TATA PROJECTS LIMITED

Contents

BOARD OF DIRECTORS

Chairman	Mr F K Kavarana
Directors	Mr H H Malgham
	Mr A J Engineer
	Mr Prasad R Menon
	Mr P N Dhume
	Mr Banmali Agrawala (upto 30th November 2011)
	Mr K P Singh
	Mr S Ramakrishnan (w.e.f. 27th January 2012)
Managing Director	Mr Vinayak K Deshpande (w.e.f. 1st July 2011)
Executive Director & Chief Operating Officer	Mr A K Misra (upto 30th September 2011)
Executive Director	Mr A K Mathur (upto 30th September 2011)
Company Secretary	Dr A Raja Mogili

Offices in India

Registered Office
Mithona Towers-1
1-7-80 to 87
Prenderghast Road
SECUNDERABAD-500 003

SBU-Quality Services
2nd Floor
Varun Towers-1
Begumpet
HYDERABAD-500 016

Mumbai
Building No.1, 2nd Floor
Rang Udyan
Sitla Devi Temple Road
Mahim (West)
MUMBAI-400 016

Kolkata
"Amarjyoti"
Ground to 3rd Floors
10 Belvedere Road
KOLKATA-700 027

New Delhi
4th and 6th Floors
Prem Sadan
11, Rajendra Place
NEW DELHI – 110 008

Overseas Offices

UAE
Flat No.209, 2nd Floor
Al Yamama Tower
P.O.Box No.47662
Zayed II Street (Electra Street)
Nr.El Dorado Cinema, Abu Dhabi, UAE

SOUTH KOREA
Room-1132
Doosan We've Pavilion Building
58, Susong-dong
Jongno-gu, Seoul
KOREA-110-858

CHINA
918, Huai Hai Middle Road
15th Floor
Unit D, Shanghai
CHINA-200020

Manufacturing Units

Tower Manufacturing Unit
Plot No.D1, Krupa Nagar, MIDC, Umred
Nagpur-441 203, Maharashtra

Water Purification Plant Development Centre
Kandlakoya, Medchal Mandal
R.R.Dist.- 501401, Andhra Pradesh

Bankers

State Bank of Hyderabad
Corporation Bank
Canara Bank
State Bank of Travancore
Bank of Baroda
Indian Overseas Bank
Abu Dhabi Commercial Bank

Solicitors
M/s. Mulla & Mulla & Craigie
Blunt & Caroe

Auditors
M/s. Deloitte Haskins & Sells
Chartered Accountants

Internal Auditors
M/s. PKF Sreedhar & Santhanam
Chartered Accountants

MANAGEMENT TEAM

Corporate Leadership Council

Mr. Vinayak K Deshpande
Managing Director

A K Sharma Business Head- Power Generation	K P Mishra Business Head- Metals & Minerals	S C Jha Business Head-Transmission & Distribution
K K Gupta Business Head-Quality Services	Manzoor Ameen Chief Strategy Officer	R Ravi Sankar Chief Human Resource Officer

Business Leadership Council

Mr. Vinayak K Deshpande
Managing Director

A K Sharma Business Head-Power Generation	K K Gupta Business Head-Quality Services	S C Jha Business Head-Transmission & Distribution
K P Mishra Business Head-Metals & Minerals	Dipankar Chatterjee Business Head – Water & Waste Water	S A A Irfan Business Head–Railways
Arun Kumar Sharma Business Head–Oil, Gas & Hydrocarbons	A Venkateshwar Chief–Corporate Affairs	Manzoor Ameen Chief Strategy Officer
Rajeev Sunu Head-International Business	K R Ramamoorthy Head – Supply Chain Management	R Ravi Sankar Chief Human Resource Officer
K S Krishnan Head-Accounts	A Vidyasagar Head-Engineering	K Satyenarayana Head-Construction Services
Dr Deb Prasanna Choudhury Head-Contracts & Risk	Tuhin Roy Corporate Quality Head	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 Third Annual Report and the audited statements of accounts of the Company for the year ended 31st March 2012.

FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March 2012 are summarized below.

(₹ in crores)

Particulars	2011-12	2010-2011
Income from Contracts, Services and Sale of goods	**3,074.32**	3,067.02
Less: Indirect Taxes and Duties	**58.62**	42.01
Total	**3015.70**	3,025.01
Other Income	**54.52**	27.70
Total Income	**3070.22**	3,052.71
Operating Expenditure	**2796.40**	2,749.28
Operating Profit (PBDIT)	**273.82**	303.43
Interest	**22.07**	14.72
Depreciation	**27.92**	23.07
Profit Before Tax (PBT)	**223.83**	265.64
Provision for Taxes	**69.13**	86.13
Profit After Tax (PAT)	**154.70**	179.51
Balance brought forward from previous year	**311.91**	180.88
Amount available for appropriations	**466.61**	360.39
Appropriations		
Proposed Dividend	**20.25**	20.25
Tax on Proposed Dividend	**3.29**	3.29
Reversal of excess provision of tax on Dividend of earlier years	–	(0.06)
General Reserve	**15.47**	25.00
Balance carried to Balance Sheet	**427.60**	311.91

DIVIDEND

The Board of Directors recommends the payment of a dividend of ₹100/- per share (100%) for the year ended 31st March 2012 [Previous year ₹100/- per share (100%)], subject to approval by the Members at the Annual General Meeting.

INCREASE IN AUTHORIZED CAPITAL AND ISSUE OF BONUS SHARES

Considering the magnitude of orders being secured by the Company and the need for financing the execution of these orders, the present paid-up share capital is felt to be on the low side. It is, therefore, proposed to capitalize the Company's reserves by issuing bonus shares. For this purpose it is necessary to increase the Authorized Share Capital from ₹ 25,00,00,000/- (Rupees Twenty Five Crore Only) comprising of 25,00,000 (Twenty Five Lakh) equity shares of ₹100/- each to ₹ 2,00,00,00,000/- (Rupees Two Hundred Crore Only) comprising of 2,00,00,000 (Two Crore) equity shares of ₹ 100/- each.

In order to bring the paid up capital of the company more in line with the capital employed, the Board of Directors have recommended the issue of Bonus Shares to the existing shareholders of the Company in the ratio of 4:1 (Four Equity Shares for every One Equity Share held) by capitalization of a part of the General Reserve.

Your attention is invited to item numbers 9, 10 and 11 of the Notice convening the 33rd Annual General Meeting of the Company.

OPERATIONS

The Total Income for the year aggregated ₹ 3070.22 crores (2010-11: ₹ 3,052.71 crores). The Operating Profit for the year was ₹ 273.82 crores (2010-11: ₹ 303.43 crores) resulting in a Profit Before Tax (PBT) of ₹ 223.83 crores (2010-11: ₹ 265.64 crores). The lower Operating Profit is attributable to over-runs in certain contracts due to contractual reasons as well as increase in manpower in anticipation of business expansion visualized in the coming years.

EPC-STRATEGIC BUSINESS UNITS (SBUs)

1. Power Generation (PG)

Order Booking: During the year no new orders were secured by the SBU despite the submission of several bids. This was due to non-resolution of issues relating to environmental clearances and fuel costs, which affected most Power Generation EPC players.

Project Operations:

(I) The Engineering, Procurement and Construction-Balance of Plant (EPC-BoP) project for Maharashtra State Power Generation Company Ltd's 2x500 MW Thermal Power Plant at Bhusawal was commissioned ahead of schedule and coal firing of both the units was achieved in March 2012.

(ii) India's largest EPC-BoP project being executed by your Company for Andhra Pradesh Power Development Corporation Limited's 2x800 MW Supercritical Thermal Power Plant at Krishnapatnam continues to progress well, with overall completion having reached 62%.

(iii) EPC-BoP project for Sterlite Industries (India) Ltd's 2x80 MW Captive Power Plant at Tuticorin is on schedule and all inputs have been made ready for boiler light- up.

(iv) A Gas based 1x388 MW Combined Cycle Power Plant for Pioneer Gas Power Limited (PGPL) at Raigarh District, Maharashtra is being executed by your Company for the first time. The work started in February 2012 and is scheduled to be completed in 24 months.

2. Transmission & Distribution (T&D)

Order Booking: During the year, the SBU booked orders aggregating ₹ 2,177 crore, crossing the ₹ 2,000 crore mark for the first time. As on 1st April 2012, the SBU brought forward a healthy order book of approximately ₹ 3,500 crore. An international order for a project of the Kenya Power and Lighting Company Limited (KPLC) in the African market was secured during the year. Your Company has been prequalified in projects in Egypt and Uganda for which bidding is scheduled in year 2012-13.

During the year, a large order for 765 kV Double Circuit Nellore-Kurnool project involving tower testing was secured. This is the biggest order secured so far from Power Grid Corporation of India Limited.

Your Company is exploring business opportunities in Build, Own, Operate and Transfer (BOOT) projects through Public Private Partnerships (PPPs).

Project Operations: Your Company has charged and commissioned a record number of five projects during the year, including the commissioning of the 400 kV (triple bundle) Mundra-Bachao-Lakhpat transmission line in extremely remote and difficult terrains and is executing 35 projects involving more than 4800 circuit kms of extra high-voltage transmission lines.

During the year, unforeseen losses were booked in six projects due to uncompensated overstay costs, and unanticipated impact of excise duty/service tax revisions consequent to amendments in the indirect taxes legislation.

The manufacturing capacity of the Tower Manufacturing Unit (TMU) has been enhanced from 24000 MT p.a. to 36000 MT p.a. to meet the requirements of a growing order book.

3. Water & Waste Water (W&WW)

Order Booking: During the year, the SBU secured a ₹ 122 crore order for River Water Intake system for Visa Power Limited, Kolkata's 2x600 MW Super Thermal Power Plant at Raigarh, Chattisgarh and a ₹ 188 crore order for Water System of Hot Strip Mill from Tata Steel Limited, Kalinganagar.

Project Operations: The Recirculation Water System for Thin Slab Casting & Rolling (TSCR) for Tata Steel Ltd., Jamshedpur has been successfully commissioned during this year. Six projects at Vishakapatnam Steel Plant are due for completion shortly.

4. Oil, Gas & Hydrocarbon (OG&H)

Order Booking: For the first time, your Company is executing an EPC contract for well pads at Cairn Energy India Pty. Ltd.'s Aishwariya Oil Field, Rajasthan. The SBU has also secured an order for Fire Water Network for ONGC's Uran project.

Project Operations: During the year, the SBU successfully completed and commissioned two EPC projects (i) Gas processing and compression facilities at Rajahmundry, Andhra Pradesh for Oil and Natural Gas Corporation Limited (ONGC) and (ii) Expansion of Petroleum Products Storage and Distribution Terminal at Fujairah (UAE) for Emirates General Petroleum Corporation (EMARAT).

5. Railways

Order Booking: During the year the SBU secured a major work order from Rail Vikas Nigam Limited (RVNL) for 355 TKM Railway Electrification (including Signaling and Telecommunication) between Yelahanka to Gooty, and is well-placed to secure two more Railway Electrification contracts. Your Company has been shortlisted for the Dedicated Freight Corridor Project of Indian Railways and is equipping itself as a preferred EPC contractor through strategic international tie-ups in this field.

Project Operations: The SBU continues to operate in the market segment of Railway Electrification (RE) and Railway Composite Infrastructure projects involving civil, electrical and signaling and telecommunication works, and is currently executing nine projects in these segments.

6. Metals & Minerals (M&M)

Order Booking: Through implementation of various other projects as well by partnering with world class process/technology licensees, the SBU, since its inception in the year 2007-08, has gained experience in EPC of coke-ovens, continuous casters, Pellet Plants, and inter-plant utilities projects. With steel production growing in the Country, your Company is well-placed to grow in the years to come. During the year, the SBU has submitted several bids, which are at various stages of evaluation and award.

Project Operations: The SBU is executing two large blast furnace projects in India viz., for Rourkela Steel Plant of Steel Authority of India Ltd (SAIL) and the Nagarnar plant of National Mineral Development Corporation Ltd (NMDC) with a world-renowned technology partner, Danieli Corus. Both the projects are progressing in satisfactory manner.

QUALITY SERVICES (QS)

SBU - Quality Services is a leading Inspection Agency in India and has experience of providing inspection services in 35 Countries over the last Twenty years. About half of its revenues come from overseas operations.

During the year, the SBU secured several work orders in inspection of power generation, transmission line and solar power projects, thus consolidating its position as one of the leading Indian inspection agencies in the Power sector. The SBU also provided Lender's Engineer (LE) services in the field of wind energy.

TQ Services-A Division of Tata Projects Limited, was formed to provide specialised inspection services and Management System Certification services covered under ISO 17020 and ISO 17021. During the year, the Division obtained several approvals, and expanded its certification services to banks, hospitals and software companies and is now empanelled with Kerala Energy Management Centre as an energy audit firm and with Bureau of Energy Efficiency as an Energy Service Company (ESCO) Grade-1, which presents large business potential. The Division has also been approved by Quality Council of India as an Inspection Agency for review and verification of Emergency Response Disaster Management Plans (ERDMP) under Petroleum & Natural Gas Regulatory Board (PNGRB) regulations criteria.

ENGINEERING & CONSTRUCTION SERVICES

1. Engineering

The Engineering Department is now structured in 3 locations (Hyderabad, Kolkatta and Mumbai) and fully geared up to provide in-house engineering services to projects of all SBUs. Some of the large notable in-house engineering projects are Pioneer Gas Power Limited's (PGPL) 388 MW combined cycle power plant at Raigarh, Maharashtra, employing advanced class gas turbine and also the 400/220 kV substation of Power Grid Corporation of India Limited (PGCIL), Saharanpur with substation control building, being designed as green building for the first time in India.

The Engineering support for 2x800 MW Super Critical Power Plant at Krishnapatnam for Andhra Pradesh Power Development Corporation Limited (APPDCL) is nearing completion, despite the site's location in coastal area with poor soil conditions and susceptibility to high-speed cyclones requiring special foundations. Civil engineering has been a major challenge and your Company has completed 8000 piles, varying in depth from 40 to 50 meters, in record time. Engineering for India's largest Natural Draft Cooling Tower (NDCT) of 140 meters diameter and 170 meters height has also been completed.

High Concentration Slurry Disposal (HCSD) System with a 12 km long ash disposal line, the longest in India, has been designed as a part of BoP Project for the 2 x 500 MW power plant of Maharashtra State Power Generation Company Ltd at Bhusawal.

2. Construction Services

During the year, the Construction Services Department achieved remarkable success in its operations by completing the civil works at several projects within scheduled time without compromising on safety and quality. Bhusawal Power project was commissioned ahead of revised schedule and Tuticorin power project is ready for commissioning well in time.

With in-house capabilities, your Company completed three RCC chimneys (one at Tuticorin and two at RSP) by slip form method. Internal works were executed through an innovative Suspended Platform.

As a part of mechanization process, your Company introduced Auto Stirrup Bending Machine, Modular form work, Prefab offices and labour quarters, Scissor lifts and Tower crane during the year for efficient operation. Rebar Optimisation software was installed for reinforcement steel for the first time through which wastage could be reduced to 1% against an industry average of 4%.

SUBSIDIARIES AND JOINT VENTURE COMPANIES

1. Artson Engineering Limited

Artson Engineering Limited (AEL) reported a total income of ₹ 60.88 crore for the Financial Year ended 31st March 2012 (Previous year ₹ 136.02 crore) and a Loss of ₹ 13.30 crore (Previous year profit of ₹ 4.55 crore). AEL's performance was severely affected by reversal of two export contracts due to unacceptable commercial terms, as well as the cyclonic conditions on India's East Coast where a major contract is under execution. AEL's operations are being restructured so as to make it net worth positive soonest. Mr. Vinayak Deshpande, the Managing Director of your Company, has joined the AEL Board, and elected as Chairman, with a view to synergize AEL's operations with those of your Company's OG&H SBU.

2. 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) formed in 2006 for execution of power, infrastructure and industrial projects in the Kingdom of Saudi Arabia (KSA) has not proved to be viable. It has been considered appropriate to liquidate the JV, for which a Petition has been filed before the appropriate authority for the appointment of a Liquidator.

3. TEIL Projects Limited

TEIL Projects Ltd., (TEIL), the Joint Venture Company with Engineers India Ltd, participated as an EPC contractor in bidding for projects in Power and Refinery sectors. During the year, TEIL entered the Engineering Consultancy Services segment with a focus on infrastructure business and has secured a Consultancy Services contract for an Oil Jetty project and a City Gas Distribution project. TEIL reported a positive PBT in the last quarter of the year, though it posted a loss of ₹ 2.14 crore during the year.

4. TPL-TQA Quality Services South Africa (Proprietary) Limited and TPL-TQA Quality Services (Mauritius) Pty. Limited

The businesses of TPL-TQA Quality Services Companies, located in South Africa and Mauritius, for rendering inspection services for Eskom Holdings Ltd are growing steadily as per planned projections. The client has expressed satisfaction with the services provided and has indicated substantial business in the near future. Both entities are generating adequate return on the investments made and have again reported profits for the year.

EXEMPTION UNDER SECTION 212(8) OF THE COMPANIES ACT 1956

Your Company has complied with the General Circular No. 2/2011 dated 8th February 2011 issued by the Ministry of Corporate Affairs, which exempts companies from attaching a copy of the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report of its subsidiary companies, subject to certain conditions. As required under the circular, the audited consolidated financial statement of the subsidiary companies along with the relevant information is published in the Annual Report. Further, the Annual Accounts of the subsidiary companies and related information will be made available to members of the holding and subsidiary companies seeking such information. The annual accounts of the subsidiary companies will be kept open for inspection by any member at the Company's Registered Office and the Company will make available/furnish a hard copy of details of accounts of subsidiaries on demand.

INTERNAL SYSTEMS

The Company's internal control system comprises of audit and compliance reporting by an in-house internal audit group and also by an external audit firm, M/s PKF Sridhar & Santhanam, Chartered Accountants, who have been appointed as the internal auditors of the Company. The internal auditors independently evaluate the adequacy of internal systems, controls and audit a majority of the transactions in value terms and systems from a process and compliance perspective. Independence of audit and compliance is ensured by the direct reporting of internal auditors to the Audit Committee of the Board which provides valuable guidance by proposing steps to improve on the design/operations of the internal controls. There are adequate internal control systems in place in the Company. The Company has made good progress in development of an Enterprise Risk Management Framework with the help of a Tata Company.

CORPORATE SUSTAINABILITY

Your Company continued its corporate sustainability initiatives in focused areas and organized over 175 events. Some of them were:

Employability Skills Training: Disadvantaged students identified through various Non-Government Organisations (NGOs) and employees at project sites were trained in Industrial Training Institutes all over the Country. Almost all the trainees have been provided employment with the Company's channel partners.

Education Support: Infrastructure, uniforms, books and sponsoring of remedial classes for slow learners were provided at schools. "Volunteers 2 Teach", an initiative wherein employee volunteers undertake coaching classes, has been extended to LABS (Livelihood Advance Business School), a program of Dr. Reddy's Foundation.

Safe Drinking Water: Reverse Osmosis (RO) drinking water purification plants manufactured by your Company were gifted to five villages during the year. Your Company also provided three RO plants at Sammakka Jatara, catering to 20,000 people per day for 10 days, and provided water filters to schools.

Community Based Initiatives: Medical camps at project sites for contract labour, blood donation camps, tree plantations, awareness change programs on climate and visits to Home for the aged and orphanages and patients at cancer hospital on Rose Day, were some of the other initiatives.

AFFIRMATIVE ACTION

Your Company adopted the Tata Group's Affirmative Action Policy in the year 2007 and is continuing its thrust in the Entrepreneurship, Employability Skill Training and Education support.

Entrepreneurship: Your Company organized an Entrepreneurship Development Program for Scheduled Castes and Scheduled Tribes at Nasik in association with an NGO for a period of 30 days. As a result, 33 people are in the process of becoming entrepreneurs.

Employability Skill Training**:** For the benefit of the SC/ST communities, placement linked vocational training course was organized in basic computers, motor rewinding, plumbing, mobile repairing, computer hardware and tailoring courses were organized through NGOs.

Education support: Your Company provided scholarships to five Scheduled Caste/Scheduled Tribe (SC/ST) students for professional courses through Foundation for Academic Excellence and Access (FAEA), a Tata Group level initiative. Further, your Company has adopted some SC/ST students at Hyderabad to support them to continue higher education.

BUSINESS EXCELLENCE

Based on a Value Chain Mapping exercise through "Voice of Customer" survey done by Tata Quality Management Services (TQMS), your Company has undertaken basic process re-engineering of workflows and work systems and is re-designing them to meet customer expectations and attain operational excellence.

At the Quality Circle Forum of India (QCFI) Chapter Conventions, nine teams from your Company participated and won prizes by showcasing the continual improvement projects that have been done at the work area.

CREDIT RATING

Your Company has been offering itself to be rated by rating agencies for the following:

A. Fund-based and non-fund based limits in line with BASEL–II Guidelines.

   Fitch Ratings has re-affirmed the National Long Term Rating for the Company at "Fitch AA-(ind)" with a "Stable" outlook and has also re-affirmed the Company's previous year's ratings at (a) "AA-" for fund based limits and (b) "Fitch AA-(ind)" / "F1+(ind)" for its Non-fund based limits.

B. Non-convertible Debentures issued in the year 2006.

   ICRA Ltd., reaffirmed the rating for the Company's Non Convertible Debentures (NCD) as "[ICRA]AA" which indicates "high degree of safety". Fitch has re-affirmed the rating of "Fitch AA-(ind)" which indicates "stable" for the Company's Debentures.

C. Rating of the Company by Dun & Bradstreet.

   Dun & Bradstreet re-affirmed the Rating of 5A1 for the third consecutive year, which indicates a "Strong" condition of the Company.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

During the year, your Company recorded a Safety Assurance Index (SAI) of 391, substantially improving on its SAI of 443 in the previous year. The Krishnapatnam Power Generation project site crossed 21 million safe man hours of work and Tuticorin project site crossed 6.6 million safe man hours of work from project inception to the end of the year. Out of a total of 50 active project sites, 47 sites reported "Zero fatality working" in the year. Your Company has initiated the "Permit-To-Work" (PTW) systems to ensure hazard free work environment. Your Company has also introduced an animation film based induction program on safety to train and sensitize the workforce to construction work hazards. These measures are expected to augment safety management systems to achieve your Company's goal of "Zero Accidents".

HUMAN RESOURCES DEVELOPMENT INITIATIVES

Organization restructuring has been done with a view to reinforce the Business Growth Model and also to streamline Human Capital. The six EPC Business Units have been clustered under "Power" comprising of Power Generation, Transmission & Distribution, Railways and "Process" comprising of Metals & Minerals, Oil, Gas & Hydro Carbon and Water & Waste Water. The support functions have been grouped as "Business Enabling Services" comprising of Engineering, Construction Services, Supply Chain Management, International Business, Contracts & Risk while "Corporate Services" include Strategy, Corporate Affairs and Information & Technology (IT), Finance & Accounts, HR and Administration, Quality, Safety & Health. In tune with the above restructuring, several process improvements in core competence areas were carried out.

Senior Leaders were inducted in the newly created Departments of International Business and Strategy. Engineering Centers at Mumbai, Hyderabad and Kolkata are being strengthened and the skill sets of Construction Managers and Project Managers are being honed and refined.

Company's HR processes were validated for their effectiveness through Group HR and TQMS initiative 'TATA Pepp Index' for initiating actions in areas requiring improvements.

Attrition rate continues to remain well below the Industry trend. Manpower requirements in non-critical operations that are cyclical in nature were met through temporary hiring/outsourcing. Special emphasis was placed on Talent Management, Succession Planning and employee training initiatives including improving Safety Awareness.

Processes for Statutory Compliance are in place and Industrial relations at all the project sites remain cordial and harmonious.

CORPORATE GOVERNANCE

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

The Audit Committee comprising of Mr H H Malgham, Mr P N Dhume and Mr Banmali Agrawala (until his resignation as a Director) continued to provide valuable advice and guidance in the areas of costing, finance and internal controls. During the year, six (6) Audit Committee Meetings were held.

The Business Review Committee comprising of Mr F K Kavarana, Mr H H Malgham and Mr A J Engineer continued to provide advice and guidance in the areas of business development and execution of major projects.

The Remuneration Committee, comprising of Mr F K Kavarana, Mr A J Engineer and Mr Prasad R Menon continued to provide valuable guidance in matters relating to personnel.

AWARDS

For the fifth successive year, your Company has been rated amongst India's Most Admired Construction Companies by Construction World–NICMAR and emerged as the Fastest Growing Construction Company (Large Category) in the Country based on 2010-2011 results. Your Company also received the 'Dun & Bradstreet-Axis Bank Infra Award 2011' for its exemplary execution of a Captive Thermal Power Plant, Udaipur and the 'Construction Company of the Year' Award from the EPC World, a renowned infrastructure journal.

Your Company received two Safety Awards for EHS performance from Confederation of Indian Industry (CII) for clocking several safe million hours of working at Krishnapatnam and Tuticorin Projects.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars prescribed under Section 217(1) (e) of the Companies Act 1956 are given in the **Annexure-1** to this Report.

PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 is given in the **Annexure-2.**

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act 1956, 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, it has consulted the Statutory Auditors and have 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 of the Company for that period.

(iii) it has taken proper and sufficient care, to the best of its knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) it has prepared the annual accounts on a going concern basis.

DIRECTORS

During the year Mr. Banmali Agrawala stepped down as Director consequent to his resignation as an Executive Director of the Tata Power Company Limited. The Board has taken on record its keen appreciation of the services rendered by Mr. Agrawala during his tenure as a Director of your Company and as a member of the Audit Committee.

Mr A K Misra, retired as Executive Director and Chief Operating Officer effective 1st October 2011, after 11 and half years of service. The Board has placed on record its warm appreciation of his valuable services and outstanding leadership and team work in achieving the Company's goals and in accelerating its growth and profitability during his tenure.

Mr A K Mathur, resigned as Executive Director and was relieved effective 1st October 2011, after 3 years and 10 months of service. The Board has placed on record its keen appreciation of his valuable services, team work and disciplined approach to project management and execution especially in the area of Power Generation, Transmission and Distribution.

Effective 27th January 2012, Mr S Ramakrishnan was appointed as Director, and effective 28th March 2012, as a member of the Audit Committee. Mr S Ramakrishnan is eligible for re-election at the 33rd Annual General Meeting. Your attention is invited to item number 6 of the Notice convening the said meeting, and the Explanatory Statement thereto.

Mr H H Malgham and Mr A J Engineer would be retiring by rotation at the ensuing Annual General Meeting. However, they have not offered themselves for re-appointment in view of the retirement age for Non Executive Directors, as per the Group Policy adopted by the Company. Further, Mr K P Singh will step down at the conclusion of the forthcoming Annual General Meeting as per the Group Policy.

AUDITORS

The Auditors, M/s Deloitte Haskins & Sells, 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 appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act 1956.

ACKNOWLEDGEMENT

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

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

Place: Hyderabad
Date: 7th May 2012

On behalf of the Board of Directors

F K Kavarana
Chairman

ANNEXURE - 1

Information as per Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 forming part of the Directors' Report for the accounting year ended 31st March 2012.

A. Conservation of Energy

Tower Manufacturing Unit at Nagpur emphasizes creating awareness in the employees and work force of sub-contractors to conserve energy and reduce energy consumption in office premises and shop floor. Some of the measures taken are:

i. Maintained the unity Power Factor throughout the year and received an incentive from the State Electricity Board.

ii. Replaced 400W MH lamp with 40W CFL Lamp for shop floor lighting .

iii. Saved 20% of Ignite Oil in bending furnace by optimizing flame strength .

B. Technology Absorption in

i Tower Manufacturing Unit

Installation of CNC Angle Drilling and profile cutting machines with latest technology has increased of productivity, quality and optimum utilisation of raw materials.

ii Manufacture of Reverse Osmosis (RO) Water Purification Plants at Water Purification Plant Development Centre (WPPDC) , Medchal, Hyderabad

As part of ongoing innovative efforts to improve the eco-friendly design of the Reverse Osmosis Water Purification (RO WP) plants being manufactured at the Water Purification Plant Development Centre (WPPDC), Medchal, a solar panel integrated unit was designed, installed and commissioned for use at the Corporate Office, Hyderabad in 2011-12. A solar panel power unit was also developed and tested successfully with the trailer mounted RO plant which was designed for disaster management last year. This four wheel trailer unit can be drawn and moved by oxen / bullocks over difficult village roads as well as flood affected / damaged terrain with ease. WPPDC has also developed a pre fabricated and dismantable shelter for solar powered RO plants which will save time by obviating the need for civil works in remote areas.

C. Foreign Exchange Earnings and Outgo.

(₹ in crores)

Earnings/Outgo	Year ended 31st March 2012	Year ended 31st March 2011
Earnings	200.00	130.83
Outgo	242.10	128.82

ANNEXURE - 2

Particulars of employees under Sec 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 and the Companies (Particulars of Employees) Amendment Rules, 2011.

