance</b>	These annual financial statements are certified by Management.

## Management Report

The Managing Director submits the following report for the year ended 31 March 2014.

### 1. Review of activities - Main business and operations

The company is incorporated on 23<sup>rd</sup> May 2012 mainly to carry on the following activities:

- Inspection and expediting Services
- Field Quality services
- Certification services
- Technical training courses
- Supplier Assessment

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in my opinion require any further comment.

The revenue from services for the year is Euro 566,498.92 and Earnings Before Tax (EBT) was Euro 138,852.61

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. Authorised and issued share capital

The subscribed share capital is Euro 125,000 consisting of 125,000 shares of Euro 1 each.

### 4. Dividends

No dividends were declared during the year

### 5. Directors

Krishna K Gupta is appointed as the Managing Director and Mr Mainak Dutta is appointed as Prokurist.

For **TQ Services Europe, GmbH**

**Krishan K Gupta**  
Managing Director

## TQ Services Europe GmbH, Düsseldorf Balance sheet as of 31 March 2015

	31 March 2015 EUR	Previous year EUR
<b>ASSETS</b>		
<b>Current assets</b>		
I. <u>Receivables and other assets</u>		
1. Trade receivables	186,817.55	29
- of which from shareholder: EUR 660,00 (kEUR 1)		
- of which from affiliated companies: EUR 119.531,39 (kEUR 6)		
2. Other assets	3,757.62	3
	190,575.17	32
II. Bank balances	107,245.24	55
<b>Total assets</b>	<b>297,820.41</b>	<b>87</b>
<b>EQUITY AND LIABILITIES</b>		
<b>A Equity</b>		
I. Subscribed capital	125,000.00	125
II. Accumulated losses brought forward	70,047.29	13
III. Net income/ net loss for the financial year	117,398.02	57
	<b>172,350.73</b>	<b>55</b>
<b>B Provisions</b>		
1. Provisions for taxes	21,250.00	0
2. Other provisions	15,732.00	20
	36,982.00	20
<b>C Liabilities</b>		
1. Trade payables	84,035.26	0
- of which up to a term of one year EUR 84.035,26 (kEUR 0)		
- of which to shareholder: EUR 25.790,00 (kEUR 0)		
2. Other liabilities	4,452.42	12
- of which to shareholder: EUR 2.757,20 (kEUR 2)		
- of which taxes: EUR 963,03 (kEUR 3)		
- of which relating to social security: EUR 732,19 (kEUR 1)		
- of which up to a term of one year: EUR 4.452,42 (kEUR 12)		
	88,487.68	12
<b>Total equity and liabilities</b>	<b>297,820.41</b>	<b>87</b>

**TQ Services Europe GmbH, Düsseldorf**  
**Profit and loss account for the year ended March 31, 2015**

	<b>2014 / 2015 EUR</b>	<b>Previous year EUR</b>
1. Sales	5,66,498.92	96
2. Other operating income	5,500.00	0
<b>3. Gross profit</b>	<b>5,71,998.92</b>	<b>96</b>
4. Cost of purchased services	3,13,244.01	5
5. Personnel expenses		
a) Salaries	69,310.10	73
b) Social security	13,865.41	13
	83,175.51	86
6. Other operating expenses	36,726.79	57
<b>7. Result from ordinary activities</b>	<b>1,38,852.61</b>	<b>-52</b>
8. Taxes on income	21,474.59	4
<b>9. Net profit/ loss for the financial year</b>	<b>1,17,378.02</b>	<b>56</b>



## **TQ Services Europe GmbH, Düsseldorf** **Notes forming part of the financial statements**

### **TQ Services Europe GmbH, Düsseldorf** **Notes to the Annual Financial Statements as of March 31, 2015**

Referring to the attached balance sheet as of March 31, 2015 and the profit and loss account for the year then ended I give the following explanatory comments in compliance with German legislation:

#### **1. General comments**

The Annual Financial Statements of the company were prepared according to the legal regulations for so-called "small-sized" companies according to § 267 para. 1 in connection with § 267a German Commercial Code. Thus, the company's statements are not subject to a statutory audit.

In accordance with § 264 para. 1 German Commercial Code a management report was not prepared.

A comparison of the balances to the previous year is limited because the previous year was a short fiscal year.

#### **2. Comments on the classification of the annual financial statements**

The annual financial statements are classified according to the German legal regulations. The profit and loss account is presented in vertical format using the total cost (nature of expense) method.

#### **3. Accounting and valuation methods**

The valuation was determined according to the German Commercial Code and the Limited Liability Companies Law.

Trade receivables, other assets and bank balances are stated at nominal value.

Liabilities are stated at their settlement value and provisions are stated at the amount required based on sound business judgement.

#### **4. Other comments**

Sole shareholder and parent company according to § 290 German Commercial Code is TATA Projects Limited, India.

Sole managing director in the business year 2014/2015 was and currently is Mr. Krishan Kumar Gupta, India.

Düsseldorf, April 27, 2015

**Krishan Kumar Gupta**  
Managing Director

**TQ Services Europe GmbH, Düsseldorf**  
**Balance sheet as at 31 March 2015**

	<b>Note No.</b>	<b>As at 31 March 2015 EUR</b>	<b>As at 31 March 2014 EUR</b>
<b>Shareholders funds</b>			
Subscribed share capital	1	1,25,000.00	1,25,000.00
Accumulated profit /(loss)	2	47,350.73	(70,047.29)
		<b>1,72,350.73</b>	<b>54,952.71</b>
<b>Current liabilities</b>			
Trade payable	3	86,792.46	3,233.20
Other liabilities	4	22,945.22	8,745.27
Provisions		18,732.00	19,804.00
		1,25,469.68	31,782.47
<b>Total liabilities</b>		<b>2,97,820.41</b>	<b>86,735.18</b>
<b>Current assets</b>			
Trade receivables		1,86,817.55	28,846.13
Other assets	5	3,757.62	3,407.00
Bank balance		1,07,245.24	54,482.05
<b>Total assets</b>		<b>2,97,820.41</b>	<b>86,735.18</b>

**K. K. Gupta**  
Managing Director

## TQ Services Europe GmbH, Düsseldorf

### Statement of Profit and Loss for the period ended 31 March 2015

	Note No.	For the Period ended 31 March 2015 EUR	For the Period ended 31 March 2014 EUR
<b>Revenue</b>			
Revenue from services	6	5,66,498.92	95,740.68
		<b>5,71,998.92</b>	<b>95,740.68</b>
<b>Expenses</b>			
Personnel expenses	7	83,175.51	85,596.98
Other operating expenses	8	3,49,950.80	65,775.44
		<b>4,33,126.31</b>	<b>151,372.42</b>
<b>Profit/(loss) before Tax</b>			
Tax expense		21,474.59	6,775.60
		<b>1,38,872.61</b>	<b>(55,631.74)</b>
<b>Net Profit/(loss) for the period.</b>			
		<b>1,17,398.02</b>	<b>(62,407.34)</b>

