29th Annual Report
2007 - 2008

TATA

TATA PROJECTS

Meeting the Challenges of Time and Technology

TATA PROJECTS LIMITED

VISION

To be India's premier Engineering, Procurement and Construction Company and "Be Ahead" of expectations of all its stakeholders.

MISSION

- To make our clients successful, while creating stake holder value, with uncompromising quality and safety standards.
- To create a culture that excites our people in pursuit of excellence through innovation, differentiation and continued learning.
- To uphold TATA Group's cherished value of contributing to society to improve the quality of life.

VALUES

- Good Corporate Citizenship
- Humility & Willingness to learn
- Concern for all stakeholders
- Business with Ethics
- Passion for Excellence
- Teamwork

QUALITY POLICY

Tata Projects Limited in its quest to be a leading EPC contracting company is committed for continual improvement of its processes to enhance customer satisfaction.

F.K. Kavarana
Chairman

A.J. Engineer
Director

H.H. Malgham
Director

Prasad R. Menon
Director

S. Ramakrishnan
Director

P. N. Dhume
Director

Santosh K. Gupta
Director (upto 26.9.2007)

A.K. Mathur
Executive Director
(w.e.f. 1-11-2007)

K.P. Singh
Managing Director
(upto 31-12-2007)

A.K. Misra
Executive Director &
Chief Operating Officer

TATA PROJECTS LIMITED

Board of Directors

Chairman	F. K. Kavarana
Directors	A. J. Engineer H. H. Malgham Prasad R. Menon S. Ramakrishnan P. N. Dhume Santosh K. Gupta (upto 26.9.2007)
Managing Director	K. P. Singh (upto 31-12-2007)
Executive Director & Chief Operating Officer	A. K. Misra
Executive Director	A. K. Mathur (w.e.f. 1-11-2007)
Company Secretary	Dr. A. Raja Mogili (w.e.f. 22-11-2007) Kaushik Majumder (upto 31.10.2007)

Registered Office:

"Mithona Towers-1",
Opp. Wesley Co-Ed. Jr. College
1-7-80 to 87, Prenderghast Road
SECUNDERABAD-500003

Mumbai Office:

2nd Floor, Rang Udyan
Sitla Devi Temple Road
Mahim (West)
MUMBAI-400 016

Kolkata Office:

"AMARJYOTI"
1st & 2nd Floor,
10 Belvedere Road,
KOLKATA-700 027

New Delhi Office:

6th Floor,
Prem Dohil Sadan,
11, Rajendra Place,
NEW DELHI-110008

Overseas Offices:

UAE
Flat No.209, 1st Floor
Al Yamama Tower,
P.O. Box No.74662
Zayed II Street (Electra Street)
Opp. Plaza Residency,
Abu Dhabi, UAE

KOREA
Room1132,
Doosan We've Pavilion Building 58
Susong-dong Jongno-gu
Seoul, KOREA

CHINA
918, Hual Hai Road,
15th Floor,
Unit F2, Shanghai,
CHINA-200020

Factory:

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

Bankers:

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

Solicitors

Mulla & Mulla
& Craigie Blunt & Caroe

Auditors

Deloitte Haskins & Sells
Chartered Accountants

Internal Auditors

G.N. Joshi Associates
Chartered Accountants
[upto 31-3-2008]

Management Team
(Corporate Executive Committee)

K. P. Singh
Managing Director
(Upto 31.12.2007)

A. K. Misra
Executive Director &
Chief Operating Officer

A. K. Mathur
Executive Director
(w.e.f. 01.11.2007)

A. K. Sharma
Vice President &
Business Head
- Power Generation

Shailendra Krishan
Vice President &
Business Head - Transmission &
Distribution

K. K. Gupta
Vice President
Business Head - Quality Services

A. Venkateshwar
Vice President - Corporate Affairs &
Supply Chain Management
(SCM - w.e.f. 01.08.2007)

K. R. Ramamoorthy
Senior General Manager &
Business Head -
Water & Waste Water

S. A. A. Irfan
General Manager &
Business Head - Railways

P. V. Varghese
Senior General Manager &
Business Head - Oil, Gas &
Hydrocarbons &
Executive Incharge - Western Region

Rajesh Ranjan Jha
General Manager &
Business Head - Metals & Minerals &
Executive Incharge - Eastern Region

H. Venugopal
Vice President - Supply Chain
Management & Corporate Quality Head
(upto 31.07.2007)

D. V. Giridhar
Senior General Manager
& Senior Project Director
- Corporate T & D

K. V. R. Chari
Senior General Manager &
Senior Project Director
PG - EPC
(w.e.f.16.10.2007)

K. Krishna Rao
Senior General Manager &
Senior Project Director
PG - Erection Services

K. Satyanarayana
Senior General Manager
- Quality Services

R. Ravi Sankar
General Manager &
Head - Human Resources
Department

K. S. Krishnan
General Manager &
Head - Accounts

A. Vidyasagar
General Manager &
Head - Engineering

A. K. Das Sharma
General Manager
- Supply Chain Management

Tuhin Roy
General Manager &
Corporate Quality Head
(w.e.f. 23.07.2007)

Vikramjeet Singh
General Manager &
Head - Contracts

TATA PROJECTS LIMITED
Report of the Board of Directors

To
The Members
Your Directors are pleased to present their Twenty Ninth Annual Report and the audited statements of accounts of the Company for the year ended 31st March 2008.

FINANCIAL RESULTS
The financial results of the Company for the year ended 31st March 2008 are summarized below:

(Rupees in Crore)

Particulars	2007-2008	2006-2007
Income from Contracts and Services	1,343.95	933.19
Other Income	26.92	5.28
Total Income	1,370.87	938.47
Operating Expenditure	1,280.46	896.77
Operating Profit (PBDIT)	90.41	41.70
Interest	6.96	4.26
Depreciation	16.73	14.17
Profit Before Tax (PBT)	66.72	23.26
Provision for Taxes	23.48	11.32
Profit after Tax	43.24	11.94
Balance brought forward from previous year	4.84	0.85
Amount available for appropriations	48.08	12.79
Appropriations		
Proposed Dividend	4.22	3.37
Tax on Proposed Dividend	0.72	0.57
Debenture Redemption Reserve	2.81	2.81
General Reserve	4.32	1.19
Balance carried to Balance Sheet	36.01	4.84

DIVIDEND
Your Directors have pleasure in recommending a dividend of Rs.125 per share (125%) for the year ended 31st March 2008 (Previous year: 100%), subject to approval of the Members.

OPERATIONS
The Total Income for the year aggregated Rs.1,370.87 Crore, as against Rs.938.47 Crore during the previous year, representing a 46% increase. The Company anticipates that this growth momentum would sustain and continue in the coming years, as well.

The Operating Profit increased to Rs.90.41 Crore as compared to Rs.41.70 Crore during the previous year, representing a 117% increase. Profit Before Tax (PBT) was higher by 187% at Rs.66.72 Crore as compared to Rs.23.26 Crore in the previous year.

The Company presently has seven Strategic Business Units (SBUs). Whereas the existing SBUs have shown growth, the newer SBUs are stabilizing their operations and are showing their potential.

Power Generation - This SBU has two segments viz, EPC – Balance of Plant and Erection. During the year, the Company secured the Country's largest order for execution of the Balance of Plant on EPC basis for a 2 x 500 MW Thermal Power Plant. The Company has earned the reputation of being a dependable and capable EPC contractor.

Transmission & Distribution - The main receiving station for the prestigious GIS substation project in Qatar has been completed and would soon be commissioned. The Company is now poised to become the first Indian Company to qualify for GIS substation projects in the Gulf.

Water & Wastewater – Apart from its main business of setting up of sea water desalination and water treatment plants, the SBU is aggressively endeavouring to become a leading end to end solution provider of water systems, currently a focus area for the Country.

Oil, Gas & Hydrocarbons – This SBU, set up in 2006-07, caters to the requirements of this sector of business, which according to the projections of the Ministry of Petroleum and Natural Gas poised for a 30% annual growth. The SBU was successful in securing an order for mechanical, piping, fire fighting and civil works for a tank farm in UAE and the contract is presently under execution.

Railways – Considering large investments being made in the Country's Railway Sector, the Company has set up a separate SBU to undertake Railway contracts involving Consultancy (investigation, survey and preparation of detailed Project Reports), Overhead Track Electrification and Gauge Conversion.

Metals & Minerals – Perceiving opportunities in the Country's Metals and Minerals Sector, this SBU was set up in 2006-07. It has entered into collaboration agreements with few Foreign Companies with a view to obtain cutting edge technology and anticipates success in securing contracts from leading steel manufacturing units.

Quality Services – This SBU has retained its leadership position in the field of industrial inspection in the power, windmill, cement and telecom sectors. It has increased its sphere of operations to eighteen overseas countries, including offices in China, Korea and UAE, in addition to eighteen offices in various parts of India.

The SBU has completed the process for accreditation as a Certification Body for ISO 9000 and 14000 certifications as well for EMS and QMS. The Welding Technical Training Centre set up last year at Hyderabad conducted 12 training programs during the year under review. The response for enrolment in the courses is encouraging.

ISSUE OF BONUS SHARES

To improve the share capital base and keeping in view the Company's Reserves position, the Board of Directors of the Company recommended issue of Bonus Shares, to the existing shareholders of the Company, in the ratio of 5:1 (Five Equity Shares for every One Equity Share held) by capitalization of a part of the Share Premium Reserve.

To enable issue of Bonus Shares, it is proposed to increase the Authorised Share Capital of the Company from Rupees Five Crore comprising 5,00,000 Equity Shares of Rs.100/- each to Rupees Twenty Five Crore comprising 25,00,000 Equity Shares of Rs.100/- each.

STRATEGIC ACQUISITION OF ARTSON ENGINEERING LIMITED

During the year, under a Sanctioned Scheme of the Board for Industrial and Financial Reconstruction (BIFR), the Company became a Strategic Investor in Artson Engineering Limited (AEL), a Public Limited Company listed on the Bombay Stock Exchange, by investing Rs. 2.77 Crore for acquiring 75% of the equity capital of AEL. Apart from investment in the equity capital, the Company is committed to extend long term loans aggregating Rs. 25.39 Crore towards repayment of AEL's creditors and for revival of its business.

AEL is in the business of commissioning fuel storage and handling facility systems on turnkey basis. AEL's expertise will enhance the Company's EPC business opportunities, especially in the Oil, Gas & Hydrocarbon Sector. This synergy is currently being demonstrated in a project under execution for a major oil terminal in UAE.

JOINT VENTURE COMPANIES

Al-Tawleed Energy & Power Co. Saudi Arabia, the joint venture with M/s.Abdullah Ibrahim Al-Towaijiri & Partners Co. (Al-Mashrik Contracting Co.), for execution of power, infrastructure and industrial projects in the Kingdom of Saudi Arabia is executing its first order. Prospects for securing substantial business appears promising.

During the year, the Company signed a MoU with Engineers India Limited (EIL), a Public Sector Undertaking for formation of a Joint Venture Company (JVC), "TEIL Projects Limited" for jointly pursuing identified projects on engineering, procurement and construction basis in select sectors such as oil & gas, fertilizer, steel, railways, power and infrastructure. The combined competencies and synergy of EIL and the Company will help the JVC in getting new business in downstream oil, gas and petrochemical sectors in the growing domestic market as well as in the Middle East. The incorporation and start up activities of the JVC are in progress.

TOWER MANUFACTURING UNIT

With the successful commissioning of the Tower Manufacturing Unit at Umred near Nagpur from 20th March 2008, the Company has forayed into a new line of operations viz. manufacturing. The Manufacturing Unit which has been set up on a 40 acre of land has a capacity for manufacturing 24000 MT of transmission line towers per annum. The Unit will help in reducing costs and cycle time in the execution of transmission line projects by the SBU - Transmission & Distribution.

CHANGE OF REGISTERED OFFICE OF THE COMPANY

During the year under review, the Registered Office of the Company has been shifted from the State of Maharashtra to the State of Andhra Pradesh.

INTERNAL SYSTEMS

The Company's internal control system comprises audit and compliance by in-house Internal Audit group and also by an external agency. The Internal Auditors independently evaluate the adequacy of internal controls and audit majority of the transactions in value terms. Independence of audit and compliance is ensured by the direct reporting of Internal Auditors to the Audit Committee of the Board.

During the Financial Year 2007-08, Seven, Audit Committee meetings were held in which the Committee provided valuable guidance by proposing steps to rectify the deficiencies in the design / operations of the internal controls. There are adequate internal control systems in place in the Company.

TATA BUSINESS EXCELLENCE MODEL (TBEM)

The Company went through the External Assessment (Cycle II) for the third year. The Company's score increased from 395 to 425 in the same Score Band. In continuation of the Company's journey towards excellence, various steps were undertaken including reorganization of the Business Excellence set up with formation of an Apex Committee and Zonal Coordinators for driving TBEM across the organization, Customer meets and action plan workshops by Total Quality Management System (TQMS) were conducted successfully.

CORPORATE SUSTAINABILITY

The Company launched a number of Corporate Sustainability initiatives focusing on primary education, drinking water and employability skill training.

40 students completed training in Basic welding training under the employability skill training. A health check-up camp for the students of Kandlakoya school was organized and medicines were given to the needy. Reverse Osmosis (RO) plants were donated and installed at Border Security Force (BSF) camp at Munabao border near Mynamar and at a school close to Hindustan Zinc Limited, Zawar site.

The employees of the Company participated in health and sanitation camp conducted in the slums of Hyderabad. In collaboration with Titan Eye+, the Company organized a free eye check-up camp at Hyderabad.

AFFIRMATIVE ACTION

Entrepreneurship and employability skill development activities were taken-up by the Company. The Company supported students to complete their studies and also provided teachers for special coaching to the students, in the school adopted by the Company near Medchal, Andhra Pradesh.