Sl No	Name	Age (yrs)	Designation	Remuneration (Rs)		Qualifications	Date of Commencement of employment	Total Experience (yrs)	Last employment held	Remarks
				Gross	Net					
1	Chari K V R	62	Senior GM (Projects)	71,28,534	5,096,526	BE (Elect)	16-10-2007	36	Bharat Heavy Electricals Ltd (General Manager)	
2	Gupta KK	56	Senior Vice President & Business Head (Quality Services)	6,232,067	3,887,865	BE (Elect)	21-11-2006	33	Lloyd's Register, Vizag (Sr. Surveyor In-charge)	
3	Jha S C	60	Vice President & Business Head (T&D) & Executive In charge (Northern Region)	6,098,374	3,822,154	BE (Elect)	23-05-2002	36	E.M.C. Ltd., Kolkata (General Manager)	
4.	Mathur A K	64	Executive Director	8,688,600	5,677,200	BE (Mech)	01-11-2007	43	Bharat Heavy Electricals Ltd (Director)	Up to 30th September 2011
5	Misra A K	66	Executive Director & Chief Operating Officer	10,979,000	7,242,800	BE (Mech), PG Dip in Power Plant Engg.	18-01-2000	44	DLF Ltd (Chief of Projects)	Up to 30th September 2011
6	Sharma A K	61	Executive Vice President & Business Head-PG	6,224,677	4,392,143	BSc Engg. (Civil)	03-11-1982	40	Engineers India Ltd (Civil Construction Engineer)	
7	Vinayak K Deshpande	55	Managing Director	9,612,000	3,116,260	B.Tech (Chemical)	01-07-2011	33	HCC Ltd (President & COO-EPC & Construc-tion)	w.e.f. 1st July 2011

Gross remuneration comprises salary, allowances, monetary value of perquisites, performance linked reward (PLR) and the company's contribution to provident and superannuation funds

Net remuneration is after tax and is exclusive of the company's contribution to provident and superannuation funds and monetary value of non-cash perquisites.

The nature of employment of Directors is contractual. The remuneration is inclusive of commission paid for the financial year 2010-11.

Financial Report

AUDITORS' REPORT

To The Members of Tata Projects Limited

1. We have audited the attached Balance Sheet of **TATA PROJECTS LIMITED** ("the Company") as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
   (a) we have 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 Balance Sheet, , the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
      (ii) in the case , the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)

K Rajasekhar
Partner
(Membership No. 23341)

Place: Mumbai
Date: 7th May 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(I) Having regard to the nature of the Company's business/activities/result, clauses (vi), (x), (xii), (xiii), (xiv), (xviii) and (xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the 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 explanations given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

(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, the procedures of physical verification of inventories followed by the Management were 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.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) 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 with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) (a) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956.

(b) In our opinion and according to the information and explanations given to us, as there are no contracts or arrangements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956, Clause (v) (b) of the Order is not applicable.

(vii) In our opinion, the internal audit functions carried out during the year by the management and by a firm of chartered accountants appointed by the management have been commensurate with the size of the company and the nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of construction activity and tower manufacturing unit and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

(ix) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax and other material statutory dues in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.

(c) Details of dues Sales Tax and Income Tax which have not been deposited as on March 31, 2012 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ In lacs)
Sales Tax Laws	Sales Tax	Sales Tax Appellate Tribunal	1999-2000 to 2004-05, 2006-07	512.03
Sales Tax Laws	Sales Tax	First Appellate Authority	2003-04,2004-05, 2006-07,2007-08, 2008-09	872.35
Sales Tax Laws	Sales Tax	High Court	2008-09,2010-11, 2011-12	2502.19
Income Tax Laws	Income Tax	Commissioner of Income Tax Appeals	2008-09	30.94

According to the information and explanations given to us, there are no dues of Wealth Tax, Custom Duty, Excise Duty, Service Tax and other material statutory dues which have not been deposited by the Company on account of any dispute.

(x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, and debenture holders.

(xi) 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 the Company's subsidiary from banks are not prima facie prejudicial to the interests of the Company.

(xii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xiv) The Company has created security in respect of the debentures issued.

(xv) 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
(Registration No. 008072S)

K Rajasekhar
Partner
(Membership No. 23341)

Place: Mumbai
Date: 7th May 2012

Balance Sheet as at 31st March, 2012

	Notes	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	**2,025.00**	2,025.00
Reserves and Surplus	4	**60,618.34**	47,501.44
		62,643.34	49,526.44
Non-current Liabilities			
Long-term Borrowings	5	**60.70**	1,185.03
Other long-term Liabilities	6	**80,721.57**	53,284.29
Long-term Provisions	7	**845.84**	544.48
		81,628.11	55,013.80
Current Liabilities			
Short-term Borrowings	8	**117.34**	-
Trade Payables	9	**159,076.00**	161,958.46
Other Current Liabilities	10	**38,804.07**	36,914.36
Short-term Provisions	7	**4,089.64**	3,669.86
		202,087.05	202,542.68
TOTAL		**346,358.50**	307,082.92
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	**14,240.76**	11,981.90
Intangible Assets	12	**284.10**	441.16
Capital Work-in-Progress		**803.73**	958.91
Non-current Investments	13	**1,097.90**	898.14
Deferred Tax Assets (net)	14	**1,949.05**	1,497.50
Long-term Loans and Advances	15	**11,531.83**	8,943.53
Other Non Current Assets	16	**92,057.91**	80,361.84
		121,965.28	105,082.98
Current Assets			
Current Investments	17	**13,443.09**	23,437.41
Inventories	18	**10,596.00**	8,184.16
Trade Receivables	16	**99,479.00**	111,392.35
Cash and Cash Equivalents	19	**49,253.90**	15,173.14
Short-term Loans and Advances	15	**42,552.63**	38,948.35
Other Current Assets	20	**9,068.60**	4,864.53
		224,393.22	201,999.94
Total		**346,358.50**	307,082.92
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: Mumbai
Date: 7th May 2012

For and on behalf of the Board

F K Kavarana Chairman
H H Malgham Director
A J Engineer Director
P N Dhume Director
Prasad R Menon Director
K P Singh Director
S Ramakrishnan Director
Vinayak K Deshpande Managing Director

K S Krishnan
Senior General Manager & Head – Accounts

Dr A Raja Mogili
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2012

	Notes	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Income			
Revenue from Operations:			
Gross		**307,431.43**	306,702.21
Less:			
Indirect Taxes and Duties		**5,861.80**	4,200.76
Net	21	**301,569.63**	302,501.45
Other Income	22	**5,452.31**	2,770.01
Total Revenue (I)		**307,021.94**	305,271.46
Expenses			
Project Execution Expenses	23	**239,877.38**	239,045.77
Cost of materials consumed		**10,242.60**	9,321.38
Changes in Inventories of finished goods, work-in-progress and Contracts-in-progress	24	**(1,774.27)**	101.74
Employee Benefits expenses	25	**20,291.28**	17,042.89
Operations, Establishment and Other Expenses	26	**11,003.20**	9,416.86
Total Expenses (II)		**279,640.19**	274,928.64
Earnings before Finance Costs, Tax, Depreciation and amortisation (EBITDA)(I)- (II)		**27,381.75**	30,342.82
Depreciation and amortisation expense	27	**2,791.74**	2,307.06
Finance costs	28	**2,207.01**	1,472.17
Profit Before Tax		**22,383.00**	26,563.59
Tax expenses			
Current tax		**7,364.14**	8,555.08
Taxation of earlier years		**-**	(195.16)
Deferred tax		**(451.55)**	252.92
Total Tax expense		**6,912.59**	8,612.84
Profit for the year		**15,470.41**	17,950.75
Earnings per equity share (of ·100 each) Basic and Diluted			
On the basis of total profit for the year – Rs.		**764**	886
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: Mumbai
Date: 7th May 2012

For and on behalf of the Board

F K Kavarana Chairman | **H H Malgham** Director | **A J Engineer** Director | **P N Dhume** Director

Prasad R Menon Director | **K P Singh** Director | **S Ramakrishnan** Director | **Vinayak K Deshpande** Managing Director

K S Krishnan Senior General Manager & Head – Accounts | **Dr A Raja Mogili** Company Secretary

Cash Flow Statement for the year ended 31st March, 2012

	Year Ended 31st March 2012 ₹ in lacs		Year Ended 31st March 2011 ₹ in lacs	
A. Cash Flow from Operating Activities				
Net Profit before Taxes		**22,383.00**		26,563.59
Adjustments for:				
Depreciation and amortisation	**2,791.74**		2,307.06	
Finance costs	**2,207.01**		1,472.17	
Interest Income	**(2,516.58)**		(988.17)	
Dividend from Subsidiary	**(243.98)**		(144.51)	
Dividend from Current Investments	**(1,465.56)**		(1,001.86)	
Amortisation of Premium/provision for diminution in the value of investments	**0.24**		75.84	
Provision for future foreseeable losses on contracts	**606.85**		-	
Loss/(Profit) on sale of fixed assets	**47.52**		(9.06)	
Unrealised Exchange Gain (Net)	**(6.67)**		(183.01)	
		1,420.57		1,528.46
Operating Profit before Working Capital Changes		**23,803.57**		28,092.05
Adjustments for:				
Trade Receivables	**313.81**		(46,147.02)	
Loans & advances	**(2,191.95)**		4,286.16	
Other Current Assets	**(3,668.25)**		(1,548.55)	
Inventories	**(2,411.84)**		(549.37)	
Trade Payables, Other Current Liabilities and Provisions	**26,469.16**		45,271.28	
		18,510.93		1,312.50
Cash Generated from Operations		**42,314.50**		29,404.55
Taxes Paid (including Fringe Benefit Tax) (Net)		**(7,279.49)**		(11,025.22)
Net Cash Flows from Operating Activities		**35,035.01**		18,379.33
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	**(4,902.99)**		(4,480.46)	
Sale of Fixed Assets	**66.47**		51.63	
Purchase of Current Investments	**(79,914.31)**		(60,960.07)	
Sale of Current Investments	**91,286.17**		64,298.01	
Purchase of Non-current Investments	**(200.00)**		(109.34)	
Interest Received	**1,980.77**		923.25	
Inter-corporate deposits Given	**(9,000.00)**		(20,500.00)	
Inter-corporate deposits Repaid	**5,500.00**		12,000.00	
Loan to Subsidiaries	**(600.00)**		(1,344.65)	
Loan repaid by Subsidiaries	**150.00**		558.94	
Dividend from Subsidiary	**243.98**		144.51	
Dividend received	**88.02**		-	
Net Cash Flows from/(used) in Investing Activities		**4,698.11**		(9,418.18)

Cash Flow Statement for the year ended 31st March, 2012

	Year Ended 31st March 2012 ₹ in lacs		Year Ended 31st March 2011 ₹ in lacs	
C. Cash Flow from Financing Activities				
Repayment of Debenture	**(1,125.00)**		(1,125.00)	
Proceeds from Short term Borrowings	**118.13**		-	
Repayment of Short term Borrowings	**-**		(893.25)	
Interest Paid	**(2,202.11)**		(1,186.74)	
Dividend Paid including Dividend Tax	**(2,353.51)**		(1,771.00)	
Net Cash Flows used in Financing Activities		**(5,562.49)**		(4,975.99)
Net Increase in Cash and Cash Equivalents (A+B+C)		**34,170.63**		3,985.16
Cash and Cash Equivalents at the beginning of the period		**15,093.57**		11,108.41
Cash and Cash Equivalents at the end of the period		**49,264.20**		15,093.57

Note:

Cash and Cash Equivalents include:	As at 31-03-2012 ₹ in lacs	As at 31-03-2011 ₹ in lacs
(I) Cash	**22.88**	17.63
(ii) Balance with banks		
- in current accounts	**14,031.02**	8,155.51
- in deposit accounts	**35,200.00**	7,000.00
	49,253.90	15,173.14
Unrealised Exchange Loss included in Cash and Cash Equivalents	**10.30**	(79.57)
	49,264.20	15,093.57

In terms of our report attached
for Deloitte Haskins & Sells.
Chartered Accountants

K Rajasekhar
Partner

Place: Mumbai
Date: 7th May 2012

For and on behalf of the Board

F K Kavarana Chairman	**H H Malgham** Director	**A J Engineer** Director	**P N Dhume** Director
Prasad R Menon Director	**K P Singh** Director	**S Ramakrishnan** Director	**Vinayak K Deshpande** Managing Director
		K S Krishnan Senior General Manager & Head – Accounts	**Dr A Raja Mogili** Company Secretary

Notes forming part of the financial statements

Note 1 Corporate Information

Tata Projects Limited (TPL) was established in 1979 as an Engineering, Procurement and Construction (EPC) Company.

TPL operates through seven Strategic Business Units (SBUs) – Power Generation, Transmission and Distribution, Railways, Water and Waste Water, Metals and Minerals, Quality Services and Oil, Gas and Hydrocarbon. The Company has set up its a tower manufacturing unit near Nagpur. The SBU-Quality Services provides third party inspection services.

Note 2 Significant Accounting Policies

2.1 Basis for preparation

The financial statements are prepared under the historical cost convention, on an accrual basis, in conformity with the accounting principles generally accepted in India and in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006.

2.2 Use of estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities at the date of the financial statements and 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 debts, obligations under employee retirement benefit plans, income taxes, post contract warranties, and the useful lives of fixed and intangible assets. Actual results could differ from those estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/ materialise.

2.3 Fixed Assets

Fixed Assets are shown at cost less depreciation. The cost comprises purchase price and other attributable expenses incurred up to acquisition and installation.

2.4 Depreciation/ Amortisation on Fixed Assets

Depreciation is provided for on the written down value method for the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except the following assets which are depreciated on Straight Line Method (SLM) basis as per the useful lives of assets determined by the management and which are not lower than that derived from the specified rates in Schedule XIV to the Companies Act, 1956:

Assets	Useful Life
Scaffolding Materials	5 years
Wire Ropes and Slings	2 years
Computer including Software	4 years
Motor Cars under car policy for executives	4 years

Leasehold Improvements are amortised over the period of the lease.

2.5 Investments:

(i) Non-Current Investments

Investments are valued at cost of acquisition inclusive of other attributable expenses. Provision is made to recognise diminution, if any other than temporary, in the value of investments.

Premium paid on investments acquired to hold till maturity is amortised over the holding period and the same is included in the provision for diminution in the value of investments.

(ii) Current Investments are carried lower of cost and fair value.

Notes forming part of the financial statements

Note 2 Significant Accounting Policies (Contd...)

2.6 Revenue recognition

(i) Income from Contracts

Revenue from execution of contracts is recognised on Percentage Completion method. The stage of completion is determined on the basis of actual work executed during the period.

No profit is recognized till a minimum of 10% progress is achieved on the contract. Cost incurred and invoices raised in respect of such contracts are carried in Balance Sheet as contracts 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 recognised immediately.

(ii) Revenue from Sale of goods and services is recognized on dispatch of goods to customers and at the time of rendering of services respectively. Sales include excise duty but exclude sales tax collected from customers.

2.7 Inventories

Raw material, work-in progress and finished goods are valued at lower of cost and net realizable value. Stores and spare parts are carried at cost.

Cost of inventories is ascertained on the "weighted average" method and includes, where appropriate, manufacturing overheads and excise duty.

2.8 Work done but not billed

Work done but not billed 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 currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at year-end rates. The difference in translation and realized exchange gains/losses are recognized in the Statement of Profit and Loss. Forward exchange contracts are accounted for by amortising the difference between the forward rate and the exchange rate on the date of the transaction over the life of the contract.

(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 Retirement benefits

(i) Contribution to the Provident and Superannuation Funds which are based on defined contribution plans are expensed as incurred.

Notes forming part of the financial statements

Note 2 Significant Accounting Policies (Contd...)

(ii) The liability for gratuity, which is a defined benefit plan, is provided on the basis of an actuarial valuation as at the Balance Sheet date and the same is funded.

(iii) Provision for compensated absences of unavailed leave is made on the basis of an actuarial valuation as at the Balance Sheet date.

(iv) 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.

2.11 Income Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

2.12 Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising on account of unabsorbed depreciation of carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized

Provisions, Contingent liabilities and contingent assets

A provision is recognized when company has a present obligation as result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the expenditure required to settle the present obligation. Reimbursement against a provision is recognized as a separate asset based on virtual certainty.

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

Notes forming part of the financial statements

Note 3 Share Capital

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Authorised		
25,00,000 (31st March 2011: 25,00,000) Equity Shares of ₹100/- each with voting rights	**2,500.00**	2,500.00
Issued, Subscribed and Paid-up		
20,25,000 (31st March 2011: 20,25,000) Equity Shares of ₹100/- each with voting rights	**2,025.00**	2,025.00
Total	**2,025.00**	2,025.00

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year Equity shares with voting rights

	31st March, 2012		31st March, 2011	
	No.	₹ in lacs	No.	₹ in lacs
At the beginning of the year	**2,025,000**	**2,025.00**	2,025,000	2,025.00
Issued during the year	**-**	**-**	-	-
Outstanding at the end of the year	**2,025,000**	**2,025.00**	2,025,000	2,025.00

b. Aggregate number of bonus shares Issued during the period of five years immediately preceding the reporting date:

	2010-11	2009-10	2008-09	2007-08	2006-07
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-	1,687,500	-	-

c. Details of shareholders holding more than 5% shares in the company

	31st March, 2012		31st March, 2011	
	No.	Percentage holding	No.	Percentage holding
Equity shares of ₹100 each with voting rights				
The Tata Power Company Ltd	**967,500**	**47.78%**	967,500	47.78%
Tata Chemicals Ltd	**193,500**	**9.56%**	193,500	9.56%
Tata Sons Ltd	**135,000**	**6.67%**	135,000	6.67%
Voltas Ltd	**135,000**	**6.67%**	135,000	6.67%
Tata Motors Ltd	**135,000**	**6.67%**	135,000	6.67%

Notes forming part of the financial statements

Note 4 Reserves and Surplus

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Securities Premium	**4,987.50**	4,987.50
Debenture Redemption Reserve	**843.75**	843.75
General Reserve		
Opening balance	**10,479.07**	7,979.07
Add: amount transferred from surplus balance in the statement of Profit and Loss	**1,547.05**	2,500.00
Closing Balance	**12,026.12**	10,479.07
Surplus in Statement of Profit and Loss		
Opening balance	**31,191.12**	18,088.02
Add: Profit for the year	**15,470.41**	17,950.75
Reversal of excess provision of Tax on Dividend of earlier years	**-**	5.86
Less: Appropriations		
Dividend	**(2,025.00)**	(2,025.00)
Tax on dividend	**(328.51)**	(328.51)
Transfer to General Reserve	**(1,547.05)**	(2,500.00)
Total Appropriations	**(3,900.56)**	(4,853.51)
Closing Balance	**42,760.97**	31,191.12
Total	**60,618.34**	47,501.44

Notes forming part of the financial statements

Note 5 Long-term Borrowings

	Non-current portion		Current maturities	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	**31st March 2012 ₹ in lacs**	31st March 2011 ₹ in lacs
Debentures - Secured				
112,500 (31st March 2011: 112,500) 8% Partly Convertible Debentures (non-convertible portion) of ₹3,000 each	**-**	1,125.00	**1,125.00**	1,125.00
Loan from Banks - Unsecured	**60.70**	60.03	**6.28**	6.24
Total	**60.70**	1,185.03	**1,131.28**	1,131.24

a. Current maturities of long term borrowings are included in 'Other Current Liabilities' in Note 10.

b. 8% Partly Convertible Debentures (non-convertible portion) Issued on 29th August, 2006 are redeemable at par in 3 equal annual installments commencing at the end of 4th year from the date of allotment and are secured by way of a:

   i) First pari-pasu equitable mortgage of all immovable properties of the Company located in Hyderabad, Andhra Pradesh ranking with other lenders of the Company

   ii) First charge by way of hypothecation of all movable properties / fixed assets, and

   iii) Second charge by way of floating charge on current assets, loans & advances, subject to first charge of Company's bankers, and / or working capital lenders.

c. Loan from Banks

   i) Loan from Banks represents housing loan for onward lending to the employees. The line of credit sanctioned in 2008 by the bank aggregating to ₹ 1,000 lac is secured by a negative lien on the mortgages created by the beneficiaries of the housing loan extended by the Company in favour of the Bank.

   ii) Loan is repayable within a period of 10 years and carries an interest of 6% p.a.

d. Bank Guarantees issued by Bank of Baroda: Sanctioned limit - ₹12,200 lacs. The guarantee issued are secured by

   i) Counter indemnity to be executed by the Company

   ii) First charge by way of hypothecation of stocks, book debts, receivables and other current assets of the company both present and future ranking pari-passu with other member banks of the consortium.

Notes forming part of the financial statements

Note 6 Other Long-term liabilities

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Trade Payables	**43,882.89**	32,004.59
Others		
Payables on purchase of fixed assets	**380.12**	2.65
Security Deposit	**1,173.53**	558.80
Mobilisation Advance from Customers	**35,285.03**	20,718.25
Total	**80,721.57**	53,284.29

Note 7 Provisions

	Long Term		Short Term	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Provision for Employee Benefits (Refer Note 30.3)				
- Pension	**180.97**	90.47	**30.16**	16.39
- Post retirement medical benefit	**17.71**	-	**10.00**	-
- Gratuity	**-**	-	**0.27**	-
- Compensated absences	**647.16**	454.01	**81.72**	128.48
	845.84	544.48	**122.15**	144.87
Other Provisions				
- Warranties (Refer Note 30.9)	**-**	-	**-**	256.00
- Future foreseeable losses on contracts (Refer Note 30.9)	**-**	-	**606.85**	-
Taxation (Net of Advance Tax ₹ 31,491.93 lacs (31.03.2011:₹ 25,116.04 lacs))	**-**	-	**1,007.13**	915.48
Proposed Dividend	**-**	-	**2,025.00**	2,025.00
Tax on Dividend	**-**	-	**328.5**	328.51
	-	-	**3,967.49**	3,524.99
Total	**845.84**	544.48	**4,089.64**	3,669.86

Notes forming part of the financial statements

Note 8 Short-term Borrowings

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Bank Overdraft (Secured)	**117.34**	-
Total	**117.34**	-

Bank Overdraft is secured :

I) In case of consortium banks with a cash credit limit of ₹ 9,000 lacs, by a first charge on book debts, stocks in process and other current assets ranking pari-pasu;

ii) in case of BNP Paribas, Hyderabad, exclusive first charge over movable properties and assets relating to project undertaken at Dubai including all movable assets, book debts present and future.

iii) in case of Bank of Baroda, Hyderabad, exclusive charge on entire project receivables, fixed assets and entire current assets of the project relating to project undertaken at Dubai (outside consortium arrangement of existing facility)

Note 9 Trade Payables

	Short Term	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Trade payables (Refer Note 29.9 for details of dues to micro and small enterprises)	**159,076.00**	161,958.46
Total	**159,076.00**	161,958.46

Note 10 Other Current Liabilities

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Current maturities of long term borrowings (Refer Note 5)	**1,131.28**	1,131.24
Others		
Statutory dues	**3,263.11**	6,148.48
Interest accrued and due	**0.80**	0.72
Interest accrued but not due	**461.15**	456.25
Mobilisation advance from Customers	**33,642.19**	29,079.88
Advance Billing	**207.32**	-
Other current liabilites	**98.22**	97.79
Total	**38,804.07**	36,914.36

Note 11 Tangible Assets

₹ in lacs

S.No	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 31st March, 2011	Additions	Deductions	**As at 31st March, 2012**	As at 31st March, 2011	Additions	Deductions	**As at 31st March, 2012**	**As at 31st March, 2012**	As at 31st March, 2011
1	Freehold Land	322.32	-	-	**322.32**	-	-	-	**-**	**322.32**	322.32
2	Leasehold Land	51.98	-	-	**51.98**	2.66	0.55	-	**3.21**	**48.77**	49.32
3	Buildings	819.53	-	-	**819.53**	214.87	56.41	-	**271.28**	**548.25**	604.66
4	Leasehold Improvements	468.80	-	8.71	**460.09**	163.41	48.08	-	**211.49**	**248.60**	305.39
5	Plant and Machinery (including Erection/ Construction Machinery)	15,577.88	4,307.68	621.30	**19,264.26**	6,038.98	2,117.46	549.08	**7,607.36**	**11,656.90**	9,538.90
6	Furnitures & Fixtures	623.23	33.19	21.60	**634.82**	379.92	66.30	14.14	**432.08**	**202.74**	243.31
7	Vehicles *	664.02	311.76	85.32	**890.46**	381.97	127.40	62.50	**446.87**	**443.59**	282.05
8	Office Equipment	792.16	224.74	13.76	**1,003.14**	391.06	97.31	11.04	**477.33**	**525.81**	401.10
9	Computers	997.18	130.16	91.94	**1,035.40**	778.30	118.95	91.88	**805.37**	**230.03**	218.88
10	R & D - Capital Mobile Desalination Plant	40.24	-	-	**40.24**	24.27	2.22	-	**26.49**	**13.75**	15.97
	Total	20,357.34	5,007.53	842.63	**24,522.24**	8,375.44	2,634.68	728.64	**10,281.48**	**14,240.76**	
	Previous year	16,896.26	3,658.56	197.48	**20,357.34**	6,387.48	2,142.87	154.91	**8,375.44**		11,981.90

* includes Heavy Vehicles viz. Tractors, Trailers, Tippers

Note 12 Intangible Assets

₹ in lacs

S.No	Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 31st March, 2011	Additions	Deductions	**As at 31st March, 2012**	As at 31st March, 2011	Additions	Deductions	**As at 31st March, 2012**	**As at 31st March, 2012**	As at 31st March, 2011
1.	Software	741.85	-	-	**741.85**	300.69	157.06	-	**457.75**	**284.10**	441.16
2.	Goodwill	2,132.57	-	-	**2,132.57**	2,132.57	-	-	**2,132.57**	**-**	-
	Total	2,874.42	-	-	**2,874.42**	2,433.26	157.06	-	**2,590.32**	**284.10**	
	Previous year	2,874.29	0.13	-	**2,874.42**	2,269.07	164.19	-	**2,433.26**		441.16

Notes forming part of the financial statements

Note 13 Non-Current Investments

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
i) Trade investments (valued at cost unless stated otherwise)		
Investment in Subsidiaries		
Equity Shares (Listed and Quoted)		
2,76,90,000 (31st March 2011:2,76,90,000) Equity Shares of ₹1 each fully paid-up in Artson Engineering Limited	**276.90**	276.90
Equity Shares (Unquoted)		
16,800 (31st March 2011:16,800) Equity Shares of EUR 1 each fully paid-up in TPL-TQA Quality Services (Mauritius) Pty Limited	**11.37**	11.37
150,000 (31st March 2011:150,000) Equity Shares of ZAR 1 each fully paid-up in TPL-TQA Quality Services South Africa (Pty) Limited	**9.34**	9.34
Investment in Joint Ventures		
Equity Shares (Unquoted)		
300 (31March 2011: 300) Cash Shares of Saudi Arabian Rials (SAR) 2000 per share equivalent to SAR 6,00,000 fully paid in Al-Tawleed for Energy & Power Co (under liquidation)	**75.60**	75.60
Less: Provision for diminution in value of investments	**(75.60)**	(75.60)
	-	-
49,99,997 Equity Shares of ₹10 each fully paid (31.03.2011 : 24,997 Equity Shares of ₹10 each and 49,75,000 Equity Shares of ₹ 5.98 partly paid) in TEIL Projects Limited	**500.00**	300.00
Investment in Associates		
1,200 (31st March 2011: 1,200) shares of ₹100 each fully paid in Virendra Garments Manufacturing Pvt Limited	**1.20**	1.20
Less: Provision for diminution in value of investments	**(1.20)**	(1.20)
	-	-
Investment in Partnership firms		
Tata Dilworth Secord Meagher & Associates (Refer note (b) below)	**1.80**	1.80
Less: Provision for diminution in value of investments	**(1.80)**	(1.80)
	-	-
	797.61	597.61
ii) Non-trade investments (valued at cost unless stated otherwise)		
Government securities (Unquoted)		
Investments in Exim Bank	**302.35**	302.35
3 Nos. 6.35% Exim Bond - 2013 of ₹100 lacs each fully paid		
Less: Amortisation of premium	**(2.06)**	(1.82)
	300.29	300.53
Total	**1,097.90**	898.14
a. Aggregate amount of Quoted Investments (Market Value: ₹ 7,240.94 lacs(31st March 2011:₹13,637.33 lacs))	**276.90**	276.90
Aggregate amount of unquoted investments	**821.00**	621.24
	1,097.90	898.14

b Investment in Tata Dilworth Secord Meagher & Associates

Name of Partner	Share of Capital	Share %
Tata Projects Limited	1.80	60%
Dilworth Secord, Meagher & Associates	1.20	40%
	3.00	100%

Notes forming part of the financial statements

Note 14 Deferred Tax Assets/(Liability)

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Deferred Tax Asset		
Arising out of timing differences in:		
Depreciation	**20.17**	(97.32)
Provision for doubtful debts and advances	**1,357.55**	1,291.45
Provision for foreseeable losses	**196.89**	-
Provision of Leave Encashment and Gratuity etc.	**305.07**	223.66
Disallowance under section 43B	**55.16**	63.59
Others	**14.21**	16.12
Net Deferred Tax Asset	**1,949.05**	1,497.50

Note 15 Loans and Advances

	Non-Current		Current	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Capital Advances				
Unsecured, considered good	**124.39**	73.75	**-**	-
Loan and Advances to related parties				
Unsecured, considered good				
- Inter Corporate Deposit	**-**	-	**1,600.00**	1,000.00
- Loans	**1,040.20**	1,040.20	**890.20**	1,040.20
- Other Advances	**-**	-	**138.35**	233.07
	1,040.20	1,040.20	**2,628.55**	2,273.27
Security Deposit				
Unsecured, considered good	**838.72**	789.18	**634.82**	438.07
Loans and Advances to employees				
Unsecured, considered good	**66.76**	68.53	**161.81**	114.16
	66.76	68.53	**161.81**	114.16
Prepaid expenses				
Unsecured, considered good	**-**	-	**471.80**	433.62
Balances with Government authorities				
Unsecured, considered good				
CENVAT credit receivable	**-**	-	**146.26**	552.43
VAT credit receivable	**-**	-	**1,254.56**	858.92
Sales tax deducted at source	**-**	-	**4,718.23**	3,554.09
Service Tax Credit receivable	**-**	-	**287.83**	564.15
	-	-	**6,406.88**	5,529.59

Notes forming part of the financial statements

Note 15 Loans and Advances (Contd...)