**K. K. Gupta**  
Managing Director

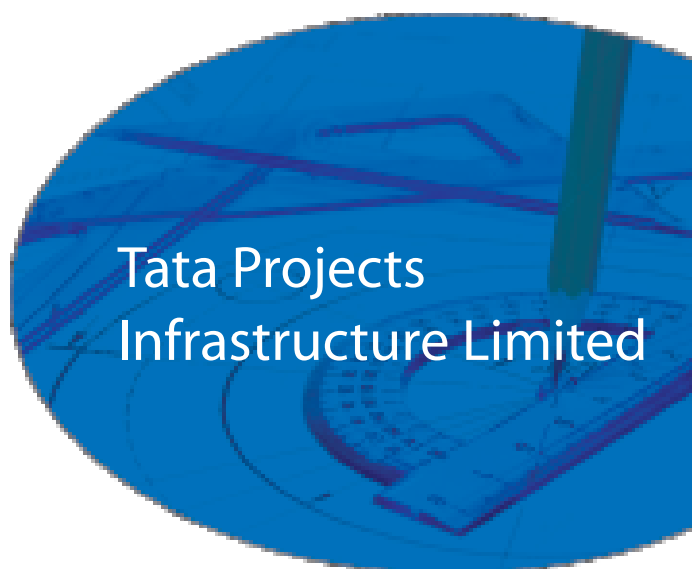
**TQ Services Europe GmbH, Düsseldorf**  
**Notes forming part of the financial statements**

	<b>As at 31 March 2015 EUR</b>	<b>As at 31 March 2014 EUR</b>
<b>Note 1 Subscribed share capital</b>		
Opening balance	1,25,000.00	25,000.00
Additions during the period		1,00,000.00
	<b>1,25,000.00</b>	<b>1,25,000.00</b>
<b>Note 2 Accumulated profit /(loss)</b>		
Opening balance	(70,047.29)	(7,639.95)
Add : Profit / Loss for the period	1,17,395.02	(62,407.34)
	<b>47,350.73</b>	<b>(70,047.29)</b>
<b>Note 3 Trade payables</b>		
Trade payables	58,245.26	476.00
Liabilities to affiliated companies	28,547.20	2,757.20
	<b>86,792.46</b>	<b>3,233.20</b>
<b>Note 4 Other liabilities.</b>		
VAT Payable	-	1,731.74
Wage and church tax payables	963.03	974.98
Social security liabilities	732.19	710.78
Payroll Liabilities	-	5,327.77
Trade Tax Payable	1,05,955.00	
Income Tax Payable	10,655.00	
	<b>22,945.22</b>	<b>8,745.27</b>
<b>Note 5 Other assets.</b>		
Imperest	1,456.85	-
Security deposits	1,607.00	3,407.00
Vat receivable	693.77	-
	<b>3,757.62</b>	<b>3,407.00</b>

## TQ Services Europe GmbH, Düsseldorf

### Notes forming part of the financial statements

Note No.	For the Period ended 31 March 2015 EUR	For the Period ended 31 March 2014 EUR
<b>Note 6 Revenue from services</b>		
Revenue from services	<b>5,66,498.92</b>	<b>95,740.68</b>
<b>Note 7 Personnel expenses</b>		
Salaries	69,310.00	72,566.93
Statutory social security expenses	13,865.41	13,030.05
	<b>83,175.51</b>	<b>85,596.98</b>
<b>Note 8 Other operating expenses</b>		
Rent	1,540.44	9,608.19
Travel expenses	16,335.67	18,316.58
Sub Contract Expenses	3,13,224.01	4,758.00
Other expenses	18,850.68	33,092.67
	<b>3,49,950.80</b>	<b>65,775.44</b>



## Tata Projects Infrastructure Limited

### REPORT OF THE BOARD OF DIRECTORS

To

#### **The Members**

Your Directors are pleased to present their Second Annual Report and the audited statements of accounts of the Company for the financial year ended 31<sup>st</sup> March 2015.

#### **Operations & dividend**

Your Company along with TPL is actively exploring the market and is confident of commencing the operations shortly.

#### **Change in the nature of business**

The basic nature of business of your Company remains the same and there is no change in the nature of business.

#### **Corporate Governance**

Your Company has always followed good Corporate Governance practices in pursuit of its objective of growth with excellence.

#### **Board of Directors**

During the financial year under review, Four (4) Board Meetings were held. Your Board Consists of Mr Vinayak K Deshpande, Mr Rajgopal Swami and Mr Manzoor ul Ameen.

Except Mr Vinayak K Deshpande, none of the Directors of the company are in receipt of commission from the Holding company and your Company doesn't have any subsidiary Company.

#### **Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo.**

Your company is aware about the Rules of conservation of energy and technology absorption as prescribed under Section 134(3)(m) of the Companies Act 2013 and read with Rule 8(3) of Companies (Accounts) Rules 2014.

There were no foreign exchange transactions during the year.

#### **Particulars of the employees**

The information required under Section 197(12) of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is not applicable

#### **Directors' responsibility statement**

Pursuant to Sections 134 (3) (c) and 134 (5) of the Companies Act 2013, the Board of Directors, based on the representations received from the operating management confirm that

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. In the selection of the accounting policies, the Directors have consulted the statutory auditors and have applied the policies consistently, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. The Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing, detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis; and
- v. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **STATUTORY AUDITORS**

The Statutory Auditors of your Company, M/s K Viswanath & Co, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The Company has received a certificate from the auditors to the effect that their re-appointment, if made, would be within the limits prescribed under provisions of the Companies Act 2013.

### **Extract of the annual return of the company**

An extract of the Annual Return as provided under Section 92 (3) of the Companies Act 2013 in form MGT-9 is as per **Annexure - 1** and forms part of this report.

### **Particulars of the loans, guarantees or investments**

There were no loans, guarantees, security or investments, pursuant to Section 186 of the Companies Act 2013.

### **Particulars of contracts or arrangements with the related parties**

There were no contracts or arrangements with related parties pursuant to Section 188 of the Companies Act 2013.

### **Material changes and commitments, if any affecting the financial position, occurred between end of the financial year and the date of the report**

There are no material changes or commitments which may affect the financial position of your Company.

### **Particulars of deposits**

During the year under review, your Company has neither accepted any deposits covered under Chapter V of the Companies Act 2013 nor accepted deposits which are not in compliance with the requirements of Chapter V.

### **Particulars of significant and material orders**

During the year under review, there were no significant and/or material orders passed by any Regulator/ Court/ Tribunals which could impact the going concern status of your Company and its operations in future

### **Acknowledgements**

The Directors wish to place on record their sincere appreciation for the continued support received during the year from Tata Projects Limited, the share holders, banks, financial institutions, and other authorities.