SAFETY

The Safety Assurance Index (man-days lost / million man-hours worked) improved from 1560 in 2006-07 to 1427 in 2007-08. The Safety Organization in the Company has been restructured from a three tier to a broad based five tier system. Four regional coordinators were inducted for more effective and efficient coordination and supervision.

Safety Control clauses have been introduced in all contract documents. Emphasis on safety awareness and safety audit through out the Organization has been increased.

HUMAN RESOURCES INITIATIVES

In spite of challenges of talent acquisition and high attrition rate, the Company has been able to attract talent and the overall manpower strength registered a growth of 36% over the last year. The Company was also able to induct fresh talent in engineering disciplines from the Campuses including from premier Engineering institutions like NPTI, BIT-Sindri & Durg, NIT- Trichy and B-Schools like NICMAR, Pune, IBS-Hyderabad, XIME- Bangalore and IMT Ghaziabad.

The Company continued its focus on Learning and Growth Initiatives. Several employees attending to critical functions and operations are being trained in appropriate skills through programmes conducted by professional bodies and programmes included Primavera, Finance for Non-Finance Executives, Commercial Awareness, Management Development and high-end technical training for Quality Services personnel. The strength of Qualified Project Management Professionals (QPMP), certified by IPMA grew to 23 during the year with 12 employees getting qualified additionally. During the year, formal mentoring process was introduced for Management Trainees.

CORPORATE GOVERNANCE

The Company has been constantly putting its best efforts to adopt good corporate governance practices over the years.

Consequent to the resignation of Mr.Santosh K. Gupta from the Board, the Audit Committee was reconstituted and now comprises Mr.H.H. Malgham, Mr.S. Ramakrishnan and Mr. P. N. Dhume. The Audit Committee continues to provide valuable advice and guidance in the areas of costing, finance and internal controls.

The Business Review Committee comprises of Mr.F.K.Kavarana, Mr. A. J. Engineer and Mr. H. H. Malgham and provides 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, provides valuable guidance.

It is the constant endeavor of your Company to adopt the best Corporate Governance practices in the Country.

AWARDS

Your Company was rated amongst the top ten Most Admired Construction Companies in India-2007, by readers of the Construction World Publications, a leading Publishing Group with a wide professional readership in India, South Asia and the Gulf.

PARTICULARS OF EMPLOYEES

A statement giving information about employees of the Company pursuant to section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is given in the Annexure-1 to this report.

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-2 to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the 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) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements 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) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) they have prepared the annual accounts on a going concern basis.

DIRECTORS

Mr.Prasad R. Menon, Mr. S. Ramakrishnan and Mr.P.N. Dhume, Directors of the Company, retire by rotation and being eligible offer themselves for re-appointment.

Mr.Santosh K.Gupta resigned as Director with effect from 26th September 2007. The Board placed on record its keen appreciation of the valuable contribution made by Mr.Santosh K.Gupta during his tenure as a Director.

Mr.A.K.Mathur was appointed as an Additional Director and designated as Executive Director with effect from 1st November 2007. Mr. Mathur's appointment and the terms of his remuneration are subject to approval of the Shareholders at the forthcoming Annual General Meeting of the Company.

Mr.K.P.Singh retired as Managing Director with effect from 31st December 2007 after nearly 7 years at the helm of affairs. The Board of Directors placed on record its keen appreciation of Mr.K.P.Singh's services to the Company and his outstanding leadership role in steering the Company through a difficult period and bringing it to its present high ranking in the industry.

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, Financial Institutions, group 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 has made an excellent performance possible.

On behalf of the Board of Directors

F. K. Kavarana
Chairman

Place: Mumbai
Date: 29th May 2008.

ANNEXURE - 1

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975.

Sl. No.	Name (Years)	Age	Designation	Remuneration		Qualification	Total Experience (Years)	Date of commencement of employment in the company	Last Employment
				Gross Rs.	Net. Rs.				
1*	Mr. K.P. Singh	66	Managing Director (upto 31st December 2007)***	75,84,487	72,80,737	B.E. (Civil)	44	15-02-2001	RITES Ltd., Managing Director
2*	Mr. A.K. Misra	63	Executive Director & COO	48,24,200	44,84,000	B.E.(Mech), PG Diploma in Power Plant Engineering	40	18-01-2000	DLF Ltd., Chief of Projects
3*	Mr.A.K Mathur	61	Executive Director (w.e.f. 1st November 2007)***	11,49,500	10,21,250	B.E. (Mech)	39	01-11-2007	Bharat Heavy Electricals Limited Director
4**	Mr. A.K. Sharma	57	Vice President-SBU Head (PG)	29,91,880	17,77,244	B.Sc. Engg. (Civil)	35	03-11-1982	Engineers India Ltd., Baroda, -Civil Construction Engineer.
5**	Mr. Shailendra Krishan	61	Vice President & Business Head (T&D)	31,42,606	21,10,183	B.Sc., Engg. (Elecl.)	30	27-11-1996	UP State Electricity Board, Lucknow - Executive Engineer.
6**	Mr. G. Sreenivasa Rao	63	Executive Vice President & COO (Quality Services) (upto 30th June 2007)***	7,37,641	5,14,838	B.E. (Mech.)	39	06-01-1986	Ansaldo International Services of Italy –Shift Engineer.
7**	Mr.H. Venugopal	59	Vice President (SCM) (upto 31st July 2007)***	9,20,799	2,85,881	B.Tech (Mech.)	35	18-01-2002	ACC Ltd., – Vice President.

Note:

Gross remuneration comprises salary, allowances, monetary value of perquisites, Performance Linked Remuneration (PLR) and the Company's contribution to Provident, Superannuation and Gratuity Funds.

Net remuneration is after tax and is exclusive of Company's contribution to the Provident, Superannuation and Gratuity Funds and monetary value of non cash perquisites.

* The nature of employment is contractual.

** The Employee is not a relative of any Director of the Company.

*** Employment for part of the year.

ANNEXURE – 2

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 and forming part of the Directors' Report for the accounting year ended 31st March 2008.

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 and also at Tower Manufacturing Plant. Some of the measures taken are as under.

i. Switching off lights and air conditioners, when not required. Putting off monitors of Desk Top Computers and ensuring that Personal Computers are kept in hibernation mode when not needed.

ii. Use of Compact Fluorescent Lights (CFL) in place of Fluorescent Lamps.

iii. Provided Skylights (1.5 mm thick FRP) on 5% of the roof area inside the Fabrication and Galvanizing Plant (Pre-engineered Building) to provide adequate natural lights.

iv. Installed insulated galvanizing kettle cover on furnace to prevent the loss of heat during idle times, which substantially reduces the consumption of Light Diesel Oil.

B. Technology Absorption in Tower Manufacturing Unit (TMU)

i. Constructed a state-of-the-art pre-engineered building, fully insulated fabrication plant and galvanizing plant with industrial louvers, ventilators, roof monitor etc., for better circulation of air in TMU.

ii. Adoption of high velocity pulse fired dual fuel combustion system in Galvanizing Plant (Bought from M/s.Protherm , UK), which can operate on alternate fuels like Natural Gas / LPG 0.07 bar minimum / Light Diesel Oil (LDO) or Reliance Industries Heating Oil (Industrial). Presently, it is operated on LDO.

iii. Development and manufacture of underground motorized drying oven (Technology transfer from M/s.Protherm, UK), which operates by re-circulating waste flue gases from the furnace to dry-up the articles to be Galvanized, which help in reducing the Zinc consumption and spattering of Zinc during Galvanizing Process.

iv. Development and manufacture of Flux Heating System (Technology transfer from M/s.Protherm, UK), which operates by re-circulating the heated quenched water through the heat exchanger installed inside the Flux Solution Tank. With this arrangement one side Flux Solution gets heated-up to a desired temperature of 60 to 65 deg. C and on the other side the water gets cooled and re-used for the quenching purpose.

C. Foreign Exchange Earnings and Outgo.

(Rs. in Crore)

Earnings / Outgo	Year ended 31st March 2008	Year ended 31st March 2007
Earnings	275.13	54.49 (Including deemed exports of Rs.2.11 Crore)
Outgo	244.48	62.74

Financial Report

AUDITORS' REPORT

To The Members of Tata Projects Limited

1. We have audited the attached Balance Sheet of Tata Projects Limited, as at March 31, 2008 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, 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 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 misstatement. 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.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 we enclose in 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 that:

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

   (d) in our opinion, the Balance Sheet, Profit and Loss Account and 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) 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, 2008;

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

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

   (f) on the basis of written representations received from the Directors, as on March 31, 2008 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For Deloitte Haskins & Sells
Chartered Accountants

A.C. Gupta
Partner
Membership No.8538

Place : Hyderabad
Date : 29th May 2008

Annexure to the Auditors' Report

[Referred to in paragraph (3) of the Auditors' Report of even date to the members of Tata Projects Limited]

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) Most of the fixed assets have been physically verified by the Management in accordance with a programme of verification which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) During the year, in our opinion, a substantial part of fixed assets has not been disposed off by the Company.

ii. (a) The inventory of the company has been physically verified by the management at the year end. In our opinion the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

(c) On the basis of our examination of the records of inventory, in our opinion, the Company is maintaining proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.

iii. (a) According to the information and explanations given to us, the Company has granted unsecured loan to a Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount of loan outstanding during the year was Rs.1000 lakhs.

(b) In our opinion and according to the information and explanations given to us, the rates of interest and other terms and conditions on which the loan has been granted to the Company covered in the register maintained under Section 301 of the Companies Act, 1956 are prima facie, not prejudicial to the interest of the Company.

(c) In respect of the loan granted, the principal and the interest amounts were repaid at the due dates during the year and there are no overdue amounts.

(d) According to the information and explanations given to us, the company has not taken any loan secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and accordingly clauses iii(f) to iii(g) of paragraph 4 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 systems commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.

vi. The company has not accepted deposits from the public to which the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.

vii. In our opinion, the Company has an adequate internal audit system commensurate with its size and the nature of its business.

viii. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.

ix. (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. There are no dues for investor education and protection fund.

According to the information and explanations given to us and the records examined by us, no undisputed amounts payable in respect of income tax, service tax, wealth tax, sales tax, customs duty, excise duty and cess were outstanding as at March 31, 2008 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, details of dues of income tax and sales tax which have not been deposited as on March 31, 2008 on account of any dispute are given below:

Name of the Statute	Nature of Dues	Amount (in Rs. lakhs)	Period to which the amount relates	Forum where pending
Income Tax Act, 1961	Income Tax (including interest)	42.11	2004-05 to 2005-06	Commissioner of Income Tax, Appeals/ Assistant Commissioner of Income Tax, Appeals
Orissa Sales Tax Act, 1947	Sales Tax	61.14	1999-2000 to 2003-04	Sales Tax Appellate Tribunal/Assistant Commissioner of Sales Tax (Appeals)
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	5.31	1997-98	Sales Tax Appellate Tribunal
Haryana Value Added Tax Act, 2003	Sales Tax (including interest)	7.67	2003-04	First Appellate Authority

According to the information and explanations given to us, there are no dues of wealth tax, service tax, customs duty, excise duty and cess which have not been deposited by the Company on account of any dispute.

x. The Company does not have accumulated losses as at March 31, 2008 and has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.

xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

xii. In our opinion and according to the information and explanations given to us, 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 provisions of any special statute as specified under paragraph 4 (xiii) of the Order are not applicable to the Company.

xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions, whereof, in our opinion, are prejudicial to the interest of the Company.

xvi. In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.

xvii. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investments.

xviii. The 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, during the year.

xix. According to the information and explanations given to us, the Company has created securities in respect of the debentures issued.

xx. The Company has not raised any money through a public issue 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 Deloitte Haskins & Sells
Chartered Accountants

A.C. Gupta
Partner
Membership No.8538

Place : Hyderabad
Date : 29th May 2008

Balance Sheet as at March 31, 2008

	Schedule	As on March 31, 2008 Rs. in lacs	As on March 31, 2007 Rs. in lacs
I. Sources of Funds			
Shareholders' Funds			
Capital	1	337.50	337.50
Reserves and Surplus	2	16,899.49	13,069.43
		17,236.99	13,406.93
Loan Funds			
Secured Loans	3	7,646.48	3,716.89
Total		24,883.47	17,123.82
II Application of Funds			
Fixed Assets			
Gross Block		13,171.48	9,419.00
Less:Depreciation		5,088.91	3,454.86
Net Block	4	8,082.57	5,964.14
Capital Work in Progress (including capital advances)		1,110.06	373.70
		9,192.63	6,337.84
Investments	5	9,378.94	990.05
Deferred Tax Asset (Net) (Refer Note 15)		556.14	664.13
Current Assets, Loans and Advances			
Inventories and Contracts-in-progress	6	7,596.65	1,564.92
Sundry Debtors	7	63,298.02	45,972.87
Cash and Bank Balances	8	3,369.23	6,023.86
Other Current Assets	9	3,544.96	1,838.72
Loans and Advances	10	23,039.16	11,732.24
		100,848.02	67,132.61
Less:			
Current Liabilities and Provisions	11		
Current Liabilities		77,656.77	48,276.30
Provisions		17,435.49	9,724.51
		95,092.26	58,000.81
Net Current Assets		5,755.76	9,131.80
Total		24,883.47	17,123.82
Notes to Accounts	18		
Schedules 1 to 18 annexed hereto form an integral part of these accounts			