	Non-Current		Current	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Inter-corporate deposits				
Unsecured, considered good	-	-	12,000.00	8,500.00
Advances recoverable in cash or in kind or for value to be received				
Unsecured, considered good	-	-	4,198.07	4,608.54
Unsecured, considered doubtful	-	-	473.25	573.67
	-	-	4,671.32	5,182.21
Less: Provision for Doubtful Advances	-	-	(473.25)	(573.67)
	-	-	4,198.07	4,608.54
Mobilisation Advance given to Contractors				
Unsecured, considered good	9,461.76	6,971.87	16,024.42	17,024.82
Advance payment of Fringe Benefit Tax (net)	-	-	26.28	26.28
Total	11,531.83	8,943.53	42,552.63	38,948.35

Note 16 Trade Receivables

	Non-Current*		Current	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
A. Trade receivables not due for payment				
Unsecured, Considered good	92,057.91	80,361.84	59,596.85	75,547.45
B. Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	22,307.70	18,194.04
Doubtful	-	-	3,784.17	3,480.03
	-	-	26,091.87	21,674.07
Provision for doubtful receivables			(3,784.17)	(3,480.03)
	-	-	22,307.70	18,194.04
C. Other Trade Receivables				
Unsecured, considered good	-	-	17,574.45	17,650.86
Total (A + B + C)	92,057.91	80,361.84	99,479.00	111,392.35

* includes Retention dues of ₹ 84,941.59 lacs (31.03.2011 : ₹ 75,405.82 lacs)

Notes forming part of the financial statements

Note 17 Current Investments

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Current portion of long-term investments (valued at cost)		
Mutual Funds (Unquoted)		
Birla Sun Life Savings Fund - Instl.- Daily Dividend - Reinvestment Nil (2010-11 : 1,45,94,686.104) Units of ₹10 each	**-**	1,460.46
TATA Floater Fund - Daily Dividend 3,93,74,068.299 (2010-11 :4,26,76,582.117) Units of ₹10 each	**3,951.42**	4,282.85
UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) - Re investment 1,23,869.480 (2010-11 : 1,74,311.922) Units of ₹1,000 each	**1,238.96**	1,743.49
Templeton India Ultra Short Bond Fund Super Institutional Plan - Daily Dividend Reinvestment Nil (2010-11 : 1,52,72,979.684) Units of ₹10 each	**-**	1,529.07
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend* , Option : Reinvest 50,11,118.389 (2010-11 : 1,02,38,305.165) Units of ₹10 each	**502.69**	1,027.06
JM Money Manager Fund Super Plus Plan - Daily Dividend (171) Nil (2010-11 : 1,51,83,043.208) Units of ₹ 10 each	**-**	1,519.11
IDFC Money Manager Fund - TP - Super Inst Plan C - Daily Dividend 53,75,534.500 (2010-11 : 1,53,51,262.181) Units of ₹10 each	**537.63**	1,535.36
Kotak Floater Long Term - Daily Dividend 94,27,142.889 (2010-11 : 1,79,36,355.045) Units ₹ 10 each	**950.24**	1,807.95
SBI - SHF - Ultra Short Term Fund - Insitutional Plan - Daily Dividend Nil (2010-11 : 1,74,05,663.583) Units of ₹10 each	**-**	1,741.61
DSP Blackrock Money Manager Fund - Institutional Plan - Daily Dividend 43,094.562 (2010-11 : 1,04,208.920) Units of ₹1,000 each	**431.29**	1,042.92
Tata Fixed Income Portfolio Fund Scheme C2 Inst Monthly Nil (2010-11 : 2,02,58,407.278) Units of ₹ 10 each	**-**	2,026.98
HSBC Floating Rate - Long Term Plan - Institutional Option - Weekly Dividend Nil (2010-11 :63,12,327.439) Units of ₹ 10 each	**-**	708.86
ICIC Prudential Interval Fund - Monthly Interval Plan - I Institutional Dividend Nil (2010-11 : 10,00,00,000.000) Units of ₹ 10 each	**-**	1,004.83

Notes forming part of the financial statements

Note 17 Current Investments (Contd...)

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Current portion of long-term investments (valued at cost) **Mutual Funds (Unquoted)**		
Tata Fixed Income Portfolio Fund Scheme A3 Institutional Nil (2010-11 : 1,99,94,001.787) Units of ₹ 10 each	-	2,006.86
JM Money Manager Fund Super Plus Plan - Daily Dividend (169) 1,18,21,099.319 (2010-11 : Nil) units of ₹ 10 each	1,183.50	-
Templeton India Ultra Short Bond Fund Institutional Plan - Daily Dividend Reinvestment 1,13,30,265.817 (2010-11 : Nil) Units of ₹ 10 each	1,134.28	-
Birla Sun Life Savings Fund - Institutional- Daily Dividend - Reinvestment (Face Value ₹ 100) 12,48,401.681 (2010-11 : Nil) Units of ₹100 each	1,249.25	-
SBI - SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend (Face Value ₹ 1000) 98,856.181 (2010-11 Nil) Units of ₹1,000 each	989.15	-
ICICI Prudential Flexible Income Plan Premium - Daily Dividend 12,05,538.270 (2010-11 : Nil) Units of ₹100 each	1,274.68	-
Total	**13,443.09**	23,437.41

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

Contracts-in-progress	**7,279.19**	5,798.22
Inventories:		
Raw Materials and Components	**2,677.84**	2,033.75
Work-in-progress	**548.55**	282.81
Finished goods	**78.92**	51.36
Stores and spare parts	**11.50**	18.02
Total	**10,596.00**	8,184.16

Note 19 Cash and Cash Equivalents

Cash on hand	**22.88**	17.63
Balances with banks:		
- In current accounts	**14,031.02**	8,155.51
- in deposit with original maturity for less than 3 months	**35,200.00**	7,000.00
Total	**49,253.90**	15,173.14

Notes forming part of the financial statements

Note 20 Other Current Assets

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Unsecured, considered good unless stated otherwise		
Work done but not billed	**7,169.63**	4,058.41
Interest accrued on Investments	**14.87**	14.87
Interest accrued on loans and advances	**691.36**	155.54
Contractually reimbursable expenses	**1,192.74**	635.71
Total	**9,068.60**	4,864.53

Note 21 Revenue from Operations

Revenue from Operations		
Income from Contracts	**298,582.88**	299,943.58
Income from Services	**8,633.85**	6,542.82
Income from Sale of Goods	**214.70**	215.81
Gross Revenue from Operations	**307,431.43**	306,702.21
Less: Indirect Taxes and Duties	**5,861.80**	4,200.76
Net Revenue from Operations	**301,569.63**	302,501.45

Note 22 Other Income

Interest Income on :		
Bank deposits	**689.54**	3.95
Long-term investments	**19.05**	19.05
Inter Corporate Deposits	**1,239.70**	437.17
Advances	**315.61**	168.95
Others	**252.68**	288.96
Advance payment of taxes	**-**	70.09
Dividend income :		
Long term investment - Subsidiaries	**243.98**	144.51
Current investments	**1,465.56**	1,001.86
Hire Charges	**182.77**	217.04
Miscellaneous Income	**462.44**	597.71
Difference in Exchange Rate (net)	**580.98**	(179.28)
Total	**5,452.31**	2,770.01

Notes forming part of the financial statements

Note 23 Project Execution Expenses

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Cost of Supplies/Erection and Civil Works *	**235,491.01**	233,515.29
Engineering Fees	**1,395.90**	3,385.42
Insurance Primum	**1,326.17**	686.32
Bank Guarantee and Letter of credit charges	**1,664.30**	1,458.74
Total	**239,877.38**	239,045.77

* includes increase / (decrease) in excise duty of ₹ 2.60 lacs (previous year : ₹ 13.87 lacs) on finished goods

Note 24 Changes in Inventories of finished goods, work-in-progress and Contracts-in-progress

Inventories at the end of the year		
Finished goods	**78.92**	51.36
Work-in-progress	**548.55**	282.81
Contracts-in-progress	**7,279.19**	5,798.22
	7,906.66	6,132.39
Inventories at the beginning of the year		
Finished goods	**51.36**	75.68
Work-in-progress	**282.81**	204.22
Contracts-in-progress	**5,798.22**	5,954.23
	6,132.39	6,234.13
Net (Increase)/Decrease	**(1,774.27)**	101.74

Note 25 Employee benefits Expenses

Salaries,Wages and Bonus	**16,634.66**	14,001.46
Contribution to Provident and other funds	**708.51**	565.19
Gratuity	**365.92**	351.19
Superannuation	**576.50**	483.88
Staff Welfare Expenses	**865.14**	734.14
Overseas Living Allowance	**1,140.55**	907.03
Total	**20,291.28**	17,042.89

Notes forming part of the financial statements

Note 26 Operations, Establishment and Other Expenses

	31st March 2012 ₹ in lacs	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	31st March 2011 ₹ in lacs
Rent		**1,480.62**		1,217.84
Repairs & Maintenance				
(a) Plant and Machinery including Erection and Construction Equipment		**208.35**		161.48
(b) Building		**134.45**		2.88
(c) Others		**374.19**		285.15
Processing Charges		**326.62**		314.29
Power and Fuel		**572.01**		455.13
Stores & Spares consumed		**139.87**		157.77
Rates and Taxes		**105.97**		122.08
Insurance		**74.46**		94.02
Motor Vehicle Expenses		**1,459.94**		1,240.85
Travelling Expenses		**1,762.92**		1,496.73
Professional and Legal Charges		**1,146.80**		742.77
Postage, Telephone, Telegram & Telex		**415.62**		382.97
Printing and Stationery		**201.60**		200.18
Staff Recruitment/Training expenses		**92.76**		45.60
Business Development Expenditure		**299.74**		116.65
Amortisation of Premium/provision for diminution in the value of investments		**0.24**		75.84
Bad debts	**13.97**		766.24	
Provision for Doubtful Debts	**437.87**		212.44	
	451.84		978.68	
Less: Provision for Doubtful Debts reversed	**(133.73)**		(685.04)	
		318.11		293.64
Advances written off	**-**		60.10	
Provision for Doubtful Advances / Claims	**-**		173.67	
	-		233.77	
Less: Provision for Doubtful Advances reversed	**(100.42)**		-	
		(100.42)		233.77
Loss /(Profit) on sale of fixed assets (net)		**47.52**		(9.06)
Agency Commission		**45.18**		-
Brand Equity Contribution		**753.92**		756.25
Miscellaneous expenses		**1,142.73**		1,030.03
Total		**11,003.20**		9,416.86

Notes forming part of the financial statements

Note 27 Depreciation and Amortisation Expenses

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Depreciation and Amortisation on Tangible Assets	**2,634.68**	2,142.87
Depreciation and amortization on Intangible Assets	**157.06**	164.19
Total	**2,791.74**	2,307.06

Note 28 Finance Costs

On Borrowings	**177.11**	232.32
On Trade Payables	**2,029.90**	1,239.85
Total	**2,207.01**	1,472.17

Note 29 Additional Information to the financial statements

29.1 Raw materials consumed

	2011-2012 Value ₹ in lacs	2010-2011 Value ₹ in lacs
Steel	**9,091.57**	8,262.28
Zinc	**967.45**	931.60
Others	**183.58**	127.50
Total	**10,242.60**	9,321.38

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

29.2 Consumption of Imported and Indigenous raw-material, stores and spare parts and the percentage of each to total consumption

	2011-2012		2010-2011	
	Value ₹ in lacs	%	Value ₹ in lacs	%
Indigenous	**10,242.60**	**100**	9,321.38	100
Stores & Spares Consumed				
Indigenous	**139.87**	**100**	157.77	100

Notes forming part of the financial statements

Note 29 Additional Information to the financial statements (Contd.)

	2011-2012 ₹ in lacs	2010-2011 ₹ in lacs
29.3 Value of imports on C.I.F. Basis		
(I) Project related equipment and Materials	**5,494.07**	1,282.53
(ii) Capital Goods	**1,443.43**	1,598.61
29.4 Expenditure in foreign currency		
(i) Expenditure incurred on foreign projects	**16,756.02**	9,156.83
(ii) Travel	**412.57**	436.28
(iii) Technical Fees	**-**	331.63
(iv) Income Tax	**64.14**	65.07
(v) Interest	**39.98**	11.39
29.5 Earnings in foreign exchange:		
(i) Erection and Engineering Servcies	**19,755.54**	13,082.46
(ii) Interest	**-**	0.87
(iii) Dividend	**243.98**	144.51
29.6 Auditors' Remuneration		
(i) Audit fee	**15.00**	15.00
(ii) Tax audit fee	**2.00**	2.00
(iii) Other services	**9.52**	8.00
(iv) Reimbursement of expenses	**0.18**	1.16
29.7 Contingent Liabilites (not provided for)		
(i) Bank Guarantees / Standby Letters of Credit issued by the Bank on behalf of the Company	**330,033.22**	257,578.04
(ii) Corporate Guarantees issued to clients under various contracts	**10,600.93**	3,006.38
(iii) Claim against the company not acknowledged as debts.	**830.00**	5,692.00
(iv) Bank Guarantees given on behalf Subsidiary / Joint Venture	**-**	2,314.79
(v) Corporate Guarantees given on behalf Subsidiary / Joint Venture	**6,000.00**	6,000.00
(vi) Sales Tax	**3,985.78**	355.00
(vii) Liquidated damages	**Amounts indeterminate**	Amounts indeterminate

29.8 Capital Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advance ₹124.39 lacs (31.03.2011: ₹ 73.75 lacs)] ₹ 497.16 lacs (31.03.2011: ₹ 581.17 lacs)

(ii) Uncalled liability on partly paid shares in TEIL Projects Limited ₹ Nil (31.03.2011: ₹ 200.00 lacs)

Notes forming part of the financial statements

Note 29 Additional Information to the financial statements (Contd.)

29.9 Trade payables – Dues to Micro and Small Enterprises

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures as follows:

	2011-2012 ₹ in lacs	2010-2011 ₹ in lacs
(a) Principal amount remaining unpaid as on 31st March@	**499.05**	407.74
(b) Interest due thereon as on 31st March@	**2.54**	6.96
(c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year@	**-**	-
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006@	**-**	
(e) Interest accrued and remaining unpaid as at 31st March@	**20.61**	18.07
(f) Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise@	**20.61**	18.07

@ Amounts unpaid to MSM vendors on account of retention money have not been considered for the purpose of interest calculation.

29.10 Derivatives transaction

Company uses Forward Exchange Contracts to hedge its exposure in Foreign Currency.

a) The following are the outstanding derivative contract outstanding as at year end :

2011-12				2010-11			
Currency	**Amount (in Million)**	**Buy/Sell**	**Cross Currency**	Currency	Amount (in Million)	Buy/Sell	Cross Currency
Euro	-	-	-	Euro	1.15	Buy	USD
USD	-	-	-	USD	1.06	Buy	GBP
Euro	-	-	-	Euro	-	Buy	USD

Notes forming part of the financial statements

Note 29 Additional Information to the financial statements (Contd...)

b) Amount Receivable and Payable in foreign exchange as at year end not covered by forward contracts on account of the following:

	2011-12		2010-11	
	Foreign Currency (In Million)	**₹ in lacs**	Foreign Currency (In Million)	₹ in lacs
1 Receivables in respect of				
a Income from Contracts	**QAR 0.14**	**20.19**	QAR 20.82	2,538.23
	AED 31.56	**4,370.47**	AED 15.72	1,900.94
b Income from services	**SGD 0.02**	**7.28**	SGD 0.02	5.32
	-	-	SAR 0.71	83.69
	-	-	USD 1.35	597.3
	-	-	ZAR 6.56	60.7
	-	-	EURO 0.10	60.95
	WON 10.79	**4.86**	-	-
2 Payables in respect of				
a Supply / Erection	**QAR 0.11**	**15.57**	QAR 10.88	1,326.06
	AED 22.48	**3,113.79**	AED 26.82	3,242.19
b Other Expenses	**QAR 0.08**	**11.66**	QAR 0.10	12.19
	SGD 0.001	**0.47**	SGD 0.006	1.99
	AED 1.21	**167.81**	AED 0.05	6.05
3 Over Draft Facilities	**AED 0.85**	**117.34**	-	-
4 Bank Balances	**QAR 0.37**	**51.27**	QAR 2.73	332.79
	SGD 0.018	**7.27**	SGD 0.02	6.7
	AED 3.78	**522.91**	AED 3.50	423.07
	USD 1.00	**528.71**	USD 0.31	136.63
	WON 188.69	**84.91**	-	-

c) The net difference in foreign exchange credited to the Statement of Profit and Loss is ₹580.98 lacs [31.03.2011: ₹179.28 lacs (loss)].

29.11 (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 58A and 372A and relevant provision of the Companies Act, 1956 and the regulation thereunder for the purpose of providing loan and guarantees and subscribing to the equity capital of Artson.

Notes forming part of the financial statements

Note 29 Additional Information to the financial statements (Contd...)

(ii) The Company has investment of ₹ 276.90 lacs in Artson and has advanced amounts aggregating to ₹ 3,668.74 lacs which are outstanding as on March 31, 2012. Although Artson's net worth has been fully eroded, in view of the long term involvement of the Company in Artson as detailed in note 29.11 (I) above, management is of the view that no provision is required on this account at this stage.

29.12 Note 15 - Loans and Advances includes ₹ 610.00 lacs (31.03.2011 ₹ 610.00 lacs) 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 management is confident of a favorable outcome in the matter.

29.13 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 lacs, which will be sanctioned and disbursed as per modalities to be determined by Government of Maharashtra. Benefit will be accounted on such final determination.

29.14 Provision for taxation includes ₹ 64.14 lacs (31.03.2011 : ₹ 65.07 lacs) paid / payable in other countries.

Note 30 Disclosures under Accounting Standards

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

	2011-12 ₹ in lacs	2010-11 ₹ in lacs
Contract revenue recognised as revenue during the year	**298,582.88**	3,00,145.79
Aggregate amount of contract costs incurred in respect of on going contracts and recognised profits (less recognized losses) upto the reporting date	**1,243,679.00**	941,085.92
Advance payments received (net of recoveries from progressive bills)	**68,941.31**	49,701.95
Retention amount	**84,941.59**	75,405.82
Gross amount due from customers for contract work	**109,080.05**	1,17,833.00
For the Method used to determine the contract revenue recognised and the stage of completion of contract in progress, refer note 2.6 (i) above		

30.2 In line with accepted practice in Construction Business, certain revisions to costs and billing of previous years which have crystallized during the year have been dealt with in the current year. The Statement of Profit and Loss for the year include credits aggregating to ₹ 2,717.57 lacs (31.03.2011: ₹ 5237.32 lacs) on account of changes in estimates.

Notes forming part of the financial statements

Note 30 Disclosures under Accounting Standards (Contd...)

30.3 Employee Benefits

Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2012 and recognised in the financial statements in respect of Employee Benefit Schemes:

	2011-12 (₹ in lacs)			2010-11 (₹ in lacs)		
Components of Employer Expense	**Gratuity Funded**	**Pension Unfunded**	**Medical Benefits Unfunded**	Gratuity Funded	Pension Unfunded	Medical Benefits Unfunded
1 Current Service Cost	**178.72**	**-**	**-**	122.11	-	-
2 Interest Cost	**96.96**	**8.82**	**-**	73.03	7.07	-
3 Expected Return on Plan Assets	**(98.28)**	**-**	**-**	(73.15)	-	-
4 Curtailment Cost/(Credit)	**-**	**-**	**-**	-	-	-
5 Settlement Cost/(Credit)	**-**	**-**	**-**	-	-	-
6 Past Service Cost	**-**	**93.16**	**27.71**	-	-	-
7 Actuarial Losses/(Gains)	**206.50**	**22.66**	**-**	226.53	23.04	-
8 Total expense recognized in the Statement of Profit & Loss Account	**383.90**	**124.64**	**27.71**	348.52	30.11	-
II 1 Present Value of Defined Benefit Obligation	**1,447.99**	**211.13**	**27.71**	1,175.28	(106.86)	-
2 Fair Value on Plan Assets	**1,447.72**	**-**	**-**	1,191.27	-	-
3 Status [Surplus/(Deficit)]	**(0.27)**	**(211.13)**	**(27.71)**	15.99	(106.86)	-
4 Unrecognised Past Service Cost	**-**	**-**	**-**	-	-	-
5 Net Asset/(Liability) recognised in Balance Sheet	**(0.27)**	**(211.13)**	**(27.71)**	15.99	(106.86)	-
III Change in Defined Benefit Obligation (DBO)						
1 Present Value of DBO at Beginning of Year	**1,175.28**	**106.86**	**-**	885.22	94.27	-
2 Current Service Cost	**178.72**	**93.16**	**27.71**	122.11	-	-
3 Interest Cost	**96.96**	**8.82**	**-**	73.03	7.07	-
4 Curtailment Cost/(Credit)	**-**	**-**		-	-	-
5 Settlement Cost/(Credit)	**-**	**-**		-	-	-
6 Plan Amendments	**-**	**-**		-	-	-
7 Acquisitions	**-**	**-**		-	-	-
8 Actuarial (Gains)/Losses	**215.55**	**22.66**		201.60	23.04	-
9 Benefits Paid	**(218.52)**	**(20.37)**		(106.68)	(17.52)	-
10 Present Value of DBO at the End of Year	**1,447.99**	**211.13**	**27.71**	1,175.28	106.86	
IV The major categories of plan assets as a percentage of total plan Funded with Tata AIG Life Insurance Co. Ltd.	**1,447.72**	**-**	**-**	1,191.27	-	-
V Actuarial Assumptions						
1 Discount Rate	**8.50%**	**8.50%**	**8.50%**	8.25%	7.50%	0.00%
2 Expected Rate of Return on Plan Assets	**8.50%**			8.25%		
3 Mortality	**LIC (1994-96) Ultimate**			LIC (1994-96) Ultimate		
4 Turnover Rate	**10%**			10%		

Notes forming part of the financial statements

Note 30 Disclosures under Accounting Standards (Contd...)

30.3 Employee Benefits

VI	Basis used to determine the Expected Rate of Return of Plan Assets	As the detailed list of investments is not available, expected return is assumed to be earned on risk free investments like PPF.
	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.	8.50%

		2011-12 (₹ in lacs)			2010-11 (₹ in lacs)			2009-10 (₹ in lacs)			2008-09 (₹ in lacs)		
		Pension	**Gratuity**	**Medical Benefit**	Pension	Gratuity	Medical Benefit	Pension	Gratuity	Medical Benefit	Pension	Gratuity	Medical Benefit
VII	Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)												
		(211.13)	**1,447.99**	**(27.71)**	(106.86)	15.98	-	(94.27)	-	-	(97.80)	(305.29)	-
1	Present Value of Defined Benefit Obligation	**(211.13)**	**1,447.99**	**(27.71)**	106.86	1,175.28	-	94.77	885.22	-	97.80	752.60	-
2	Fair Value of Plan Assets	**-**	**1,447.72**	**-**	-	1,191.27	-	-	885.22	-	-	456.31	-
3	Status [Surplus/(Deficit)]	**(211.13)**	**(0.27)**	**(27.71)**	(106.86)	15.99	-	(94.77)	-	-	(97.80)	305.29	-
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	**-**	**9.05**	**-**	-	(10.39)	-	-	(9.10)	-	-	7.54	-
5	Experience Adjustment of obligation [Gain/(Loss)]	**25.02**	**200.96**	**-**	33.72	201.60	-	6.96	50.57	-	59.37	328.20	-

Notes forming part of the financial statements

Note 30 Disclosures under Accounting Standards (Contd...)

30.4 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:

1 EPC
2 Services
3 Other

and Secondary Segments of the Company are:

1 Domestic
2 Overseas

2 Reporting for Business Sector 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

Note 30 Disclosures under Accounting Standards (Cobtd...)

30.4 Employee Benefits (Contd.)

₹ in lacs

	A. PRIMARY SEGMENT	EPC		Services		Others		Eliminations		Consolidated Total	
		March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011
	Segment Revenue										
	External Sales	**292,762.59**	295,760.57	**8,592.34**	6,525.07	**214.70**	215.81	**-**	-	**301,569.63**	302,501.45
	Inter Segment Revenue	**-**	-	**283.67**	244.47	**-**	-	**283.67**	244.47	**-**	-
1	**Segment Revenue**	**292,762.59**	295,760.57	**8,876.01**	6,769.54	**214.70**	215.81	**283.67**	244.47	**301,569.63**	302,501.45
2	**Segment Result**	**23,444.36**	29,835.36	**2,768.79**	1,693.77	**1.34**	32.91	**-**	-	**26,214.49**	31,562.04
3	Unallocated Corporate Expenses									**7,076.79**	6,484.63
4	Interest Expenses									**2,207.01**	1,472.17
5	Operating Profits (2-3-4)									**16,930.69**	23,605.24
6	Interest / Dividend Income									**4,226.12**	2,134.54
7	Other Income									**1,226.19**	823.81
8	**Net Profit/(Loss) Before Tax (5+6+7)**									**22,383.00**	26,563.59
9	Income Tax									**7,364.14**	8,555.08
10	Deferred tax									**(451.55)**	252.92
11	Taxation of earlier years									**-**	(195.16)
12	**Net Profit/(Loss) after Tax (8-9-10)**									**15,470.41**	17,950.75
	Segment Asset	**268,077.02**	252,115.00	**3,143.84**	1,896.36	**93.24**	79.03			**271,314.10**	254,090.39
	Unallocated Corporate Assets									**75,044.40**	52,992.53
	Total Assets									**346,358.50**	307,082.92
	Segment Liabilities	**274,520.93**	246,453.62	**558.96**	679.24	**13.34**	19.50			**275,093.23**	247,152.36
	Unallocated Corporate Liabilities									**8,621.93**	10,404.12
	Total Liabilities									**283,715.16**	257,556.48
	OTHER INFORMATION										
	Capital Expenditure	**4,267.67**	3,258.12	**-**	-	**-**	-			**4,267.67**	3,258.12
	Unallocable Capital Expenditure									**739.86**	400.57
	Depreciation	**2,046.31**	1,387.80	**2.75**	0.45	**0.05**	0.36			**2,049.11**	1,388.61
	Unallocable Depreciation									**742.63**	918.45
	Non-cash Expenses										
	Other than Depreciation										

B. GEOGRAPHICAL SEGMENT	Domestic		Overseas		Consolidated Total	
	March 31,2012	March 31, 2011	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011
Segment Revenue						
External sales	**282,000.44**	289,419.04	**19,569.19**	13,082.41	**301,569.63**	302,501.45
Segment Asset	**265,449.53**	246,678.22	**5,864.57**	7,412.17	**271,314.10**	254,090.39
Unallocable asset					**75,044.40**	52,992.53
Total Asset					**346,358.50**	307,082.92
Capital Expenditure	**4,264.13**	3,241.78	**3.54**	16.34	**4,267.67**	3,258.12
Unallocable Capital Expenditure					**739.86**	400.57

Notes forming part of the financial statements

Note 30 Disclosures under Accounting Standards (Contd...)

30.5 Related Party Disclosures

Information relating to Related Party transactions as per "Accounting Standard 18"

Description of relationship	**Nature of relationship**
Entity holding more than 20%	Tata Power Company Limited
Associate	Virendra Garments Manufacturers Private Limited
Subsidiary	Artson Engineering Limited TPL-TQA Quality Services (Mauritius) Pty Limited TPL-TQA Quality services South Africa (Proprietary) Limited
Joint Venture	Al Tawleed For Energy & Power Co TEIL Projects Limited
Partnership Firm	Tata Dilworth, Secord Meagher & Associates (TDSMA)
Key Management Personnel	Mr. Vinayak K Deshpande, Managing Director (with effect from 1st July, 2011) Mr.A.K.Misra, Executive Director & Chief Operating Officer (upto 30th September, 2011) Mr.A.K.Mathur, Executive Director (upto 30th September, 2011)

Details of related party transactions carried out in the ordinary course of business and balances as at year end.

₹ in lacs

Particulars	Entity holding more than 20%		Subsidiaries		Joint Ventures		Key Management Personnel	
	2011-12	2010-11	**2011-12**	2010-11	**2011-12**	2010-11	**2011-12**	2010-11
Income from contracts and services	**1,652.79**	4,985.87	**620.75**	788.74	**-**	-	**-**	-
Interest Income	**-**	-	**334.58**	236.50	**-**	-	**-**	-
Dividend income	**-**	-	**243.98**	144.51	**-**	-	**-**	-
Cost of erection and supply	**-**	-	**463.57**	106.56	**-**	-	**-**	-
Interest on debentures	**106.03**	180.82	**-**	-	**-**	-	**-**	-
Dividend paid	**967.50**	725.63	**-**	-	**-**	-	**-**	-
Loan and advance given to subsidiary	**-**	-	**862.16**	1,538.83	**-**	-	**-**	-
Loans and advances repaid	**-**	-	**506.88**	951.77	**-**	-	**-**	-
Provision for diminution in value of Investment	**-**	-	**-**	-	**-**	75.60	**-**	-
Provision for doubtful debts	**-**	-	**-**	-	**-**	83.69	**-**	-
Remuneration	**-**	-	**-**	-	**-**	-	**341.71**	244.70
Balances outstanding at the end of the year								
Investment	**-**	-	**-**	9.34	**200.00**	100.00	**-**	-
Payable	**608.27**	874.56	**63.63**	-	**34.39**	34.39	**-**	-
Trade receivables	**2,615.97**	3,495.43	**95.57**	130.41	**83.69**	83.69	**-**	-
Loans and advances repaid	**-**	-	**3,668.74**	3,313.46	**-**	-	**-**	-
Expenses recovered	**-**	-	**170.41**	118.46	**5.80**	15.97	**-**	-
Interest Receivable	**-**	-	**193.16**	8.32	**-**	-	**-**	-
Guarantees given	**2,439.93**	2,503.63	**6,000.00**	8,279.79	**-**	35.00	**-**	-
Interest accrued but not due	**39.95**	79.52	**-**	-	**-**	-	**-**	-
Work done but not billed	**-**	508.63	**-**	-	**-**	-	**-**	-

Notes forming part of the financial statements

Note 30 Disclosures under Accounting Standards

30.6 Disclosure as required by Accounting Standard 19, "Leases" are given below

Operating lease: Company 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 5 years and are usually renewable by mutual consent on agreed terms. The aggregate lease rents payable are recognized in the Statement of Profit and Loss for the year and included as Rent (disclosed under Operations, Establishment and Other Expenses in Note 26).

ii) The company has taken certain properties under non-cancellable leases.