**On behalf of the Board of Directors**

Date: 12<sup>th</sup> May, 2015  
Place: Hyderabad

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827



**ANNEXURE - 1**

The extract of the Annual Return as required under Section 92 (3) of the Companies Act, 2013 in the form of MGT-9 as provided below

**Form MGT- 09**
**Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> March 2015**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

**I. Registration and Other Details**

i. CIN	<b>U45200TG2013PLC088608</b>
ii. Registration Date	<b>26<sup>th</sup> June 2013</b>
iii. Name of the Company	<b>Tata Projects Infrastructure Limited</b>
iv. Category / Sub-Category of the Company	<b>Indian, Non-Government Company Limited by Shares</b>
v. Address of the Registered office and contact details	<b>Room No 2, Ground Floor, Mithona Towers - 1, 1-7-80 to 87, Prenderghast Road, Secunderabad - 500003</b>
vi. Whether listed Company (Yes/No)	<b>No</b>
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Not Applicable</b>

**II. Principal Business Activities of the Company**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated

S. No.	Name and Description of main products / services	NIC Code of the Product/ service - 2008	% to total turnover of the Company

**III. Particulars of Holding, Subsidiary and Associate Companies-**

S. No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1	Tata Projects Limited	U45203AP1979PLC057431	Holding	99.99%	2(46)

#### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>	0	0	0	0.00%	0	0	0	0.00%	0
a) Individual / HUF	0	0	0	0.00%	0	0	0	0.00%	0
b) Central Government	0	0	0	0.00%	0	0	0	0.00%	0
c) State Government	0	0	0	0.00%	0	0	0	0.00%	0
d) Bodies corporate	0	49,994	49,994	99.99%	0	49,994	49,994	99.99%	0
e) Bank/ Financial Institutions	0	0	0	0.00%	0	0	0	0.00%	0
f) any other	0	0	0	0.00%	0	0	0	0.00%	0
<b>Sub-total (A) (1)</b>	0	49,994	49,994	99.99%	0	49,994	49,994	99.99%	0
<b>(2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0.00%	0	0	0	0.00%	0
b) Other – Individuals	0	0	0	0.00%	0	0	0	0.00%	0
c) Bodies corp.	0	0	0	0.00%	0	0	0	0.00%	0
d) Banks/FI	0	0	0	0.00%	0	0	0	0.00%	0
e) Any other	0	0	0	0.00%	0	0	0	0.00%	0
<b>Sub-total (A) (2)</b>	0	0	0	0.00%	0	0	0	0.00%	0
<b>Total Shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	0	49,994	49,994	99.99%	0	49,994	49,994	99.99%	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0
b) Banks / Financial Institutions	0	0	0	0.00%	0	0	0	0.00%	0
c) Central Government	0	0	0	0.00%	0	0	0	0.00%	0
d) State Government	0	0	0	0.00%	0	0	0	0.00%	0

**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0
g) FIs	0	0	0	0.00%	0	0	0	0.00%	0
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	0	0	0	0.00%	0	0	0	0.00%	NIL
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0
b) Individuals	0	0	0	0.012%	0	0	0	0.012%	0
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0.00%	0	0	0	0.00%	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0.00%	0	0	0	0.00%	0
c) Others (specify)									
i. Non Resident Individual	0	0	0	0.00%	0	0	0	0.00%	0
<b>Sub-total (B)(2)</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>0.012%</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>0.012%</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>0.012%</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>0.012%</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100%</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100%</b>	<b>NIL</b>

#### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the			year % change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Tata Projects Limited	49994	99.99%	0.00%	49994	99.99%	0.00%	0.00%

##### iii) Change in Promoters' Shareholding (please specify, if there is no change)

S.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>At the beginning of the year</b>	49994	99.99%	0	0.00%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.,)	0	0.00%	0	0.00%
2	<b>At the End of the year</b>	49994	99.99%	0	0.00%

**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**
**v) Shareholding of Directors and Key Managerial Personnel**

S.No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	3	0.00006%	0	0.00%
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.,)	0	0.00%	0	0.00%
3	At the end of the year	3	0.00006%	0	0.00%

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Amount in Lac)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
● Addition	-	-	-	-
● Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

*Nil*

### B. Remuneration to other Directors

*Nil*

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

*Nil*

## VII. Penalties / Punishment/ Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-
<b>B. Directors</b>					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-
<b>C. Other Officers in Default</b>					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-

## INDEPENDENT AUDITORS REPORT

### TO THE MEMBERS OF TATA PROJECTS INFRASTRUCTURE LIMITED Report on Standalone Financial Statements

We have audited the accompanying standalone financial statements of **TATA PROJECTS INFRASTRUCTURE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, 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 Standalone 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 standalone 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 standalone 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 misstatements.

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 controls 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 standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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/loss and its cash flows for the year ended on that date.

### Report on Other legal and Regulatory Requirements

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 standalone 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) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) 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.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company 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 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 KViswanath & Co.,**  
Chartered Accountants,  
(FRN:010661S)

**(K.Viswanath)**  
Partner  
Membership No.209762

Date : 12 May 2015  
Place: Secunderabad



## Tata Projects Infrastructure Limited Balance sheet as at March 31, 2015

	Notes	31st March 2015 ₹ Lac	31st March 2014 ₹ Lac
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital</b>	2	500,000	-
<b>Reserves and Surplus</b>		(12,218)	-
<b>Share application money pending allotment</b>		-	500,000
<b>Current Liabilities</b>			
Other Current Liabilities		11,600	-
<b>Total</b>		<b>499,382</b>	<b>500,000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	499,382	500,000
<b>Total</b>		<b>499,382</b>	<b>500,000</b>
Corporate information	1		
<b>See accompanying notes forming part of the financial statements</b>			

In terms of our report attached

For and on behalf of the Board of Directors

**For K. Viswanath & Co.**  
Chartered Accountants  
FRN:010661S

**K. Viswanath**  
Partner  
Membership No:209762

**Vinayak Deshpande**  
Chairman

**Rajgopal Swami**  
Director

Date: 12<sup>th</sup> May, 2015  
Place: Secunderabad

**Tata Projects Infrastructure Limited**  
**Statement of Profit and Loss for the year ended March 31, 2015**

Particulars	Note No.	For the year ended 31st March 2015 ₹ Lac	For the period ended 31st March 2014 ₹ Lac
<b>I Revenue from operations</b>			
Other Income		-	-
<b>Total Revenue</b>		-	-
<b>II Expenses</b>			
Other Expenses	4	12,218	-
		-	-
<b>Total Expenses for the year</b>		<b>12,218</b>	-
<b>III Total Profit / (Loss) for the Year</b>		<b>(12,218)</b>	-
<b>IV Tax Expense</b>			
Current Tax		-	-
<b>V Profit After Tax (IV-V)</b>		<b>(12,218)</b>	-
<b>VI Transferred to Balance Sheet</b>		<b>(12,218)</b>	-

In terms of our report attached

For and on behalf of the Board of Directors

**For K.Viswanath & Co.**  
Chartered Accountants  
FRN:010661S

**K.Viswanath**  
Partner  
Membership No:209762

**Vinayak Deshpande**  
Chairman

**Rajgopal Swami**  
Director

Date: 12<sup>th</sup> May, 2015  
Place: Secunderabad

**Tata Projects Infrastructure Limited**
**Cash Flow Statement for the year ended 31st March 2015**

	<b>For the year ended 31st March 2015 ₹ Lac</b>	<b>For the period ended 31st March 2014 ₹ Lac</b>
<b>A. Cash flow from operating activities</b>		
Profit before tax	(12,218.00)	-
Changes in working capital: Adjustments for increase/(decrease) in Operating Liabilities:		
- Other Current liabilities	11,600.00	-
	11,600.00	-
Cash used in operations	(618.00)	-
<b>Net cash flows used in operating activities</b>	<b>(618.00)</b>	<b>-</b>
<b>B. Cash flow from investing activities</b>		
<b>Net cash flows from investing activities</b>	-	-
<b>C. Cash flow from financing activities</b>		
Proceeds from Share Capital	-	500,000.00
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>500,000.00</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(618.00)</b>	<b>500,000.00</b>
<b>Cash and cash equivalents at the beginning of the period / year</b>	<b>500,000.00</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period / year (refer Note 2 below)</b>	<b>499,382.00</b>	<b>500,000.00</b>
<b>Note:</b>		
1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 (AS 3) on Cash Flow Statements.		
2 Cash and cash equivalents comprise:		
	<b>As at March 31, 2015 ₹ in lac</b>	<b>As at March 31, 2014 ₹ in lac</b>
(i) Cash	60.00	60.00
(ii) Balance with banks		
- in current accounts	499,322.00	499,940.00
- in EEFC accounts		-
- in deposit accounts		-
Cash and cash equivalents included in Note 20	499,382.00	500,000.00
3 Comparative figures of the previous year have been regrouped wherever necessary to compare with those of current period / year.		