Per our report attached

for Deloitte Haskins & Sells
Chartered Accountants

A. C. Gupta
Partner

Place: Hyderabad
Date: 29th May 2008

For and on behalf of the Board

F. K. Kavarana
Chairman

H.H. Malgham
Director

Dr A.Raja Mogili
Company Secretary

A.K.Misra
Executive Director &
Chief Operating Officer

Profit and Loss Account for the year ended March 31, 2008

	Schedule	Year ended March 31, 2008 Rs. in lacs	Year ended March 31, 2007 Rs. in lacs
I. Income			
Income from Contracts, Services and Sale of Goods		134,395.47	93,319.24
Less: Excise duty on sales		0.59	-
Net Income from Contracts, Services and Sale of Goods		134,394.88	93,319.24
Other Income	12	2,692.20	528.39
		137,087.08	93,847.63
II. Expenditure			
Project Execution Expenses	13	119,054.50	81,495.75
Raw materials consumed		353.45	-
Employee Cost	14	7,828.00	4,924.26
Establishment and Other Expenses	15	6,714.10	4,335.05
(Increase)/Decrease in Inventories and Contracts in Progress	16	(5,903.79)	(1,077.66)
Interest	17	696.02	426.33
Depreciation and Amortisation		1,672.68	1,417.58
		130,414.96	91,521.31
III. Profit before Taxation		6,672.12	2,326.32
Provision for Income Tax :			
Current		2,270.00	1,804.79
Deferred		107.99	(734.78)
Fringe Benefit Tax		90.00	62.00
Taxation of earlier years		(119.53)	-
		2,348.46	1,132.01
IV. Profit after Taxation		4,323.66	1,194.31
Balance brought forward from previous year		483.86	85.09
Amount available for appropriation		4,807.52	1,279.40
V. Appropriations :			
Proposed Dividend		421.88	337.50
Tax on Dividend		71.70	57.36
Debenture Redemption Reserve		281.25	281.25
General Reserve		432.37	119.43
Balance Carried to Balance Sheet		3,600.32	483.86
Earnings Per Share (Rs.) - Basic and Diluted (Face value Rs.100) (Note 22)		1,281	411
Notes to Accounts	18		
Schedules 1 to 18 annexed hereto form part of these accounts			

Per our report attached

for Deloitte Haskins & Sells
Chartered Accountants

A. C. Gupta
Partner

Place: Hyderabad
Date: 29th May 2008

For and on behalf of the Board

F. K. Kavarana
Chairman

H.H. Malgham
Director

Dr A.Raja Mogili
Company Secretary

A.K.Misra
Executive Director &
Chief Operating Officer

Cash Flow Statement for the year ended March 31, 2008

	Year ended March 31,2008 Rs. In Lacs		Year ended March 31, 2007 Rs. In Lacs	
A. Cash Flow from Operating Activities				
Net Profit/(Loss) before Taxation		6,672.12		2,326.32
Adjustments for :				
Depreciation	1,672.68		1,417.58	
Interest Expenditure	696.02		426.33	
Interest Income	(247.99)		(194.35)	
Dividend Income	(140.37)		(42.13)	
Provision for diminution in value of investments (including Premium amortised on purchase of investments)	2.04		0.24	
Profit from Partnership Firm	-		(0.03)	
(Profit)/Loss on sale of asset	(4.53)		6.02	
		1,977.85		1,613.66
Operating profit before working capital changes		8,649.97		3,939.99
Adjustments for :				
(Increase)/Decrease in Inventories	(6,031.73)		(1,077.65)	
(Increase)/Decrease in Sundry Debtors (net of provisions/write offs)	(17,325.15)		(17,701.43)	
(Increase)/Decrease in Loans and Advances (net of provisions)	(9,307.11)		(1,480.11)	
(Increase)/Decrease in Other Current Assets	(1,556.16)		(714.38)	
Increase/(Decrease) in Trade and Other Payables	37,447.85		22,076.89	
		3,227.70		1,103.32
Cash generated from Operations		11,877.67		5,043.31
Income Tax paid (net of refund)		(2,673.19)		(901.49)
Wealth Tax paid		-		(0.37)
Fringe Benefit Tax paid		(83.24)		-
Net Cash flows from Operating Activities		9,121.24		4,141.45
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(4,565.61)		(5,582.64)	
Proceeds from sale of fixed assets	42.67		18.85	
Inter Corporate Loan given	(3,000.00)		(2,500.00)	
Inter Corporate Loan repaid	2,000.00		3,000.00	
Investment in Mutual Funds	(8,614.04)		(5,506.35)	
Sale of Mutual Funds	-		5,006.35	
Investment in Joint Venture (Al-Tawleed For Energy and Power Co)	-		(75.60)	
Investment in Subsidiary	(276.90)		-	
Loans and Advance to subsidiary / Advance for investment (see Note 1)	(999.82)		(1,048.83)	
Income from Investments (Dividend)	117.87		42.13	
Interest income received	120.41		256.01	
Net Cash flows used for Investing Activities		(15,175.42)		(6,390.08)

Cash Flow Statement for the year ended March 31, 2008

	Year ended March 31,2008 Rs. In Lacs		Year ended March 31, 2007 Rs. In Lacs	
C. Cash Flow from Financing Activities				
Issue of Rights shares	-		6,750.00	
Proceeds from Issue of Debentures	-		3,375.00	
Repayment of Long - term borrowings	(191.99)		(451.16)	
Proceeds from Short - term borrowings	4,121.58		-	
Repayment of short- term borrowings	-		(1,079.74)	
Payment of Dividend including Dividend Tax	(394.86)		(179.60)	
Interest expenses paid	(635.18)		(274.47)	
Net Cash flows from Financing Activities		2,899.55		8,140.03
Net increase/(decrease) in cash and cash equivalents		(3,154.63)		5,891.40
Cash and Cash equivalents at the beginning of the year		6,523.86		632.46
Cash and Cash equivalents at the end of the year		3,369.23		6,523.86

Note 1 : Consequent to the investment in Artson Engineering Limited, the advance for investment amounting to Rs.1048.83 lacs given to Artson Engineering Limited in the previous year was converted into Loan / advance to subsidiary.

Per our report attached

for Deloitte Haskins & Sells
Chartered Accountants

A. C. Gupta
Partner

Place: Hyderabad
Date: 29th May 2008

For and on behalf of the Board

F. K. Kavarana
Chairman

H.H. Malgham
Director

Dr A.Raja Mogili
Company Secretary

A.K.Misra
Executive Director &
Chief Operating Officer

Schedules annexed to and forming part of the Accounts

	As on March 31, 2008 Rs. in lacs	As on March 31, 2007 Rs. in lacs
Schedule - 1		
Capital		
Authorised		
500,000 Equity Shares of Rs.100 each	500.00	500.00
Issued, Subscribed and Paid-up		
337,500 Equity Shares of Rs.100 each	337.50	337.50
	337.50	337.50
Note: of the above - 75,000 Equity Shares of Rs.100 each issued as bonus shares by capitalising share premium account.		
Schedule - 2		
Reserves and Surplus		
Share Premium		
Balance as per last Balance Sheet	6,675.00	37.50
Add : Amount received during the year	-	6,637.50
	6,675.00	6,675.00
Debentures Redemption Reserve		
Balance as per last Balance Sheet	281.25	-
Add : Reserve created during the year	281.25	281.25
	562.50	281.25
Foreign Projects Reserve		
(As per Sec.80-HHB of I.T.Act.)		
Balance as per last Balance Sheet	25.00	55.00
Less : Transfer to General Reserve	25.00	30.00
	-	25.00
General Reserve I		
Balance as per last Balance Sheet	912.14	792.71
Add : Transfer from Profit and Loss Account	-	119.43
Less : Transfer to General Reserve	912.14	-
	-	912.14
General Reserve		
Balance as per last Balance Sheet	4,692.16	4,833.86
Add : - Transfer from Foreign Project Reserve	25.00	30.00
- Transfer from General Reserve I	912.14	-
- Transfer from Profit and Loss Account	432.37	-
Less : Adjusted for Performance Linked Rewards for 2005-06 (as per AS-15)	-	171.70
	6,061.67	4,692.16
Balance in Profit & Loss Account	3,600.32	483.88
	16,899.49	13,069.43

Schedules annexed to and forming part of the Accounts

	As on March 31, 2008 Rs. in lacs	As on March 31, 2007 Rs. in lacs
Schedule - 3		
Secured Loans		
Bank Overdraft	**4,121.58**	-
i) In case of consortium banks, by first charge on book debts, stocks in process and other current assets ranking pari-pasu;		
ii) in case of Commercial Bank, Qatar, by assignment of contract revenue and project assets of Qatar, which is pending creation of charge;		
iii) 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.		
8% Partly Convertible Debentures (non-convertible portion)	**3,375.00**	3,375.00
(Issued on 29th August, 2006, redeemable at par in 3 equal annual installments commencing at the end of 4th year from the date of allotment)		
(Secured by way of		
i) First paripassu 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 both present and future, 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)		
Other Loans		
Banks	**7.84**	20.37
Financial Institutions - HDFC	**4.35**	11.39
Others	**137.71**	310.13
(Secured by Hypothecation / Pari Passu Pledge of Fixed Assets, in case of HDFC Loan - Secured by equitable Mortgage of House Properties of Employees under the HDFC Employees Housing Loan Scheme and in case of Vehicle loans by hypothecation of vehicle in respect of which the loan is taken)		
	7,646.48	3,716.89

Schedules annexed to and forming part of the Accounts

Schedule- 4 - Fixed Assets

Rs. in lacs

S.No	Particulars	Cost				Depreciation				Net Book Value	
		As on 31.03.2007	Additions	Deductions	**As on 31.03.2008**	As on 31.03.2007	For the year	On Deductions	**As on** 31.03.2008	**As on 31.03.2008**	As on 31.03.2007
I	**Tangible Assets :**										
	Land										
	Free Hold	322.32	-	-	**322.32**	-	-	-	**-**	**322.32**	322.32
	Leasehold	45.14	6.84	-	**51.98**	0.46	0.55	-	**1.01**	**50.97**	44.69
	Buildings	34.05	644.55	-	**678.60**	11.89	2.94	-	**14.83**	**663.77**	22.16
	Lease hold Improvements	-	468.80	-	**468.80**	-	7.14	-	**7.14**	**461.66**	-
	Plant and Machinery (including Erection/Construction Machinery)	5,123.07	1,878.41	-	**7,001.48**	1,713.14	615.85	-	**2,328.99**	**4,672.49**	3,409.93
	Furnitures & Fixtures	254.51	280.50	0.97	**534.04**	125.14	51.01	0.88	**175.27**	**358.77**	129.37
	Vehicles *	609.36	150.07	72.40	**687.03**	272.35	111.94	36.45	**347.84**	**339.19**	337.01
	Office Equipment	291.20	214.46	3.24	**502.42**	122.47	45.27	1.22	**166.52**	**335.90**	168.73
	Computers	481.10	157.38	0.16	**638.32**	279.50	97.60	0.08	**377.02**	**261.30**	201.60
	R & D -Capital Mobile Desalination Plant	40.24	-	-	**40.24**	11.16	4.05	-	**15.21**	**25.03**	29.09
II	**Intangible Assets :**										
	Software	85.45	28.24	-	**113.69**	30.19	25.47	-	**55.66**	**58.03**	55.26
	Goodwill	2,132.57	-	-	**2,132.57**	888.57	710.86	-	**1,599.43**	**533.14**	1,244.00
		9,419.00	**3,829.25**	**76.77**	**13,171.48**	**3,454.86**	**1,672.68**	**38.63**	**5,088.91**	**8,082.57**	
	Previous Year	7,147.36	2,373.16	101.52	9,419.00	2,115.71	1,417.58	78.42	3,454.86		5,964.14

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

Schedules annexed to and forming part of the Accounts

	As on March 31, 2008 Rs. in lacs	As on March 31, 2007 Rs. in lacs
Schedule - 5		
Investments		
Long Term (at cost less provision for diminution in value)		
A. TRADE INVESTMENTS - Unquoted		
Virendra Garments Manufacturers Pvt Limited # 1,200 Equity Shares of Rs.100 each, fully paid	1.20	1.20
Al-Tawleed for Energy & Power Co. 300 Cash Shares of Saudi Arabian Rials (SAR) 2000 per share equivalent to SAR 6,00,000 fully paid	75.60	75.60
B. INVESTMENTS IN SUBSIDIARY COMPANY - Quoted		
Artson Engineering Limited 2,76,90,000 Equity Shares of Re.1 each, fully paid (acquired during the year)	276.90	-
C. INVESTMENT IN CAPITAL OF PARTNERSHIP FIRM		
Tata Dilworth Secord Meagher & Associates #	1.80	1.80
D. OTHER INVESTMENTS (Non-Trade) - Unquoted		
UTI - Balanced Fund - Dividend Plan - Payout 10,00,000 units of Rs.10 each	101.15	101.15
Canara Robeco Fortune 94 (CanFortune 94) 1,00,000 units of Rs.10 each	10.00	10.00
Exim Bank 3 Nos.6.35% Exim Bond-2013 of Rs.100 lacs each fully paid #	302.35	302.35
Current Investment (at lower of cost and fair value)		
In Mutual Funds - Unquoted		
Tata Liquid Super High Investment Fund - Daily Dividend 44,862.362 units of Rs.1,000 each (sold during the year)	-	500.00
Carried over	769.00	992.10

Schedule - 5 (Contd...)