	2011-12 ₹ in lacs	2010-11 ₹ in lacs
Total of future minimum lease payments at the balance sheet date		
Within one year	**194.71**	397.55
After one year but not more than five years	**634.67**	829.38
More than five years	**-**	-
	829.38	1,226.93

30.7 Earnings per Share (EPS):

	2011-12	2010-11
Basic and diluted :		
a) Profit for the year (₹ in lacs)	**15,470.41**	17,950.75
b) Weighted Average number of Equity Shares of ₹ 100 each outstanding during the year	**2,025,000**	2,025,000
Earning per share (₹)	**764**	886

30.8 The disclosure requirement required as per Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures" is given below.

Interest In Joint Ventures

The Company has interests in the following jointly controlled entities ₹ in lacs

Name of companies and country of Incorporation	**Percentage of Holding**	**Amount of interest based on accounts for the year ended 31March, 2012.**					
		Assets	**Liabilities**	**Income**	**Expenditure**	**Contingent Liabilities**	**Capital Commitment**
TEIL Projects Limited Jointly controlled entity India As per Audited Accounts as on March 31, 2012	50%	150.60 (53.17)	150.60 (53.17)	54.40 (3.94)	160.90 (127.38)	- -	- -
Al-Tawleed for Energy & Power Co. (under liquidation) Jointly controlled entity Kingdom of Saudi Arabia As per Management Accounts as on December 31, 2011	30%	1,649.63 (1,389.65)	1,649.63 (1,389.65)	- (-5.83)	- (237.74)	- -	- -

Note: Figure in brackets relate to the previous year.

Notes forming part of the financial statements

Note 30 Disclosures under Accounting Standards

30.9 Details of provisions

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

₹ in lacs

Particulars	As at 1 April 2011	Additions	Utilisation	Reversal (withdrawn as no longer required)	**As at 31 March, 2012**
Provision for warranty	**256.00**	**-**	**-**	**256.00**	**-**
	(256.00)	-	-	-	**(256.00)**
Provision for future foreseeable losses on contracts	-	**606.85**	**-**	**-**	**606.85**
Total	**256.00**	**606.85**	**-**	**256.00**	**606.85**
	(256.00)	-	-	-	**(256.00)**

Note 31 Previous year's figures

31 The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. 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

F K Kavarana
Chairman

H H Malgham
Director

A J Engineer
Director

P N Dhume
Director

Prasad R Menon
Director

K P Singh
Director

S Ramakrishnan
Director

Vinayak K Deshpande
Managing Director

K S Krishnan
Senior General Manager &
Head - Accounts

Dr A Raja Mogili
Company Secretary

Place : Mumbai
Date : 7th May 2012

Financial Statistics

₹ in lacs

		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
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
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
3	Operating Profit	2,850.41	3,641.84	6,348.62	11,067.20	21,268.75	27,384.47	21,929.44
4	Other Income	220.40	528.39	2,692.20	1,756.62	2,338.50	2,958.35	5,452.31
5	Interest	208.17	426.33	696.02	1,152.08	1,383.57	1,472.17	2,207.01
6	Depreciation and Amortisation	641.58	1,417.58	1,672.68	1,985.78	1,816.96	2,307.06	2,791.74
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
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
9	Earning Per Share (EPS) - Rs./ shares	636	411	1,281	292	655	886	764
10	Dividend per share (%)	70%	100%	125%	30%	75%	100%	100%
11	Dividend Pay-out Ratio (%)	13%	33%	11%	12%	13%	13%	15%
12	Return On Capital Employed (ROCE) %	29%	18%	27%	29%	43%	42%	32%
13	Return On Net Worth (RONW) %	24%	9%	26%	27%	40%	37%	25%
14	Long Term Debts / Equity	0.13	0.28	0.20	0.15	0.10	0.05	0.02
15	Total Debts / Equity	0.31	0.28	0.46	0.39	0.13	0.05	0.02
16	Capital	225.00	337.50	337.50	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
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
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
21	Depreciation	2,115.71	3,454.86	5,088.91	6,948.41	8,656.55	10,808.70	12,871.80
22	Net Block	5,233.13	6,337.84	9,192.63	9,486.80	11,324.89	13,455.72	15,328.59

Consolidated Financial Statements

AUDITORS' REPORT

To The Board of Directors of Tata Projects Limited

1. We have audited the attached Consolidated Balance Sheet of **TATA Projects Limited** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at March 31, 2012, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in an associate accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. (a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of . ₹ 9,023.50 lacs as at March 31, 2012, total revenues of ₹ 6,903.29 lacs and net cash inflows amounting to ₹ 306.34 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.

   (b) As stated in Note 1.4 accompanying the consolidated financial statements, the financial statements of a subsidiary and two joint ventures whose financial statements reflect total assets of ₹ 2,123.47 lacs as at March 31, 2012, total revenues of ₹721.27 lacs and net cash inflows amounting to ₹ 93.40 lacs for the year ended on that date are based on management's estimates and are not audited by their auditors .

4. The accounts of an associate valued at ₹1 in the financial statements of the Company have not been considered in the preparation of the Consolidated Financial Statements as the financial statements as at March 31, 2012 are not available.

5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting

Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

6. Subject to paragraphs 3(b) and 4 above, based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;

   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and

   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)

K Rajasekhar
Partner
(Membership No. 23341)

Place : Mumbai
Date : 7th May 2012

Consolidated Balance Sheet as at 31st March, 2012

	Notes	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	**2,025.00**	2,025.00
Reserves and Surplus	4	**59,035.13**	47,031.68
		61,060.13	49,056.68
Minority Interest		**293.77**	137.03
Non-current Liabilities			
Long-term Borrowings	5	**97.86**	1,228.94
Other long-term Liabilities	6	**80,962.91**	53,454.67
Long-term Provisions	7	**846.08**	544.79
		81,906.85	55,228.40
Current Liabilities			
Short-term Borrowings	8	**2,478.32**	1,736.73
Trade Payables	9	**163,138.66**	166,441.72
Other Current Liabilities	10	**39,920.50**	39,545.70
Short-term Provisions	7	**4,096.26**	3,661.71
		209,633.74	211,385.86
Total		**352,894.49**	315,807.97
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	**15,472.37**	13,309.51
Intangible Assets	12	**287.39**	441.31
Capital Work-in-Progress		**803.73**	958.91
Goodwill on Consolidation		**343.73**	343.62
Non-current Investments	13	**300.29**	224.93
Deferred Tax Assets (net)	14	**1,947.85**	1,477.41
Long-term Loans and Advances	15	**10,618.46**	8,022.33
Other Non Current Assets	16	**92,218.00**	80,816.84
		121,991.82	105,594.86
Current Assets			
Current Investments	17	**13,541.93**	23,450.03
Inventories	18	**11,568.27**	9,058.13
Trade Receivables	16	**104,591.58**	115,950.00
Cash and Cash Equivalents	19	**49,964.56**	15,484.06
Short-term Loans and Advances	15	**41,770.52**	38,553.98
Other Current Assets	20	**9,465.81**	7,716.91
		230,902.67	210,213.11
Total		**352,894.49**	315,807.97

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: Mumbai
Date: 7th May 2012

For and on behalf of the Board

F K Kavarana Chairman	**H H Malgham** Director	**A J Engineer** Director	**P N Dhume** Director
Prasad R Menon Director	**K P Singh** Director	**S Ramakrishnan** Director	**Vinayak K Deshpande** Managing Director
		K S Krishnan Senior General Manager & Head – Accounts	**Dr A Raja Mogili** Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2012

	Notes	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Income			
Revenue from Operations:			
Gross		**314,718.46**	320,147.32
Less:			
Indirect Taxes and Duties		**6,237.48**	4,503.48
Net	21	**308,480.98**	315,643.84
Other Income	22	**4,963.25**	2,414.11
Total Revenue (I)		**313,444.23**	318,057.95
Expenses			
Project Execution Expenses	23	**243,689.65**	249,968.97
Cost of materials consumed		**11,255.60**	9,525.79
Changes in Inventories of finished goods, work-in-progress and Contracts-in-progress	24	**(1,793.60)**	(373.93)
Employee benefits expenses	25	**21,440.50**	17,905.71
Operations,Establishment and Other Expenses	26	**11,656.53**	10,227.08
Total Expenses (II)		**286,248.68**	287,253.62
Earnings before Finance Costs, Tax, Depreciation and amortisation (EBITDA)(I)- (II)		**27,195.55**	30,804.33
Depreciation and amortisation expense	27	**3,012.21**	2,481.38
Finance costs	28	**2,415.22**	1,559.47
Profit Before Tax		**21,768.12**	26,763.48
Tax expenses			
Current tax		**7,585.95**	8,602.14
Taxation of earlier years		**-**	(195.16)
Deferred tax		**(470.44)**	224.67
Total Tax expense		**7,115.51**	8,631.65
Profit for the year		**14,652.61**	18,131.83
Profit after Taxation and before Appropriation and Minority Interest		**14,652.61**	18,131.83
Share of Minority Interest of post-acquisition profiit		**286.08**	77.39
Available for appropriation (including share of joint venture ₹106.77 lacs (previous year : ₹361.58 lacs)		**14,366.53**	18,054.44
Earnings per equity share (of ₹100 each)			
Basic and Diluted			
On the basis of profit for the year -		**724**	895
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: Mumbai
Date: 7th May 2012

For and on behalf of the Board

F K Kavarana Chairman
H H Malgham Director
A J Engineer Director
P N Dhume Director

Prasad R Menon Director
K P Singh Director
S Ramakrishnan Director
Vinayak K Deshpande Managing Director

K S Krishnan Senior General Manager & Head – Accounts
Dr A Raja Mogili Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2012

	Year ended March 31, 2012 ₹ in lacs		Year ended March 31, 2011 ₹ in lacs	
A. Cash Flow from Operating Activities				
Net Profit before Taxes		**21,768.12**		26,763.48
Adjustments for:				
Depreciation and amortisation	**3,012.21**		2,481.38	
Interest Expenditure	**2,415.22**		1,559.47	
Finance costs	**(2,190.59)**		(760.04)	
Dividend from Current Investments	**(1,465.56)**		(1,001.86)	
Amortisation of Premium/provision for diminution in the value of investments	**(75.36)**		75.84	
Provision for future foreseeable losses etc.	**606.85**		-	
Loss/(Profit) on sale of fixed assets	**45.18**		(9.06)	
Unrealised Exchange Gain (Net)	**(6.67)**		(183.01)	
		2,341.28		2,162.72
Operating Profit before Working Capital Changes		**24,109.40**		28,926.20
Adjustments for:				
Trade Receivables	**53.79**		(47,373.10)	
Long-term loans & advances	**(2,262.02)**		4,853.15	
Other Current Assets	**(1,391.80)**		(3,737.07)	
Inventories	**(2,510.14)**		(1,055.05)	
Trade Payables, Other Current Liabilties and Provisions	**24,489.14**		47,175.31	
		18,378.97		(136.76)
Cash Generated from Operations		**42,488.37**		28,789.44
Taxes Paid (including Fringe Benefit Tax) (Net)		**(7,498.65)**		(11,033.48)
Fringe Benefit Tax paid		**-**		(6.40)
Net Cash Flows from Operating Activities A		**34,989.72**		17,749.56
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets and CWIP	**(5,063.95)**		(4,892.52)	
Sale of Fixed Assets	**102.05**		52.71	
Purchase of Current Investments	**(80,000.53)**		(60,972.69)	
Sale of Current Investments	**91,286.17**		64,298.01	
Interest Received	**1,833.49**		700.93	
Inter-corporate deposits given	**(9,000.00)**		(20,500.00)	
Inter-corporate deposits repaid	**5,500.00**		12,000.00	
Deposits placed with Scheduled Bank	**(17.72)**		(146.39)	
Proceeds from matured deposits	**4.39**		105.79	
Dividend received	**88.02**		-	
Net Cash Flows from/(used) in Investing Activities B		**4,731.92**		(9,354.16)

Consolidated Cash Flow Statement for the year ended 31st March, 2012

	Year ended March 31, 2012 ₹ in lacs		Year ended March 31, 2011 ₹ in lacs	
C. Cash Flow from Financing Activities				
Repaymen of Debenture	**(1,125.00)**		(1,125.00)	
Proceeds from Short-term Borrowings	**741.59**		675.10	
Repayment of Long-term Borrowings	**(17.36)**		(880.27)	
Interest Paid	**(2,410.32)**		(1,274.04)	
Dividend Paid including Dividend Tax	**(2,353.51)**		(1,771.00)	
Net Cash Flows used in Financing Activities		**(5,164.60)**		(4,375.21)
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)		**34,557.04**		4,020.19
Cash and Cash Equivalents at the beginning of the year		**15,305.71**		11,285.52
Cash and Cash Equivalents at the end of the year		**49,862.75**		15,305.71

Notes:

1 Cash and Cash Equivalents include:	As at 31-03-2012 ₹ in lacs	As at 31-03-2011 ₹ in lacs
(i) Cash on hand	**28.18**	25.85
(ii) Balance with banks		
- in current accounts	**14,624.27**	8,359.43
- in deposit accounts	**35,312.11**	7,098.78
	49,964.56	15,484.06
Unrealised Exchange Loss included in Cash and Cash Equivalents	**10.30**	(79.57)
Deposits with banks having a maturity of 3 months and above	**(112.11)**	(98.78)
	49,862.75	15,305.71

In terms of our report attached

for Deloitte Haskins & Sells
Chartered Accountants

K Rajasekhar
Partner

Place: Mumbai
Date: 7th May 2012

For and on behalf of the Board

F K Kavarana, Chairman
H H Malgham, Director
A J Engineer, Director
P N Dhume, Director
Prasad R Menon, Director
K P Singh, Director
S Ramakrishnan, Director
Vinayak K Deshpande, Managing Director
K S Krishnan, Senior General Manager & Head – Accounts
Dr A Raja Mogili, Company Secretary

Notes forming part of the consolidated financial statements

Note 1 Principles of Consolidation

1.1 The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements", Accounting Standard 23 (AS 23) – "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS 27) – "Financial Reporting of Interests in Joint Ventures" notified by the Companies (Accounting Standards) Rules, 2006.

1.2 The subsidiaries (which alongwith Tata Projects Limited, the parent, constitute the Group) considered in the preparation of these consolidated financial statements is:

Name	Country of Incorporation	**Percentage of ownership interest as at March 31, 2012**	Percentage of ownership interest as at March 31, 2011
Artson Engineering Limited	India	**75**	75
TPL-TQA Quality Services (Mauritius) Pty Limited	Mauritius	**70**	70
TPL-TQA Quality Services South Africa (Proprietary) Limited (With effect from 14th Jan 2011)	South Africa	**60**	60

1.3 Interest in Joint Venture

Name of the Joint Venture	Country of Incorporation	Percentage of Holding	
		March 31, 2012	March 31, 2011
Al Tawleed For Energy & Power Co. Jointly controlled entity	Kingdom of Saudi Arabia	**30**	30
TEIL Projects Limited, Jointly controlled entity	India	**50**	50

The Group's interest in joint ventures is accounted for using proportionate consolidation.

1.4 (i) The financial statement of M/s Al Tawleed For Energy & Power Co. is based on management accounts drawn for the period from January 1, 2011 to December 31, 2011. The Company is in liquidation.

(ii) The consolidation of the following subsidiary/ joint venture has been done on the basis of unaudited financial statements certified by the management

- TPL-TQA Quality Services (Mauritius) Pty Limited
- TEIL Projects Limited

1.5 The group's associate is

Name of the Company	Country of Incorporation	Percentage of ownership interest	
		March 31, 2012	March 31, 2011
Virendra Garments Manufacturers Private Limited	India	**24**	24

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

Notes forming part of the consolidated financial statements

Note 2. Significant Accounting Policies

2.1 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities at the date of the financial statements and 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 debts, obligations under employee retirement benefit plans, income taxes, post contract warranties, and the useful lives of fixed and intangible assets. Actual results could differ from those estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialise.

2.2 Fixed Assets

Fixed Assets are shown at cost less depreciation. The cost comprises purchase price and other attributable expenses incurred up to acquisition and installation.

2.3 Depreciation/Amortisation on Fixed Assets

Depreciation has been provided for on the written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except following assets which have been depreciated on Straight Line Method (SLM) as per the useful life of assets as estimated by the management and which are not lower than that derived from the specified rates in schedule XIV of the companies act 1956.

Assets	Useful Life
Scaffolding Materials	5 years
Wire Ropes and Slings	2 years
Computer including Software	4 years
Motor Cars under car policy for executives	4 years

Leasehold Improvements are amortised over the period of the lease.

In respect of Parent Company, fixed assets costing less than ₹10,000/- each are fully depreciated in the year of acquisition. In respect of Subsidiary Company, assets costing less than ₹ 5,000/- each are fully depreciated in the year of acquisition.

2.4 Goodwill on Consolidation

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

2.5 Investments

(i) Non-Current Investments

Investments are valued at cost of acquisition inclusive of other attributable expenses. Provision is made to recognise diminution, if any other than temporary, in the value of investments.

Premium paid on investments acquired to hold till maturity is amortised over the holding period and the same is included in the provision for diminution in the value of investments.

(ii) Current Investments are carried lower of cost and fair value.

(iii) Interest in Joint Ventures

To account for interests in jointly controlled entities (incorporated Joint Ventures) using proportionate consolidation.

Notes forming part of the consolidated financial statements

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

2.6 Revenue recognition

(i) Income from Contracts

Revenue from execution of contracts is recognised on percentage completion method. The stage of completion is determined on the basis of actual work executed during the period.

No profit is recognized till a minimum of 10% progress is achieved on contracts. Cost incurred and invoices raised in respect of such contracts are carried in the Balance Sheet as contracts 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 recognised immediately.

(ii) Revenue from sale of goods and services is recognized on dispatch of goods to customers and at the time of rendering of services respectively. Sales include excise duty but exclude sales tax collected from customers.

(iii) Interest income on deposits and income from investments are accounted for on accrual basis.

2.7 Inventories

Raw material, work-in progress and finished goods are valued at lower of cost and net realizable value. Stores and spare parts are carried at cost.

Cost of inventories in respect of Parent Company is ascertained on the "weighted average" method and includes, where appropriate, manufacturing overheads and excise duty. In respect of a Subsidiary, cost of inventories have been ascertained on First in first out basis.

2.8 Work done but not billed

Work done but not billed 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 currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at year-end rates. The difference in translation and realized exchange gains/losses are recognized in the Statement of Profit and Loss. Forward exchange contracts are accounted for by amortising the difference between the forward rate and the exchange rate on the date of the transaction over the life of the contract.

(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.

(iv) In respect of non integral foreign operation the exchange difference arising on translation of assets / liabilities and income / expenses are recorded in foreign currency fluctuation reserve.

Notes forming part of the consolidated financial statements

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

2.10 Retirement benefits

(i) Contribution to the provident and superannuation funds which are based on defined contribution plans are expensed as incurred.

(ii) The liability for gratuity which is a defined benefit plan, is provided on the basis of an actuarial valuation as at the Balance Sheet date and the same is funded.

(iii) Provision for compensated absences is made on the basis of an actuarial valuation as at the balance sheet date.

(iv) 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.

(v) In respect of Joint Venture, Al Tawleed the provision for end of the service benefit is provided as per regulatory requirement of its country of incorporation.

2.11 Income Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income .that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising on account of unabsorbed depreciation of carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

2.12 Provisions, contingent liabilities and contingent assets

A provision is recognized when company has a present obligation as result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the expenditure required to settle the present obligation. Reimbursement against a provision is recognized as a separate asset based on virtual certainty.

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

Notes forming part of the consolidated financial statements

Note 3 Share Capital

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Authorized shares		
25,00,000 (31st March 2011: 25,00,000) Equity Shares of ₹100/- each with voting rights	**2,500.00**	2,500.00
Issued, Subscribed and Paid-up shares (No. crores)		
20,25,000 (31st March 2011: 20,25,000) Equity Shares of ₹100/- each with voting right	**2,025.00**	2,025.00
Total	**2,025.00**	2,025.00

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Equity shares with voting rights

	31st March 2012		31st March 2011	
	No.	₹ in lacs	No.	₹ in lacs
At the beginning of the year	**2,025,000**	**2,025.00**	2,025,000	2,025.00
Issued during the year	**-**	**-**	-	-
Outstanding at the end of the period	**2,025,000**	**2,025.00**	2,025,000	2,025.00

b. Aggregate number of bonus shares Issued during the period of five years immediately preceding the reporting date:

	2010-11	2009-10	2008-09	2007-08	2006-07
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-	1,687,500	-	-

c. **Details of shareholders holding more than 5% shares in the company**

	31st March, 2012		31st March, 2011	
	No.	Percentage holding	No.	Percentage holding
Equity shares of ₹100 each with voting rights				
The Tata Power Company Ltd	**967,500**	**47.78%**	967,500	47.78%
Tata Chemicals Ltd	**193,500**	**9.56%**	193,500	9.56%
Tata Sons Ltd	**135,000**	**6.67%**	135,000	6.67%
Voltas Ltd	**135,000**	**6.67%**	135,000	6.67%
Tata Motors Ltd	**135,000**	**6.67%**	135,000	6.67%

Notes forming part of the consolidated financial statements

Note 4 Reserves and Surplus

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Securities Premium	**4,987.50**	4,987.50
Debenture Redemption Reserve	**843.75**	843.75
Capital Reserve on Consolidation	**90.48**	89.53
General Reserve		
Opening balance	**10,479.07**	7,979.07
Add: Transferred from surplus in Statement of Profit and Loss	**1,547.05**	2,500.00
Closing Balance	**12,026.12**	10,479.07
Foreign Currency Translation Reserve	**135.70**	146.23
Surplus in Statement of Profit and Loss (exluding Share Joint Venture)		
Opening balance	**31,130.89**	17,562.50
Add: Profit for the year	**14,473.30**	18,416.02
Reversal of excess provision of Tax on Dividend of earlier years	**-**	5.86
Less: Appropriations		
Dividend proposed to be distributed to equity shareholders ₹100 (31.03.2011 : ₹100) per share	**2,025.00**	2,025.00
Tax on Dividend	**328.51**	328.51
Transfer to General Reserve	**1,547.05**	2,500.00
Total Appropriations	**3,900.56**	4,853.51
Closing balance	**41,703.63**	31,130.87
Share of Joint Venture :-		
Revenue Reserve		
Opening balance	**(645.28)**	(283.69)
Add: Loss for the year	**(106.77)**	(361.58)
Closing balance	**(752.05)**	(645.27)
Total	**59,035.13**	47,031.68

Notes forming part of the consolidated financial statements

Note 5 Long-term Borrowings

	Non-current portion		Current maturities	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	**31st March 2012 ₹ in lacs**	31st March 2011 ₹ in lacs
Debentures - Secured				
112,500 (31st March 2011:112,500) 8% Partly Convertible Debentures (non-convertible portion) of ₹3,000 each	**-**	1,125.00	**1,125.00**	1,125.00
Loan from Banks				
- Unsecured	**60.70**	60.03	**6.28**	6.24
- Secured	**0.89**	4.29	**3.39**	3.04
Sales tax deferrment loan	**36.27**	39.62	**3.36**	6.79
	97.86	1,228.94	**1,138.03**	1,141.07
Share of joint venture	-	-	-	-
Total	**97.86**	1,228.94	**1,138.03**	1,141.07

a. Current maturities of long term borrowings are included in 'Other Current Liabilities' in Note 10.

b. 8% Partly Convertible Debenture (non-convertible portion) Issued on 29th August, 2006 are redeemable at par in 3 equal annual installments commencing at the end of 4th year from the date of allotment and are secured by way of a:

i) First pari-passu equitable mortgage of all immovable properties of the Company located in Hyderabad, Andhra Pradesh ranking with other lenders of the Company

ii) First charge by way of hypothecation of all movable properties / fixed assets, and

iii) Second charge by way of floating charge on current assets, loans & advances, subject to first charge of Company's bankers, and / or working capital lenders)

c. Loan from Banks

Unsecured

i) Loan from Banks represents housing loan for onward lending to the employees. The line of credit sanctioned in 2008 by the bank aggregating to ₹ 1,000 lacs is secured by a negative lien on the mortgages created by the beneficiaries of the housing loan extended by the Company in favour of the Bank.

ii) Loan is repayable within a period of 10 years and carries an interest of 6% p.a.

Secured

Loan from Banks represents vehicle finance loan taken from HDFC Bank Limited. The vehicle is hypothecated to the bank as security and tenure of loan is 36 Months starting from 5th July 2010 to 5th June 2013 with interest of 10.68%.

d. Bank Guarantees issued by Bank of Baroda for a sanction limit of ₹ 12,200 lacs. The guarantee issued are secured by

i) Counter indemnity to be executed by the Company

ii) First charge by way of hypothecation of stocks, book debts, receivables and other current assets of the company both present and future ranking pari-passu with other member banks of the consortium.

Notes forming part of the consolidated financial statements

Note 6 Other Long Term Liabilities

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Trade payables	**44,110.46**	32,142.71
Others		
Payables on purchase of fixed assets	**380.12**	2.65
Security Deposit	**1,187.30**	591.06
Mobilisation Advance from Customers	**35,285.03**	20,718.25
Total	**80,962.91**	53,454.67

Note 7 Provisions

	Long Term		Short Term	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	**31st March 2012 ₹ in lacs**	31st March 2011 ₹ in lacs
Provision for Employee Benefits (Refer Note 30.3)				
- Pension	**180.97**	90.47	**30.16**	16.39
- Post retirement medical benefit	**17.71**	-	**10.00**	-
- Gratuity	**-**	-	**0.65**	1.17
- Compensated absences	**647.16**	454.01	**109.35**	144.43
	845.84	544.48	**150.16**	161.99
Other Provisions				
- Warranties (Refer Note 30.8)	**-**	-	**-**	256.00
- Future foreseeable losses on contracts (Refer Note 30.8)	**-**	-	**606.85**	-
Taxation (Net)	**-**	-	**981.86**	887.56
Proposed Dividend	**-**	-	**2,025.00**	2,025.00
Tax on Dividend	**-**	-	**328.51**	328.51
	-	-	**3,942.22**	3,497.07
	845.84	544.48	**4,092.38**	3,659.06
Share of Joint Venture	**0.24**	0.31	**3.88**	2.65
Total	**846.08**	544.79	**4,096.26**	3,661.71

Notes forming part of the consolidated financial statements

Note 8 Short-term Borrowings

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Bank Overdraft (Secured)	**117.34**	-
Working capital (Secured)	**2,032.48**	1,460.00
	2,149.82	1,460.00
Share of joint venture	**328.50**	276.73
Total	**2,478.32**	1,736.73

a. Bank Overdraft is secured :
   i) In case of consortium banks with a cash credit limit of ₹ 9,000 lacs, by a first charge on book debts, stocks in process and other current assets ranking pari-pasu.
   ii) in case of BNP Paribas, Hyderabad, exclusive first charge over movable properties and assets relating to project undertaken at Dubai including all movable assets, book debts present and future.
   iii) In case of Bank of Baroda, Hyderabad, exclusive charge on entire project receivables, fixed assets and entire current assets of the project relating to project undertaken at Dubai (ouside consortium arrangement of existing facility).

b. Working Capital loan is secured by firtst charge by way of hypothecation on inventories, book debts and other current assets.

Note 9 Trade Payables

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Trade payables	**161,709.03**	166,441.72
	161,709.03	166,441.72
Share of joint venture	**1,429.63**	-
Total	**163,138.66**	166,441.72

Note 10 Other Current Liabilities

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Current maturities of long term borrowings (refere Note 5)	**1,138.03**	1,141.07
Others		
Statutory Liabilites	**3,433.87**	6,302.33
Interest accrued and due	**0.80**	9.04
Interest accrued but not due	**461.15**	456.25
Mobilisation advance from customers	**34,044.58**	29,999.42
Advance Billing	**207.32**	-
Other Current Liabilties	**573.93**	391.01
	39,859.68	38,299.12
Share of joint venture	**60.82**	1,246.58
Total	**39,920.50**	39,545.70

Note 11 Tangible Assets

₹ in lacs

S.No	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		As at 31st March, 2011	Additions	Deductions	Currency Realignement	As at 31st March, 2012	As at 31st March, 2011	For the period	Deductions	Currency Realignement	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
1	Freehold Land	326.61	-	-	-	**326.61**	-	-	-	-	**-**	**326.61**	326.61
2	Leasehold Land	51.98	-	-	-	**51.98**	2.66	0.55	-	-	**3.21**	**48.77**	49.32
3	Buildings	1,011.87	8.91	-	-	**1,020.78**	278.45	69.91	-	-	**348.36**	**672.42**	733.42
4	Leasehold Improvements	533.66	6.51	28.05	-	**512.12**	166.38	62.18	5.31	-	**223.25**	**288.87**	367.28
5	Plant and Machinery (including Erection/Construction Machinery)	17,633.13	4,376.29	644.86	-	**21,364.56**	7,179.08	2,250.53	557.41	-	**8,872.20**	**12,492.36**	10,454.05
6	Furnitures & Fixtures	748.21	74.78	24.24	-	**798.75**	450.87	87.88	14.97	-	**523.78**	**274.97**	297.34
7	Vehicles *	720.58	311.76	85.32	-	**947.02**	422.68	131.50	62.50	-	**491.68**	**455.34**	297.90
8	Office Equipment	973.21	245.55	16.83	-	**1,201.93**	466.42	116.44	11.94	-	**570.92**	**631.01**	506.79
9	Computers	1,111.16	136.84	91.94	-	**1,156.06**	874.46	128.04	91.88	-	**910.62**	**245.44**	236.70
10	R & D - Capital Mobile Desalination Plant	40.24	-	-	-	**40.24**	24.27	2.22	-	-	**26.49**	**13.75**	15.97
		23,150.65	5,160.64	891.24	-	**27,420.05**	9,865.27	2,849.25	744.01	-	**11,970.51**	**15,449.54**	13,285.38
	Share of Joint Venture	48.75	2.29	-	2.64	**53.68**	24.62	4.24	-	1.99	**30.85**	**22.83**	24.13
	Total	23,199.40	5,162.93	891.24	2.64	**27,473.73**	9,889.89	2,853.49	744.01	1.99	**12,001.36**	**15,472.37**	
	Previous year	*19,174.26*	*4,224.27*	*198.59*	*(0.54)*	**23,199.40**	*7,728.02*	*2,317.19*	*154.94*	*(0.38)*	**9,889.89**		13,309.51

* includes Heavy Vehicles viz. Tractors, Trailers, Tippers.