In terms of our report attached

For and on behalf of the Board of Directors

**For K. Viswanath & Co.**

 Chartered Accountants  
FRN:010661S

**K. Viswanath**

 Partner  
Membership No:209762

**Vinayak Deshpande**

Chairman

**Rajgopal Swami**

Director

 Date: 12<sup>th</sup> May, 2015  
Place: Secunderabad

## Tata Projects Infrastructure Limited

### Notes forming part of the financial statements

#### 1 Corporate Information

Tata Projects Infrastructure Limited (TPIL) was established and incorporated under the Companies Act, 1956 on June 26, 2013. The main objects for which the Company is established are to carry on the business of development of infrastructure facilities in India or abroad on engineering, procurement and construction basis, on turnkey basis, on Build-own-operate-transfer basis or other similar modules or any other basis including operation and maintenance (O&M).

#### 2 Share Capital

	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Amount	Number of shares	Amount
	(audited)		(audited)	
<b>Authorised</b>				
Equity shares of 10 each with voting rights	50,000	500,000	50,000	500,000
<b>Issued, Subscribed and Paid-up</b>				
Equity shares of 10 each with voting rights	50,000	500,000	-	-
<b>Total</b>	<b>50,000</b>	<b>500,000</b>	-	-

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the period / year**

#### Equity shares with voting rights

	Period ended March 31, 2015		Period ended March 31, 2014	
	Number of shares	Amount	Number of shares	Amount
As at beginning of the period / year				
Changes during the period / year	-	-	-	-
<b>At the end of the period / year</b>	<b>50,000</b>	<b>500,000</b>	-	-
	<b>50,000</b>	<b>500,000</b>	-	-

#### Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a par value of 10 each per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Tata Projects Infrastructure Limited Notes forming part of the financial statements

### Shareholders holding more than 5% of the equity shares

	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Amount %	Number of shares	Amount %
<b>Equity shares of ₹ 10 each with voting rights</b> Tata Projects Limited	49994	99.99%	-	-

### 3 Cash and cash equivalents

	As at March 31, 2015 ₹	As at March 31, 2014 ₹
(i) Cash on hand	60	60
(ii) Balance with bank in current accounts	499,322	499,940
<b>Total</b>	<b>499,382</b>	<b>500,000</b>

### 4 Other Expenses

	For the year ended March 31, 2015 ₹	For the period ended March 31, 2014 ₹
Legal and Professional charges	6,600.00	-
Audit Fees	5,000.00	-
Bank Charges	618.00	-
	<b>12,218.00</b>	-

In terms of our report attached

**For K. Viswanath & Co.**

Chartered Accountants

FRN:010661S

For and on behalf of the Board of Directors

**K. Viswanath**

Partner

Membership No:209762

**Vinayak Deshpande**

Chairman

**Rajgopal Swami**

Director

Date: 12<sup>th</sup> May, 2015

Place: Secunderabad



### REPORT OF THE BOARD OF DIRECTORS

To

#### The Members

Your Directors are pleased to present their Twelfth Annual Report along with the audited statement of accounts of the Company for the financial year ended 31<sup>st</sup> March 2015.

#### Operations

The total revenue for the year aggregated to ₹54,08,029 (PY: ₹ 47,71,366). The operating loss for the year was ₹ 6,10,178/- (PY: ₹ 3,60,390/-) and the net Loss stood at ₹14,41,080/- (PY: ₹ 3,07,674/-)

The Company is into inspection and certification focused on the food sector, which has large potential in India. Recent initiatives by Food Safety and Standards Authority of India (FSSAI) will have significant positive impact in your Company, and your company holds several approvals and accreditations valid across India and expects positive results in near future.

#### Dividend

Keeping in view the financial requirement of the company, the Board of Directors have not recommended for the financial year 2014-15

#### Change in the nature of business

The basic nature of business of your Company remains the same and there is no change in the nature of business.

#### Corporate Governance

Your Company has always followed good Corporate Governance practices in pursuit of its objective of growth with excellence. The Board comprises of Two Directors viz., Mr Krishan Kumar Gupta and Mr Tenny Koshy Cherian.

#### Conservation of energy, technology absorption, foreign exchange earnings and outgo.

The activities of your company are not based on intense energy consumption, However it initiates necessary steps for conservation of energy and technology absorption as and where possible. The company is aware of the provisions prescribed under Section 134(3)(m) of the Companies Act 2013 and read with Rule 8(3) of Companies (Accounts) Rules 2014. There were no foreign exchange transactions during the year

#### Particulars of the employees

None of the employees of the company are covered under the limits provided in the provisions of Section 197(12) of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 as such the relevant disclosure requirement are not applicable.

#### Directors' responsibility statement

Pursuant to Sections 134 (3) (c) and 134 (5) of the Companies Act 2013, for the year ended 31<sup>st</sup> March 2015, the Board of Directors based on the representations received from the operating management and to the best of their knowledge and ability, confirm that

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. In the selection of the accounting policies, the Directors have consulted the statutory auditors and have applied the policies consistently, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

## Food Cert India Private Limited

- iii. The Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing, detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis; and
- v. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Directors

During the period under review Mr. Krishan Kumar Gupta and Tenny Koshy Cherian were appointed as the directors of the Company with effect from 24<sup>th</sup> February 2015. Further Mr. Kotte Madhusudan Rao, Mr. Srihari Kotela and Mr. Narasimha Murthy Venkata Lakshmi Kasisomayajula ceased to be the directors of the company with effect from 27<sup>th</sup> February 2015.

Further, pursuant to Section 160 of the Companies Act 2013, the Company had received notice in writing from the members proposing the candidature of Mr. Krishan Kumar Gupta and Tenny Koshy Cherian for the office of Director of the Company. Accordingly, proposal for their appointment as Directors is being placed before the shareholders for approval at the ensuing Annual General Meeting.

None of the Directors of your Company are in receipt of commission from the Holding company and your Company doesn't have any subsidiary Company.

### Statutory Auditors

L S Reddy & Associates has tendered their resignation, expressing their inability to continue as Statutory Auditors due to their preoccupations. Further to their resignation, the Board has appointed M/s K Viswanath & Co, Chartered Accountants as the statutory auditor of the Company, subject to the approval of the Shareholders at the ensuing Annual General Meeting. The Company has received a certificate from the auditors to the effect that their appointment, if made, would be within the limits prescribed under provisions of the Companies Act 2013.

### Extract of the Annual Return of the Company

An extract of the Annual Return as provided under Section 92 (3) of the Companies Act 2013 in form MGT-9 is as per **Annexure - 1** and forms part of this report.