Schedules annexed to and forming part of the Accounts

	As on March 31, 2008 Rs. in lacs	As on March 31, 2007 Rs. in lacs
... Continued Schedule - 5		
Brought forward	769.00	992.10
Birla Sun Life Liquid Plus - Daily Dividend 1,01,27,267.727 units of Rs.10 each (acquired during the year)	1,013.42	-
DSP Merrill Lynch Liquid Plus Institutional Plan - Daily Dividend 1,01,241.654 units of Rs.1,000 each (acquired during the year)	1,013.02	-
Franklin Templeton Floating Rate Income Fund - Daily Dividend 1,01,36,949.764 units of Rs.10 each (acquired during the year)	1,014.79	-
HDFC Cash Management Fund - Daily Dividend 1,01,02,423.795 units of Rs.10 each (acquired during the year)	1,013.42	-
ICICI Prudential-Flexible Income Plan Dividend-Daily-Reinvest Dividend 95,86,420.330 units of Rs.10 each (acquired during the year)	1,013.62	-
Lotus India Liquid Plus Fund - Institutional Daily Dividend 1,01,16,864.886 units of Rs.10 each (acquired during the year)	1,013.27	-
Tata Dynamic Bond Fund - Option B - Dividend 1,49,38,968.212 units of Rs.10 each (acquired during the year)	1,518.92	-
UTI Liquid Plus Fund Institutional Plan - Daily Dividend Option 1,01,335.159 units of Rs.1,000 each (acquired during the year)	1,013.58	-
	9,383.04	992.10
Less : Provision for diminution in value of investments # {Including premium amortised Rs.1.10 lacs (31.03.2007:Rs.0.85 lacs)}	4.10	2.05
	9,378.94	990.05
Notes:-		
i) Aggregate of Quoted Investments		
Cost	276.90	-
Market Value	10,619.12	-
ii) Aggregate of Unquoted Investments (Cost)	9,106.14	992.10
Schedule - 6		
Inventories and Contracts-in-progress		
Contracts-in-progress	7,097.15	1,564.92
Inventories :		
Stores & Spares	3.84	-
Raw Materials	124.10	-
Work in Progress	309.39	-
Finished Goods	62.17	-
	7,596.65	1,564.92

Schedules annexed to and forming part of the Accounts

	As on March 31, 2008 Rs. in lacs	As on March 31, 2007 Rs. in lacs
Schedule - 7		
Sundry Debtors - Unsecured		
A. Considered good		
Outstanding for more than six months *	19,657.62	4,615.65
Other Debts **	43,640.40	41,357.22
(A)	63,298.02	45,972.87
B. Considered Doubtful		
Outstanding for more than six months	210.37	266.66
Other debts	-	-
	210.37	266.66
Less : Provision for Doubtful debts	210.37	266.66
(B)	-	-
(A + B)	63,298.02	45,972.87
* includes retention money Rs.13021.48 lacs receivable on completion of projects		
** includes retention money Rs.9199.55 lacs (31.03.2007 : Rs.9107.57 lacs) receivable on completion of projects		
Schedule - 8		
Cash and Bank Balances		
Cash on hand	14.00	29.02
Balance with Scheduled Banks		
On Current Account	966.95	4,858.77
On Deposit Account	-	621.20
With other Banks (Non-Scheduled banks)		
- On Current Account		
Citibank N.A, Singapore (Maximum balance outstanding during the year Rs.58.28 lacs (2006-07 Rs.76.42 lacs))	45.69	18.59
Abu Dhabi Commercial Bank, Abu Dhabi (Maximum balance outstanding during the year Rs.139.90 lacs (2006-07 Rs.49.17 lacs))	133.04	46.25
Nepal SBI Bank Limited, Kathmandu (Maximum balance outstanding during the year Rs.127.07 lacs (2006-07 Rs.7.53 lacs))	1.38	7.53
Commercial Bank of Qatar (Maximum balance oustanding during the year Rs. Nil (2006-07 Rs.5,158.60 lacs))	-	163.56

Schedules annexed to and forming part of the Accounts

	As on March 31, 2008 Rs. in lacs	As on March 31, 2007 Rs. in lacs
... Continued Schedule - 8		
Commercial Bank of Qatar (Collection Account) (Maximum balance outstanding during the year RS.1591.87 lacs (2006-07 Rs.688.74 lacs))	-	267.50
BNP Paribas, Dubai (Maximum balance outstanding during the year Rs.2,065.47 lacs (2006-07 Rs.Nil lacs))	2,065.47	-
Indian Overseas Bank - Seoul (Maximum balance outstanding during the year Rs 0.48 lacs (2006-07 Rs.Nil lacs))	0.48	-
National Bank - Fujairah (Maximum balance outstanding during the year Rs140.45 lacs (2006-07 Rs.Nil lacs))	140.45	-
- **On Deposit Account**		
Commercial Bank of Qatar (Maximum balance outstanding during the year Rs.584.63 lacs (2006-07 Rs.Nil lacs))	0.39	-
Remittance in Transit	1.38	11.44
	3,369.23	6,023.86
Schedule - 9		
Other Current Assets		
Work done but not billed	3,377.98	1,821.82
Accrued Interest	144.48	16.90
Dividend Receivable	22.50	-
	3,544.96	1,838.72
Schedule - 10		
Loans and Advances		
(Unsecured considered good unless otherwise specified)		
Loan and Advance to Subsidiary	2,048.65	-
Loan to Companies	2,000.00	1,000.00
Loans and Advances recoverable in cash or in kind or for value to be received.		
- Secured	28.27	19.84
- Unsecured	18,962.24	10,712.40
	23,039.16	11,732.24

Schedules annexed to and forming part of the Accounts

	As on March 31, 2008 Rs. in lacs	As on March 31, 2007 Rs. in lacs
Schedule - 11		
Current Liabilities and Provisions		
Liabilities		
Advance from customers	29,112.65	15,680.01
Acceptances	568.97	227.92
Sundry Creditors (see Note 20)	41,661.44	30,722.98
Advance Billing	5,813.34	708.39
Other Liabilities	315.60	813.07
Interest accrued but not due	184.77	123.93
	77,656.77	48,276.30
Notes:		
1. There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
Provisions		
Contract expenses	15,947.63	8,063.41
Retirement Benefits		
- Gratuity	163.59	95.59
- Leave Encashment	572.62	396.62
- Pension for Ex-Managing Directors	100.73	100.73
Taxation (Net)	150.58	673.30
Fringe Benefit Tax (Net)	6.76	-
Proposed Dividend	421.88	337.50
Tax on Dividend	71.70	57.36
	17,435.49	9,724.51

Schedules annexed to and forming part of the Accounts

	Year ended March 31, 2008 Rs. in lacs	Year ended March 31, 2007 Rs. in lacs
Schedule - 12		
Other Income		
Interest from		
- Banks	28.84	49.56
- Others (Tax deducted at source Rs.51.38 lacs (2006-07-Rs.27.40 lacs))	219.15	144.78
Dividends	140.37	42.13
Hire Charges	204.51	83.48
Profit from Partnership firm	-	0.03
Award money received in respect of loss of profit (Note 9)	2,065.47	-
Miscellaneous Income	33.86	208.41
	2,692.20	528.39
Schedule - 13		
Project Execution Expenses		
Cost of Supplies/Erection and Civil Works	116,319.26	79,082.43*
Engineering Fees	27.73	30.82
Works Contract Tax/Service tax/Sales tax	1,616.45	1,364.34
Insurance Premuim	548.63	554.63
Bank Guarantee and Letter of Credit charges	542.43	463.53
	119,054.50	81,495.75
* includes Rs.2020 lacs provision for forseeable losses.		
Schedule - 14		
Employee Cost		
Salaries	6,569.77	4,063.74
Contribution to Provident Fund/Pension fund	327.36	195.27
Gratuity	132.19	119.07
Superannuation	154.01	162.49
Staff Welfare	386.17	267.61
Overseas Living Allowance	258.50	116.08
	7,828.00	4,924.26

Schedules annexed to and forming part of the Accounts

	Year ended March 31, 2008 Rs. in lacs		Year ended March 31, 2007 Rs. in lacs	
Schedule - 15				
Establishment and Other Expenses				
Rent		875.21		444.21
Repairs & Maintenance				
(a) Erection and Construction Equipment		52.75		54.44
(b) Others		270.14		191.99
Stores & Spares consumed		3.28		-
Increase/(decrease) in excise duty on finished goods		9.05		-
Rates and Taxes		90.71		55.02
Motor Vehicle Expenses		624.75		422.71
Travelling Expenses		1,402.02		1,083.94
Professional and Legal Charges		590.97		376.96
Postage, Telephone, Telegram & Telex		269.81		195.21
Printing and Stationery		149.51		111.06
Staff Recruitment/Training expenses		105.71		126.30
Business Development Expenditure		83.66		63.83
Amortisation of Premium/provision for diminution in the value of investments		2.04		0.24
Difference in Exchange Rate (net)		50.77		7.04
Bad debts	403.75		11.09	
Provision for Doubtful Debts	58.97		33.36	
	462.72		44.45	
Less: Provision for Doubtful Debts reversed	115.24		21.53	
		347.48		22.92
Loss/(Profit) on Sale of fixed assets (net)		(4.53)		6.02
Rights Issue Expenses		-		59.85
Agency Commission		733.88		646.61
Brand Equity Contribution		335.99		120.30
General expenses		720.90		346.40
		6,714.10		4,335.05

Schedules annexed to and forming part of the Accounts

	Year ended March 31, 2008 Rs. in lacs	Year ended March 31, 2007 Rs. in lacs
Schedule - 16		
(Increase)/Decrease in Inventories and Contracts-in-progress		
Inventories and Contracts-in-progress as at 31st March, 2007		
Finished goods	-	-
Work-in-progress	-	-
Contracts-in-progress	1,564.92	487.26
	1,564.92	487.26
Inventories and Contracts-in-progress as at 31st March, 2008		
Finished goods	62.17	-
Work-in-progress	309.39	-
Contracts-in-progress	7,097.15	1,564.92
	7,468.71	1,564.92
Net (Increase)/Decrease in Inventories and Contracts-in-progress	(5,903.79)	(1,077.66)
Schedule - 17		
Interest		
On Debentures	270.74	159.78
On Fixed Loans	14.83	33.86
Others	410.45	232.69
	696.02	426.33

Schedule – 18

Notes to Accounts on the financial statements for the year ended March 31, 2008

1. Significant Accounting Policies

a. Basis of 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 referred to in Section 211(3C) of the Companies Act, 1956.

b. 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.

c. 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.

d. 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.

	Assets	Rate of depreciation for SLM
1.	Scaffolding Materials	20%
2.	Wire Ropes and Slings	50%
3.	Computer including Software	25%
4.	Motor Cars under car policy for executives	22.5%
5.	Leasehold Land	Amortised over the period of the Lease
6.	Leasehold Improvement	Amortised over the period of the Lease
7.	Goodwill	Amortised over 36 months
8.	All the Fixed Assets costing less than Rs.10,000/- each are fully depreciated in the year of acquisition.	

e. Investments

i) Long Term Investments
Investments are valued at cost of acquisition inclusive of other attributable expenses. Provision is made to recognise the diminution, 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.

f. 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.

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

g. Contracts-in-progress

Contracts-in-progress, represents expenses incurred not forming part of the work executed till Balance Sheet date and startup expenses incurred on the project till income is recognised in accordance with the revenue recognition policy followed by the Company and is valued at cost.

h. 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.

i. 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.

j. 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 Profit and Loss Account. 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 Profit and Loss account.

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 time of transactions. 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 profit and loss account.

k. Retirement benefits

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

ii) The Gratuity Liability, which is a defined benefit plan, is provided on the basis of Actuarial Valuation as on Balance Sheet date and the same is funded with Life Insurance Corporation as per their advice.

iii) Provision for encashment of unavailed leave and Provision for Pension payable to retired Managing Directors is made on the basis of actuarial valuation as on the Balance Sheet date.

I. 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. Capacities, Stocks, Production, and Turnover / Income from contracts, etc.

(Previous figures given in brackets)

Sl. No.		Quantitative Denomi-nation	Capacity		Opening Stock		Production Units	Turnover / Income		Closing Stock	
			Licensed	Installed	Units	Rs. in lacs		Units	Rs. in lacs	Units	Rs. in lacs
1	Transmission line towers and other fabricated structural products	Metric Tonne (MT)	24000 (-)	24000 (-)	- (-)	- (-)	142 (-)	6 (-)	4.66 (-)	132 (-)	62.17 (-)
2	Income from Supply of project equipment and materials								64212.14 (52016.10)		
3	Income from Erection Engineering and Quality Inspection Services								70178.67 (41303.14)		
									134395.47 (93319.24)		62.17 (-)

Notes:

(a) The facility to manufacture transmission line towers and other fabricated structural products as indicated in item 1 above [Tower Manufacturing unit at Nagpur] commenced commercial production on March 20, 2008.

(b) Installed capacity is as certified by the Management and accepted by the auditors, this being a technical matter.

(c) Production shown under item 1 includes captive consumption for projects.

(d) Quantity/value of stocks shown above is after adjustment of shortage/excess found on physical count.

(e) The Company's main business activity of execution of projects involves procurement and supply of equipment and materials along with rendering of services. The equipment and materials procured by the Company are directly delivered to the project sites and the cost of which is included under the head "Cost of Supplies / Erection and Civil works" (Schedule 13 to the Accounts). Such equipment and materials are specific for each project and numerous in quantity. Hence, in the view of the Company, it is not possible to give quantitative details of purchase and sale of such equipment and materials.

(f) The Company has developed technology for purifying the water by Defluoridation process known as Brackish Water Reverse Osmosis Plant (BWRO). During the year, the Company has sold 40 units (Previous Year: 15 units) of BWRO Plant for Rs.106.01 lacs (Previous year Rs.29.48 lacs) and is included under item 2 above.