Note 12 Intangible Assets

₹ in lacs

S.No	Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		As at 31st March, 2011	Additions	Deductions	Currency Realignement	As at 31st March, 2012	As at 31st March, 2011	For the period	Deductions	Currency Realignement	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
1.	Software	742.07	4.10	-	-	**746.17**	300.76	158.02	-	-	**458.78**	**287.39**	441.31
2.	Goodwill	2,132.57	-	-	-	**2,132.57**	2,132.57	-	-	-	**2,132.57**	**-**	-
		2,874.64	4.10	-	-	**2,878.74**	2,433.33	158.02	-	-	**2,591.35**	**287.39**	441.31
	Share of Joint Venture		0.70	-	-	**0.70**	.	0.70 .	.		**0.70**	**-**	-
	Total	2,874.64	4.80	-	-	**2,879.44**	2,433.33	158.72	-	-	**2,592.05**	**287.39**	
	Previous year	2,874.51	0.13	-	-	**2,874.64**	2,269.14	164.19 .			**2,433.33**		441.31

Notes forming part of the consolidated financial statements

Note 13 Non-Current Investments

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
i) Trade investments (valued at cost unless stated otherwise)		
Investment in Associates		
1,200 (31st March 2011: 1,200) shares of ₹100 each fully paid in		
Virendra Garments Manufacturing Pvt Limited	1.20	1.20
Less: Provision for diminution in value of investments	**(1.20)**	(1.20)
	-	-
Investment in Partnership firms		
Tata Dilworth Secord Meagher & Associates (Refer note (b) below)	**1.80**	1.80
Less: Provision for diminution in value of investments	**(1.80)**	(1.80)
	-	-
ii) Non-trade investments (valued at cost unless stated otherwise)		
Government securities (Unquoted)		
Investments in Exim Bank		
3 Nos. 6.35% Exim Bond - 2013 of ₹100 lacs each fully paid	**302.35**	302.35
Less: Amortisation of premium	**(2.06)**	(1.82)
	300.29	300.53
Less: Provision for diminution in value of investments in joint venture	**-**	(75.60)
	300.29	224.93
Share of Joint Venture	**-**	-
Total	**300.29**	224.93
a. Aggregate amount of Quoted Investments	**-**	-
Aggregate amount of unquoted investments	**305.35**	305.35
Aggregate provision for diminution in value of investments and amortisation of premium	**5.06**	80.42

b @ Investment in Tata Dilworth Secord Meagher & Associates

Name of Partner	Share of Capital	Share %
Tata Projects Limited	1.80	60%
Dilworth Secord, Meagher & Associates	1.20	40%
	3.00	100%

Note 14 Deferred Tax Asset /(Liability)

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Deferred Tax Asset		
Arising out of timing differences in:		
Depreciation	**3.52**	(127.38)
Provision for doubtful debts and advances	**1,357.55**	1,291.45
Provision for foreseeable losses	**196.89**	-
Provision of Leave Encashment and Gratuity etc.	**314.58**	229.48
Disallowance under section 43B	**61.10**	67.75
Others	**14.21**	16.11
Net Deferred Tax Asset	**1,947.85**	1,477.41

Notes forming part of the consolidated financial statements

Note 15 Loans and Advances

Capital Advances to Unsecured, considered good	Non-Current		Current	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	**31st March 2012 ₹ in lacs**	31st March 2011 ₹ in lacs
Capital Advances				
Unsecured,considered good	**124.39**	73.75	**-**	-
Security Deposit				
Unsecured,considered good	**961.40**	908.18	**654.19**	454.29
Loans and Advances to employees				
Unsecured,considered good	**66.76**	68.53	**161.81**	114.16
Prepaid expenses				
Unsecured,considered good			**503.89**	512.71
Balances with Government authorities				
Unsecured,considered good				
CENVAT credit receivable	**-**	-	**146.71**	583.90
VAT credit receivable	**-**	-	**1,489.66**	1,071.88
Sales tax deducted at source	**-**	-	**4,984.13**	3,822.28
Service Tax Credit receivable	**-**	-	**392.46**	715.24
-	**-**	-	**7,012.96**	6,193.30
Inter-corporate deposits				
Unsecured,considered good	**-**	-	**12,000.00**	8,500.00
Advances recoverable in cash or in kind or for value to be received				
Unsecured,considered good	**-**	-	**4,319.49**	4,717.97
Unsecured,considered doubtful	**-**	-	**473.25**	573.67
	-	-	**4,792.74**	5,291.64
Less: Provision for Doubtful Advances			**(473.25)**	(573.67)
	-	-	**4,319.49**	4,717.97
Mobilisation Advance given to Contractors				
Unsecured, considered good	**9,461.76**	6,971.87	**16,073.76**	17,181.28
Advance payment of Fringe Benefit Tax (net)	**-**	-	**26.28**	26.28
	10,614.31	8,022.33	**40,752.38**	37,699.99
Share of Joint Venture	**4.15**		**1,018.14**	853.99
Total	**10,618.46**	8,022.33	**41,770.52**	38,553.98

Notes forming part of the consolidated financial statements

Note 16 Trade Receivables

	Non Current *		Current	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	**31st March 2012 ₹ in lacs**	31st March 2011 ₹ in lacs
A. Trade receivables not due for payment				
Unsecured, Considered good	**92,057.91**	80,361.84	**59,596.85**	75,547.45
B Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
Unsecured,considered good	**160.09**	455.00	**23,827.09**	19,152.40
Unsecured,considered doubtful	**-**	-	**3,784.17**	3,580.03
	160.09	455.00	**27,611.26**	22,732.43
Provision for doubtful receivables			**(3,884.17)**	(3,580.03)
	160.09	455.00	**23,727.09**	19,152.40
C Other Trade Receivables				
Unsecured,considered good	**-**	-	20,637.63	**20,720.33**
Total (A + B + C)	**92,218.00**	80,816.84	**103,961.57**	115,420.18
Share of Joint Venture	**-**	-	**630.01**	529.82
Total	**92,218.00**	80,816.84	**104,591.58**	115,950.00

* includes Retention dues of ₹ 85,101.68 lacs (31.03.2011: ₹ 75,860.82 lacs)

Note 17 Current Investments

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Current portion of long-term investments (valued at cost) Mutual Funds (Unquoted)		
Birla Sun Life Savings Fund - Instl.- Daily Dividend - Reinvestment Nil (2010-11 : 1,45,94,686.104) Units of ₹10 each	**-**	1,460.46
TATA Floater Fund - Daily Dividend 3,93,74,068.299 (2010-11 : 4,26,76,582.117) Units of ₹10 each	**3,951.42**	4,282.85
UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) - Re investment 1,23,869.480 (2010-11 : 1,74,311.922) Units of ₹1,000 each	**1,238.96**	1,743.49
Templeton India Ultra Short Bond Fund Super Institutional Plan - Daily Dividend Reinvestment Nil (2010-11 : 1,52,72,979.684) Units of ₹10 each	**-**	1,529.07

Notes forming part of the consolidated financial statements

Note 17 Current Investments

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend* , Option : Reinvest 50,11,118.389 (2010-11 : 1,02,38,305.165) Units of ₹10 each	**502.69**	1,027.06
JM Money Manager Fund Super Plus Plan - Daily Dividend (171) Nil (2010-11 : 1,51,83,043.208) Units of ₹10 each	**-**	1,519.11
IDFC Money Manager Fund - TP - Super Inst Plan C - Daily Dividend 53,75,534.500 (2010-11 : 1,53,51,262.181) Units of ₹10 each	**537.63**	1,535.36
Kotak Floater Long Term - Daily Dividend 94,27,142.889 (2010-11 : 1,79,36,355.045) Units ₹10 each	**950.24**	1,807.95
SBI - SHF - Ultra Short Term Fund - Insitutional Plan - Daily Dividend Nil (2010-11 : 1,74,05,663.583) Units of ₹10 each	**-**	1,741.61
DSP Blackrock Money Manager Fund - Institutional Plan-Daily Dividend 43,094.562 (2010-11 : 1,04,208.920) Units of ₹1,000 each	**431.29**	1,042.92
Tata Fixed Income Portfolio Fund Scheme C2 Inst Monthly Nil (2010-11 : 2,02,58,407.278) Units of ₹ 10 each	**-**	2,026.98
HSBC Floating Rate - Long Term Plan - Institutional Option-Weekly Dividend Nil (2010-11 : 63,12,327.439) Units of ₹ 10 each	**-**	708.86
ICIC Prudential Interval Fund - Monthly Interval Plan-I Institutional Dividend Nil (2010-11 : 10,00,00,000.000) Units of ₹ 10 each	**-**	1,004.83
Tata Fixed Income Portfolio Fund Scheme A3 Institutional Nil (2010-11 : 1,99,94,001.787) Units of ₹ 10 each	**-**	2,006.86
JM Money Manager Fund Super Plus Plan - Daily Dividend (169) 1,18,21,099.319 (2010-11 : Nil) units of ₹ 10 each	**1,183.50**	-
Templeton India Ultra Short Bond Fund Institutional Plan - Daily Dividend Reinvestment 1,13,30,265.817 (2010-11 : Nil) Units of ₹10 each	**1,134.28**	-
Birla Sun Life Savings Fund - Institutional- Daily Dividend - Reinvestment (Face Value .₹100) 12,48,401.681 (2010-11 : Nil) Units of ₹100 each	**1,249.25**	-

Note 17 Current Investments (Contd...)

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
SBI - SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend (Face Value ₹1000) 98,856.181 (2010-11 : Nil) Units of ₹1,000 each	**989.15**	-
ICICI Prudential Flexible Income Plan Premium - Daily Dividend 12,05,538.270 (2010-11 : Nil) Units of ₹100 each	**1,274.68**	-
	13,443.09	23,437.41
Share of joint venture	**98.84**	12.62
Total	**13,541.93**	23,450.03

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

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Contracts-in-progress	**7,735.81**	6,008.38
Inventories:		
Raw Materials and Components	**3,155.09**	2,432.05
Work-in-progress	**585.96**	548.32
Finished goods	**78.92**	51.36
Stores and spare parts	**11.50**	18.02
	11,567.28	9,058.13
Share of joint venture	**0.99**	-
Total	**11,568.27**	9,058.13

Note 19 Cash and Bank balances

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Cash on hand	**28.18**	25.85
Balance with banks		
- in current accounts	**14,609.28**	8,347.48
- in deposit accounts #	**35,312.11**	7,098.78
	49,949.57	15,472.11
Share of joint venture	**14.99**	11.95
Total	**49,964.56**	15,484.06

includes

- deposits amounting to ₹35,200 lacs (31.03.2011 : ₹ 7,000 lacs) with original maturity for less than 3 months, and
- deposits amounting to ₹112.11 lacs (31.03.2011 : ₹ 98.78 lacs) with original maturity of more than 3 months and but less than 12 months.

Notes forming part of the consolidated financial statements

Note 20 Other Current Assets

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Unsecured, considered good unless stated otherwise		
Work done but not billed	**7,923.88**	7,042.24
Interest accrued on Investments	**24.30**	18.18
Interest accrued on loans and advances	**498.20**	147.22
Contractually reimbursable expenses	**1,019.43**	509.27
	9,465.81	7,716.91
Share of Joint Venture	**-**	-
Total	**9,465.81**	7,716.91

Note 21 Revenue from Operations

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Revenue from Operations		
Income from Contracts	**305,962.55**	313,449.84
Income from Services	**8,062.16**	6,495.40
Income from Sale of Goods	**693.75**	202.08
Gross Revenue from Operations	**314,718.46**	320,147.32
Less: Indirect Taxes and Duties	**6,237.48**	4,503.48
Net Revenue from Operations	**308,480.98**	315,643.84

Note 22 Other Income

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Interest Income on :		
Bank deposits	**698.01**	9.72
Long-term investments	**19.05**	19.05
Inter-corporate deposits	**1,103.66**	417.99
Advances	**117.19**	168.95
Others	**252.68**	74.24
Advance Payment of Taxes	**-**	70.09
Dividend income from Current investments	**1,465.56**	1,001.86
Hire Charges	**182.88**	217.04
Miscellaneous Income	**497.56**	622.65
Difference in Exchange Rate (net)	**621.33**	(187.50)
	4,957.92	2,414.09
Share of Joint Venture	**5.33**	0.02
Total	**4,963.25**	2,414.11

Notes forming part of the consolidated financial statements

Note 23 Project Execution Expenses

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Cost of Supplies/Erection and Civil Works*	**239,178.29**	244,315.19
Engineering Fees	**1,395.90**	3,385.42
Insurance Premuim	**1,368.66**	713.22
Bank Guarantee and Letter of credit charges	**1,712.06**	1,515.20
	243,654.91	249,929.03
Share of Joint Venture	**34.74**	39.94
Total	**243,689.65**	249,968.97

* Includes increase/(decrease) in excise duty of ₹ 2.60 lacs (previous year : ₹ 13.87 lacs) on finished goods

Note 24 Changes in Inventories of finished goods, work-in-progress and Contracts-in-progress

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Inventories at the end of the year		
Finished goods	**78.92**	51.36
Work-in-progress	**585.95**	548.32
Contracts-in-progress	**7,736.79**	6,008.38
	8,401.66	6,608.06
Inventories at the beginning of the year		
Finished goods	**51.36**	75.68
Work-in-progress	**548.32**	204.22
Contracts-in-progress	**6,008.38**	5,954.23
	6,608.06	6,234.13
Net (Increase)/Decrease	**(1,793.60)**	(373.93)

Note 25 Employee benefits expenses

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Salaries, Wages and Bonus	**17,650.11**	14,686.78
Contribution to Provident and other funds	**739.42**	613.92
Gratuity	**368.97**	354.01
Superannuation	**576.50**	483.88
Staff Welfare Expenses	**888.08**	756.35
Overseas Living Allowance	**1,140.55**	907.03
	21,363.63	17,801.97
Share of Joint Venture	**76.87**	103.74
Total	**21,440.50**	17,905.71

Notes forming part of the consolidated financial statements

Note 26 Operations, Establishment and Other Expenses

	March 31, 2012 ₹ in lacs		March 31, 2011 ₹ in lacs	
Rent		**1,554.29**		1,289.97
Repairs & Maintenance				
(a) Plant and Machinery including Erection and Construction Equipment		**208.35**		187.60
(b) Building		**134.45**		2.88
(b) Others		**375.49**		285.15
Processing Charges		**337.71**		325.54
Power and Fuel		**583.06**		455.13
Stores & Spares consumed		**139.87**		157.77
Rates and Taxes		**122.58**		126.07
Insurance		**74.46**		94.02
Motor Vehicle Expenses		**1,466.48**		1,245.84
Travelling Expenses		**2,026.75**		1,598.95
Professional and Legal Charges		**1,274.22**		856.12
Postage, Telephone, Telegram & Telex		**454.69**		416.86
Printing and Stationery		**225.69**		222.02
Staff Recruitment/Training expenses		**92.76**		45.60
Business Development Expenditure		**312.44**		132.41
Amortisation of Premium/provision for diminution in the value of investments		**(75.36)**		75.84
Bad debts	**13.97**		766.24	
Provision for Doubtful Debts	**437.87**		312.44	
	451.84		1,078.68	
Less: Provision for Doubtful Debts reversed	**(133.73)**		(685.04)	
		318.11		393.64
Advances written off	**-**		60.10	
Provision for Doubtful Advances / Claims	**-**		173.67	
	-		233.77	
Less: Provision for Doubtful Advances reversed	**(100.42)**		-	
		(100.42)		233.77
Loss /(Profit) on sale of fixed assets		**55.78**		(9.06)
Agency Commission		**45.18**		-
Brand Equity Contribution		**753.92**		756.25
Miscellaneous expenses		**1,230.43**		1,121.61
		11,610.93		10,013.98
Share of Joint Venture		**45.60**		213.09
Total		**11,656.53**		10,227.07

Notes forming part of the consolidated financial statements

Note 27 Depreciation and amortisation expenses

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Depreciation and amortisation on Tangible Assets	**2,849.25**	2,309.12
Depreciation and amortization on Intangible Assets	**158.02**	164.19
	3,007.27	2,473.31
Share of Joint Venture	**4.94**	8.07
Total	**3,012.21**	2,481.38

Note 28 Finance Costs

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
On Borrowings	**375.65**	433.77
On Trade Payables	**2,039.57**	1,125.70
	2,415.22	1,559.47
Share of joint venture	**-**	-
	2,415.22	1,559.47

Note 29 Additional Information to the financial statements

	2011-2012 ₹ in lacs	2010-2011 ₹ in lacs
29.1 Contingent Liabilites (not provided for)		
(i) Bank Guarantees / Standby Letters of Credit issued by the Bank on behalf of the Company	**331,400.25**	259,272.64
(ii) Corporate Guarantees issued to clients under various contracts	**10,600.93**	3,006.38
(iii) Claim against the company not acknowledged as debts.	**830.00**	5,692.00
(iv) Other Bank Guarantees given	**-**	2,314.79
(v) Other Corporate Guarantees given	**6,000.00**	6,000.00
(vi) Sales Tax	**4,008.09**	377.71
(vii) Income Tax	**333.79**	-
(viii) Liquidated damages	**Amounts indeterminate**	Amounts indeterminate

29.2 Capital Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advance ₹ 124.39 lacs (31.03.2011: ₹ 73.75 lacs)] ₹ 497.57 lacs (31.03.2011: ₹ 582.74 lacs)

(ii) Uncalled liability on partly paid shares in TEIL Projects Limited ₹ Nil (31.03.2011: ₹ 200.00 lacs)

Notes forming part of the consolidated financial statements

Note 29 Additional Information to the financial statements (Contd...)

29.3 Note 15 - Loans and Advances includes ₹ 610.00 lacs (31.03.2011 ₹ 610.00 lacs) 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 management is confident of a favorable outcome in the matter.

29.4 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 lacs, which will be sanctioned and disbursed as per modalities to be determined by Government of Maharashtra. Benefit will be accounted on such final determination.

29.5 The Draft Rehabilitation Scheme proposed by the Subsidiary Company (Artson Engineering Limited) was sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) on 18th December, 2007 and accordingly the Scheme was given effect in the financial statements prior to the Parent Company acquiring a stake. The Subsidiary Company has filed an appeal with Appellate Authority for Industrial and Financial Reconstruction (AAIFR), with reference to 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 1st January 2009 specifying waivers of the above mentioned taxes and penalties and accordingly the effect has been given in the financial statements.

29.6 The Subsidiary Company had received the BIFR order dated 18th December 2007 which is being implemented. The Subsidiary Company had preferred an appeal to the AAIFR with reference to the above order in respect of issues relating to Tax matters i.e. Income Tax & Service Tax, application of SEBI guidelines, exemptions from Clause 49 of the Listing Agreement with the BSE and property/house rent tax by Nasik Municipal Corporation during operation of the Scheme. The Subsidiary Company has received an Order from AAIFR dated 1st January, 2009 specifying waivers of the above mentioned taxes and penalties and accordingly it has given the effects. The Subsidiary Company has also received an order dated 3rd December 2009 from the BIFR where by it has been granted exemption upto 31st March 2011 from complying with clause 49 of the listing agreement with the BSE. Further the said exemption has been extended upto 31st March 2012 vide BIFR's order dated 1st April 2011.

29.7 In respect of TEIL Projects Limited, hypothecation of all the Companies Current Assets and all Movable Fixed Assets (both present and future) has been made in favour of Yes Bank LTD. for working capital facility of ₹130 crores (One Hundred Thirty crores only) which includes Non Fund Based Limits of ₹130 crores for Performance Bank Guarantee interchangeable with LC limit for ₹50 crores and Fund Based Limit of ₹20 crores only. The said Bank facilities have expired in November, 2010 and are yet to be extended subject to corporate Guarantee issued by Tata Projects Limited and Engineers India Ltd. The Company is expecting to receive corporate Guarantee soon. Therefore, the Company has not lifted the endorsement of Fixed Assets.

Notes forming part of the consolidated financial statements

Note 30 Disclosure under Accounting Standards

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

	2011-2012 ₹ in lacs	2010-2011 ₹ in lacs
Contract revenue recognised as revenue during the year	**304,149.47**	311,994.41
Aggregate amount of contract costs incurred in respect of on going contracts and recognised profits (less recognized losses) upto the reporting date	**1 ,291,254.31**	941,353.09
Advance payments received (net of recoveries from progressive bills)	**69,340.47**	50,580.15
Retention amount	**85,523.69**	75,885.65
Gross amount due from customers for contract work	**112,568.65**	121,264.51
For the Method used to determine the contract revenue recognised and the stage of completion of contract in progress, refer note 1(f)(I) above		

30.2 In line with accepted practice in construction business, certain revisions to costs and billing of previous years which have crystallized during the year have been dealt with in the current year. The Statement of Profit and Loss for the year include credits aggregating to ₹ 2,717.57 lacs (31.03.2011: ₹ 5,237.32 lacs) on account of changes in estimates.

Notes forming part of the consolidated financial statements

Note 30 Disclosure under Accounting Standards (Contd...)

30.3 Employee Benefits

Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2012 and recognised in the financial statements in respect of Employee Benefit Schemes:

	2011-2012 ₹ in lacs				2010-2011 ₹ in lacs			
I Components of Employer Expense	Gratuity Funded	Compensated absences Unfunded	Pension Unfunded	Medical Benefits Unfunded	Gratuity Funded	Compensated absences Unfunded	Pension Unfunded	Medical Benefits Unfunded
1 Current Service Cost	184.24	23.95	-	-	125.50	14.08	-	-
2 Interest Cost	98.81	1.12	8.82	-	74.12	0.24	7.07	-
3 Expected Return on Plan Assets	(101.16)		-	-	(75.64)	-	-	-
4 Curtailment Cost/(Credit)	-	-	-	-	-	-	-	-
5 Settlement Cost/(Credit)	-	-	-	-	-	-	-	
6 Past Service Cost	-		93.16	27.71	-	-	-	-
7 Actuarial Losses/(Gains)	207.54	(9.44)	22.66	-	235.27	(0.56)	23.04	-
8 Total expense recognized in the Statement of Profit & Loss Account	389.43	15.63	124.64	27.71	359.25	13.75	0.11	-
II 1 Present Value of Defined Benefit Obligation	1,478.78	27.63	211.13	27.71	1,198.44	15.95	(106.86)	-
2 Fair Value on Plan Assets	1,481.66	-	-	-	1,220.68	-	-	-
3 Status [Surplus/(Deficit)]	2.88	(27.63)	(211.13)	(27.71)	22.24	(15.95)	(106.86)	-
4 Unrecognised Past Service Cost	-	-	-	-	-	-	-	-
5 Net Asset/(Liability) recognised in Balance Sheet	2.88	(27.63)	(211.13)	(27.71)	22.24	(15.95)	(106.86)	-
III Change in Defined Benefit Obligation (DBO)								
1 Present Value of DBO at Beginning of Year	1,198.45	15.95	106.86	-	898.89	3.82	94.27	-
2 Current Service Cost	184.24	23.95	93.16	27.71	125.50	14.08	-	-
3 Interest Cost	98.81	1.12	8.82	-	74.12	0.24	7.07	-
4 Curtailment Cost/(Credit)	-	-	-		-	-	-	-
5 Settlement Cost/(Credit)	-	-	-		-	-	-	-
6 Plan Amendments	-	-	-		-	-	-	-
7 Acquisitions	-	-	-		-	-	-	-
8 Actuarial (Gains)/Losses	216.59	(9.43)	22.66		210.34	(0.56)	23.04	-
9 Benefits Paid	(219.31)	(3.95)	(20.37)		(110.41)	(1.63)	(17.52)	-
10 Present Value of DBO at the End of Year	1,478.78	27.64	211.13	27.71	1,198.44	15.95	106.86	-
IV The major categories of plan assets as a percentage of total plan								
Funded with Tata AIG Life Insurance Co. Ltd.	1,481.66	-	-	-	1,220.68		-	-
V Actuarial Assumptions								
1 Discount Rate	8.50%	8.00%	8.50%	8.50%	8.25%	8.00%	8.25%	
2 Expected Rate of Return on Plan Assets	8.50%				8.25%			
3 Mortality	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate			LIC (1994-96) Ultimate	LIC (1994-96) Ultimate		
4 Turnover Rate	10%	10%			10%	10%		

Notes forming part of the consolidated financial statements

Note 30 Disclosures under Accounting Standards (Contd.)

30.3 Employee Benefits (Contd.)

VI	Basis used to determine the Expected Rate of Return of Plan Assets	As the detailed list of investments is not available, expected return is assumed to be earned on risk free investments like PPF.
	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.	8.50%

		2011-12 (₹ in lacs)				2010-11 (₹ in lacs)				2009-10 (₹ in lacs)				2008-09 (₹ in lacs)			
		Pension	**Gratuity**	**Compensated absences**	**Medical Benefit**	Pension	Gratuity	Compensated absences	Medical Benefit	Pension	Gratuity	Compensated absences	Medical Benefit	Pension	Gratuity	Compensated absences	Medical Benefit
VII	Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)																
	1 Present Value of Defined Benefit Obligation	**(211.13)**	**1,478.78**	**27.64**	**(27.71)**	106.86	1,198.44	15.95	-	94.77	900.70	3.82	-	97.80	783.77	4.11	-
	2 Fair Value of Plan Assets	**-**	**1,481.66**	**-**	**-**	-	1,220.68	-	-	-	913.44	-	-	-	481.49	-	-
	3 Status [Surplus/(Deficit)]	**(211.13)**	**2.88**	**(27.64)**	**(27.71)**	(106.86)	22.24	(15.95)	-	(94.77)	12.74	(3.82)	-	(97.80)	299.31	(4.11)	-
	4 Experience Adjustment of Plan Assets [Gain/(Loss)]	**-**	**9.05**			-	(10.42)	-	-	-	(8.88)	-	-	-	7.40	-	
	5 Experience Adjustment of obligation [Gain/(Loss)]	**25.02**	**200.96**	**(9.43)**	**-**	34.00	197.34	0.56	-	7.00	63.93	5.66	-	59.00	300.61	4.74	-

Notes forming part of the consolidated financial statements

Note 30 Disclosure under Accounting Standards (Contd.)

30.4 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:

1. EPC
2. Services
3. Others

and Secondary Segments of the Company are:

1. Domestic
2. Overseas

2 Reporting for Business Sector 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 consolidated financial statements

Note 30 Disclosure under Accounting Standards (Contd.)

30.4 Segment Information

3 Segment Results

₹ in lacs

	A. PRIMARY SEGMENT	Energy Sector		Services		Others (Infra. & Others)		Elimination		Consolidated Total	
		March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011
1	Segment Revenue	**298,481.62**	309,030.44	**11,153.40**	7,537.36	**214.70**	215.81	**(1,368.74)**	(1,139.77)	**308,480.98**	315,643.84
2	Segment Result	**22,439.31**	30,190.44	**3,780.63**	1,973.11	**1.34**	32.91	**-**	-	**26,221.28**	32,196.46
3	Unallocated Corporate Expenses									**7,001.19**	6,484.63
4	Interest Expense									**2,415.22**	1,559.47
5	Operating Profits (2-3-4)									**16,804.87**	24,152.36
6	Interest/Dividend Income									**3,658.57**	2,142.91
7	Other Income									**1,304.68**	467.76
8	Net Profit/(Loss) Before Tax (5+6+7)									**21,768.12**	26,763.03
9	Provision for Taxation									**7,585.95**	8,602.14
10	Deferred tax									**(470.44)**	224.67
11	Taxation of earlier years									**-**	(195.16)
12	Net Profit/(Loss) after Tax (8-9-10-11)									**14,652.61**	18,131.38
	OTHER INFORMATION										
	Segment Asset	**273,477.15**	260,210.68	**4,204.10**	2,525.73	**93.24**	79.03	**-**	-	**277,774.49**	262,815.44
	Unallocated Assets									**75,120.00**	52,992.53
	Total Assets	**273,477.15**	260,210.68	**4,204.10**	2,525.73	**93.24**	79.03	**-**	-	**352,894.49**	315,807.97
	Segment Liabilities	**282,159.61**	255,366.44	**745.71**	824.20	**13.34**	19.50	**-**	-	**282,918.66**	256,210.14
	Unallocated Liabilities									**8,621.93**	10,404.12
	Total Liabilities	**282,159.61**	255,366.44	**745.71**	824.20	**13.34**	19.50	**-**	-	**291,540.59**	266,614.26
	Capital Expenditure	**4,428.98**	3,823.83	**-**	-	**-**	-	**-**	-	**4,428.98**	3,823.83
	Unallocable Capital Expenditure									**739.86**	400.57
	Depreciation	**2,266.78**	1,562.12	**2.75**	0.45	**0.05**	0.36	**-**	-	**2,269.58**	1,562.93
	Unallocable Depreciation									**742.63**	918.45
	Non-cash expenses other than depreciation									**-**	-

B. GEOGRAPHICAL SEGMENT	Domestic		Overseas			Elimination		Consolidated Total	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011		**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011
Segment Revenue									
External sales	**287,903.51**	302,933.38	**21,946.21**	13,850.23		**(1,368.74)**	(1,139.77)	**308,480.98**	315,643.84
Segment Asset	**275,322.45**	253,606.07	**2,452.04**	9,209.37				**277,774.49**	262,815.44
Unallocable asset								**75,120.00**	52,992.53
Total Asset	**275,322.45**	253,606.07	**2,452.04**	9,209.37				**352,894.49**	315,807.97
Capital Expenditure	**4,425.44**	3,807.49	**3.54**	16.34				**4,428.98**	3,823.83
Unallocable Capital Expenditure								**739.86**	400.57

Notes forming part of the consolidated financial statements

Note 30 Disclosure under Accounting Standards (Contd...)