### Particulars of the Loans, Guarantees or Investments

The company has neither provided any loans, guarantees or securities nor made any investments which attracts the provisions of Section 186 of the Companies Act 2013. As such the disclosures requirements are not applicable.

### Particulars of contracts or arrangements with the related parties

There were no contracts or arrangements with related parties which attracts the provisions of Section 188 of the Companies Act 2013 and the corresponding rules made thereunder. Hence the disclosure requirement are not applicable.

### Material changes and commitments, if any affecting the financial position, occurred between end of the Financial Year and the date of the report

There are no material changes or commitments which affect the financial position of your Company during the period under review.

### Particulars of Deposits

During the year under review, your Company has neither accepted any deposits covered under Chapter V of the Companies Act 2013 nor accepted deposits which are not in compliance with the requirements of Chapter V.



### Particulars of significant and material orders

During the year under review, there were no significant and/or material orders passed by any Regulator/ Court/ Tribunals which could impact the going concern status of your Company and its operations in future.

### Acknowledgements

The Directors wish to place on record their sincere appreciation for the continued support received during the year from shareholders, customers, suppliers and vendors, banks, financial institutions and other authorities. The Board wishes to place on record its keen appreciation to all employees of the Company

Date : 11<sup>th</sup> May 2015  
Place : Hyderabad

**On behalf of the Board of Directors**

**Krishan Kumar Gupta**  
Director  
DIN: 07099826

**Food Cert India Private Limited**
**ANNEXURE - 1**

The extract of the Annual Return as required under Section 92 (3) of the Companies Act, 2013 in the form of MGT-9 as provided below

**Form MGT- 09**
**Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> March 2015**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

**I. Registration and Other Details**

i. CIN	<b>U74220TG2003PTC040523</b>
ii. Registration Date	<b>18<sup>th</sup> February 2003</b>
iii. Name of the Company	<b>FoodCert India Private Limited</b>
iv. Category / Sub-Category of the Company	<b>Indian, Non-Government Company Limited by Shares</b>
v. Address of the Registered office and contact details	<b>Room No 3, Fourth Floor, Mithona Towers – 1, 1-7-80 to 87, Prenderghast Road, Secunderabad – 500003</b>
vi. Whether listed Company (Yes/No)	<b>No</b>
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Not Applicable</b>

**II. Principal Business Activities of the Company**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated

<b>S. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/ service - 2008</b>	<b>% to total turnover of the Company</b>
1	NA	NA	NA

**III. Particulars of Holding, Subsidiary and Associate Companies-**

<b>S.No</b>	<b>Name and Address of The Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares Held</b>	<b>Applicable section</b>
1	Tata Projects Limited	U45203AP1979PLC057431	Holding	99.99%	2(46)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>	0	0	0	0.00%	0	0	0	0.00%	0
a) Individual / HUF	0	1138600	1138600	100%	0	0	0	0.00%	100%
b) Central Government	0	0	0	0.00%	0	0	0	0.00%	0
c) State Government	0	0	0	0.00%	0	0	0	0.00%	0
d) Bodies corporate	0	0	0	0.00%	0	0	0	0.00%	0
e) Bank/ Financial Institutions	0	0	0	0.00%	0	0	0	0.00%	0
f) any other	0	0	0	0.00%	0	0	0	0.00%	0
<b>Sub-total (A) (1)</b>	<b>0</b>	<b>1138600</b>	<b>1138600</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>100%</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0.00%	0	0	0	0.00%	0
b) Other - Individuals	0	0	0	0.00%	0	0	0	0.00%	0
c) Bodies corp.	0	0	0	0.00%	0	0	0	0.00%	0
d) Banks/FI	0	0	0	0.00%	0	0	0	0.00%	0
e) Any other	0	0	0	0.00%	0	0	0	0.00%	0
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>Total Shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	<b>0</b>	<b>1138600</b>	<b>1138600</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>100%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0
b) Banks / Financial Institutions	0	0	0	0.00%	0	0	0	0.00%	0
c) Central Government	0	0	0	0.00%	0	0	0	0.00%	0
d) State Government	0	0	0	0.00%	0	0	0	0.00%	0
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0

## Food Cert India Private Limited

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding (Contd...)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0
g) FIs	0	0	0	0.00%	0	0	0	0.00%	0
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	0	0	0	<b>0.00%</b>	0	1138590	1138590	<b>99.99%</b>	99.99%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0
b) Individuals	0	0	0	0.00%	0	10	10	0.01%	0.01%
i) Individual shareholders holding nominal share capital up to Rs. 1 lac	0	0	0	0.00%	0	0	0	0.00%	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1lac	0	0	0	0.00%	0	0	0	0.00%	0
c) Others (specify)									
i. Non Resident Individual	0	0	0	0.00%	0	0	0	0.00%	0
<b>Sub-total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>1138600</b>	<b>1138600</b>	<b>100%</b>	<b>100%</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>1138600</b>	<b>1138600</b>	<b>100%</b>	<b>100%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>1138600</b>	<b>1138600</b>	<b>100%</b>	<b>0</b>	<b>1138600</b>	<b>1138600</b>	<b>100%</b>	<b>100%</b>

**Food Cert India Private Limited**
**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**
**ii) Shareholding of Promoters**

S.I No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the			year % change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Kotela Srihari	467100	41.02	0	0	0.00%	0.00%	0.00%
2	Kotela Venkat Lakshmi	619000	54.37	0	0	0.00%	0.00%	0.00%
3	Kotela Srikala	16500	1.45	0	0	0.00%	0.00%	0.00%
4	K Madhusudan Rao	17000	1.49	0	0	0.00%	0.00%	0.00%
5	K VenkataSubbamma	15000	1.32	0	0	0.00%	0.00%	0.00%
6	KVSLN Murthy	4000	0.35	0	0	0.00%	0.00%	0.00%

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase / Decrease in Shareholding during the Year specifying reasons for increase/ decrease			At the end of the year (or the date)	
No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	Date	No. of Shares	Increase/ (Decrease)	No. of Shares	% of total Shares of the Company
1138600	100%	0	0	26.02.2015	1138600	Decrease	0	0

## Food Cert India Private Limited

### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity) iv) Shareholding Pattern of top ten Shareholders\* (other than Directors, Promoters and Holders of GDRs and ADRs)

S.I No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase / Decrease in Shareholding during the Year specifying reasons for increase/ decrease			At the end of the year (or the date)	
		No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company	Date	No. of shares	Increase/ (Decrease)	No. of shares	% of Total shares of the Company
1	Tata Projects Limited	NIL	NIL	NIL	NIL	26.02.2015	1138590	Increase	1138590	99.99
2	Vinayak K Deshpande	NIL	NIL	NIL	NIL	26.02.2015	10	Increase	10	0.01

**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**
**v) Shareholding of Directors and Key Managerial Personnel**

S.No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	0	0.00%	0	0.00%
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.,)	0	0.00%	0	0.00%
3	At the end of the year	0	0.00%	0	0.00%

**V. Indebtedness**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**
**VI. Remuneration of Directors and Key Managerial Personnel**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**
*Nil*
**B. Remuneration to other Directors**
*Nil*
**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**
*Nil*
**VII. Penalties / Punishment/ Compounding of Offences**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-
<b>B. Directors</b>					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-
<b>C. Other Officers in Default</b>					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-

## Food Cert India Private Limited

### INDEPENDENT AUDITORS REPORT

#### TO THE MEMBERS OF FOODCERT INDIA PRIVATE LIMITED

#### Report on Standalone Financial Statements

We have audited the accompanying financial statements of **FOODCERT INDIA PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit & 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 Standalone 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 standalone 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 standalone 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, 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 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 standalone financial statements.