		2007-08		2006-07	
		Quantity (MT)	Value (Rs. in lacs)	Quantity (MT)	Value (Rs. in lacs)
3	**Raw materials consumed**				
	Steel	631	201.10	-	-
	Zinc	129	152.02	-	-
	Others	-	0.33	-	-
	Total		353.45		-

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

		2007-08		2006-07	
		Value (Rs. in lacs)	%	Value (Rs. in lacs)	%
4	**Consumption of Imported and Indigenous raw-material, stores and spare parts and the percentage of each to total consumption**				
	Raw material :				
	Indigenous	353.45	100	-	-
	Stores & Spares Consumed:				
	Indigenous	3.28	100	-	-

		2007-08 (Rs. in lacs)	2006-07 (Rs. in lacs)
5	**Value of Import on CIF Basis**		
	Projects related equipment and Materials	13850.46	8447.54
	Capital Goods	216.44	948.67
6	**Expenditure in Foreign Currency**		
	a) Expenditure incurred on foreign projects	10008.08	5998.84
	b) Travel	85.82	275.38
	c) Legal and Professional Expenses	198.99	-
	d) Technical Fees	88.57	-
7	**Earnings in Foreign Currency**		
	Erection and Engineering Services & Quality Inspection Services	25447.68	5238.26
	Award Money Received	2065.47	-
	Interest	0.67	49.51
8	**Auditors' Remuneration**		
	Audit Fees	6.00	4.75
	Tax Audit Fees		1.00
	Other Matters	4.00*	3.51
	Out of Pocket Expenses	1.46	0.75
	*excludes Rs.1.58 lacs paid to previous auditors.		

9	**Contingent Liabilities** (not provided for):		
	i) Bank Guarantees / Standby Letters of Credit issued by the Bank on behalf of the Company (these are generally backed by bank guarantees obtained by the Company from its suppliers / sub-contractors).	105552.09	60931.87
	ii) Corporate Guarantees issued to clients under various contracts	3020.44	2547.83

9. Contingent Liabilities (not provided for), Contd...

iii) In 1999-2000, the Company entered into a pre-bid agreement with an UAE Company, and its Lebanon subsidiary, for a project in Qatar. On the contract being awarded to the UAE Company, it failed to enter into a contract with the Company for execution of its portion of work. In terms of pre-bid agreement, the Company claimed loss of profit under arbitration in the International Chamber of Commerce (ICC), Abu Dhabi.

In May 2006, ICC Abu Dhabi awarded, to the Company, Qatari Riyals 16,902,407 plus expenses. For Ratification and Attachment of the Award, the Company filed two suits in the UAE Federal Court in November 2006. The UAE Federal Court gave an Attachment Order in November 2006 and in November 2007, it ratified the Award. The UAE Company appealed to the UAE Supreme Court against both these rulings of the UAE Federal. In November 2007, the UAE Supreme Court confirmed the Attachment Order and the Company received AED 18,951,853 (equivalent to Rs. 20,65,46,582), which has been kept in a bank account in UAE. The appeal in respect of the Ratification of the Award is as yet to be heard by the UAE Supreme Court. The Company's legal advisor in UAE is of the opinion that the Company's case is strong enough for the UAE Supreme Court to uphold the Award. Accordingly, the Company has taken credit for the Award amount and is included under Other Income (Schedule-12) in the accounts for the year.

10. Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advance) Rs.260.63 lakhs (previous year Rs. 707.82 lakhs)

11. Derivatives transaction:

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

a)

Forward Contract Outstanding as at	**31.03.2008**	31.03.2007
EURO Bought (In Million)	0.39	9.86
Equivalent Rupees (in lacs)	248.06	5749.65

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

	Currency	In Million	Equivalent Rupees (in lacs)
Income from contracts	Qatari Riyals	43.13	4744.55
Previous Year		58.17	6,965.44
	US Dollars	1.82	728.86
Previous Year		-	-
Income from services	Singapore Dollars	0.11	31.29
Previous Year		0.16	45.34
Purchase of Materials	Qatari Riyals	(37.60)	(4135.94)
Previous Year		(25.63)	(3070.13)
Expenses	US Dollar	-	-
Previous Year		(6.99)	(3012.99)
	Arab Dirhams-AED	(0.35)	(38.13)
Overdraft Facilities	Qatari Riyals	(15.25)	(1677.70)
Previous Year		-	-
Interest Payable on overdraft	Qatari Riyals	(0.24)	(26.44)
Previous Year		-	-

c) The net difference in foreign exchange debited to the Profit & Loss Account is Rs.50.77 lacs (2006-07 – Rs.7.04 lacs). The premium / discount arising in respect of outstanding forward exchange contracts, to be recognized in the Profit and Loss Account in the subsequent accounting period is Rs. Nil (2006-07 : Rs. 99.21 lacs - premium)

12. Managerial remuneration

	2007-08 Rs. in lacs	2006-07 Rs. in lacs
Salaries including contribution to Provident Fund and Superannuation Fund	53.48	32.07
Commission	63.00	50.00
Benefits	32.43	24.39
Directors Fees	4.90	5.80
Commission to non-whole time Directors	36.00	30.00
	189.81*	142.26

* Includes Rs 19.50 lacs subject to members approval in the forthcoming Annual General Meeting.

Note:- Having regard to the fact that there is an overall contribution to Gratuity Fund, the amount applicable to an individual employee is not ascertainable and accordingly, contribution to Gratuity Fund has not been considered in the above computation.

Computation of Net Profit under section 309(5) of the Companies Act, 1956:

	2007-08 Rs. in lacs	**2006-07** Rs. in lacs
Profit before Taxation	6672.12	2326.32
Add:		
Depreciation/Amortization	1672.68	1417.58
Managerial Remuneration	184.91	106.46
Provision for Foreseeable Losses on Contracts	(2020.00)	2020.00
Directors Sitting Fees	4.90	5.80
Provision for Doubtful Debts (Net of reversals)	(56.27)	11.83
Provision for diminution in value of investments	2.04	-
	6460.38	5887.99
Less:		
Depreciation under Section 350 of the Companies Act, 1956	1625.69	1401.35
Net Profit as per the section 309(5) of the Companies Act, 1956	**4834.69**	**4486.64**
Commission payable to whole time directors per Board Resolution	63.00	50.00
Commission payable to non-whole time directors - 1% of the net profits, restricted to	36.00	30.00

13. Disclosures required to be made under the Accounting Standard (AS-7) Construction Contracts

	2007-08 Rs. in lacs
Contract revenue recognised as revenue during the year	130031.27
Aggregate amount of contract costs incurred in respect of on going contracts net of recognised profits (less recognised losses) upto the reporting date	250719.54
Advance payments received (net of recoveries from progressive bills)	28913.66
Retention amount	22221.03
Gross amount due from customers for contract work *	61951.97
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	

* included in Schedule 7 – Sundry Debtors

14. In line with accepted practice in Construction Business, certain revisions of costs and billing of previous years which have crystallised during the year have been dealt with in the current year.

15. Deferred tax Asset / (Liability) [Net] as at 31st March, 2008 comprises of:

	2007-08 Rs. in lacs	2006-07 Rs. in lacs
Deferred Tax Assets :		
Arising on account of timing differences in:		
Provision for doubtful debts	71.50	89.76
Provision for foreseeable losses	377.81	679.93
Provision of Leave Encashment and Gratuity	283.89	133.50
Total (A)	**733.20**	**903.19**
Deferred Tax Liability :		
Arising on account of timing differences in:		
Depreciation	(177.06)	(239.06)
Total (B)	**(177.06)**	**(239.06)**
Net Deferred Tax Asset /(Liability) (A) – (B)	**556.14**	**664.13**

16. Related Party Disclosures:

Information relating to Related Party transactions as per "Accounting Standard 18" issued by the Institute of Chartered Accountants of India:

Name of the related party	Relationship	Nature of transaction	2007-08 Rs. in lacs	2006-07 Rs. in lacs
Tata Power Company Limited	Major shareholder	Income from Contract services	17940.36	5904.47
		Interest on Debentures	225.62	122.60
		Dividend paid	161.25	-
		Receivables, Loans and advances at year end	5945.55	787.65
		Payables, Advance against Services at year end	567.74	1362.35
		Guarantees given and outstanding at year end	2180.00	-
Artson Engineering Limited	Subsidiary (w.e.f. 4-Jan-08)	Interest Income	39.93	-
		Cost of Erection	250.24	-
		Loan and advance given to and on behalf of subsidiary	2048.65	-
		Loan & Advance as at year end	2048.65	-
		Interest accrued and due	93.55	-
Tata Dilworth, Secord Meagher & Associates (TDSMA)	Associate concern	Profit from partnership firm	-	0.03
		Provision for diminution in value of investment	1.80	-
Mr. K.P. Singh, Managing Director	Key Management personnel (until 31-Dec-07)	Managerial remuneration	73.17	56.46
Mr. A.K. Misra, Executive Director & COO	Key Management personnel	Managerial remuneration	56.24	50.00
Mr. A.K. Mathur, Executive Director	Key Management personnel (w.e.f. 1-Nov-07)	Managerial remuneration	19.50	-

17. Segment Information

The Company is executing Engineering, Procurement and Construction (EPC) contracts in various infrastructure fields, such as Energy Sector which comprises of 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, Primary Segment is Business segment and Secondary segment is Geographical segment.

Accordingly the Primary Segment of the Company are:

1. Energy Sector
2. Services
3. Others (Infrastructure sector and Allied services).

and Secondary Segment of the Company are :

1. Domestic
2. Overseas

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.

Rs. in lacs

	A. PRIMARY SEGMENT	Energy Sector 2007-08	Energy Sector 2006-07	Services 2007-08	Services 2006-07	Others (Infra & Others) 2007-08	Others (Infra & Others) 2006-07	Consolidated Total 2007-08	Consolidated Total 2006-07
	Segment Revenue External Sales	106,676.98	80,992.16	4,318.49	3,329.17	23,399.41	8,997.91	134,394.88	93,319.24
1	**Segment Revenue**	106,676.98	80,992.16	4,318.49	3,329.17	23,399.41	8,997.91	134,394.88	93,319.24
	Expenses	97,274.03	76,983.29	2,945.94	2,081.70	23,215.95	9,186.77	123,435.93	88,250.86
2	**Segment Result**	9,402.95	4,008.87	1,372.55	1,247.47	183.46	(188.86)	10,958.95	5,068.38
3	Unallocated Corporate Expenses							6,283.01	3,270.44
4	Interest Expenses							696.02	-
5	Operating Profits (2-3-4)							3,979.92	1,797.94
6	Interest/Dividend Income							388.36	236.47
7	Other Income							2,303.84	291.91
8	**Net Profit/(Loss) Before Tax (5+6+7)**							6,672.12	2,326.32
9	Provision for Taxation							2,270.00	1,804.79
10	Deferred tax							107.99	(734.78)
11	Fringe benefit tax							90.00	62.00
12	Taxation of earlier years							(119.53)	-
13	**Net Profit/(Loss) after Tax (8-9-10-11-12)**							4,323.66	1,194.31
	OTHER INFORMATION								
	Segment Asset	81,141.71	43,359.75	2,018.29	1,605.66	13,244.99	6,146.70	96,404.99	51,112.11
	Unallocated Corporate Assets							23,570.74	25,383.16
	Total Assets							119,975.73	76,495.27
	Segment Liabilities	81,568.95	40,926.05	187.33	46.88	6,726.12	4,832.32	88,482.40	45,805.25
	Unallocated Corporate Liabilities							14,256.34	16,807.87
	Total Liabilities							102,738.74	62,613.12
	Capital Expenditure	2,281.84	1,545.96	25.32	5.09	318.62	37.42	2,625.78	1,588.47
	Unallocable Capital Expenditure							1,203.47	784.68
	Depreciation	470.88	1,056.99	2.12	5.69	149.45	2.95	622.48	1,065.63
	Unallocable Depreciation							1,050.20	351.94
	Non-cash Expenses Other than Depreciation							-	-

	B. GEOGRAPHICAL SEGMENT	Domestic 2007-08	Domestic 2006-07	Overseas 2007-08	Overseas 2006-07	Consolidated Total 2007-08	Consolidated Total 2006-07
	Segment Revenue External sales	110,381.78	79,722.83	24,013.10	13,596.41	134,394.88	93,319.24
	Segment Asset	84,429.09	38,758.41	11,975.90	12,353.70	96,404.99	51,112.11
	Unallocable asset					23,570.74	25,383.16
	Total Asset					119,975.73	76,495.27
	Capital Expenditure	2,618.47	1,474.43	7.31	114.04	2,625.78	1,588.47
	Unallocable Capital Expenditure					1,203.47	784.68

18. Disclosure as required by Accounting Standard 19, "Leases" issued by the Institute of Chartered Accountants of India are given below:

Operating Lease :

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 Profit and Loss Account for the year and included as Rent (disclosed under Establishment and Other Expenses in schedule-15).

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

	31st March 2008 (Rs. in lacs)				31st March 2007 (Rs. in lacs)			
	Total	Payments not later than one year	Payments later than one year but not later than five years	Payments more than five years	Total	Payments not later than one year	Payments later than one year year but not later than five years	Payments more than five years
Total of future minimum lease payments at the balance sheet date	1837.42	238.10	964.65	634.67	-	-	-	-

19. The disclosure requirement required as per AS-27 "Financial Reporting of Interests in Joint Ventures" is given below based on their unaudited accounts as on 31st December, 2007.

Name of the Joint Venture	:	M/s. Al-Tawleed For Energy & Power Co.
Nature of Joint venture	:	Jointly controlled entity
Proportionate Ownership Interest	:	30%
Country of Incorporation	:	Kingdom of Saudi Arabia
Principal Activities	:	Engineering , procurement and construction contracts

Proportionate Share as per unaudited accounts:

		2007-08 (Rs. in lacs)	2006-07 (Rs. in lacs)
A.	**Assets :**		
	Fixed Assets (Net)	49.46	0.18
	Net Current Assets	(22.19)	50.83
	Total Assets	**27.27**	**51.01**
B.	**Liabilities :**		
	Shareholders Funds	27.27	51.01
	Loan Funds	-	-
	Deferred Tax Liability	-	-
	Total Liabilities	**27.27**	**51.01**
C.	**Total Income**	**381.37**	**-**
D.	**Total Expenditure**	**375.22**	**42.35**
E.	**Contingent Liabilities** (Bank guarantees issued by the bank on behalf of Al-Tawleed For Energy & Power Co.)	**2916.23**	**-**

20. Sundry Creditors – Dues to Micro and Small Enterprises

Sundry Creditors [Schedule-11, Current Liabilities and Provisions] include Rs.88.90 lacs due to micro enterprises and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act,2006). Except as stated above, the company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the MSMED Act, 2006) claiming their status as micro or small or medium enterprises. In respect of the above micro and small enterprises no interest has been claimed on the basis of information available with the Company.