30.5 Related Party Disclosures

Information relating to Related Party transactions as per "Accounting Standard 18"

Description of relationship	Nature of relationship
Entity holding more than 20%	Tata Power Company Limited
Associate	Virendra Garments Manufacturers Private Limited
Joint Venture	Al Tawleed For Energy & Power Co TEIL Projects Limited
Partnership Firm	Tata Dilworth, Secord Meagher & Associates (TDSMA)
Key Management Personnel	Mr. Vinayak K Deshpande, Managing Director (with effect from 1st July, 2011) Mr. A.K. Misra, Executive Director & Chief Operating Officer (upto 30th September, 2011) Mr. A.K. Mathur, Executive Director (upto 30th September, 2011)

Details of related party transactions carried out in the ordinary course of business and balances as at year end

₹ in lacs

Particulars	Entity holding more than 20%		Joint Ventures		Key Management Personnel	
	2011-12	2010-11	**2011-12**	2010-11	**2011-12**	2010-11
Income from contracts and services	**1,652.79**	4,985.87	**-**	-	**-**	-
Interest on debentures	**106.03**	180.82	**-**	-	**-**	-
Dividend paid	**967.50**	725.63	**-**	-	**-**	-
Investment	**-**	-	**200.00**	100.00	**-**	-
Remuneration	**-**	-			**341.71**	244.70
Balances outstanding at the end of the year						
Trade payables	**608.27**	874.56	**34.39**	34.39	**-**	-
Trade receivables	**2,615.97**	3,495.43	**83.69**	83.69	**-**	-
Expenses recoverable	**-**	-	**5.80**	15.97	**-**	-
Guarantees given	**2,439.93**	2,503.63	**-**	35.00	**-**	-
Interest accrued but not due	**39.95**	79.52	**-**	-	**-**	-
Work done but not billed	**-**	508.63	**-**	-	**-**	-

Notes forming part of the consolidated financial statements

Note 30 Disclosure under Accounting Standards (Contd...)

30.6 Disclosure as required by Accounting Standard 19, "Leases" are given below

Operating lease: Company 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 5 years and are usually renewable by mutual consent on agreed terms. The aggregate lease rents payable are recognized in the Statement of Profit and Loss for the year and included as Rent (disclosed under Operations, Establishment and Other Expenses in Note 26).

ii) The company has taken certain properties under non-cancellable leases.

	2011-12 ₹ in lacs	2010-11 ₹ in lacs
Total of future minimum lease payments at the balance sheet date		
Within one year	**432.07**	397.55
After one year but not more than five years	**634.67**	829.38
More than five years	**-**	-
	1,066.74	1,226.93

30.7 Earnings per Share (EPS):

	2011-12	2010-11
Basic and diluted :		
a) Profit for the year (₹ in lacs)	**14,652.61**	18,054.44
b) Weighted Average number of Equity Shares of ₹100 each outstanding during the year	**2,025,000**	2,025,000
Earning per share (₹)	**724**	892

30.8 Details of provisions

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

₹ in lacs

Particulars	As at 1 April 2011	Additions	Utilisation	Reversal (withdrawn as no longer required)	**As at 31 March, 2012**
Provision for warranty	256.00 (256.00)	- -	- -	256.00 -	**-** **(256.00)**
Provision for future foreseeable losses on contracts	-	606.85	-	-	**606.85**
Total	256.00 (256.00)	606.85 -	- -	256.00 -	**606.85** **(256.00)**

Previous year's figures are in brackets

Notes forming part of the consolidated financial statements

Note 31 Previous year's figures

31. The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. 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

F K Kavarana
Chairman

H H Malgham
Director

A J Engineer
Director

P N Dhume
Director

Prasad R Menon
Director

K P Singh
Director

S Ramakrishnan
Director

Vinayak K Deshpande
Managing Director

K S Krishnan
Senior General Manager &
Head – Accounts

Dr A Raja Mogili
Company Secretary

Place: Mumbai
Date: 7th May 2012

ARTSON ENGINEERING LIMITED SUBSIDIARY COMPANY FINANCIAL STATEMENTS

Artson Engineering Limited
Board of Directors
(As on 2nd May 2012)

Chairman	Vinayak K Deshpande
Directors	H H Malgham
	A K Misra
	Michael Bastian
Special Director	Shashikant Oak
Executive Director-Manufacturing	Prakash S Chopde
Executive Director	P V Varghese

Registered Office

Rang Udyan, Building No.2, 1st Floor
Sitladevi Temple Road, Mahim (West)
Mumbai 400 016

ARTSON ENGINEERING LIMITED

Report of the Board of Directors

To

The Members of Artson engineering limited

The Directors present their Thirty-third Annual Report along with the Audited Statement of Accounts for the Financial Year ended 31st March 2012.

1. Performance of the Company

The Company's performance for the year is summarised below

Financial Highlights

(₹ crores)

	Financial Year ended 31st March 2012	Financial Year ended 31st March 2011
Sales and Other Income	**60.88**	135.94
Profit/ (Loss) before Finance Cost, Tax, Depreciation and Exceptional Items	**(5.61)**	9.20
Profit/ (Loss) before tax	**(13.49)**	4.27
Profit/ (Loss) after tax	**(13.30)**	4.55
Profit/ (Loss) brought forward	**(6.37)**	(10.92)
Profit/ (Loss) available for appropriation	**(19.67)**	(6.37)

OPERATIONS

The Company's Total Income for the year under review aggregated ₹ 60.88 crores (Previous year – ₹ 135.94 crores). The operations of the Company for the period under review resulted in a Loss after Tax of ₹ 13.30 crores (Previous year – Profit after Tax of ₹ 4.55 crores).

The Company commenced the financial year with a healthy order backlog of about ₹ 200 crores. However, two major overseas contracts having aggregate value of about ₹ 125 crores could not be executed, and were treated as cancelled, due to certain onerous contractual issues. Consequently, the Company could not achieve the results hoped for at the start of the Financial Year.

During the year under review, the Company completed (a) the project at Bathinda entailing construction of 64 nos. of Intermediate and Product Storage Tanks (b) another project at Bathinda involving supply, fabrication and erection of structural Crossover Platform in Tank Farm area, and (c) a project entailing mechanical works and piping of 8 (eight) well pads at Bhagyam Oil-fields at Barmer, Rajasthan. The Company's Nashik factory successfully completed a major order of manufacturing high-pressure and complex equipment for installation at a steel plant in Rourkela.

The Company has been awarded by one of it's Clients a Certificate for achievement of One Million safe Man-hours of Construction Works without any Lost Time Incident (LTI). This Certificate has been awarded for maintaining Construction Safety Standards as prescribed by the Client and the Company will ensure to maintain these standards in all other project sites.

Work for projects at Cuddalore is now gaining momentum after the suspension due to cyclone in December 2011 which hit India's East Coast. Work was restarted in March 2012, after completion of insurance survey and technical audit by the Client.

Project execution activities at Jamshedpur sites are being completed as per schedule.

During the year under review, the Company secured new orders aggregating ₹ 95 crores. The total order-book position as at 31st March 2012 was about ₹ 115 crores. Since the beginning of the FY 2012-13, the Company has received new orders aggregating ₹ 36 crores. In addition to domestic projects, the Company is actively pursuing various opportunities in the overseas markets, especially in the Middle-East and Gulf Region, and is hopeful of adding, for execution, new orders during the Financial Year 2012-13.

The Board is conscious of the fact that the Company's Net Worth continues to be negative. However, as mentioned earlier, due to factors beyond the control of the Company, its endeavours to be Networth-positive have not fructified. The Board is, however, confident that with pro-active actions under implementation, the performance during the current year will lead to substantial improvement.

2. Certification by American Society of Mechanical Engineers (ASME)

A Review Team from the American Society of Mechanical Engineers (ASME) has recently conducted an audit of the Company's Nashik Factory and hence is now been received an ASME Certification. The Company is, consequently, hopeful of booking significant number of high-end fabrication orders to be executed from Nashik factory.

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

As the Members are aware, the Board for Industrial and Financial Reconstruction (BIFR) had, vide its Order dated 18th December 2007, sanctioned a rehabilitation scheme (Sanctioned Scheme). The said Sanctioned Scheme is presently under implementation. Most of the provisions of the Sanctioned Scheme have already been implemented.

During the year under review, the Company filed a modification application seeking further exemption from Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited (BSE). The BIFR has approved the extension of the exemption till 31st March 2013 from the applicability of Clause 49 of the Listing Agreement.

4. Term loan from Tata Projects Limited

During the year under review, the Company repaid a part of the 2nd instalment of ₹ 1.50 crores towards the principal amount of the term loan extended by Tata Projects Limited (TPL) under the Sanctioned Scheme. Considering the working capital requirements for the projects under execution and other business activities of the Company and circumstances, TPL has allowed further time to repay the balance amount of ₹ 3.70 crores by 30th September 2012. Interest on the said loan has been paid to TPL regularly.

5. Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, for the year ended 31st March 2012 the Directors confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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;

d. the Directors had prepared the annual accounts on a going concern basis.

6. **Directors**

Mr. N. K. Jagasia, an original promoter and director, resigned as a Director of the Company effective 17th August 2011. The Board has placed on record its appreciation of the role played by Mr. Jagasia during his tenure as a Director.

Mr. K. P. Singh, who had been nominated as a Director by Tata Projects Limited, stepped down as a Director of the Company effective 1st Feburary 2012. The Board has placed on record its appreciation of his valuable guidance and directions in the Company's initiatives and achievements during his tenure as the Chairman of the Company.

Mr. Vinayak Deshpande, the Managing Director of Tata Projects Limited, was nominated by it to the Board in lieu of Mr. K. P. Singh and the Board has appointed Mr. Deshpande as the Chairman effective 1st February 2012. Pursuant to Section 260 of the Companies Act, 1956, Mr. Deshpande holds office, as an Additional Director, upto the ensuing Annual General Meeting, but is eligible for re-appointment. The Company has received a notice in writing from a Member proposing candidature of Mr. Deshpande for the office of a Director. Accordingly, proposal for Mr. Deshpande's appointment as a Director is being placed before the shareholders for their approval at the ensuing Annual General Meeting.

As per the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Michael Bastian retires by rotation and is eligible for re-appointment.

7. **Audit Committee**

The Audit Committee comprises of Mr. H. H. Malgham, Mr. Michael Bastian and Mr. Shashikant Oak. The Audit Committee continues to provide valuable advice and guidance in the areas of costing, finance and internal controls.

8. **Auditors**

M/s. Chokshi & Chokshi, Chartered Accountants, the Statutory Auditors of the Company are due to retire at the ensuing Annual General Meeting. The Company has received a certificate from the Statutory Auditors, under Section 224 (1) (b) of the Companies Act, 1956, stating that they are eligible for re-appointment and the said re-appointment, if made, will be within the prescribed limits.

9. **Cost Accountants**

During the year under review, the Companies (Cost Accounting Records) Rules, 2011 ("the Rules") were notified vide Notification [No. G.S.R. 429 (E) dated 3rd June 2011] issued by the Ministry of Corporate Affairs. In compliance with the provisions of the Rules, the Company has appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai to be the cost accountants for the Financial Year under review and they have certified the compliance report to be submitted by the Company to the Central Government.

10. **Particulars of Employees**

Particulars of the employees as required under Section 217 (2A) of the Companies Act, 1956 are not applicable as the Company did not have any employee drawing remuneration in excess of the sums prescribed.

11. **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgoings**

Particulars prescribed under Section 217(1) (e) of the Companies Act, 1956 are given in an Annexure to this Report.

12. Report on Corporate Governance

Pursuant to the Orders passed by the BIFR, the Company has been granted exemption from complying with the requirements of Clause 49 of the Listing Agreement upto 31st March 2012, now extended upto 31st March 2013. Accordingly, for the year under review, the Company is not required to report compliance with Clause 49 of the Listing Agreement dealing with Corporate Governance.

13. Acknowledgements

The Directors wish to place on record their sincere appreciation for the continued support received during the year from the Shareholders, Tata Projects Limited, customers – both in India and abroad, suppliers and vendors, Banks, the BIFR, the AAIFR and other Government and Regulatory authorities. The Board wishes to record its deep appreciation to all the employees of the Company for their dedication and commitment.

For and on behalf of the Board of Directors

Vinayak K Deshpande
Chairman

Place : Mumbai,
Date : 2nd May 2012

Annexure to the Directors' Report

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

Information as per Section 217 (1) (e) read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the Financial Year ended 31st March 2012:

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 office premises as well as in the Nashik Factory. 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

(₹ crores)

	Financial Year ended 31st March 2012	Financial Year ended 31st March 2011
Earnings	**2.19**	32.34
Expenditure	**4.45**	30.37

For and on behalf of the Board of Directors

Place : Mumbai
Date : 2nd May 2012

Vinayak K Deshpande
Chairman


Financial Report

AUDITORS' REPORT

TO THE MEMBERS OF ARTSON ENGINEERING LIMITED

We have audited the attached Balance Sheet of **Artson Engineering Limited** ("the Company") as at 31st March 2012, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report as under:

(a) We have 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 appears from our examination of those books;

(c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;

(e) On the basis of written representations received from the Directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March 2012 from being appointed as Director under Section 274(1) (g) of the Companies Act, 1956;

(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;

   ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and

   iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **CHOKSHI & CHOKSHI**
Chartered Accountants
Firm Registration No. 101872W

Kanu S. Chokshi
Partner
Membership No. 17085

Place: Mumbai
Date: 2nd May 2012

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARA 3 OF OUR REPORT OF EVEN DATE

(I) (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. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company did not dispose off any substantial part of fixed assets during the year and hence the going concern status is not affected.

(ii) (a) According to the information and explanations 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.

(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.

(c) No material discrepancies have been noticed on verification of inventory between the physical stock and the book records. The discrepancies noticed have been properly dealt with in the books of account.

(iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted any loans, secured or unsecured, to parties listed in the Registers maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (a), (b), (c) & (d) of the Order are not applicable.

(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not taken any loans, secured or unsecured, from parties listed in the Registers maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (e), (f) & (g) 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. However, in our opinion having regard to the size and nature of business and construction sites being spread over different areas, the internal control needs to be strengthened.

(v) (a) In our opinion, and according to the information and explanations given to us, there are no transactions that need to be entered into a Register maintained under Section 301 of the Companies Act, 1956.

(b) In our opinion, and according to the information and explanations given to us, as there are no transactions that need to be entered into a Register maintained under Section 301 of the Companies Act, 1956, paragraph (v) (b) of the Order is not applicable.

(vi) 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 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder 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.

(vii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Company have been commensurate with its size of the Company and nature of its business.

(viii) According to the information and explanations given to us and on verification of records, the Company has made and maintained cost records as prescribed by the Central Government under clause (d) of sub section (1) of section 209 of the Companies Act 1956.

(ix) (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, Investor Education and Protection Fund, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March 2012 for a period of more than 6 months from the date they became payable.

(b) As at 31st March 2012, according to the records of the Company and the information and explanations given to us, the following are the particulars of dues on account of Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/ Custom Duty / Excise Duty that have not been deposited on account of disputes:-

Name of the Statute	Nature of the Dues	Amount (₹ in lacs)	Period to which Amount relates	Forum where dispute pending
Commercial Tax Officer (Andhra Pradesh)	Works Contract differences in value of property passing and sale in transit	12.21	1998-99	Commissioner (Appeals)
Commercial Tax (West Bengal)	Works Contract value	2.08	1998-99 1999-00 2000-01	Commissioner (Appeals)
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)
Income Tax	Penalty in respect of certain claims not admitted	333.79	AY 2006-07 AY 2007-08	Commissioner (Appeals)

(x) The accumulated losses of the Company are more than it's paid up capital and free reserves. The Company has incurred a cash loss of ₹1114.37 lacs during the financial year and a cash profit of ₹ 621.06 lacs in the immediately preceding financial year.

(xi) 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.

(xii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund, nidhi, mutual benefit or a society. Accordingly, provisions of Clause 4(xiii) of the Order are not applicable to the Company.

(xiv) The Company has not entered into any trading in shares, securities, debentures and other investments during the year. Accordingly, provisions of Clause 4(xiv) of the Order are not applicable to the Company.

(xv) 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.

(xvi) 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.

(xvii) According to the information and explanations given to us and based on the overall examination of the Balance Sheet of the Company, funds raised on short term basis have prima-facie not been used for long term investment.

(xviii) During the year, Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company has not issued any secured debentures during the year.

(xx) The Company has not raised any money by way of public issues during the year.

(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **CHOKSHI & CHOKSHI**
Chartered Accountants
Firm Registration No.101872W

Kanu S Chokshi
Partner
Membership No.17085

Place: Mumbai
Date: 2nd May 2012

Balance Sheet as at 31st March, 2012

	Notes	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Shareholders' Funds			
Share Capital	3	**369.20**	369.20
Reserves and Surplus	4	**(1,967.45)**	(637.57)
		(1,598.25)	(268.37)
Non-current Liabilities			
Long-term Borrowings	5	**1,077.36**	1,184.11
Other long-term Liabilities	6	**241.34**	170.35
Deferred Tax Liability (net)	25 (b)	**1.20**	20.09
Long-term Provisions	7	**-**	-
		1,319.90	1,374.55
Current Liabilities			
Short-term Borrowings	8	**3,632.48**	2,460.00
Trade Payables	9	**1,832.98**	2,055.26
Other Current Liabilities	9	**3,201.88**	5,003.37
Short-term Provisions	7	**28.01**	17.12
		8,695.35	9,535.75
TOTAL		**8,417.00**	10,641.93
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	**1,208.78**	1,303.48
Intangible Assets	11	**3.29**	0.15
Capital Work-in-Progress		**-**	-
Non-current Investments		**-**	-
Long-term Loans and Advances	12	**122.68**	119.00
Other Non-current Assets	13	**160.09**	455.00
		1,494.84	1,877.63
Current Assets			
Current Investments		**-**	-
Inventories	14	**971.28**	873.97
Trade Receivables	13.1	**4,174.66**	3,711.86
Cash and Cash Equivalents	15	**152.34**	134.21
Short-term Loans and Advances	12	**861.31**	1,057.14
Other Current Assets	13.2	**762.57**	2,987.14
		6,922.16	8,764.32
TOTAL		**8,417.00**	10,641.93
Notes attached hereto form an integral part of these financial statements	1 to 44		

In terms of our report attached

for Chokshi and Chokshi
Chartered Accountants
Registration number: 101872W

K S Chokshi
Partner
Membership No.: 17085

Place: Mumbai
Date: 2nd May 2012

For and on behalf of the Board

Purushothaman R
Chief Financial Officer

Vinayak K Deshpande
Chairman

H H Malgham
Director

Vishram N Panchpor
Company Secretary

P S Chopde
Executive Director
(Manufacturing)

P V Varghese
Executive Director

Statement of Profit and Loss for the year ended 31st March, 2012

	Notes	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Continuing Operations			
Income			
Revenue from Operations (gross)	16	**6,077.82**	13,594.22
Less: Excise Duty	16	**(44.74)**	(1.72)
Revenue from Operations (Net)	16	**6,033.08**	13,592.50
Other Income	17	**54.79**	1.73
Total Revenue (I)		**6,087.87**	13,594.23
Expenses			
Cost of raw materials and components consumed	18	**1,013.01**	3,755.82
Project Execution Expenses	18	**4,162.74**	8,200.59
(Increase)/ Decrease in Inventories and Contracts in Progress	19	**(18.34)**	(475.67)
Employee Benefits expense	20	**1,072.35**	759.08
Operating,establishment and Other Expenses	21	**418.82**	433.97
Total Expenses (II)		**6,648.59**	12,673.79
Earnings before Finance Costs, Tax, Depreciation and Amortization and Exceptional Items (EBITDA)(I)- (II)		**(560.72)**	920.44
Depreciation and amortization expense	22	**215.53**	166.24
Finance costs	23	**542.79**	323.72
Profit/(Loss) Before Exceptional & Extraordinary Items & Tax		**(1,319.04)**	430.48
Exceptional Items		**13.05**	-
Profit/(Loss) Before Extraordinary Items & Tax		**(1,332.09)**	430.48
Extraordinary Items		**16.68**	3.89
Profit/(Loss) Before Tax		**(1,348.77)**	426.59
Tax expenses			
Current tax		**-**	-
Taxation of earlier years		**-**	-
Deferred tax		**(18.89)**	(28.25)
Total Tax expense		**(18.89)**	(28.25)
Profit/(Loss) for the year from Continuing Operations (A)		**(1,329.88)**	454.84
Profit/(Loss) from Discontinuing Operations		**-**	-
Tax expense of Discontinuing Operations		**-**	-
Profit/(Loss) After Tax from Discontinuing Operations (B)		**-**	-
Profit/(Loss) for the year (A + B)		**(1,329.88)**	454.84
Earnings per equity share [nominal value of share ₹ 1/- (31st March 2011:₹1/-)			
Basic			
On the basis of profit from continuing operations		**(3.60)**	1.23
On the basis of total profit for the year		**(3.60)**	1.23
Diluted			
On the basis of profit from continuing operations		**(3.60)**	1.23
On the basis of total profit for the year		**(3.60)**	1.23
Notes attached hereto form an integral part of these financial statements			

In terms of our report attached

for Chokshi and Chokshi
Chartered Accountants
Registration number: 101872W

K S Chokshi
Partner
Membership No.: 17085

Place: Mumbai
Date: 2nd May 2012

For and on behalf of the Board

Purushothaman R
Chief Financial Officer

Vishram N Panchpor
Company Secretary

Vinayak K Deshpande
Chairman

P S Chopde
Executive Director
(Manufacturing)

H H Malgham
Director

P V Varghese
Executive Director

Cash flow statement for the year ended 31st March 2012

	Year Ended 31st March 2012 ₹ in lacs		Year Ended 31st March 2011 ₹ in lacs	
A. Cash Flow from Operating Activities				
Net Profit/ (Loss) After Taxes		**(1,329.88)**		454.80
Adjustments for-				
Depreciation	**215.53**		166.25	
Loss/(Profit) on fixed Assets Discarded	**-**		-	
Dividend and Other Income Received	**-**		-	
Interest Received	**(11.11)**		(7.24)	
Short Term Capital Gain on Sale of Units	**-**		-	
Deferred Tax	**(18.89)**		(28.25)	
Interest Paid	**542.79**		323.72	
		728.32		454.49
Operating Profit before Working Capital Changes		**23,803.57**		28,092.05
Adjustments for-				
Sundry Debtors	**(263.65)**		(552.33)	
Advances	**2,511.99**		2301.16	
Inventories	**(97.30)**		(505.68)	
Trade Payables	**(1,891.86)**		1,077.72	
		259.65		(2,281.46)
Cash Generated from Operations		**(341.91)**		(1,372.17)
Net cash from Operating Activities		**(341.91)**		(1,372.17)
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	**(157.24)**		(410.91)	
Sale of Assets	**33.24**		-	
Capital Work in Progress	**-**		-	
Short Term Capital Gains on Sale Units	**-**		-	
Dividends and Other Income Received	-		-	
Interest Received	**11.11**		-	
Net Cash used in Investing Activities		**(112.89)**		(403.67)
C CASH F LOW FROM FINANCING ACTIVATES				
Proceeds from Inter Corporate Deposits	**600.00**		1,100.00	
Repayment for Inter Corporate Deposits	**-**		100.00	
Proceeds from Borrowings	**572.49**		1572.91	
Repayment from Borrowings	**(156.79)**		(458.94)	
Proceeds from issue of share capital (including premium)	**-**		(323.72)	
Interest Paid	**(542.79)**		-	
Net cash used in Financing Activities		**47.91**		1790.25
Net Increase in Cash and Cash Equivalents		**18.11**		14.41
Cash and Cash equivalents as at beginning of the year		**134.21**		119.80
Cash and Cash Equivalents as at end f the Year		152.34		134.21

Notes:

1 Cash Flow Statement has been prepares 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 movements of cash with necessary adjustments in corresponding Assets and Liabilities

2 Proceeds from Long Term & Other borrowings are shown net of Repayments.

3 Cash and Cash Equivalents represent Cash and Bank Balances only.

Subject to our report of even date
For and on behalf of

CHOKSHI AND CHOKSHI
Chartered Accountants

K.S.Chokshi
PartnerMembership No. 17085

Mumbai
Date :2nd May 2012

For and on behalf of Board

Purushothaman R.
Chief Financial Officer

Vishram N. Panchpor
Company Secretary

Vinayak K. Deshpande
Chairman

H.H.Malgham
Director

P.S. CHOPDE
Executive Director (Manufacturing)

P. V. Varghese
Executive Director

Mumbai
Date :2nd May 2012

Notes forming part of the Financial Statements

Notes to Accounts

1. Corporate Information

Artson Engineering Limited (the Company) is a company limited by shares incorporated under the Companies Act, 1956. The Company's Registered Office is situated at Mumbai. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the Script 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 and emerged as one of the foremost companies in the Country specializing in such systems. The Company's expertise has gradually expanded beyond the Country and has been executing prestigious overseas contracts as well. The Company operates in the business segment of Oil, Gas and Hydrocarbon (OG&H) Industry.

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 Sanctioned Scheme is presently under implementation.

2. Significant Accounting Policies for the Year Ended 31st March, 2012

The Significant Accounting Policies have been predominantly prescribed below in order of the Accounting Standards noticed under the Companies (Accounting Standards) Rules, 2006 (as amended).

i) Method of Accounting and preparation of Financial Statement

The financial statements are prepared under the historical cost convention, on an accrual basis, in conformity with the accounting principles, generally accepted in India and in accordance with accounting standards referred to in section 211(3C) of the Companies Act, 1956.

ii) Revenue Recognition

a **Manufacturing activities:** Sales of Goods is recognized as per the terms of sales. Sales exclude amount recovered towards Excise Duty and Sales Tax.

b **Erection / Construction activities:** Revenues from execution of contract is recognized on Percentage Completion method. The stage of completion is determined on the basis of actual work executed during the period. 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. Cost incurred and invoices raised in respect of such contract 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 recognized immediately.

c. Work done but not billed: Value of work executed, billed subsequent to balance sheet date, is valued at contract price.

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) Fixed Assets

All tangible fixed assets are stated at historical cost (as reduced by CENVAT credit) less accumulated depreciation. The cost comprises of purchase price and other attributable expenses incurred up to acquisition and installation.

Notes forming part of the financial statements

iv) Depreciation /Amortisation on Fixed Assets

a. Depreciation has been provided for on the written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.

b. All the Fixed Assets costing less than ₹ 5,000/- each are fully depreciated in the year of acquisition.

c. Lease hold Improvements is Amortised over the period of the Lease

v) 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 carrying cost of the assets, impairment in value of the assets is recognized.

vi) 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 cost on First in First Out basis.

c. Work-in Progress are valued at lower of cost and net realizable value.

vii) 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 or fair value whichever is lower. Diminution in the value of investment is provided for, if such diminution is of other than temporary nature.

b. Current Investments are carried at lower of cost and fair value.

viii) Foreign Currency Transactions

a. Sales and expenditure relating to overseas jobs / projects have been converted at the exchange rates prevailing on the date of transaction.

b Assets and liabilities denominated in foreign currencies at the year-end are normally translated at the year-end exchange rates.

c. The exchange difference on conversion are credited or charged to profit and loss account.

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.

ix) Retirement benefits

a. The Company's contribution to Provident fund is charged to the Profit and Loss Account.

b. Leave encashment benefit at the time of retirement/cessation of service as calculated on the basis of actuarial valuation, is charged to the Profit and Loss Account.

c. The Gratuity liability, which is a defined benefit plan, is provided on the basis of actuarial valuation as on balance sheet date and same is funded with Life Insurance Corporation of India as per its advice.

x) Segment Reporting

The Company is in the business of Engineering, Procurement & Construction contract in Oil, Gas &

Notes forming part of the financial statements

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 Segment of the Company are:

1. Domestic
2. Overseas

xi) Earnings Per Share

The Company reports basic earnings per share in accordance with the Accounting Standard 20 'Earnings per share' issued by the Institute of Chartered Accountants of India. 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.

xii) Taxation (including Deferred Tax)

Provision for Income Tax is made for both current and deferred taxes. Current tax is provided on the basis of 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 recognised using the tax rates, and tax laws that have been enacted or substantively enacted, subject to prudence.

xiii) Borrowing Costs

Borrowing costs which are directly attributable to acquisition, construction and production of qualifying assets, are capitalised.

xiv) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised 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 event.
b. A probable outflow of resources is expected to settle the obligation, and
c. The amount of the obligation can be reliably estimated.

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. A present obligation arises from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
b. A present obligation when no reliable estimate is possible, and
c. 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.

xv) Extra Ordinary Items

The Extra-Ordinary items are Income or Expenses that arise from events of transactions that are clearly distinct from the ordinary activities of enterprises and therefore, are not expected to recur frequently or regularly.