## **Opinion**

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

## **Emphasis of Matters**

We draw attention to *the* following matters in the Notes to the financial statements:

- a) Financial statements indicate that the Company has accumulated losses and its net worth has been substantially eroded, the Company has incurred a net cash loss during the current and previous year. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said *Note*.

Our opinion is not modified in respect of these matters.

## **Report on Other Legal and Regulatory Requirement.**

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.

## **for L S Reddy & Associates**

Chartered Accountants.  
Regn.No.0128485

## **(L S Reddy)**

Proprietor  
M.No:218221

Date: 12<sup>th</sup> May, 2015  
Place: Secunderabad

**Food Cert India Private Limited**  
**Balance sheet as at March 31, 2015**

		<b>Figures as at the 31st March, 2015 ₹ Lac</b>	Figures as at the 31st March, 2014 ₹ Lac
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
Share Capital	1	11,386,000	11,386,000
Reserves and Surplus	3	(10,295,040)	(7,024,491)
<b>(2) Share Application money pending allotment</b>			
	2	-	-
<b>(3) Current Liabilities</b>			
Other Current Liabilities	4	65,986	89,825
Short-Term Provisions	5	155,000	926,763
<b>Total Equity &amp; Liabilities</b>		<b>1,311,946</b>	<b>5,378,097</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
Tangible assets	6	56,917	790,094
Deferred tax assets (net)	7	-	1,219,060
Long term loans and advances	8	-	213,107
<b>(2) Current Assets</b>			
Trade receivables	9	-	804,954
Cash and cash equivalents	10	901,184	784,214
Short-term loans and advances	11	304,443	712,439
Other current assets	12	49,402	854,229
<b>Total Assets</b>		<b>1,311,946</b>	<b>5,378,097</b>
<b>NOTES TO ACCOUNTS</b>	<b>18</b>		
Schedules referred to above and notes attached there to form an integral part of Balance Sheet			

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

For and on behalf of the Board

**FOR L.S.Reddy & Associates**

**M/s FoodCert India Private Ltd**

Chartered Accountants  
 Regn.No.012848 S

**(L.S.Reddy)**

Proprietor  
 M.No:218221

Director

Date: 12<sup>th</sup> May, 2015  
 Place: Secunderabad

Director

**FoodCert India Private Limited**
**Profit and Loss statement for the period ended 31st March, 2015**

Particulars	Note No.	Current year as at 31-03-2015 ₹ Lac	Previous year as at 31-03-2014 ₹ Lac
<b>Revenue from operations</b>	13	5,408,029	4,771,366
Total Revenue		<b>5,408,029</b>	<b>4,771,366</b>
<b>Expenses:</b>			
Accreditation Expenses	14	1,869,911	1,862,361
Employee benefit expense	15	1,602,323	1,156,248
Financial costs	16	114,666	19,208
Depreciation and amortization expenses	6	122,747	350,322
Other expenses	17	2,308,558	1,743,617
Total Expenses		<b>6,018,205</b>	<b>5,131,756</b>
Profit before tax		<b>(610,176)</b>	<b>(360,390)</b>
Add / Less: Prior Period Items -Income		429,005	-
Add / Less: Extra-ordinary Items			
Fees for Increasing Authorised Share Capital		243,244	-
Professional Tax		85,200	-
Bad debts Written Off		931,445	-
Profit After Prior Period Items		<b>(1,441,060)</b>	<b>(360,390)</b>
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	(52,716)
Profit/(Loss) for the period		<b>(1,441,060)</b>	<b>(307,674)</b>
Earning per equity share:			
(1) Basic		(1)	(0)
(2) Diluted		(1)	(0)
<b>NOTES TO ACCOUNTS</b>	18		
<b><i>Schedules referred to above and notes attached there to form an integral part of Balance Sheet</i></b>			

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

**FOR L.S.Reddy & Associates**  
Chartered Accountants  
Regn.No.012848 S

**(L.S.Reddy)**  
Proprietor  
M.No:218221

Date: 12<sup>th</sup> May, 2015  
Place: Secunderabad

For and on behalf of the Board

**M/s FoodCert India Private Ltd**

Director

Director

**FoodCert India Private Limited**  
**Cash Flow Statement for the year ended 31st March, 2015**

	<b>For the year ended 31st March 2015 ₹ Lac</b>	<b>For the period ended 31st March 2014 ₹ Lac</b>
<b>A. Cash flow from operating activities</b>		
Profit before tax	(1,441,060)	(360,390)
Adjustments for:		
Depreciation and amortisation expense	122,747	350,322
Interest expenses	114,666	19,208
Profit on sale of Fixed assets (net)	(733,176)	(855,196)
	<u>(495,763)</u>	<u>(485,666)</u>
Operating profit before working capital changes	(1,936,823)	(846,056)
<u>Changes in working capital:</u>		
Adjustments for (increase)/decrease in Operating Assets:		
- Trade receivables	804,954	381,589
- Loans and advances	621,103	(226,846)
- Other assets	804,827	252,453
Adjustments for increase/(decrease) in Operating Liabilities:		
- Trade payables, Other liabilities and Provisions	(795,602)	563,000
	<u>1,435,282</u>	<u>970,196</u>
Cash (used in) / generated from operations	(501,541)	124,140
Net income tax paid	-	-
<b>Net cash flows (used in) / from operating activities</b>	<b>(501,541)</b>	<b>124,140</b>
<b>B. Cash flow from investing activities</b>		
Sale of assets	733,176	1,418,747
Refund of Share application money received	-	(1,290,589)
<b>Net cash flows (used in) / from investing activities</b>	<b>733,176</b>	<b>128,158</b>
<b>C. Cash flow from financing activities</b>		
Finance cost	(114,666)	(19,208)
<b>Net cash flows used in financing activities</b>	<b>(114,666)</b>	<b>(19,208)</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>116,970</b>	<b>233,090</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>784,214</b>	<b>551,124</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>901,184</b>	<b>784,214</b>

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

**FOR L.S.Reddy & Associates**

Chartered Accountants  
 Regn.No.012848 S

**(L.S.Reddy)**

Proprietor  
 M.No:218221

Date: 12<sup>th</sup> May, 2015  
 Place: Secunderabad

For and on behalf of the Board

**M/s FoodCert India Private Ltd**

Director

Director

## FoodCert India Private Limited

### Notes forming part of the financial statements

#### 1 A) SHARE CAPITAL

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares having a par value of ₹10/- each as follows:

(Amount in ₹)

	Current year As at 31-03-2015	Previous year As at 31-03-2014
<b>(a) Authorised</b>		
13,50,000 equity shares of ₹10/- each (March 31, 2014 : 13,50,000 equity shares of ₹10/- each)	13,500,000	13,500,000
	<b>13,500,000</b>	<b>13,500,000</b>
<b>(b) Issued, Subscribed and Fully Paid up</b>		
11,38,600 equity shares of ₹10/- each (March 31, 2014 : 11,38,600 equity shares of ₹10/- each)	11,386,000	11,386,000
	<b>11,386,000</b>	<b>11,386,000</b>
<b>B) Reconciliation of number of shares</b>		
<b>Equity Shares</b>		
Opening Balance - Number of Shares	1,138,600	200,000
- Value	11,386,000	2,000,000
Closing Balance - Number of Shares	<b>1,138,600</b>	<b>1,138,600</b>
- Value	<b>11,386,000</b>	<b>11,386,000</b>