21. The details of investment in partnership firm Tata Dilworth, Secord & Meagher & Associates (TDSMA)

Partners	Share	Capital Rs. in lacs
Tata Projects Limited	60%	1.80
Dilworth, Secord, Meagher & Associates	40%	1.20

22. Earnings per Share (EPS):

	2007-08 Rs. in lacs (except number of shares)	2006-07 Rs. in lacs (except number of shares)
a) (i) Number of equity shares at the beginning of the year	3,37,500	2,25,000
(ii) Issued under Rights issue on 29th August, 2006.	-	1,12,500
(iii) Weighted Average number of Equity Shares of Rs.100 each outstanding during the year	3,37,500	2,90,625
b) Net Profit after Tax as per the Profit and Loss account	4323.66	1194.31
c) Basic and Diluted Earnings per share (Rupees)	1281	411

23. The Company had implemented the Revised Accounting Standard-15 (AS-15) – Employee Benefits from April 1, 2006 and accordingly an amount of Rs.171.70 lacs was adjusted to the General Reserve in the previous year. The Company has recognized in the Profit & Loss account of the year ended on March 31, 2008 an amount of Rs.481.37 Lacs expenses under defined contribution plans.

(i) **Benefit (Contribution to):**

	2007-08 Rs. in lacs
Provident Fund	219.69
Superannuation Fund	154.01
Employees Pension Scheme (including Ex-Managing Directors)	107.67
	481.37

(ii) The Company has obtained actuarial valuation of its liabilities as at March 31, 2008 towards,

- Pension payable to Ex-Managing Directors.
- Gratuity plan and
- Leave encashment.

However, no effect arising from the Actuarial Valuation report has been given to in the accounts as the Company is seeking clarification from the Actuary on certain matters relating to such valuation. The Company has provided for such liabilities (refer Schedule 11 and Schedule 14) on estimates based on previous year's liabilities which were actuarially valued. The Company is of the view that available provision in the books is adequate to meet the liabilities in this regard. Adjustment if any, in this regard will be made when the final liability is ascertained by the Actuary.

24. Previous year figures have been regrouped and restated wherever necessary.

For and on behalf of the Board

F.K. Kavarana
Chairman

H.H. Malgham
Director

Dr. A. Raja Mogili
Company Secretary

A.K. Misra
Executive Director &
Chief Operating Officer

Schedule 19

Balance Sheet Abstract and Company's General Business Profile
(As per Schedule VI, Part (iv) of the Companies Act, 1956)

I. Registration	
Registration No.	21034
State Code	11
Balance Sheet Date	31st March, 2008
II. Capital raised during the year	
Public Issue	-
Rights Issue	-
Private Placement	-
Bonus Issue	-
III. Position of Mobilisation and Deployment of Funds	(Rupees in lacs)
Total Liabilities	24,883.47
Total Assets	24,883.47
Sources of Funds	(Rupees in lacs)
Paid-up Capital	337.50
Reserves& Surplus	16,899.49
Secured Loans	7,646.48
Unsecured Loans	-
Deferred tax liability	-
Application of Funds	(Rupees in lacs)
Net Fixed Assets	8,082.57
Capital Work-in-progress	1,110.06
Investments	9,378.94
Net Current Assets	5,755.76
Deferred tax Asset	556.14
Misc. Expenditure	-
Accumulated Losses	-
IV. Performance of the Company	(Rupees in lacs)
Turnover including other Income	137,087.08
Total Expenditure	130,414.96
Profit Before Tax	6,672.12
Profit After Tax	4,323.66
Earnings Per Share (in Rupees)	1,281
Dividend Rate	-
V. Generic Names of Principal Products / Services of the Company.	
Erection & Turnkey Contracts including supply of Materials and providing technical services.	

For and on behalf of the Board

F.K. Kavarana
Chairman

H.H. Malgham
Director

Dr. A. Raja Mogili
Company Secretary

A.K. Misra
Executive Director &
Chief Operating Officer

Consolidated Financial Statements

To The Board of Directors of
Tata Projects Limited

On the Consolidated Financial Statements of Tata Projects Limited

1. We have audited the attached consolidated balance sheet of Tata Projects Limited and its subsidiary (the Group) as at March 31, 2008, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of Tata Project Limited's management and have been prepared by the management on the basis of separate financial statements and other financial 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 misstatement. 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.

3. We did not audit the financial statements of the subsidiary whose financial statements reflect the Group's share of total assets of Rs.2192.36 lacs as at March 31, 2008, the total revenues of Rs.686.49 lacs for the three months period ended on that date, and net cash inflows amounting to Rs.171.33 lacs for the three months period ended on that date as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the reports of the other auditor.

   We have relied upon the unaudited financial statements as provided by the management of the joint venture for purposes of our examination of the consolidated financial statements (refer note 1(b), Schedule 19)

4. We report that the consolidated financial statements have been prepared by Tata Project Limited's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures, issued by the Institute of Chartered Accountants of India.

5. *Attention is invited to Note 15 on Schedule 19 in respect of the accounts of the subsidiary company which have been prepared on a going concern basis notwithstanding accumulated losses of Rs.1233.29 lacs and negative net worth of Rs.844.09 lacs as at March 31, 2008.*

6. On the basis of the foregoing and information and explanations given to us and on the consideration of the separate audit report on the individual audited/unaudited financial statements of Tata Projects Limited its subsidiary and joint venture respectively, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of Tata Projects Limited Group as at March 31, 2008;

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

   (c) in the case of the Consolidated Cash flow Statement, of the cash flows for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants

A.C. Gupta
Partner
Membership No.8538

Place : Hyderabad
Date : 29th May 2008

Consolidated Balance Sheet as at March 31, 2008

	Schedule	As on March 31, 2008 Rs. in lacs
I. Sources of Funds		
Shareholders' Funds		
Capital	1	337.50
Reserves and Surplus	2	16,076.93
		16,414.43
Loan Funds		
Secured Loans	3	7,646.48
Unsecured Loans	4	46.41
Total		24,107.32
II Application of Funds		
Fixed Assets		
Gross Block		15,186.56
Less:Depreciation		6,262.31
Net Block	5	8,924.25
Capital Work in Progress (including capital advances)		1,110.06
		10,034.31
Investments	6	9,026.44
Deferred Tax Asset (Net) (Refer Note 8)		538.30
Current Assets, Loans and Advances		
Inventories and Contracts-in-progress	7	7,749.21
Sundry Debtors	8	64,429.56
Cash and Bank Balances	9	3,640.87
Other Current Assets	10	3,856.52
Loans and Advances	11	21,396.98
		101,073.14
Less:		
Current Liabilities and Provisions	12	
Current Liabilities		79,137.84
Provisions		17,427.03
		96,564.87
Net Current Asset		4,508.27
Total		24,107.32
Notes to Accounts	19	
Schedules 1 to 19 annexed hereto form an integral part of these accounts		

Per our report attached

For and on behalf of the Board

for Deloitte Haskins & Sells
Chartered Accountants

A. C. Gupta
Partner

F. K. Kavarana
Chairman

Dr A. Raja Mogili
Company Secretary

H.H. Malgham
Director

A.K. Misra
Executive Director &
Chief Operating Officer

Place: Hyderabad
Date: 29th May 2008

Consolidated Profit and Loss Account for the year ended March 31, 2008

	Schedule	Year ended March 31, 2008 Rs. in lacs
I. Income		
Income from Contracts, Services and Sale of Goods [includes share of joint ventures Rs.381.38 lacs]		135,209.83
Less: Excise duty on sales		0.59
Net Income from Contracts, Services and Sale of Goods		135,209.24
Other Income	13	2,655.54
		137,864.78
II. Expenditure		
Project Execution Expenses	14	119,710.53
Raw materials consumed		353.45
Employee Cost	15	7,981.77
Establishment and Other Expenses	16	7,046.53
(Increase)/Decrease in Inventories and Contracts in Progress	17	(5,614.45)
Interest	18	747.04
Depreciation and Amortisation		1,692.74
		131,917.61
III. Profit before Taxation, Appropriation and Minority Interest		5,947.17
Provision for Income Tax :		
Current		2,274.24
Deferred		115.73
Fringe Benefit Tax		91.50
Taxation of earlier years		(102.84)
		2,378.63
IV. Profit after Taxation and before Appropriation and Minority Interest		3,568.54
Share of Minority Interest of pre-acquisition loss		(21.76)
Balance brought forward from previous year		483.86
V. Profit after Taxation, Minority Interest and before Appropriation		4,030.64
Appropriations:		
Proposed Dividend		421.88
Tax on Dividend		71.70
Debenture Redemption Reserve		281.25
General Reserve		432.37
		1,207.20
Balance Carried to Balance Sheet		2,823.44
Earning Per Share (Rs.) - Basic and Diluted (Face value Rs.100) (Note 13)		1,057.35
Schedules 1 to 19 annexed hereto form an integral part of these accounts		

Per our report attached

for Deloitte Haskins & Sells
Chartered Accountants

A. C. Gupta
Partner

Place: Hyderabad
Date: 29th May 2008

For and on behalf of the Board

F. K. Kavarana
Chairman

H.H. Malgham
Director

Dr A. Raja Mogili
Company Secretary

A.K. Misra
Executive Director &
Chief Operating Officer

Consolidated Cash Flow Statement for the year ended March 31, 2008

		Year ended March 31, 2008 Rs. in lacs
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before Taxation		5,947.17
Adjustments for :		
Depreciation	1,692.74	
Interest Expenditure	747.04	
Interest Income	(211.19)	
Dividend Income	(140.37)	
Provision for diminution in value of investments (including Premium amortised on purchase of investments)	2.04	
(Profit)/ Loss on sale of asset	(4.53)	
		2,085.73
Operating profit before working capital changes		8,032.90
Adjustments for :		
(Increase)/Decrease in Inventories	(5,724.74)	
(Increase)/Decrease in Sundry Debtors (net of provisions/write offs)	(16,962.13)	
(Increase)/Decrease in Loans and Advances (net of provisions)	(9,466.20)	
(Increase)/Decrease in Other Current Assets	(1,867.72)	
Increase/(Decrease) in Trade and Other Payables	37,808.54	
		3,787.75
Cash generated from Operations		11,820.65
Income Tax paid (net of refund)		(2,672.35)
Fringe Benefit Tax paid		(83.24)
Net Cash flows from Operating Activities		9,065.06
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(4,625.91)	
Proceeds from sale of fixed assets	42.67	
Inter Corporate Loan given	(3,000.00)	
Inter Corporate Loan repaid	2,000.00	
Investment in Mutual Funds	(8,614.04)	
Income from Investments (Dividend)	117.87	
Interest income received	83.61	
Net Cash flows used for Investing Activities		(13,995.80)

Consolidated Cash Flow Statement for the year ended March 31, 2008

		Year ended March 31, 2008 Rs. in lacs
C. Cash Flow from Financing Activities		
Repayment of Long - term borrowings	(1,105.73)	
Proceeds from Short - term borrowings	4,121.58	
Payment of Dividend including Dividend Tax	(394.86)	
Interest expenses paid	(686.20)	
Net Cash flows from financing activities		1,934.79
Net increase/(decrease) in cash and cash equivalents		(2,995.95)
Cash and Cash equivalents at the beginning of the year @		6,636.82
Cash and Cash equivalents at the end of the year		3,640.87

@ includes Cash and Cash equivalents of Rs.51.91 lacs and Rs.61.05 lacs in respect of Joint Venture and acquisition of subsidiary respectively.