The nature and amount of each extra ordinary items 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.

Notes forming part of the financial statements

Note 3 Share Capital

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Authorized shares		
(i) 150,000,000 Equity Shares of ₹ 1/- each	**1500.00**	1500.00
(ii) 200,000 Preference Shares of ₹ 100/- each.	**200.00**	200.00
Issued, Subscribed and Paid-up shares		
36,920,000 Equity Shares of ₹ 1/- each (31st March 2011: 36,920,000)	**369.20**	369.20
Total issued, subscribed and fully paid-up share capital	**369.20**	369.20

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31st March 2012		31st March 2011	
Equity shares	No.	**₹ in lacs**	No.	₹ in lacs
At the beginning of the period	36,920,000	**369.20**	36,920,000	369.20
Issued during the period	-		-	
Outstanding at the end of the period	36,920,000	**369.20**	36,920,000	369.20

The Company's issued, subscribed and paid-up capital comprises of equity shares only and no preference share have been issued.

b. Terms/rights attached to equity shares

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

The Liability of the Member 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. Aggregate number of bonus shares Issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	2011-12	2010-11	2009-10	2008-09	2006-08 (18 M)
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-	-	-	-
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash.	-	-	-	-	-
Equity shares bought back by the company	-	-	-	-	-

d. Details of shareholders holding more than 5% shares in the Company

	Nature	**31st March, 2012**		31st March, 2011	
		No.	**% holding**	No.	% holding
Equity shares of ₹1/- each fully paid Tata Projects Limited	Holding Company	**27,690,000**	**75.00%**	27,690,000	75.00%

e. Reduction in paid-up value of equity shares

Pursuant to the provisions of the Sanctioned Scheme, effective 26th 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 4th January 2008, the Company has 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.

Notes forming part of the financial statements

Note 4 Reserves and Surplus

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Surplus/(Deficit) in the statement of Profit and Loss		
Balance as per last financial statements	**(637.57)**	(1,092.37)
Loss for the year	**(1,329.88)**	454.80
Net surplus / (deficit) in the statement of Profit and Loss	**(1,967.45)**	(637.57)
Total Reserves and Surplus	**(1,967.45)**	(637.57)

Note 5 Long-term Borrowings

	Non-current portion		Current maturities	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	**31st March 2012 ₹ in lacs**	31st March 2011 ₹ in lacs
Debentures	**-**	-	**-**	-
Other Loans and Advances				
Loans & Advances from Related Parties	**1,040.19**	1,140.19	**890.20**	940.20
HDFC Bank Ltd - Vehicle Loan	**0.90**	4.29	**3.39**	3.04
Sales Tax Deferment Loan	**36.27**	39.63	**3.36**	6.79
	1,077.36	1,184.11	**896.95**	950.03
The above amount Includes				
Secured borrowings	**1,041.09**	1,144.48	**893.59**	943.24
Unsecured borrowings	**36.27**	39.63	**3.36**	6.79
Amount disclosed under the head "Other Current Liabilities" (Note 9)	**-**	-	**-**	-
Net amount	**1,077.36**	1,184.11	**896.95**	950.03

a Loans & Advances from Related Parties (Holding Company)

In terms of the Sanctioned Scheme of BIFR dated 18th December 2007, the Company has obtained term loan from the Strategic Investor viz. Tata Projects Limited against the security of immovable property and all title deeds of the property are deposited with the Holding Company. The loan from the Holding Company (Non-current portion) is repayable in 2 (two) equal annual installments falling due on 31st March of 2014 and 2015, respectively.

b HDFC Bank Ltd - Vehicle Loan : Hypothication on Motor Vehicle

Note 6 Other Long-term liabilities

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Trade Payables	**227.57**	138.09
Security Deposit Received	**13.77**	32.26
	241.34	170.35

Notes forming part of the financial statements

Note 7 Provisions

	Long Term		Short-term	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	**31st March 2012 ₹ in lacs**	31st March 2011 ₹ in lacs
Provision for Employee Benefits				
Provision for pension	**-**		**-**	
Provision for Gratuity	**-**	-	**0.38**	1.17
Provision for Leave Benefits	**-**	-	**27.63**	15.95
	-	-	**28.01**	17.12

Note 8 Short-term Borrowings

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Working Capital (Secured)	**2,032.48**	1460.00
Loans & Advances from Related Parties (unsecured)	**1,600.00**	1000.00
	3,632.48	2,460.00
The above amount Includes		
Secured borrowings	**2,032.48**	1,460.00
Unsecured borrowings	**1,600.00**	1,000.00

Working Capital loan is secured :

i) first charge by way of Hypothecation on Inventories, Books Debts and Other Current Assets.

Unsecured borrowing :-

Inter corporate Deposits are obtained from the Holding Company

Note 9 Other Current Liabilities

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Trade payables (Refer Note 28 for details of dues to Micro, Small and Medium enterprises)	**1832.98**	2,055.26
Other liabilities		
Current maturities of long term borrowings (Note 5) (Includes current maturity of finance lease obligation ₹ NIL (31 March 2011: ₹ NIL))	**896.95**	950.03
Others		
Liability for Expenses	**843.89**	601.82
Advance from Customers	**402.39**	919.54
Other Liabilities	**466.96**	286.27
Interest accrued on loan	**193.16**	8.32
Contract expenses	**227.78**	2,083.54
Service tax payable	**113.78**	111.52
Statutory Liabilities	**56.98**	42.33
	3,201.88	5,003.37
	5,034.86	7,058.63

Notes forming part of the financial statements

Note 10 Tangible Assets

₹ in lacs

		GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		As at 01-04-2011 (at cost)	Additions	Deductions/ Other adjustments	Transfer to assets held for sale (discontinuing operation)	**As at 31-03-2012 (at cost)**	As at 01-04-2011 (at cost)	For the period	Deductions/ Others adjustments	Transfer to assets held for sale (discontinuing operation)	**As at 31-03-2012**	**As at 31-03-2012**	As at 31-03-2011
1.	LEASEHOLD LAND	4.29	-	-	-	**4.29**	-	-	-	-	**-**	**4.29**	4.29
2.	BUILDINGS -	192.35	8.91	-	-	**201.26**	63.57	13.50	-	-	**77.07**	**124.19**	128.78
3.	LEASEHOLD IMPROVEMENTS	64.86	6.51	19.34	-	**52.03**	2.97	14.10	5.31	-	**11.76**	**40.27**	61.89
4.	PLANT AND MACHINERY	2,055.25	68.61	23.56	-	**2,100.30**	1,140.09	133.07	8.33	-	**1,264.83**	**835.47**	915.16
5.	COMPUTERS	113.97	6.68	-	-	**120.65**	96.16	9.09	-	-	**105.25**	**15.40**	17.81
6.	FURNITURE AND FIXTURES	124.97	41.59	2.64	-	**163.92**	70.95	21.58	0.83	-	**91.70**	**72.22**	54.02
7.	OFFICE EQUIPMENT	77.62	6.52	2.79	-	**81.35**	39.95	7.94	0.86	-	**47.03**	**34.32**	37.67
8.	ELECTRICAL INSTALLATION	103.41	14.29	0.28	-	**117.42**	35.40	11.19	0.04	-	**46.55**	**70.87**	68.01
9.	VEHICLES	56.57	-	-	-	**56.57**	40.72	4.10	-	-	**44.82**	**11.75**	15.85
	TOTAL - 2011-2012	2,793.29	153.11	48.61	-	**2,897.79**	1,489.81	214.57	15.37	-	**1,689.01**	**1,208.78**	1,303.48
	- 2010-2011	2,229.06	564.22	-	-	**2,793.28**	1,323.64	166.17	-	-	1,489.81	1,303.47	905.42

Note 11 Intangible Assets

₹ in lacs

		GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
		As at 01-04-2011 (at cost)	Additions	Deductions/ Other adjustments	Transfer to assets held for sale (discontinuing operation)	**As at 31-03-2012 (at cost)**	As at 01-04-2011 (at cost)	For the period	Deductions/ Other adjustments	Transfer to assets held for sale (discontinuing operation)	**As at 31-03-2012**	**As at 31-03-2012**	As at 31-03-2011
	INTANGIBLE ASSETS:												
1.	COMPUTER SOFTWARE	0.22	4.10	-	-	**4.32**	0.07	0.96	-	-	**1.03**	**3.29**	0.15
	TOTAL - 2011-2012	0.22	4.10	-	-	**4.32**	0.07	0.96	-	-	**1.03**	**3.29**	0.15
	- 2010-2011	-	0.22	-	-	**0.22**	-	0.07	-	-	**0.07**	**0.15**	-

Notes forming part of the consolidated financial statements

Note 12 Loans and Advances

	Long Term		Short Term	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	**31st March 2012 ₹ in lacs**	31st March 2011 ₹ in lacs
Capital Advances				
Secured, considered good	**-**	-	**-**	-
Unsecured,considered good	**-**	-	**-**	-
Doubtful	**-**	-	**-**	-
Provision for doubtful advances	**-**	-	**-**	-
(A)	**-**	-	**-**	-
Security Deposit				
Secured, considered good	**-**	-	**-**	-
Unsecured,considered good	**122.68**	119.00	**19.37**	16.22
Doubtful	**-**		**-**	-
	122.68	119.00	**19.37**	16.22
Provision for doubtful receivables	**-**	-	**-**	-
(B)	**122.68**	119.00	**19.37**	16.22
Loan and Advances				
Loan and Advances to Subsidiary	**-**	-	**-**	-
Unsecured,considered good	**-**	-	**614.34**	666.86
(C)	**-**	-	**614.34**	666.86
Other Loans and Advances				
Loans and advances others	**-**	**-**	**0.15**	0.06
Advances recoverable in cash or in kind or for value to be received				
- Unsecured	**-**	**-**	**3.56**	0.66
Advance to Contractors/Suppliers	**-**	**-**	**49.35**	156.46
Advance income-tax				
(net of provision for taxation)	**-**	**-**	**76.42**	44.35
Prepaid expenses	**-**	**-**	**32.09**	79.09
Claim Receivable	**-**	**-**	**66.03**	93.43
Less:Provision for Doubtful Advances	**-**	**-**	**-**	**-**
(D)	**-**	-	**227.60**	374.06
Total (A + B + C + D)	**122.68**	119.00	**861.31**	1,057.14

Notes forming part of the consolidated financial statements

Note 13 Trade Receivables and Other Assets

13.1 Trade Receivables

	Non-Current		Current	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	**31st March 2012 ₹ in lacs**	31st March 2011 ₹ in lacs
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	**-**	-	**-**	-
Unsecured, considered good	**160.09**	455.00	**1,519.39**	1058.36
Doubtful	**-**	-	**-**	-
	160.09	455.00	**1,519.39**	1,058.36
Provision for doubtful receivables	**-**	-	**(100.00)**	(100.00)
(A)	**160.09**	455.00	**1,419.39**	958.36
Other Receivables				
Secured, considered good	**-**	-	**-**	-
Unsecured,considered good	**-**	-	**2,755.27**	2,753.50
Doubtful	**-**	-	**-**	-
	-	-	**2,755.27**	2,753.50
Provision for doubtful receivables	**-**	-	**-**	-
(B)	**-**	-	**2,755.27**	2,753.50
Total (A + B)	**160.09**	455.00	**4,174.66**	3,711.86

13.2 Other Assets

	Non-Current		Current	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	**31st March 2012 ₹ in lacs**	31st March 2011 ₹ in lacs
Unsecured, considered good unless stated otherwise				
Others				
Work done but not billed	**-**	-	**753.14**	2983.83
Interest accrued on Fixed Deposit/ Margin Money	**-**	-	**9.43**	3.31
Total	**-**	-	**762.57**	2,987.14
Grand Total (13.1 + 13.2)	**160.09**	455.00	**4,937.23**	6,699.00

Notes forming part of the financial statements

Note 14 Inventories (valued at lower of cost and net realisable value)

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Contracts-in-progress	**456.62**	210.16
Inventories:		
Raw Materials and Components (Refer Note 18)	**477.25**	398.30
Work-in-Progress (Refer Note 19)	**37.41**	265.51
Stores and spare parts	**-**	-
	971.28	873.97

Note 15 Cash and Bank balances

	Non-Current		Current	
	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Cash and Cash Equivalents				
Balances with banks:				
In Current Accounts	-	-	**34.93**	27.21
Deposits with original maturity of less than three months	-	-	**-**	-
Cheques/drafts on hand	-	-	**-**	-
Cash in hand	-	-	**5.30**	8.22
	-	-	40.23	**35.43**
Other bank balances				
Deposits with original maturity for more than 12 months	-	-	**-**	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	**112.11**	98.78
Earnest Money Deposit	-	-	**-**	-
	-	-	**152.34**	134.21
	-	-	**152.34**	134.21

Notes forming part of the financial statements

Note 16 Revenue from Operations

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Revenue from Operations		
Sale of goods / products		
Finished goods	**479.05**	18.50
Sale of services		
Income from Contracts Services	**5,566.60**	13,552.24
Other operating revenue		
Scrap Sales	**32.17**	23.48
Gross Revenue from Operations	**6,077.82**	13,594.22
Less: Indirect Taxes@	**44.74**	1.72
Net Revenue from Operations	**6,033.08**	13,592.50
Note : @Excise duty on sales amounting to ₹ 44.74 lacs (31st March 2011:₹1.72 lacs) has been reduced from Sales in the Profit & Loss Account		
Details of goods / products sold	**31st March 2012 ₹ in lacs**	31st March 2011 ₹ in lacs
Finished goods sold:		
Tellurium Reactor	**-**	18.50
Nitrogen Vessels	**479.05**	-
	479.05	18.50
Details of Contracts/Services	**31st March 2012 ₹ in lacs**	31st March 2011 ₹ in lacs
Sales - Domestic - Erection/Supply	**5,242.39**	10038.93
Sales - Domestic - Manpower	**104.71**	279.60
Sales - Export - Execution Overseas	**-**	2947.24
Sales - Manpower - Export	**119.12**	283.77
Sales - Export -Erection/Supply	**100.38**	2.70
	5,566.60	13552.24

Note 17 Other Income

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Interest Income on :		
Bank deposits	**8.47**	5.77
Tax	**-**	2.43
Difference in Exchange Rate (net)	**43.26**	(7.94)
Hire Charges	**0.11**	-
Miscellaneous Income	**2.95**	1.47
	54.79	1.73

Notes forming part of the financial statements

Note 18 Project Execution Expenses

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Cost of Raw Material and Components Consumed		
Inventory at the beginning of the year	**398.30**	368.28
Add: Purchases	**1,091.96**	3,785.84
	1,490.26	4,154.11
Less: Inventory at the end of the year	**477.25**	398.30
Cost of Raw Material and Components Consumed	**1,013.01**	3,755.82
Projects Execution Expenses		
Cost of Supplies/Erection and Civil Works	**4,072.50**	8,117.23
Insurance Premuim	**42.49**	26.90
Bank Guarantee and Letter of credit charges	**47.76**	56.46
	4,162.74	8,200.59

Details of raw material and components consumed	**31st March 2012 ₹ in lacs**	31st March 2011 ₹ in lacs
Project Material	**688.00**	3,662.14
Tools and Tackles	**325.01**	93.68
Cost of raw material and components consumed	**1,013.01**	3,755.82

Details of inventory

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Raw materials and components		
Project Material	**389.26**	379.11
Tools and Tackles	**87.99**	19.19
Inventory at the end of the year	**477.25**	398.30

Notes forming part of the financial statements

Note 19 (Increase)/Decrease in Inventories and Contracts in Progress

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs	(Increase)/Decrease ₹ in lacs 31st March 2012
Inventories at the end of the year			
Work-in-progress	**37.40**	265.51	228.11
Contracts-in-progress	**456.61**	210.16	(246.45)
Finished goods	**-**	-	-
	494.01	475.67	(18.34)
			31st March 2011
Inventories at the beginning of the year			
Work-in-progress	**265.51**	-	(265.51)
Contracts-in-progress	**210.16**	-	(210.16)
Finished goods	**-**	-	-
	475.67	-	(475.67)
	(18.34)	(475.67)	

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Work-in-progress at the end of the year		
Work-in-progress	**37.40**	265.51
	37.40	265.51

Note 20 Employee Benefit Expenses

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Salaries, Wages and Bonus	**957.85**	675.95
Directors Remuneration and Perquisites	**57.60**	39.48
Contribution to Provident and other funds	**30.91**	18.62
Gratuity Expense	**3.05**	2.82
Other Benefits and Compensation	**22.94**	22.21
	1,072.35	759.08

Notes forming part of the financial statements

Note 21 Operations, Establishment and Other Expenses

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Rent	**64.95**	67.22
Repairs & Maintenance		
Others	**1.30**	-
Processing Charges/Finance Charges	**11.09**	11.25
Power and Fuel	**11.05**	5.86
Rates and Taxes	**1.26**	3.82
Motor Vehicle Expenses	**6.54**	4.99
Travelling Expenses	**72.79**	96.07
Professional and Legal Charges	**114.01**	113.35
Postage, Telephone, Telegram & Telex	**31.46**	33.25
Printing and Stationery	**24.09**	21.84
Business Development Expenditure	**12.70**	15.76
Registration Expenses - Overseas	**14.30**	15.91
Sitting Fees to Directors	**2.45**	2.35
(Profit)/Loss on Assets Sale/Discarded	**8.26**	-
Miscellaneous expenses	**42.57**	42.30
	418.82	433.97

Note 22 Depreciation and Amortisation

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
Depreciation of Tangible Assets	**214.57**	166.17
Amortization of Intangible Assets	**0.96**	0.07
	215.53	166.24

Note 23 Finance Costs

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
On Fixed Loans/Term Loan	**198.54**	201.45
Others	**344.25**	122.27
	542.79	323.72

Notes to Accounts

24.Contingent liabilities not provided for

a. (i) Bank Guarantees issued by the Company to its clients ₹ 1367.03 lacs (Previous Year ₹ 1694.60 lacs).

(ii) Bank Guarantees issued by Bankers' of Tata Projects Limited on behalf of the Company to the company's clients ₹ 1916.99 lacs (Previous Year ₹ 2279.79 lacs).

b. Sales Tax (Works Contract Tax) ₹ 22.31 lacs (previous year ₹ 22.31 lacs) for which appeals are pending.

c. Capital Commitment of ₹ 0.41 lacs (Previous Year - Nil) on account of orders floated in market for purchase of Capital Goods.

d. Income Tax of ₹ 333.79 lacs for which Appeals are pending.

25. a. All the Fixed Deposit receipts are lying with the banks towards margin money against Bank guarantees issued by Banks.

b. Deferred Tax Liabilities as on 31st March, 2012 comprises of :

Particulars	**Balance as on 31st March 2012 (₹ in lacs)**	Balance as on 31st March 2011 (₹ in lacs)
Deferred Tax Liability: Arising on account of timing difference in:		
I. Depreciation	**16.65**	30.06
Deferred Tax Asset: Arising on account of timing difference in:		
i. Provision for Leave Encashment	**9.38**	5.42
ii. Provision Gratuity	**0.13**	0.40
iii. Provision for Bonus	**5.94**	4.15
Net Deferred Tax Liability	**1.20**	20.09

c. Provision for Income tax under normal provision of Income Tax Act 1961 is not made as there are carry forward losses; MAT u/s 115 JB of Income Tax Act 1961 is not applicable as the Company is a sick Company within the meaning of Section 3 (1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985.

Notes to Accounts

26. 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	**2011-2012 (₹ in lacs)**	2010-2011 (₹ in lacs)
Tata Projects Limited	Holding Company	Secured Loan outstanding as at the beginning of the year.	**2080.39**	2294.68
		Secured Loan taken during the year	**-**	244.65
		Secured Loan repaid during the year	**150.00**	458.94
		Secured Loan outstanding as at year end	**1930.39**	2080.39
		Unsecured Loan outstanding as at the beginning of the year.	**1000.00**	NIL
		Unsecured Loan taken during the year	**600.00**	1100.00
		Unsecured Loan repaid during the year	**-**	100.00
		Unsecured Loan outstanding as at year end	**1600.00**	1000.00
		Interest payable at the beginning of the year	**8.32**	NIL
		Interest accrued and due during the year. (Gross)	**301.56**	236.50
		Interest Paid during the year including TDS.	**116.72**	228.18
		Interest payable at the end of the year	**193.16**	8.32
		Sale of Services	**95.16**	8.09
		Receivables as at end of the year.	**12.22**	27.04
		Balance of Mobilisation/ Advance as at the end of year	**3.23**	100.72
		Liability for Reimbursement of Expenses.	**268.45**	213.06
Mr.P.S.Chopde, Executive Director (Manufacturing)	Key Management Personnel	Managerial Remuneration	**28.80**	15.00
Mr. P.V.Varghese, Executive Director	Key Management Personnel	Managerial Remuneration	**28.80**	24.48

Notes to Accounts

27. Disclosure as required by AS-7 on "Construction Contracts" is as follows

Sr. No.	Particulars	**2011-12 (₹ in lacs)**	2010-11 (₹ in lacs)
A	Contract revenue recognized during the year	**5566.59**	11848.62
B	Amount of Customer Advances (Net of recoveries from progressive bills)	**399.16**	878.20
C	Retention amount	**582.10**	479.83
D	Aggregate amount of contract costs incurred in respect of ongoing contracts net of recognized profits (less recognized loss) upto the reporting date	**47575.31**	23160.75
E	Gross amount due from customers for contract work	**3488.60**	3431.51

28. Disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Act, 2006

The Company has obtained confirmations from suppliers and service providers who have registered themselves under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Based on the information available with the Company, the balance due to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006 is ₹ 1.08 lacs but interest for the delay in payment is not provided as the management is of the opinion that due to contractual terms liability towards interest will not arise.

Sr.No.	Particulars	**31st March, 2012 (₹ in lacs)**	31st March, 2011 (₹ in lacs)
1.	Principal Amount	**42.95**	42.95
2.	Principal Amount remaining Unpaid	**1.08**	15.08
3.	Interest Due and remained unpaid thereon	**0.26**	3.62

29. The Company had received an order from BIFR dated 18th December, 2007 and same is under implementation. Accumulated losses have exceeded share capital and reserves. In the current year, there are cash losses. Tata Projects Limited being the holding company has provided substantial financial assistance which is more than the negative net worth of the company. Present order book position of the company is good and expected to be executed soon. Therefore with present orders in hand to be executed in FY 2012-13 and further orders expected to materialize, the Management expect to have a better cash flow during the FY 2012-13 and years ahead. Therefore, barring unforeseen circumstances, the Management is of the opinion that the concept of going concern is suitable, and that the plans are afoot to wipe out the negative net worth of the company.

30. In the event of Arbitration award in favour of the Company, any amount so received is treated as income in the year of receipt of award. During the year Company is not in receipt of any arbitration award.

31. Majority of the Company's Fixed Assets have been independently valued by an independent valuer in the preceding year and considering the same, there is no impairment in the value of assets as on the Balance Sheet date.

32. a In the opinion of the management all Current Assets, Loans & Advances are approximated of the same value if realized in the ordinary course of business. Provision for all the known liabilities is adequately made.

b Sundry Debtors include retention of ₹ 621.36 lacs (Previous year ₹ 479.83 lacs) receivable on completion of projects.

c Balance outstanding against sundry debtors and sundry creditors (including debit balances), are subject to reconciliation and confirmation with respective parties. The provision of ₹Nil (Previous Year ₹100 lacs) is made for doubtful debts. In the opinion of the management the balance amounts are good and recoverable/payable.

Notes to Accounts

33. Amount due within one year towards Sales Tax Deferment Loan is ₹ 3.36 Lakh (Previous Year ₹ 6.79 Lakh).

34. The Company has lodged an insurance claim in the last Financial Year. The claim was accepted by Insurance Company for ₹ 66.03 lacs and the balance amount of ₹ 16.68 Lakh is claimed as an Extra Ordinary item being Loss by Fire during the year.

35.

	Earnings per share (Basic & Diluted)	**Year Ended 31st March 2012**	Year Ended 31st March 2011
a	Net profit/(loss) available for equity share holders (₹ in lacs)	**(1,329.90)**	454.81
b	Number of equity shares (Face value ₹ 1/-) (No.in lacs)	**3,69,20,000**	3,69,20,000
c	Basic and diluted earnings per share (a/b) (₹)	**(3.60)**	1.23

36. Details of earning and expenditure in foreign currency for the year ended 31st March, 2012

PARTICULARS	**Year ended 31st March 2012 (₹ in lacs)**	Year ended 31st March 2011 (₹ in lacs)
Earning in foreign exchange (Amount expended in equivalent Indian rupees)	**219.49**	3233.71
Expenditure in foreign currency (Amount expended in equivalent Indian rupees)	**444.73**	2774.15
Other Expenses	**-**	263.19

37. The net gain on account of exchange rate difference amounting to ₹ 43.31 lacs (Previous Year Loss ₹ 7.93 lacs) has been debited to the Profit and Loss a/c in compliance with AS-11 on "The Effect of changes in foreign Exchange Rates".

38. Quantitative Details

i) 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 and included under "Construction / Operating expenses". It is not practicable to furnish the quantitative information in respect of these items due to diversified size and nature of business.

ii) Manufacturing Activities

The commercial operations at Nasik Factory commenced with effect from 10th November 2010. The relevant quantitative details are as follows :

39. a) Raw material Consumed

	2011-12		2010-11	
	Quantity (M.T.)	**Value (₹ in lacs)**	Quantity (M.T)	Value (₹ in lacs)
Plates/Steel	**55.809**	**22.94**	232.45	179.86
Pipes	**16.350**	**9.77**	0.75	05.22
Paints	**1,359 (Ltr)**	**2.12**	560	00.59
Others		**3.60**		18.74
TOTAL		**38.43**		204.41

Notes to Accounts

b) Imported/Indigenous Raw materials Consumed

	2011-12		2010-11	
	Value (₹ in lacs)	**%**	Value (₹ in lacs)	%
Imported	**NIL**	**NIL**	NIL	NIL
Indigenous	**38.43**	**100%**	204	100

c) Sales

	2011-12		2010-11	
Turnover	**Quantity (M.T)**	**Value (₹ in lacs)**	Quantity (M.T)	Value (₹ in lacs)
Vessels/Pre-fabricated	**378.487**	**531.19**	3.640/1	18.49
Less :- Excise Duty		**(48.62)**		(1.72)
Total		**482.57**		16.77

40. Professional Fees include Auditors remuneration as below

Nature of services	**Year Ended 31st March, 2012 (₹ in lacs)**	Year Ended 31st March, 2011 (₹ in lacs)
Audit fees	**6.62**	6.62
Tax Audit fees	**1.10**	1.10
Taxation, Certification & Other matters	**1.54**	2.99
Reimbursement of expenses	**0.02**	0.11
Total	**9.65**	10.83

TATA

Notes to Accounts

41. Leave Encashment has been provided as per actuarial valuation at ₹11.68 lacs (Previous Year ₹15.95 lacs). The Actuarial Valuation of Gratuity and Leave Encashment has been done on the following assumptions:

Sr. No.	Particular	Gratuity (Funded) (₹ in lacs)		Leave Encashment (₹ in lacs)	
		2011-2012	2010-2011	**2011-2012**	2010-2011
I.	**Expenses recognized in the statement of P & L A/c**				
	Current Service Cost	**5.52**	3.39	**23.95**	14.08
	Interest Cost	**1.85**	1.10	**1.12**	0.24
	Expected Return on Plan Assets	**(2.88)**	(2.49)		-
	Net Actuarial (Gain)/Loss recognized for the period	**1.04**	8.74	**(9.43)**	(0.56)
	Expense recognized in the statement of P & L A/C	**5.54**	10.73	**15.63**	13.76
II.	**Movement in the Liability recognized in Balance Sheet.**				
	Opening Net Liability	**23.16**	13.67	**15.95**	3.82
	Expenses as above	**10.06**	11.92	**15.63**	13.76
	Contribution Paid	**(2.44)**	(2.42)	**(3.95)**	(1.63)
	Closing Net Liability	**30.79**	23.17	**27.63**	15.95
III.	**Changes in present value of obligations**				
	PVO at the beginning of period	**23.17**	13.67	**15.95**	3.82
	Interest Cost	**1.85**	1.09	**1.12**	0.24
	Current Service Cost	**5.52**	3.39	**23.94**	14.08
	Benefits Paid	**(0.79)**	(3.73)	**(3.95)**	(1.63)
	Actuarial (Gain)/Loss on obligation	**1.04**	8.74	**(9.43)**	(0.56)
	PVO at end of period	**30.79**	23.17	**27.63**	15.95
IV.	**Changes in fair value of plan assets**				
	Fair Value Plan Assets at Beginning of the year	**29.41**	28.22		
	Expected Return on plan Assets Contribution	**2.88**	2.49		
	Contributions	**2.44**	2.42		
	Benefit Paid	**(0.79)**	(3.73)		
	Actuarial Gain/ (Loss) on Plan Assets	**-**	-		
	Fair Value of Plan Assets at end Period	**33.94**	29.41		
V.	**Assumption As At**				
	Mortality	**LIC (1994-96) Ult.**	LIC (1994-96) Ult.	**LIC (1994-96) Ult.**	LIC (1994-96) Ult.
	Interest /Discount Rate	**8%**	8%	**8%**	8%
	Rate of Increase In Compensation	**4%**	4%	**10%**	10%
	Rate of Return (expected) on plan Assets				
	Employee Attrition Rate (PS)			**10%**	10%
	Expected Average Remaining Service			**7.58**	7.61

Notes to Accounts

42. Segmental Reporting

Geographical Segments

Sales	**Year ended 31st March, 2012 (₹ in lacs)**	Year ended 31st March, 2011 (₹ in lacs)
Domestic	**5781.41**	10335.29
Overseas	**100.38**	3233.71
Total	**5881.79**	13569.00

43. In line with accepted practice in construction business, certain revisions of costs and billing of previous years which have crystallized during the year have been dealt with during the current year.