#### C) Rights, preferences and restrictions attached to shares

##### Equity Shares

The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors (if any) is subject to the approval of shareholders in the ensuring Annual General Meeting. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

#### D) Details of shares held by share holders holding more than 5% of the aggregate shares in the company

##### Equity Shares

Tata Projects Ltd	1,138,590	-
	100%	-
M/s. Americal Quality Accessors India P. Ltd.	-	480,000
	-	42%
Srihari Kotela	-	467,100
	-	41%
Venkata Lakshmi Kotela	-	119,000
	-	10%

#### E) Shares allotted as fully paid up by way of bonus shares (during five years preceding March 31, 2014)

No Equity shares are allotted as fully paid up bonus shares by utilization of the amounts available for issue of bonus shares.

## FoodCert India Private Limited

### Notes forming part of the financial statements

#### 2 Share Application Money Pending for Allotment

(Amount in ₹)

	Current Year	Previous year
	-	-
	-	-
<b>3 Reserves and Surplus</b>		
Surplus in Statement of Profit & Loss Opening Balance	(7,024,491)	(6,716,817)
Less : Adjustment On Account of Depreciation	(610,430)	
Less : Adjustment Of Deferred Tax	(1,219,060)	
Add: Profit for the year	(1,441,060)	(307,674)
Closing Balance	(10,295,040)	(7,024,491)
<b>4 Other Current Liabilities</b>		
Creditors for Expenses	-	89,825
Advance from Customers	-	65,986
	<b>65,986</b>	<b>89,825</b>
<b>5 Short-Term Provisions</b>		
Professional Charges	-	37,925
Salaries payable	155,000	111,935
TDS Payable	-	274,820
Audit Fee Payable	-	60,000
Service Tax Payable	-	442,083
	<b>155,000</b>	<b>926,763</b>
<b>6 TANGIBLE ASSETS</b>		
Fixed Assets	56,917	790,094
	<b>56,917</b>	<b>790,094</b>
<b>7 Deferred tax assets (net)</b>		
Opening balance	1,219,060	1,166,344
Add/Less: Adjustment	(1,219,060)	52,716
Closing Balance	<b>(0)</b>	<b>1,219,060</b>
<b>8 LONG TERM LOANS &amp; ADVANCES</b>		
Capital Advances		
Deposits	-	213,107
	-	<b>213,107</b>
<b>9 CURRENT ASSETS</b>		
<b>Trade Receivables</b>		
Secured, considered good		
(Less than Six Months)	-	804,954
(More than Six Months)	-	-
	-	<b>804,954</b>
<b>10 CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
i. Cash on Hand	34,207	174,945
ii. Balances with Banks in Current Accounts	866,977	609,269
	<b>901,184</b>	<b>784,214</b>

**FoodCert India Private Limited**  
**Notes forming part of the financial statements**
**11 Short Term Loans and Advances**

		<b>Current Year</b>	Previous year
Secured, Considered Good			
Staff Advances		2,000	164,033
Others Receipts			548,406
<b>Mr K Srihari A/c</b>			
Assets taken over			
Receivables	1,496,134		
TDS from Clients	763,140		
Deposits		38,107	
Other current Assets	5,684		
(A)	<u>2,303,065</u>		
Creditors taken over (B)	1,197,738		
Net balance as on 28.02.2015 (A-B)	1,105,327		
Less : Receipts during March 2015	937,242		
Add : Payments during March 2015	134,357	302,443	-
		<b>304,443</b>	<b>712,439</b>

**12 Other Current Assets**
**TDS :**

FY 2010-11	-	208,680
FY 2011-12	-	6,270
FY 2012-13	-	339,011
FY 2013-14	-	300,268
FY 2014-15	49,402	-
	<b>49,402</b>	<b>854,229</b>

**13 Revenue from Operations**

	<b>As at 31.03.2015</b>	As at 31.03.2014
Sale of Services	4,353,124	2,918,462
Other Income :		
Agri Extensions Services in A.P	278,000	843,019
Other professional charges	20,000	154,689
Profit on Sale of Fixed Assets	733,176	855,196
Interest received on IT	23,729	-
	<b>5,408,029</b>	<b>4,771,366</b>

**14 Accreditation Expenses**

	1,869,911	1,862,361
	<b>1,869,911</b>	<b>1,862,361</b>

**15 Employee benefit expense**

Salaries & wages	1,542,207	1,076,797
Staff Welfare Expense	60,116	79,451
	<b>1,602,323</b>	<b>1,156,248</b>

**FoodCert India Private Limited**  
**Notes forming part of the financial statements**

	<b>As at 31.03.2015</b>	As at 31.03.2014
<b>16 Financial costs</b>		
Interest Expense	114,666	350,322
	<b>114,666</b>	<b>350,322</b>
<b>6 Depreciation and amortization expense</b>		
a) Depreciation on fixed assets	122,747	350,322
	<b>122,747</b>	<b>350,322</b>
<b>17 Other expenses</b>		
Advertisement Expenses	-	29,545
Professional, Inspection & Consultancy Expenses	975,000	641,500
Membership & Subscriptions	15,700	28,357
Postage & Courier	19,679	32,512
Business Development Expenses	25,000	80,000
Computer Maintenance	5,300	5,500
Conveyance Expenses	87,615	8,150
Travelling & Hotel Expenses - Domestic	451,481	228,648
Travelling & Hotel Expenses - Foreign	179,230	46,335
Telephone Expenses	60,120	79,032
Audit fee	30,000	30,000
Rent	132,000	152,400
Roc Filing Charges	33,000	7,000
Repairs to buildings	41,101	36,135
Printing & Stationery	2,520	65,893
Vehicle Maintenance Expenses	-	63,195
Insurance	36,835	86,185
Legal Expenses	5,000	5,000
Service Tax Paid	61,375	860
Rates and taxes	200	40
Office Expenses	4,163	13,189
Other Expenses	32,909	26,503
Advisory Board Meeting sitting Fees	20,000	20,000
Lab Testing Charges	90,330	57,638
	<b>2,308,558</b>	<b>1,743,618</b>



**Depreciation as per Companies Act, 2013 for F.Y 2014 - 2015**

₹ in lac

DESCRIPTION	RATE OF DEPRECIATION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS ON 1.4.2014	ADDITIONS / DELETIONS	AS ON 31.03.2015	UPTO 1.4.2014	FOR THE YEAR #	DELETIONS FOR THE YEAR	Upto 31.03.2015	AS ON 31.03.2015	AS ON 31.03.2014
FURNITURE & FIXTURES	25.89%	848,010	(848,010)	-	665,321	182,689	848,010	-	-	182,689
COMPUTERS & PRINTERS	63.16%	1,432,552		1,432,552	1,375,635			1,375,635	56,917	56,917
OFFICE EQUIPMENT	45.07%	852,807	(852,807)	-	551,187	301,620	852,807	-	-	301,620
AIR CONDITIONERS	45.07%	754,100	(754,100)	-	511,442	242,658	754,100	-	-	242,658
VEHICLE(CARS)	31.23%	-		-	-	-				-
VEHICLES (TWO WHEELERS)	25.89%	40,806	(40,806)	-	34,596	6,210	40,806	-	-	6,210
<b>TOTAL</b>		<b>3,928,275</b>	<b>(2,495,723)</b>	<b>1,432,552</b>	<b>3,138,181</b>	<b>733,177</b>	<b>2,495,723</b>	<b>1,375,635</b>	<b>56,917</b>	<b>790,094</b>