Per our report attached
for Deloitte Haskins & Sells
Chartered Accountants

A. C. Gupta
Partner

Place: Hyderabad
Date: 29th May 2008

For and on behalf of the Board

F. K. Kavarana
Chairman

H.H. Malgham
Director

Dr A. Raja Mogili
Company Secretary

A.K. Misra
Executive Director &
Chief Operating Officer

Schedules annexed to and forming part of the Consolidated Accounts

	As on March 31, 2008 Rs. in lacs
Schedule - 1	
Capital	
Authorised	
500,000 Equity Shares of Rs.100 each	500.00
Issued, Subscribed and paid-up	
337,500 Equity Shares of Rs.100 each	337.50
	337.50
Note: of the above - 75,000 Equity Shares of Rs.100 each issued as bonus shares by capitalising share premium.	
Schedule - 2	
Reserves and Surplus	
Share Premium	
Balance as per last Balance Sheet	6,675.00
	6,675.00
Debentures Redemption Reserve	
Balance as per last Balance Sheet	281.25
Add : Reserve created during the year	281.25
	562.50
Foreign Projects Reserve	
(As per Sec.80-HHB of I.T.Act.)	
Balance as per last Balance Sheet	25.00
Less : Transfer to General Reserve	25.00
	-
General Reserve I	
Balance as per last Balance Sheet	912.14
Less : Transfer to General Reserve	912.14
	-
General Reserve	
Balance as per last Balance Sheet	4,692.16
Add : - Transfer from Foreign Project Reserve	25.00
- Transfer from General Reserve I	912.14
- Transfer from Profit and Loss Account	432.37
	6,061.67
Foreign Currency Translation Reserve	(7.82)
Balance in Profit & Loss Account	2,823.44
Share of Joint Venture	
- Accumulated Losses	(37.86)
	16,076.93

Schedules annexed to and forming part of the Consolidated Accounts

	As on March 31, 2008 Rs. in lacs
Schedule - 3	
Secured Loans	
Bank Overdraft	4,121.58
i) In case of consortium banks, by first charge on book debts, stocks in process and other current assets ranking pari-pasu;	
ii) in case of Commercial Bank, Qatar, by assignment of contract revenue and project assets of Qatar, which is pending creation of charge;	
iii) 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.	
8% Partly Convertible Debentures (non-convertible portion)	3,375.00
(Issued on 29th August, 2006, redeemable at par in 3 equal annual installments commencing at the end of 4th year from the date of allotment)	
(Secured by way of	
i) First paripassu 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 both present and future, 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)	
Other Loans	
Banks	7.84
Financial Institutions - HDFC	4.35
Others	137.71
(Secured by Hypothecation / Pari Passu Pledge of Fixed Assets, in case of HDFC Loan - Secured by equitable Mortgage of House Properties of Employees under the HDFC Employees Housing Loan Scheme and in case of Vehicle loans by hypothecation of vehicle in respect of which the loan is taken)	
	7,646.48
Schedule - 4	
Unsecured Loans	
Sales Tax Deferment Loan (SICOM)	46.41
	46.41

Schedules annexed to and forming part of the Consolidated Accounts

Schedule- 5 - Fixed Assets

Rs. in lacs

	Cost						Depreciation						Net Book Value
S.No. Particulars	As at 31.03.2007	Assets of New Company (See note)	Additions	Deductions	Deduction of New Company	As at 31.03.2008	As at 31.03.2007	Accumulated Depreciation of New Company	For the year	On Deductions	Deduction of New Company	As at 31.03.2008	As at 31.03.2008
I Tangible Assets :													
Land													
Free Hold	322.32	4.29	-	-	-	**326.61**	-	-	-	-	-	**-**	**326.61**
Leasehold	45.14	-	6.84	-	-	**51.98**	0.46	-	0.55	-	-	**1.01**	**50.97**
Buildings	34.05	114.42	644.55	-	-	**793.02**	11.89	49.48	3.76	-	-	**65.13**	**727.89**
Lease hold Improvements	-	-	468.80	-	-	**468.80**	-	-	7.14	-	-	**7.14**	**461.66**
Plant and Machinery (including Erection/Construction Machinery)	5,123.07	1,208.12	1,884.61	-	-	**8,215.80**	1,713.14	877.50	628.07	-	-	**3,218.71**	**4,997.09**
Furnitures & Fixtures	254.51	65.02	280.50	0.97	-	**599.06**	125.14	42.79	52.10	0.88	-	**219.15**	**379.91**
Vehicles *	609.36	50.99	150.07	72.40	-	**738.02**	272.35	48.54	112.11	36.45	-	**396.55**	**341.47**
Office Equipment, Air Conditioners & Electrical Installation	291.20	86.48	214.49	3.24	-	**588.93**	122.47	58.07	46.34	1.22	-	**225.66**	**363.27**
Computers	481.10	83.09	158.46	0.16	-	**722.49**	279.50	76.95	98.45	0.08	-	**454.82**	**267.67**
R & D - Capital Mobile Desalination Plant	40.24	-	-	-	-	**40.24**	11.16	-	4.05	-	-	**15.21**	**25.03**
II Intangible Assets :													
Software	85.45	-	28.24	-	-	**113.69**	30.19	-	25.47	-	-	**55.66**	**58.03**
Goodwill	2,132.57	-	-	-	-	**2,132.57**	888.57	-	710.86	-	-	**1,599.43**	**533.14**
Goodwill on Consolidation	-	-	342.20	-	-	**342.20**	-	-	-	-	-	**-**	**342.20**
	9,419.01	**1,612.41**	**4,178.76**	**76.77**	-	**15,133.41**	**3,454.87**	**1,153.33**	**1,688.90**	**38.63**	-	**6,258.47**	**8,874.94**
Share of Joint Venture	**0.16**	**-**	**52.99**	-	-	**53.15**	-	-	**3.84**	-	-	**3.84**	**49.31**
Total	**9,419.17**	**1,612.41**	**4,231.75**	**76.77**	-	**15,186.56**	**3,454.87**	**1,153.33**	**1,692.74**	**38.63**	-	**6,262.31**	**8,924.25**

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

Note: Represents assets and accumulated depreciation of Artson Engineering Limited on the date it became subsidiary of the Company.

Schedules annexed to and forming part of the Consolidated Accounts

	As on March 31, 2008 Rs. in lacs
Schedule - 6	
Investments	
Long Term (at cost less provision for diminution in value)	
A. TRADE INVESTMENTS - Unquoted	
Virendra Garments Manufacturers Pvt Limited # 1,200 Equity Shares of Rs.100 each, fully paid	1.20
B. INVESTMENT IN CAPITAL OF PARTNERSHIP FIRM	
Tata Dilworth Secord Meagher & Associates #	1.80
C. OTHER INVESTMENTS (Non-Trade) - Unquoted	
UTI - Balanced Fund - Dividend Plan - Payout 10,00,000 units of Rs.10 each	101.15
Canara Robeco Fortune 94 (CanFortune 94) 1,00,000 units of Rs.10 each	10.00
Exim Bank 3 Nos. 6.35% Exim Bond - 2013 of Rs. 100 lacs each fully paid #	302.35
Current Investment (at lower of cost and fair value)	
In Mutual Funds - Unquoted	
Tata Liquid Super High Investment Fund - Daily Dividend 44,862.362 units of Rs.1,000 each (sold during the year)	-
Birla Sun Life Liquid Plus - Daily Dividend 1,01,27,267.727 units of Rs.10 each (acquired during the year)	1,013.42
DSP Merrill Lynch Liquid Plus Institutional Plan - Daily Dividend 1,01,241.654 units of Rs.1,000 each (acquired during the year)	1,013.02
Franklin Templeton Floating Rate Income Fund - Daily Dividend 1,01,36,949.764 units of Rs.10 each (acquired during the year)	1,014.79
HDFC Cash Management Fund - Daily Dividend 1,01,02,423.795 units of Rs.10 each (acquired during the year)	1,013.42
ICICI Prudential - Flexible Income Plan Dividend - Daily - Reinvest Dividend 95,86,420.330 units of Rs.10 each (acquired during the year)	1,013.62
Lotus India Liquid Plus Fund - Institutional Daily Dividend 1,01,16,864.886 units of Rs.10 each (acquired during the year)	1,013.27
Tata Dynamic Bond Fund - Option B - Dividend 1,49,38,968.212 units of Rs.10 each (acquired during the year)	1,518.92
UTI Liquid Plus Fund Institutional Plan - Daily Dividend Option 1,01,335.159 units of Rs.1,000 each (acquired during the year)	1,013.58
	9,030.54
Less:Provision for diminution in value of investments # (including premium amortised Rs. 1.10 lacs)	4.10
	9,026.44
Notes:-	
i) Aggregate of Quoted Investments (Cost)	-
ii) Aggregate of Unquoted Investments (Cost)	9,030.54

Schedules annexed to and forming part of the Consolidated Accounts

		As on March 31, 2008 Rs. in lacs
Schedule - 7		
Inventories and Contracts-in-progress		
Contracts-in-progress		7,097.15
Inventories :		
Stores & Spares		3.84
Raw Materials		198.77
Work in Progress		309.39
Finished Goods		62.17
		7,671.32
Share of Joint Venture		77.89
		7,749.21
Schedule - 8		
Sundry Debtors - Unsecured		
A. Considered good		
Outstanding for more than six months *		19,968.36
Other Debts **		44,313.45
	(A)	64,281.81
B. Considered Doubtful		
Outstanding for more than six months		210.37
Other debts		-
		210.37
Less : Provision for Doubtful debts		210.37
	(B)	-
	(A + B)	64,281.81
Share of Joint Venture		147.75
		64,429.56

* includes retention money Rs.13498.69 lacs receivable on completion of projects

** includes retention money Rs.9199.55 lacs receivable on completion of projects

Schedules annexed to and forming part of the Consolidated Accounts

	As on March 31, 2008 Rs. in lacs
Schedule - 9	
Cash and Bank Balances	
Cash on hand	58.33
Balance with Scheduled Banks	
On Current Account	1,029.59
On Deposit Account	125.40
With other Banks (Non-Scheduled banks)	
- On Current Account	
Citibank N.A, Singapore (Maximum balance outstanding during the year Rs 58.28 lacs)	45.69
Abu Dhabi Commercial Bank, Abu Dhabi (Maximum balance outstanding during the year Rs 139.90 lacs)	133.04
Nepal SBI Bank Limited, Kathmandu (Maximum balance outstanding during the year Rs 127.07 lacs)	1.38
BNP Paribas, Dubai (Maximum balance outstanding during the year Rs 2,065.47 lacs)	2,065.47
Indian Overseas Bank - Seoul (Maximum balance outstanding during the year Rs 0.48 lacs)	0.48
National Bank - Fujairah (Maximum balance outstanding during the year Rs 140.45 lacs)	140.45
- On Deposit Account	
Commercial Bank of Qatar (Maximum balance outstanding during the year Rs 584.63 lacs)	0.39
Remittance in Transit	1.38
	3,601.60
Share of Joint Venture	39.27
	3,640.87
Schedule - 10	
Other Current Assets	
Work done but not billed	3,689.54
Accrued Interest	144.48
Dividend Receivable	22.50
	3,856.52
Schedule - 11	
Loans and Advances	
(Unsecured considered good unless otherwise specified)	
Loan to Companies	2,000.00
Loans and Advances recoverable in cash or in kind or for value to be received	
- Secured	28.27
- Unsecured	18,953.25
Deposits	11.17
	20,992.69
Share of Joint Venture	404.29
	21,396.98

Schedules annexed to and forming part of the Consolidated Accounts

	As on March 31, 2008 Rs. in lacs
Schedule - 12	
Current Liabilities and Provisions	
Liabilities	
Advance from customers	29,199.17
Acceptances	568.97
Sundry Creditors	42,012.75
Advance Billing	5,813.34
Other Liabilities	674.48
Interest accrued but not due	184.77
	78,453.48
Share of Joint Venture	684.36
	79,137.84
Notes: 1. There is no amount due and outstanding to be credited to Investor Education and Protection Fund.	
Provisions	
Contract expenses	15,947.63
Retirement Benefits	
- Gratuity	185.79
- Leave Encashment	578.82
- Pension for Ex-Managing Directors	100.73
Taxation (Net)	106.48
Fringe Benefit Tax (Net)	11.68
Proposed Dividend	421.88
Tax on Dividend	71.70
	17,424.71
Share of Joint Venture	2.32
	17,427.03

Schedules annexed to and forming part of the Consolidated Accounts

	Year ended March 31, 2008 Rs. in lacs
Schedule - 13	
Other Income	
Interest from	
- Banks	31.29
- Others (Tax deducted at source Rs. 51.38 lacs)	179.90
Dividends	140.37
Hire Charges	204.51
Award money received in respect of loss of profit (note 2)	2,065.47
Miscellaneous Income	34.00
	2,655.54
Schedule - 14	
Project Execution Expenses	
Cost of Supplies/Erection and Civil Works	116,574.25
Engineering Fees	27.73
Works Contract Tax/Service tax/Sales tax	1,616.91
Insurance Premuim	552.49
Bank Guarantee and Letter of credit charges	542.43
	119,313.81
Share of Joint Venture	396.72
	119,710.53
Schedule - 15	
Employee Cost	
Salaries	6,676.98
Contribution to Provident Fund/Pension fund	335.13
Gratuity	132.48
Superannuation	154.01
Staff Welfare	386.17
Overseas Living Allowance	258.50
	7,943.27
Share of Joint Venture	38.50
	7,981.77

Schedules annexed to and forming part of the Consolidated Accounts

		Year ended March 31, 2008 Rs. in lacs
Schedule - 16		
Establishment and Other Expenses		
Rent		913.38
Repairs & Maintenance		
(a) Erection and Construction Equipment		57.47
(b) Others		406.12
Stores & Spares consumed		3.84
Increase / (decrease) in excise duty on finished goods		9.05
Rates and Taxes		90.71
Motor Vehicle Expenses		626.31
Travelling Expenses		1,412.71
Professional and Legal Charges		602.53
Postage, Telephone, Telegram & Telex		273.33
Printing and Stationery		150.85
Staff Recruitment/Training expenses		105.71
Business Development Expenditure		83.66
Amortisation of Premium / provision for diminution in the value of investments		2.04
Difference in Exchange Rate (net)		50.77
Bad Debts	403.75	
Provision for Doubtful Debts	58.97	
	462.72	
Less: Provision for Doubtful Debts reversed	115.24	
		347.48
Loss/(Profit) on Sale of fixed assets (net)		(4.53)
Agency Commission		733.88
Brand Equity Contribution		335.99
General expenses		831.17
		7,032.47
Share of Joint Venture		14.06
		7,046.53

Schedules annexed to and forming part of the Consolidated Accounts

	Year ended March 31, 2008 Rs. in lacs
Schedule - 17	
(Increase)/Decrease in Inventories and Contract-in-progress	
Inventories and Contracts-in-progress - Opening	
Finished goods	-
Work-in-progress	367.23 *
Contracts-in-progress	1,564.92
	1,932.15
Inventories and Contracts-in-progress - Closing	
Finished goods	62.17
Work-in-progress	309.39
Contracts-in-progress	7,097.15
	7,468.71
Net (Increase)/Decrease in Inventories and Contracts-in-progress	(5,536.56)
Share of Joint Venture	(77.89)
	(5,614.45)
* relates to Subsidiary, on the date of acquisition.	
Schedule - 18	
Interest	
On Debentures	270.74
On Fixed Loans	14.83
Others	461.47
	747.04

Schedule – 19

Notes to Accounts on the consolidated financial statements for the year ended March 31, 2008

1. Significant Accounting Policies

a. Basis of 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 referred to in Section 211(3C) of the Companies Act, 1956.

b. Principles of consolidation:

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS-21)- "Consolidated Financial Statements" and Accounting Standard 27 (AS-27) - "Financial Reporting of Interests in Joint Ventures" issued by The Institute of Chartered Accountants of India.