44. Previous year's figures have been regrouped and restated wherever necessary to make their classification comparable with that of the current period.

Subject to our report of even date
For and on behalf of
CHOKSHI AND CHOKSHI
Chartered Accountants
Registration No.101872W

K S Chokshi
(Partner)
Membership No. 17085

Purushothaman R
Chief Financial Officer

Vishram N Panchpor
Company Secretary

For and on behalf of the Board

Vinayak K Deshpande
Chairman

H H Malgham
Director

P S Chopde
Executive Director (Manufacturing)

P V Varghese
Executive Director

Place: Mumbai
Date: 2nd May, 2012.

TPL-TQA
Quality Services (Mauritius) Pty Limited
FINANCIAL STATEMENTS

Company Information

		DATE OF APPOINTMENT	DATE OF RESIGNATION
DIRECTORS:	Kapildeo Joory	29 August 2008	-
	Couldip Basanta Lala	29 August 2008	-
	Dhanapalan Naidoo	8 April 2009	-
	Krishan Kumar Gupta	8 April 2009	-
	Arun Kumar Misra	8 April 2009	-
	Arun Kumar Mathur	8 April 2009	17 January 2012
	Anandan Varatharajoo Naidoo	12 June 2009	-
	Vinayak Kashinath Deshpande	27 February 2012	-

REGISTERED OFFICE:

IFS Court, Twenty Eight
Cybercity
Ebene
Mauritius

SECRETARY:

International Financial Services Limited
IFS Court, Twenty Eight
Cybercity
Ebene
Mauritius

BANKERS:

SBI Mauritius Ltd
7th Floor, Wing 2, SBI Tower
Mindspace Building
Ebene
Mauritius

AUDITORS:

Deloitte
7th Floor, Raffles Tower
19 Cybercity, Ebene
Mauritius

COMMENTARY OF THE DIRECTORS

The directors present their report and the audited financial statements of TPL-TQA Quality Services (Mauritius) Pty Limited (the "Company") for the year ended 31 March 2012.

PRINCIPAL ACTIVITIES

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 comprehensive income and related notes.
The Company has declared and paid dividend of EUR236,519 (2011: EUR 310,087) to its shareholders during the financial year under review.

DIRECTORS

The present membership of the Board is set out in the Report.

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 Mauritian 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 auditors, DELOITTE, have indicated their willingness to continue in office until the next Annual Meeting.

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE 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 Companies Act 2001 during the year ended 31 March 2012.

for International Financial Services Limited
Secretary

Registered office:
IFS Court
Twenty Eight
Cybercity
Ebene
Mauritius

Date: 16 May 2012

Independent auditor's report to the shareholders of TPL-TQA Quality Services (Mauritius) Pty Limited

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 which comprise the statement of financial position as at 31 March 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and summary of significant accounting policies and other explanatory information.

Directors' 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 give a true and fair view of the financial position of TPL-TQA Quality Service (Mauritius) Pty Limited as at 31 March 2012 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 that in our capacity as auditors;
- 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.

For Deloitte
Chartered Accountants

LLK Ah Hee, FCCA
Licensed by FRC

Date: 16 May 2012

Statement of Comprehensive Income for the year ended 31 March 2012

	Notes	2012 EUR	2011 EUR
Income		**1,007,415**	748,845
Subcontract Cost		**(510,360)**	(446,497)
		497,055	302,348
Other Income			
Interest income		**182**	275
Foreign exchange gain		**70**	-
		497,307	302,623
OPERATING EXPENSES			
Licence fees		**1,318**	1,318
Director fees		**3,000**	3,000
Secretarial fees		**1,130**	1,130
Audit fees		**6,297**	7,837
Administration expenses		**11,981**	13,129
Travel expenses		**4,524**	10,338
Foreign exchange loss		**-**	453
Bank charges		**1,679**	1,290
Total expenditure		**29,929**	38,495
PROFIT BEFORE TAX		**467,378**	264,128
Taxation	9	**(14,016)**	(7,916)
PROFIT FOR THE YEAR		**453,362**	256,212
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**453,362**	256,212

Statement of Financial Position At 31 March 2012

	Notes	2012 EUR	2011 EUR
ASSETS			
Current assets			
Trade and other receivables	5	**370,893**	301,281
Cash and cash equivalents		**214,188**	87,357
Total assets		**585,081**	388,638
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated capital	6	**24,000**	24,000
Retained earnings		**441,961**	225,118
Total equity		**465,961**	249,118
Current liabilities			
Trade and other payables	7	**115,619**	138,025
Loans from shareholders	8	**3**	3
Taxation	9	**3,498**	1,492
		119,120	139,520
Total equity and liabilities		**585,081**	388,638

Approved by the Board of Directors and Authorised for issue on 16th May 2012

Statement of Changes In Equity For the Year Ended 31 March 2012

	Notes	Stated capital EUR	Retained earnings EUR	Total EUR
At 1 April 2010		100	278,993	279,093
Issue during the year		23,900	-	23,900
Total comprehensive income for the year		-	256,212	256,212
Dividend	10	-	(310,087)	(310,087)
At 31 March 2011		24,000	225,118	249,118
Total comprehensive income for the year		-	453,362	453,362
Dividend	10	-	(236,519)	(236,519)
At 31 March 2012		**24,000**	**441,961**	**465,961**

Statement Of Cash Flows For The Year Ended 31 March 2012

	2012 EUR	2011 EUR
Cash flows from operating activities		
Profit before tax	**467,378**	264,128
Adjustments for:		
(Increase) /Decrease in trade and other receivables	**(69,612)**	466,457
Decrease in trade and other payables	**(22,406)**	(320,976)
Interest income	**(182)**	(275)
Cash generated from operating activities	**375,178**	409,334
Tax paid	**(12,010)**	(14,771)
Net cash generated from operating activities	**363,168**	394,563
Cash flows generated from investing activities		
Interest income	**182**	275
Net cash generated from investing activities	**182**	275
Cash flows from financing activities		
Proceeds from issue of shares	**-**	898
Payment of dividend	**(236,519)**	(310,087)
Net cash used in financing activities	**(236,519)**	(309,189)
Net increase in cash and cash equivalents	**126,831**	85,649
Cash and cash equivalents at 1 April	**87,357**	1,708
Cash and cash equivalents at 31 March	**214,188**	87,357

Notes To The Financial Statements For The Year Ended 31 March 2012

1. BACKGROUND INFORMATION

TPL-TQA Quality Services (Mauritius) Pty Limited ("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 to be rendered to Eskom Holdings Limited, SA and other companies as required.

2. ACCOUNTING POLICIES

The financial statements represent the financial statements of the Company 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 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

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.

Notes To The Financial Statements For The Year Ended 31 March 2012

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables 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 it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Notes To The Financial Statements For The Year Ended 31 March 2012

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.

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 rate is the 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 assets, or, where appropriate, a shorter period.

(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 cost.

(g) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable

(i) *Inspection Fees :* Inspection fees are recognised on an accruals basis based on the labour hours delivered at the contractually agreed rates.

(ii) *Interest Revenue:* Interest revenue 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 comprehensive income on an accruals basis.

(I) Taxation

Income tax on the profit for the year comprises 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 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 2011.

3.1 New and revised IFRSs applied with no material effect on financial statements

The following new and revised Standards and Interpretations have been applied in these financial statements. The application has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transaction or arrangements.

IAS 1 Presentation of Financial Statements - Amendments resulting from May 2010 Annual Improvements to IFRSs

IAS 24 Related Party Disclosures – Revised definition of related parties

The application of the revised definition of related party in the current period has not resulted in the identification of any new related parties compared to those identified under the previous standards.

IAS 27 Consolidated and Separate Financial Statements - Amendments resulting from May 2010 Annual Improvements to IFRSs

IAS 34 Interim Financial Reporting-Amendments resulting from May 2010 Annual Improvements to IFRSs

IFRS 1 First time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters

Notes To The Financial Statements For The Year Ended 31 March 2012

IFRS 1	First time Adoption of International Financial Reporting Standards – Amendments resulting from May 2010 Annual Improvements to IFRSs
IFRS 3	Business Combinations – Amendments resulting from May 2010 Annual Improvements to IFRSs
IFRS 7	Financial Instruments: Disclosure – Amendments resulting from May 2010 Annual Improvements to IFRSs
IFRIC 13	Customer Loyalty Programmes - Amendments resulting from May 2010 Annual improvements to IFRSs
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction – November 2009 amendment with respect to voluntary prepaid contributions
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

3.2 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 to revise the way other comprehensive income is presented (effective 1 July 2012)
IAS 12	Income Taxes - Limited scope amendment (recovery of underlying assets) (effective 1 January 2012)
IAS 19	Employee Benefits – Amended Standard resulting from the Post-Employment Benefits and Termination Benefits project (effective 1 January 2013)
IAS 27	Consolidated and Separate Financial Statements – Reissued as IAS 27 Separate Financial Statements (as amended in 2011) (effective 1 January 2013)
IAS 28	Investments in Associates – Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011) (effective 1 January 2013)
IAS 32	Financial instruments : Presentation – Amendments to application guidance on offsetting of financial assets and financial liabilities (effective 1 January 2014)
IFRS 1	First-time Adoption of International Financial Reporting Standards – Repalcement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs' (effective 1 July 2011)
IFRS 7	Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets (effective 1 July 2011)
IFRS 7	Financial Instruments: Disclosures – Amendments enhancing disclosures about offsetting of financial assets and financial liabilities (effective 1 January 2013)
IFRS 7	Financial Instruments: Disclosures – Amendments requiring disclosures about the initial application of IFRS 9 (effective 1 January 2015)
IFRS 9	Financial Instruments: Classification and Measurement of financial assets (effective 1 January 2015)
IFRS 9	Financial Instruments – Accounting for financial liabilities and derecognition (effctive 1 January 2015)
IFRS 10	Consolidated Financial Statements (effective 1 January 2013)
IFRS 11	Joint Arrangement (effective 1 January 2013)
IFRS 12	Disclosure of Interest in Other Entities (effective 1 January 2013)

Notes To The Financial Statements For The Year Ended 31 March 2012

IFRS 13 Fair Value Measurement (effective 1 January 2013)

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective 1 January 2013)

The directors anticipate that the adoption of the above Standards and Interpretations in future years will have no material impact on the financial statements of the Company in the year of initial application.

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

	2012 EUR	2011 EUR
Prepaid expenses	**1,628**	1,626
Inspection fees receivable	**369,265**	299,655
	370,893	301,281

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.

Out of EUR369,265, the amount of EUR163,261 is past due but not impaired as the directors believe that the amount is still recoverable as of date.

Ageing of receivable from Eskom

	2012 EUR	2011 EUR
30-90 days	**92,372**	199,408
90-120 days	**18,134**	-
More than 120 days	**52,755**	16,569
Total	**163,261**	215,977

Notes To The Financial Statements For The Year Ended 31 March 2012

6. STATED CAPITAL

	2012 EUR	2011 EUR
24,000 Ordinary shares of EUR1 each	**24,000**	24,000

Fully paid ordinary shares carry one vote per share and the right to dividends.

7. TRADE AND OTHER PAYABLES

	2012 EUR	2011 EUR
Inspection services	**102,720**	126,985
Other payables	**12,899**	11,040
	115,619	138,025

The inspection services fees are payable to Tata Projects Limited and TQA Consultants Africa (Pty) Ltd 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 time frame.

8. LOAN FROM SHAREHOLDER

	2012 EUR	2011 EUR
TQA Consultants Africa (Pty) Ltd	**3**	3

The loan from the TQA Consultants Africa (Pty) Ltd, one of the shareholders, is unsecured, interest-free and would be repaid at a date agreeable between the parties.

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 2012, a provision for tax of EUR3,498 (2011: EUR1,492) has been made in the financial statements.

(i) Tax reconciliation

	2012 EUR	2011 EUR
Profit before taxation	**467,378**	264,128
Tax at the applicable rate of 15%	**70,107**	39,619
Tax effect of :		
- Exempt income	**(27)**	(42)
- Deemed Foreign tax credit	**(56,064)**	(31,661)
Income tax expense	**14,016**	7,916

Notes To The Financial Statements For The Year Ended 31 March 2012

9. TAXATION (Contd...)

(ii) Current taxation

	2012 EUR	2011 EUR
At 1 April	**1,492**	8,347
Income tax expense	**14,016**	7,916
Tax paid during the year	**(12,010)**	(14,771)
At 31 March	**3,498**	1,492

10. DIVIDEND

During the year ended 31 March 2012, the Company declared and paid dividend amounting to EUR 236,519 (2011: EUR 310,287) to its existing shareholders.

The details of the dividend declared and paid were as follows:

	2012 EUR	2011 EUR
22 July 2011	**93,736**	
22 December 2011	**142,783**	
	236,519	
9 November 2010		211,664
25 March 2011		98,423
		310,087

Dividend declared and paid during the year is of EUR 9.85 (2011:EUR 12.92) per share.

11. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2012, the Company transacted with related parties. Details of the nature and volume of transactions with the related parties are as follows:

(a) Transactions

	2012 EUR	2011 EUR
Amount incurred to International Financial Services Limited		
Director fees	**3,000**	3,000
Secretarial fees	**1,130**	1,130
Administration fees	**11,981**	13,129

The above services from International Financial Services Limited are provided on commercial terms and conditions.

(b) Balances

	2012 EUR	2011 EUR
Tata Projects Limited - shareholder		
Inspection services payable	**76,553**	102,166
TQA Consultants Africa (Pty) Ltd - shareholder		
Inspection services payable	**26,167**	24,819
Loan from shareholder	**3**	3

Notes To The Financial Statements For The Year Ended 31 March 2012

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 debt, which includes loans from shareholders and 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.

Categories of financial instruments

	2012 EUR	2011 EUR
Financial assets		
Loans and receivables (including cash and cash equivalents)	**583,453**	387,012
Financial liabilities		
At cost	**115,622**	138,028

Prepayments amounting to EUR1,628 (2011: 1,626) have not been included in the financial assets.

Financial risk management

In its ordinary operations, the Company's activities expose it to the 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 substantially 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.

Carrying Amount	2012 EUR	2011 EUR
Trade receivables	**369,265**	299,655

(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.

Notes To The Financial Statements For The Year Ended 31 March 2012

(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.

	Less than 1 year 2012 EUR	Less than 1 year 2011 EUR
Financial assets		
Non-interest bearing	**369,265**	299,655
Variable interest rate instruments	**214,188**	87,357
	583,453	387,012
Financial liabilities		
Non-interest bearing	**115,622**	138,028

(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 share holder of the company.

TPL-TQA Quality Services South Africa (Proprietary) Limited
FINANCIAL STATEMENTS

TPL-TQA QUALITY SERVICES SOUTH AFRICA (PROPRIETARY) LIMITED

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Quality Assurance and Consulting Services
Directors	Krishan K.Gupta Dhanapalan Naidoo Arun K.Misra Anandan V.Naidoo Vinayak K,Deshpande
Registered office	197 North Ridge Road Morningside Durban 4001
Business address	First Floor, Atrium Smart Exchange Building 5 Walnut Road Durban 4000
Postal address	First Floor,Atrium Smart Exchange Building 5 Walnut Road Durban 4000
Banker	First National Bank
Compiler	S Pillay Registered auditor Mazars
Auditor	Ted Naidoo Incorporated Registered Auditor
Company registration number	2009/012351/07
Tax reference number	9254/523/17/9

Level of assurance
These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Independent Auditor's Report

To the members of TPL-TQA Quality Services South Africa (Proprietary) Limited

We have audited the annual financial statements of TPL-TQA Quality Services South Africa (Proprietary) Limited, which comprise the statement of financial position as at 31st March 2012, and the statement of 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 notes, and the Directors' Report.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation end fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement including the assessment of the risks of material misstatement of the annual 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 annual 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 annual 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 annual financial statements present fairly, in all material respects, the financial position of TPL-TQA Quality Services South Africa (Proprietary) Limited as at 31 March 2012, and its financial performance and Its cash flows for the year then, ended in accordance with international Financial Reporting Standards, and the requirements of the Companies Act 71 of 2008.

Ted Naidoo Incorporated

Partner: R N Naidoo
IRBA Number : 186716

Place: Durban
Date : 4th May 2012

Directors' Responsibilities and Approval

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 polities consistently applied and supported by reasonable and prudent judgements 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 board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include this 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 locus 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 endeavours to minimize it by ensuring that appropriate infrastructure controls systems and ethical behavior are applied and managed when 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 2013 and in the light of the 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 external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented.

The annual financial statements which have been prepared on the going concern basis, were approved by the Board on 04 May 2012 and were signed on its behalf by

Krishnan K Gupta
Director

Dhanapalan Naidoo
Director

Directors' Report

The directors submit their report for the year ended 31 March 2012.

1 **Review of activities**

Main business and operations

The company is engaged in quality assurance and consulting services and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Total comprehensive income for the year was R 7,587,741 (2011; R 3,039,105), after taxation of R 3,269,344 (2011: R 1,374,780).

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. **Events after the reporting period**

The directors are not aware of any matter or circumstance arising since the end of the financial year.

4. **Authorised and issued share capital**

There were no changes in the authorised or issued share capital of the company during the year under review.

5. **Dividends**

The dividends already declared and paid to the shareholders during the year are as reflected in the attached statement of changes in equity.

6. **Directors**

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality	Changes
Krishan K.Gupta	Indian	
Dhanapalan Naidoo	South African	
Arun K.Mathur	Indian	Resigned - 01 January 2012
Arun K.Misra	Indian	
Anandan V,Naidoo	South African	
Vinayak K.Deshpande	Indian	Appointed - 28 January 2012

7. **Secretary**

The company had no secretary during the year.

8. **Auditors**

Ted Naidoo Incorporated will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

Statement of Financial Position

Figures in Rand

	Notes	2012	2011
Assets			
Current Assets			
Trade and other receivables	3	**4,298,388**	4,479,087
Cash and cash equivalents	4	**6,002,157**	1,672,871
		10,300,545	6,151,958
Equity and Liabilities			
Equity			
Share capital	5	**250,000**	250,000
Retained income		**7,249,483**	2,095,565
		7,499,483	2,345,565
Liabilities			
Current Liabilities			
Current tax payable	6	**735,690**	236,181
Trade and other payables	7	**2,065,372**	2,488,212
Dividend payable		**-**	1,082,000
		2,801,062	3,806,393
Total Equity and Liabilities		**10,300,545**	6,151,958

Statement of Comprehensive Income

Figures in Rand

	Notes	2012	2011
Revenue	8	**24,921,473**	12,591,963
Cost of sales	9	**(13,639,990)**	(7,910,791)
Gross profit		**11,281,483**	4,681,172
Operating expenses		**(403,864)**	(267,346)
Operating Profit	12	**10,877,619**	4,413,826
Investment Revenue	13	**41**	59
Profit before taxation		**10,877,660**	4,413,885
Taxation	14	**(3,289,919)**	(1,374,780)
Total comprehensive Income		**7,587,741**	3,039,105

Statement of Changes in Equity

Figures in Rand

	Share capital	Retained Income	Total Equity
Balance at 01 April 2010	**100**	**434,460**	**434,560**
Changes in equity			
Total comprehensive income for the year	-	3,039,105	3,039,105
Issue of shares	249,900	-	249,900
Dividends	-	(1,378,000)	(1,378,000)
Total changes	249,900	1,661,105	1,911,005
Balance at 01 April 2011	**250,000**	**2,095,565**	**2,345,565**
Changes in equity			
Total comprehensive income for the year	-	7,587,741	7,587,741
Dividends	-	(2,433,823)	(2,433,823)
Total changes	-	5,153,918	5,153,918
Balance at 31 March 2012	**250,000**	**7,249,483**	**7,499,483**

Statement of Cash Flows

Figures in Rand

	Notes	**2012**	2011
Cash flows from operating activities			
Cash receipts from customers		**24,254,889**	14,579,171
Cash paid to suppliers and employees		**(13,619,411)**	(11,552,703)
Cash generated from operations	15	**10,635,478**	3,026,468
Interest income		**41**	59
Tax paid	16	**(2,790,410)**	(1,307,556)
Net cash from operating activities		**7,845,109**	1,718,971
Cash flows from financing activities			
Proceeds on share issue	5	**-**	249,900
Dividends paid	17	**(3,515,823)**	(296,000)
Net cash from financing activities		**(3,515,823)**	(46,100)
Total cash movement for the year		**4,329,286**	4,329,286
Cash at the beginning of the year		**1,672,871**	-
Total cash at end of the year	4	**6,002,157**	1,672,871

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, 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

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, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is Impaired. 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 indicators 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 carrying amount of the asset is reduced through the use of an allowance account, and 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, 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 and subsequently recorded at fair value.

1.2 Tax

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,

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.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards Incidental to ownership. A lease Is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

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

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 reposing 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.

1.6 Cost of sales

The related cost of providing services recognised as revenue in the current period is Included in cost of sales.

Notes to the Annual Financial Statements

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 2012 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. Phase one deals with the classification and measurement of financial assets. The following are changes from the classification and measurement rules of 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.
- For hybrid contracts, where the host contract is 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 reposing period after the date of change of the business model.
- 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 de-recognition of the investment. The election may be made per individual investment.
- FRS 9 does not allow for investments in equity instruments to be measured at cost under any circumstances.

The effective date of the standard is for years beginning on or after 01 January 2013.

The company expects to adopt the standard for the first time in the 2014 annual financial statements.

It is unlikely that the standard will have a material impact on the company's annual financial statements.

Notes to the Annual Financial Statements

Figures in Rand

	2012	2011
3. Trade and other receivables		
Trade receivables	**3,643,495**	4,310,079
Prepayments	**346,400**	-
Deposits	**308,493**	169,008
	4,298,388	4,479,087
Credit quality of trade and other receivables		
The credit quality of trade and other receivables that are neither past nor due nor impaired are evaluated by management on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.		
Fair value of trade and other receivables		
Trade and other receivables	**4,298,388**	4,479,087
Trade receivables are carried at amortised cost, with fair value being approximated by such carrying value, due to the short term nature of the receivables.		
Trade and other receivables past due but not impaired		
Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2012, no trade and other receivables were older then 3 months past due and have therefore not been impaired.		
The ageing of am aunts as at 31 March 2012 are as follows:		
0 - 30 days	**3,643,495**	3,219,350
31- 60 days	–	1,090,729
	3,643,495	4,310,079
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	**6,002,157**	1,672,871
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 bankers.		

Notes to the Annual Financial Statements

Figures in Rand

	2012	2011
5. Share capital		
Authorised		
5,00,000 Ordinary shares of no par value	**500,000**	50,000
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.		
Issued		
250,000 Ordinary shares of no par value	**250,000**	250,000
6. Current tax payable (receivable)		
Current tax payable (receivable) consists of amounts payable (receivable) to (from) the South African Revenue Services for local income tax.		
7. Trade and other payables		
Accrued audit fees	**10**	2
TQA Consultants Africa (Proprietary) Limited	**906,861**	781,495
Tata Projects Limited	**420,161**	924,042
Trade payables	**152,505**	288,892
Value added tax	**564,631**	397,741
Accrued expenses	**21,204**	96,040
	2,065,372	2,488,212
Fair value of trade and other payables		
Trade payables	**2,065,364**	2,488,204
Trade 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.		
8. Revenue		
Rendering of services	**24,921,473**	12,591,963
9. Cost of sales		
Rendering of services		
Cost of services	**10,716,406**	6,291,229
Accommodation and travel	**2,911,044**	1,619,562
Visa application	**12,540**	--
	13,639,990	7,910,791

Notes to the Annual Financial Statements

Figures in Rand

	2012	2011
10. Financial assets by category		
The accounting policies for financial instruments have been applied to the line items below;		
2012		
	Loans and receivables	Total
Trade and other receivables	**3,643,495**	3,643,495
Cash and cash equivalents	**6,002,157**	6,002,157
	9,645,652	9,645,652
2011		
	Loans and receivables	Total
Trade and other receivables	**4,310,079**	4,310,079
Cash and cash equivalents	**1,672,871**	1,672,871
	5,982,950	5,982,950
11. Financial liabilities by category		
The accounting policies for financial instruments have been applied to the line items below;		
2012	**Financial liabilities at amortised cost**	Total
Trade and other payables	**1,500,733**	1,500,733
2011	**Financial liabilities at amortised cost**	Total
Trade and other payables	**2,090,471**	2,090,471
12. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	**134,941**	76,555

Notes to the Annual Financial Statements

Figures in Rand

	2012	2011
13. Investment revenue		
Interest revenue		
Other	41	59
14. Taxation		
Major components of the tax expense		
Current		
Local income tax – current period	3,046,537	1,236,980
STC	243,382	137,800
	3,289,919	1,374,780
Reconciliation of the tax expense	28.00%	28.00 %
Reconciliation between applicable tax rate and average effective tax rate.		
Applicable tax rate		
Disallowable charges	0.02 %	0.02 %
Secondary tax on companies	2.23%	3.12%
	30.25 %	31.14%
15. Cash generated from operations		
Profit before taxation	10,877,660	4,413,885
Adjustments for:		
Interest received	(41)	(59)
Changes in working capital:		
Trade and other receivables	180,699	(1,937,779)
Trade and other payables	(422,840)	550,421
	10,635,478	3,026,468
16. Tax paid		
Balance at beginning of the year	(236,181)	(168,957)
Current tax for the year recognised in profit or loss	(3,289,919)	(1,374,780)
Balance at end of the year	735,690	236,181
	(2,790,410)	(1,307,556)
17. Dividends paid		
Balance at beginning of the year	(1,082,000)	-
Dividends declared	(2,433,823)	(1,378,000)
Balance at end of the year	-	1,082,000
	(3,515,823)	(296,000)

Notes to the Annual Financial Statements

Figures in Rand

	2012	2011
18. Professional fees		
Accounting fees - current year	**31,016**	30,210
Compilation fees - current year	**53,000**	50,000
Consulting	**-**	1,500
Tax and secretarial services	**12,896**	14,151
Other	**1,591**	4,247
	98,503	100,108
19. Auditor's remuneration		
Audit fees - current year	**30,000**	25,930
Audit fees - prior year	**3,070**	-
	33,070	25,930
20. Commitments		
Operating leases-as lessee (expense)		
Minimum lease payments due		
- within one year	**3,580,074**	1,968,000
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 12 months and rentals are fixed for this period. No contingent rent is payable.		
21. Contingencies		
Due to the abolishment of secondary tax on companies and its replacement with dividends tax there are no contingent amounts due to the South African Revenue Services by the company.		
22. Related parties		
Relationships		
Shareholder with significant influence — Tata Projects Limited; TQA Consultants Africa(Proprietary) Limited		
Related party balances		
Amounts included in Trade Payable regarding related parties		
TQA Consultants Africa (Proprietary) Limited	**906,861**	781,495
Tata Projects Limited	**420,161**	924,042
Related party transactions		
Costs of services rendered by related parties		
TQA Consultants Africa (Proprietary) Limited	**4,918,442**	834,482
Tata Projects Limited	**5,797,964**	5,676,797
23. Directors' emoluments		
No emoluments were paid to the directors or any individuals holding a prescribed office during the year.		

Notes to the Annual Financial Statements

Figures in Rand

	2012	2011

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 anyone counter-party.

Trade receivables comprise a single debtor viz Eskom Holdings Ltd. Eskom Holdings 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, and has a Baa2 (Stable) and BBB+ (Stable) rating by Moody's and Standard and Poor respectively, in view thereof it has limited if not minimal credit risk,

Detailed Income Statement

Figures in Rand

	Notes	2012	2011
Revenue			
Rendering of services		**24,921,473**	12,591,963
Cost of sales			
Cost of services		**(10,716,405)**	(6,291,229)
Accommodation and travel		**(2,911,044)**	(1,619,562)
Visa application		**(12,540)**	-
	9	**(13,639,990)**	(7,910,791)
Gross profit		**11,281,483**	4,681,172
Other Income			
Interest received	13	**41**	59
Operating expenses			
Professional fees	18	**96,503**	100,108
Bank charges		**14,723**	7,323
Auditor's remuneration	19	**33,070**	25,930
Annual duty		**2,000**	450
Fines and penalties		**2,830**	3,899
Lease rentals on operating lease		**134,941**	76,555
Telephone and fax		**117,797**	53,081
		403,864	267,346
Profit before taxation		**10,877,660**	4,413,885
Taxation	14	**(3,289,919)**	(13,74,780)
Profit for the year		**7,587,741**	3,039,105

Gist of the Financial Performance for the year 2011-12 of the Subsidiary Companies

₹ in lacs

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	(1967.45)	8417.00	10,015.25	-	6,132.61	(1,348.78)	(18.89)	(1,329.89)	-
2	TPL - TQA Quality Services (Mauritus) Pty Limited	16.29	300.00	397.14	80.85	-	666.88	309.31	9.28	300.03	-
3	TPL - TQA Quality Services South Africa Pty Limited	16.58	480.64	682.93	185.71	-	1,609.93	702.70	212.53	490.17	-

@ Total Assets = Non Current Assets + Current Assets + Miscellaenous Expenditure

Total Liabilities = Non Current Liabilties + Current Liabilities + Deferred Tax Liabilities

Turnover inclueds Other Income

Exchange rate as on 31.03.2012 - ₹ 67.88 / EUR

Exchange rate as on 31.03.2012 - ₹ 6.63 / ZAR

Gist prepared as per individual Subsidiary Companies Final Accounts. For Consolidated results, please refer to Consolidated Financial Statements and Notes appearing thereon.

OFFICES

Registered Office

TATA PROJECTS LIMITED
"Mithona Towers-1
1-7-80 to 87
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SECUNDERABAD-500 003

Kolkata

TATA PROJECTS LIMITED
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SBU-Quality Services

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