# Includes Rs.610430 depreciation which has been adjusted to opening retained earnings a/c

## FoodCert India Private Limited

### SCHEDULE – 18

#### NOTES TO ACCOUNTS:

##### 1. Nature of Business:

The activities of the company involved Certification services for the activities with in the food chain for various International Standards such as HACCP, GLOBALGAP, BHC & BRC, ISO22000, IFS, TESCOS Nature Choice etc.,

##### 2. Accounting Policies:

###### a) Basis of preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and the provisions of Companies Act, 2013 and applicable Accounting Standards prescribed under Companies (Accounting Standards) Rules, 2006 as adopted consistently by the company.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the company.

###### b) Fixed Assets:

Fixed Assets are valued at cost less depreciation.

###### c) Depreciation:

Depreciation on Fixed Assets is provided on written down value method at the rates prescribed in Schedule XIV to the Companies Act. 2013

###### d) Revenue Recognition:

Service Charges are recognized as income as and when the services are performed.

###### e) Accounting for taxes on Income:

Current Tax: Provision for Current Income Tax is made on the basis of the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax: Deferred Income Tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the Balance Sheet date.

###### f) Impairment of Assets:

The Management assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of the asset is lower than the carrying amount.

###### g) Provisions and Contingent Liabilities and Contingent Assets:

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimate can be made of the amount of obligations and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but if material, are disclosed in the notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

###### h) Foreign Exchange Transactions:

- 1) At foreign currency transactions were initially recognized at the rate on the date of transaction.
- 2) Exchange differences arising on the settlement of monetary items are recognized as income/expense.
- 3) Monetary items as on the date of balance sheet are stated at the closing date.

## FoodCert India Private Limited

### 3. Leases:

The company's significant leasing arrangements are in respect of operating leases for premises like operational units, offices, etc. These leases which are not non-cancellable are generally for more than 11 months, or for longer periods and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent to profit and loss account.

4. The figures have been rounded off to the nearest rupee.
5. Disclosure of additional information pursuant paragraph 4C to part II of Schedule VI to the Companies Act, 1956 is not applicable.
6. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.

No such supplies/services were received from the organizations falling under Small & Medium Enterprises Development Act, 2006.

7. Balances under sundry debtors, sundry creditors, deposits & advances payable/receivables are subject to confirmation and reconciliation.

### 8. Remuneration to Auditors:

As Statutory Auditors  
For Tax Audit

#### Total

2014-15	2013-14
30000	30000
-	-
<b>30000</b>	<b>30000</b>
<b>NIL</b>	<b>NIL</b>

### 9. Contingent liabilities:

### 10. Deferred Tax:

In conformity with the Accounting Standard 22 on Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, during the year the company has provided for the Net Deferred Tax Asset / Liability in the books of account.

The deferred tax asset arisen on account of unabsorbed losses have been recognized and carried forward only to the extent where there is reasonable certainty that sufficient taxable income will be available against which such deferred tax assets can be justified. The deferred tax asset / liability on account of the time difference in allow ability of depreciation on fixed assets are also recognized in the books of account.

Deferred tax Asset  
Deferred tax Liability  
Net Deferred Tax Asset  
Effect on Profit & Loss Account

2014-15	2013-14
-	1219060
-	-
-	1219060
-	52716

11. The management has reassessed the useful life of fixed assets during the period, consequent to the notification of the relevant provisions of companies' act 2013. Accordingly, useful life of the some of the assets required a change from the previous estimates. In line with the transitional provisions as per Part C of Schedule II of the Act, where the remaining useful life of assets is Nil, the company adjusted an amount of ₹6.10 Lac in the opening balance of retained earnings at April, 1st 2014, at the company continued with the previously assessed useful life, charge for the depreciation for the period ended 2015 would have been lowered by for the assets held at April, 1st 2014.

## FoodCert India Private Limited

12. As per the clause 10 of the Memorandum of Agreement entered into by (a) FoodCert India Pvt Ltd., (b) K. Srihari and (c) Tata Projects Ltd., on 2<sup>nd</sup> January 2015, Mr Srihari (mentioned as second party in the said agreement), undertook that all liabilities for the business activities including the statutory payments before the MoA date, i.e., 28<sup>th</sup> February, 2015, as per the Board Minutes dated 2<sup>nd</sup> March 2015, shall be paid by Mr K Srihari more specifically are professional tax for existing FoodCert India Pvt Ltd directors, Service Tax and settlement of dispute with a travel agent regarding ticket cancellations and Mr K Srihari shall be entitled for receivables and refunds, if any as on the date of the balance sheet. As on March 31, 2015, Cash and Cash equivalents includes ₹ 8,02,884 which is payable to Mr K Srihari.
13. Previous year figures were regrouped and rearranged wherever necessary to confirm with current years classification.

As per our report of even date

**For L.S. REDDY & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Registration No.:0128485

**For and on behalf of the Board**

**(L.S. REDDY)**  
Proprietor  
Membership No.:218221

Director

Director

Date: 12<sup>th</sup> May, 2015  
Place: Secunderabad

**Gist of the Financial Performance for the year 2014-15 of the Subsidiary Companies**

₹ in lac											
S. No.	Name of the Subsidiary	Capital	Reserves and Surplus	Total Assets @	Total Liabilities #	Investments	Turnover ##	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend
1	Artson Engineering Limited	369.20	(6,956.42)	6,428.31	13,015.53	-	6,509.20	(199.50)	-	(199.50)	-
2	TPL - TQA Quality Services (Mauritius) Pty. Limited	16.07	137.33	244.97	91.57	-	428.85	89.34	2.69	86.65	-
3	TPL - TQA Quality Services South Africa Pty. Limited	12.83	718.36	1,232.86	501.68	-	1,468.28	(37.60)	-	(37.60)	-
4	TQ Services Europe GmbH	83.71	31.71	199.45	84.03	-	442.67	107.47	16.62	90.85	-
5	Tata Projects Infrastructure Limited	5.00	(0.12)	5.00	0.12	-	-	-	-	-	-
6	Food Cert India Private Limited	113.86	(102.95)	13.12	2.21	-	-	(1.55)	-	(1.55)	-

@ Total Assets = Non Current Assets + Current Assets + Miscellaneous Expenditure

# Total Liabilities = Non Current Liabilities + Current Liabilities + Deferred Tax Liabilities

## Turnover includes Other Income

Exchange rate as on 31.03.2015 - ₹ 66.97 / EUR

Exchange rate as on 31.03.2015 - ₹ 5.13 / ZAR

Gist prepared as per individual Subsidiary Companies Final Accounts. For Consolidated results, please refer to Consolidated Financial Statements and Notes appearing thereon.



# **TATA** PROJECTS LIMITED

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