(i) The subsidiary (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, 2008
Artson Engineering Limited (AEL) (with effect from 4th January, 2008)	India	75

Artson Engineering Limited had become a subsidiary of the Company from January 4, 2008. However, the financial statements were available from January 1, 2008 and have been consolidated from that date. There are no material transactions from January 1, 2008 to January 3, 2008, which would need to be adjusted.

As this is the first year of adoption of AS-21, figures for the previous year have not been presented.

(ii) Interests in Joint Venture:

Name of the Entity	:	M/s. Al-Tawleed For Energy & Power Co.
Nature of Joint Venture	:	Jointly Controlled Entity
Proportionate Ownership interest	:	30%
Country of Incorporation	:	Kingdom of Saudi Arabia

The unaudited financial statements of the joint venture, considered in the consolidated accounts, is drawn upto 31st December, 2007 and have been certified by the management of that Company.

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

c. 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.

d. 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.

e. 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.

	Assets	Rate of depreciation for SLM
1.	Scaffolding Materials	20%
2.	Wire Ropes and Slings	50%
3.	Computer including Software	25%
4.	Motor Cars under car policy for executives	22.5%
5.	Leasehold Land	Amortised over the period of the Lease
6.	Leasehold Improvement	Amortised over the period of the Lease
7.	Goodwill	Amortised over 36 months
8.	In respect of Parent Company, all the fixed assets costing less than Rs.10,000/- each are fully depreciated in the year of acquisition. In respect of Subsidiary Company, assets costing less than Rs 5,000/- each are fully depreciated in the year of acquisition.	

f. Investments

i) Long Term Investments

Investments are valued at cost of acquisition inclusive of other attributable expenses. Provision is made to recognise the diminution, 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.

g. 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.

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

h. Contracts-in-progress

Contracts-in-progress, represents expenses incurred not forming part of the work executed till Balance Sheet date and startup expenses incurred on the project till income is recognised in accordance with the revenue recognition policy followed by the Company and is valued at cost.

i. 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 Subsidiary, cost of inventories have been ascertained on First in first out basis.

j. 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.

k. 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 Profit and Loss Account. 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 Profit and Loss account.

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 time of transactions. 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 profit and loss account.

l. Retirement benefits

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

ii) The Gratuity Liability, which is a defined benefit plan, is provided on the basis of Actuarial Valuation as on Balance Sheet date and the same is funded with Life Insurance Corporation as per their advice.

iii) Provision for encashment of unavailed leave and Provision for Pension payable to retired Managing Directors is made on the basis of actuarial valuation as on the Balance Sheet date.

m. 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. Contingent Liabilities (not provided for):

		2007-08 Rs. in lacs
i)	Bank Guarantees / Standby Letters of Credit issued by the Bank on behalf of the Company (these are generally backed by bank guarantees obtained by the Company from its suppliers / sub-contractors).	105555.16
ii)	Corporate Guarantees issued to clients under various contracts	3020.44
iii)	Sales Tax (Works Contract Tax) for which appeals are Pending	47.08
iv)	In case of M/s. Al-Tawleed, Group's share of bank guarantees issued by the bank on behalf of Al-Tawleed For Energy & Power Co.	2916.23

v) In 1999-2000, the Company entered into a pre-bid agreement with an UAE Company, and its Lebanon subsidiary, for a project in Qatar. On the contract being awarded to the UAE Company, it failed to enter into a contract with the Company for execution of its portion of work. In terms of pre-bid agreement, the Company claimed loss of profit under arbitration in the International Chamber of Commerce (ICC), Abu Dhabi.

In May 2006, ICC Abu Dhabi awarded, to the Company, Qatari Riyals 16,902,407 plus expenses. For Ratification and Attachment of the Award, the Company filed two suits in the UAE Federal Court in November 2006. The UAE Federal Court gave an Attachment Order in November 2006 and in November 2007, it ratified the Award. The UAE Company appealed to the UAE Supreme Court against both these rulings of the UAE Federal. In November 2007, the UAE Supreme Court confirmed the Attachment Order and the Company received AED 18,951,853 (equivalent to Rs.20,65,46,582), which has been kept in a bank account in UAE. The appeal in respect the Ratification of the Award is as yet to be heard by the UAE Supreme Court. The Company's legal advisor in UAE is of the opinion that the Company's case is strong enough for the UAE Supreme Court to uphold the Award. Accordingly, the Company has taken credit for the Award amount and is included Other Income (Schedule 13) in the accounts for the year.

3. Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advance) Rs. 264.88 lacs.

4. The net difference in foreign exchange debited to the Profit & Loss Account is Rs.50.77 lacs. The premium / discount arising in respect of outstanding forward exchange contracts, to be recognized in the Profit and Loss Account in the subsequent accounting period is Rs. Nil.

5. Managerial Remuneration

	2007-08 Rs. in lacs
Salaries including contribution to Provident Fund and Superannuation Fund	53.48
Commission	63.00
Benefits	32.43
Directors Fees	4.90
Commission to non-whole time Directors	36.00
	189.81*

* Includes Rs 19.50 lacs subject to members approval in the forthcoming Annual General Meeting.

Note:-

Having regard to the fact that there is an overall contribution to Gratuity Fund, the amount applicable to an individual employee is not ascertainable and accordingly, contribution to Gratuity Fund has not been considered in the above computation.

6. Disclosures required to be made under the Accounting Standard (AS-7) Construction Contracts

	2007-08 Rs. in lacs
Contract revenue recognised as revenue during the year	130464.25
Aggregate amount of contract costs incurred in respect of on going contracts net of recognised profits (less recognised losses) upto the reporting date	250918.26
Advance payments received (net of recoveries from progressive bills)	29080.69
Retention amount	22459.20
Gross amount due from customers for contract work *	61951.97
For the Method used to determine the contract revenue recognised and the stage of completion of contract in progress, refer note 1(g)(i) above	
* included in Schedule 7 – Sundry Debtors	

7. In line with accepted practice in Construction Business, certain revisions of costs and billing of previous years which have crystallised during the year have been dealt with in the current year.

8. (a) Deferred tax Asset / (Liability) [Net] as at 31st March, 2008 comprises of:

	2007-08 Rs. in lacs
Deferred Tax Assets :	
Arising on account of timing differences in:	
Provision for doubtful debts	71.50
Provision for foreseeable losses	377.81
Provision of Leave Encashment and Gratuity	279.19
Total (A)	**728.50**
Deferred Tax Liability :	
Arising on account of timing differences in:	
Depreciation	(190.20)
Total (B)	**(190.20)**
Net Deferred Tax Asset /(Liability) (A) – (B)	**538.30**

(b) The Draft Rehabilitation Scheme proposed by the Subsidiary Company 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, extension of period of sales tax deferral scheme.

9. Related Party Disclosures:

Information relating to Related Party transactions as per "Accounting Standard 18" issued by the Institute of Chartered Accountants of India:

Name of the related party	Relationship	Nature of transaction	2007-08 Rs.in lacs
Tata Power Company Limited	Major shareholder	Income from Contract services	17940.36
		Interest on Debentures	225.62
		Dividend paid	161.25
		Receivables, Loans and advances at year end	5945.55
		Payables, Advance against Services at year end	567.74
		Guarantees given and outstanding at year end	2180.00
Tata Dilworth, Secord Meagher & Associates (TDSMA)	Associate concern	Provision for diminution in value of investment	1.80
Mr. K.P. Singh, Managing Director	Key Management personnel (until 31-Dec-07)	Managerial remuneration	73.17
Mr. A.K. Misra, Executive Director & COO	Key Management personnel	Managerial remuneration	56.24
Mr. A.K. Mathur, Executive Director	Key Management personnel (w.e.f.1-Nov-07)	Managerial remuneration	19.50

10. Segment Information

The Group executes Engineering, Procurement and Construction (EPC) contracts in various infrastructure fields, such as Energy Sector which comprises of Power Generation, Transmission, Distribution and related ancillary services including manufacturing activity, Telecommunications, Civil construction and other allied engineering and Quality services. The projects are executed both in India and Abroad. Considering the Core activities of the Group as above, Primary Segment is Business segment and Secondary segment is Geographical segment.

Accordingly the Primary Segment of the Group are:

1. Energy Sector
2. Services
3. Others (Infrastructure sector and Allied services).

and Secondary Segment of the Group are :

1. Domestic
2. Overseas

Reporting for Business Sector is on the following basis :

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

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

(Rs. in lacs)

	A. PRIMARY SEGMENT	Energy Sector 2007- 08	Services 2007- 08	Others (Infra & Others) 2007- 08	Consolidated Total 2007- 08
1	**Segment Revenue**	107,058.36	4,318.49	23,832.39	135,209.24
	Expenses	97,592.87	2,945.94	24,348.75	124,887.56
2	**Segment Result**	9,465.49	1,372.55	(516.36)	10,321.68
3	Unallocated Corporate Expenses				6,283.02
4	Interest Expenses				747.04
5	Operating Profits (2-3-4)				3,291.62
6	Interest/Dividend Income				351.56
7	Other Income				2,303.98
8	**Net Profit/(Loss) Before Tax (5+6+7)**				5,947.17
9	Provision for Taxation				2,274.24
10	Deferred tax				115.73
11	Fringe benefit tax				91.50
12	Taxation of earlier years				(102.84)
13	**Net Profit/(Loss) after Tax (8-9-10-11-12)**				3,568.54
	OTHER INFORMATION				
	Segment Asset	81,753.65	2,018.29	15,111.67	98,883.61
	Unallocated Corporate Assets				21,788.58
	Total Assets				120,672.19
	Segment Liabilities	82,211.54	187.33	9,744.76	92,143.63
	Unallocated Corporate Liabilities				12,114.13
	Total Liabilities				104,257.76
	Capital Expenditure	2,334.84	25.32	325.93	2,686.09
	Unallocable Capital Expenditure				1,545.66
	Depreciation	474.75	2.12	165.67	642.54
	Unallocable Depreciation				1,050.20
	Non-cash Expenses other than Depreciation				-

	B. GEOGRAPHICAL SEGMENT	Domestic 2007- 08	Overseas 2007- 08	Consolidated Total 2007- 08
	Segment Revenue			
	External sales	110,814.76	24,394.48	135,209.24
	Segment Asset	85,897.70	12,985.91	98,883.61
	Unallocable asset			21,788.58
	Total Asset			120,672.19
	Capital Expenditure	2,678.78	7.31	2,686.09
	Unallocable Capital Expenditure			1,545.66

11. Disclosure as required by Accounting Standard 19, "Leases" issued by the Institute of Chartered Accountants of India are given below:

Operating Lease :

i) The Group'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 Profit and Loss Account for the year and included as Rent (disclosed under Establishment and Other Expenses in Schedule 16).

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

	31st March 2008 (Rs. in lacs)			
	Total	Payments not later than one year	Payments later than one year but not later than five years	Payments more than five years
Total of future minimum lease payments at the balance sheet date	1837.42	238.10	964.65	634.67

12. The details of investment in partnership firm Tata Dilworth, Secord & Meagher & Associates (TDSMA)

Partners	Share	Capital Rs. in lacs
Tata Projects Limited	60%	1.80
Dilworth, Secord, Meagher & Associates	40%	1.20

13. Earnings Per Share (EPS):

	2007-08 Rs. in lacs (except number of shares)
a) (i) Number of equity shares at the beginning of the year.	3,37,500
(ii) Weighted Average number of Equity Shares of Rs. 100 each outstanding during the year	3,37,500
b) Net Profit after Tax as per the Profit and Loss account	3568.54
c) Basic and Diluted Earnings per share (Rupees)	1057.35

14. The Company had implemented the Revised Accounting Standard – 15 (AS-15) – Employee Benefits from April 1, 2006 and accordingly an amount of Rs.171.70 lacs was adjusted to the General Reserve in the previous year. The Company has recognized in the Profit & Loss account of the year ended on March 31, 2008 an amount of Rs.489.14 Lacs expenses under defined contribution plans.

(i) **Benefit (Contribution to):**

	2007-08 Rs.in lacs
Provident Fund	227.46
Superannuation Fund	154.01
Employees Pension Scheme (including Ex-Managing Directors)	107.67
	489.14

(ii) The Company has obtained actuarial valuation of its liabilities as at March 31, 2008 towards,

- Pension payable to Ex-Managing Directors.
- Gratuity plan and
- Leave encashment.

However, no effect arising from the Actuarial Valuation report has been given to in the accounts as the Company is seeking clarification from the Actuary on certain matters relating to such valuation. The Company has provided for such liabilities (refer Schedule 15) on estimates based on previous year's liabilities which were actuarially valued. The Company is of the view that available provision in the books is adequate to meet the liabilities in this regard. Adjustment if any, in this regard will be made when the final liability is ascertained by the Actuary.

15. The financial statements of the Subsidiary Company have been prepared on a going concern basis notwithstanding accumulated loss of Rs.1233.29 lacs and a negative networth of Rs.844.09 lacs as on March 31, 2008, as the Parent Company has agreed to provide necessary support for the Company's activities to continue as a Group concern.

For and on behalf of the Board

F.K. Kavarana
Chairman

H.H. Malgham
Director

Dr. A. Raja Mogili
Company Secretary

A.K. Misra
Executive Director &
Chief Operating Officer

TATA

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