TATA PROJECTS LIMITED

35th Annual Report 2013 -14

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TATA PROJECTS
Simplify.Create

The cover picture shows the stringing of transmission towers at an altitude of over 12000 feet. Tata Projects is a leader in building transmission infrastructure and has woven a network of over 11,000Km. We take pride that this achievement binds the country together and helps accelerate its progress.

TATA

Contents

TATA PROJECTS LIMITED

Board of Directors

Chairman	Mr F K Kavarana (upto 31st March 2014)
	Mr Prasad R Menon (effective 1st April 2014)
Directors	Mr P N Dhume
	Mr S Ramakrishnan
Managing Director	Mr Vinayak K Deshpande
Company Secretary & Head Legal	Dr A Raja Mogili

Offices in India

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

SBU-Quality Services
1-10-177, 2nd Floor,
Varun Towers-1,
Begumpet,
Hyderabad-500 016

Mumbai Office
Hiranandani
Knowledge Park,
11th Floor,
Technology Street,
Powai, Mumbai-400 076

Kolkata Office
P S Srijan Tech Park,
11th Floor, DN 52
Salt Lake, Sector V
Kolkata - 7000 91

Noida Office
Ground Floor, Tower-B,
Green Boulevard,
Plot No.-B-9/A,
Sector-62,
Noida-201307 (U.P.)

Overseas Offices

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

CHINA
Unit 17A
918, HuaiHai Middle Road,
Shanghai - 200020
CHINA

KENYA
Unit No.-D-8, 2nd Floor,
Krishna Centre, Woodvale Grove,
P.O. Box-13746-00800,
Westlands, Nairobi,
KENYA

Manufacturing Units

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

Water Purification Plant Development Centre,
2-69/2, Kandlakoya,
Medchal Mandal, R.R. Dist-501 401

Bankers

State Bank of Hyderabad
Corporation Bank
State Bank of India

Canara Bank
State Bank of Travancore
Bank of Baroda

Indian Overseas Bank
Abu Dhabi Commercial Bank

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

Auditors
M/s. Deloitte Haskins & Sells
Chartered Accountants

Internal Auditors
M/s PKF Sridhar & Santhanam
Chartered Accountants

TATA PROJECTS LIMITED

Management Teams

(During FY 2013-14 and upto 20th May 2014)

Vinayak K Deshpande
Managing Director

Corporate Leadership Council

Arabinda Guha
Chief Operating Officer

A Venkateshwar
Chief–Corporate Affairs

K K Gupta
Business Head–Quality Services

Vivek Gautam
Business Head–Transmission & Distribution

Manzoor ul Ameen
Chief Strategy Officer

K Satyanarayana
Business Head-Construction Services

B Sudhakar
CHRO & CQSH

Rajgopal Swami
Chief Financial Officer

Business Leadership Council

Arabinda Guha
Chief Operating Officer

K K Gupta
Business Head–Quality Services

Vaskar Mukherjee
Business Head–Metals & Minerals

B V Ramesh Krishna
Business Head-Power Generation

Pralhad Pawar
Business Head – Oil, Gas & Hydrocarbon

Vivek Gautam
Business Head–Transmission & Distribution

S A A Irfan
Business Head–Railways

Sanjay Kamat
Business Head – Water & Waste Water

A Venkateshwar
Chief–Corporate Affairs

Manzoor ul Ameen
Chief Strategy Officer

B Sudhakar
CHRO & CQSH

Rajgopal Swami
Chief Financial Officer

Rajeev Sunu
Head-International Business

A Vidyasagar
Head-Engineering

R Ravi Sankar
Head-Supply Chain Management

K Satyanarayana
Business Head-Construction Services

Dr Deb Prasanna Choudhury
Head–Contracts & Risk

Dr A Raja Mogili
Company Secretary & Head-Legal

TATA PROJECTS
REPORT OF THE BOARD OF DIRECTORS

To

The Members
Your Directors are pleased to present their Thirty Fifth Annual Report and the audited statements of accounts of the Company for the year ended 31st March 2014.

FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March 2014 are summarized below:

(₹ in Crore)

Particulars	2013-14	2012-13
Net Income & other income	**3643.31**	3,541.64
Operating Expenditure	**3414.52**	3,359.22
Operating Profit (PBDIT)	**228.79**	182.42
Interest & Depreciation	**84.38**	67.13
Profit Before Tax (PBT)	**144.41**	115.29
Provision for Taxes	**46.47**	30.41
Profit After Tax (PAT)	**97.94**	84.88
Balance brought forward from previous year	**500.59**	427.60
Transfer from debenture redemption reserve	**--**	8.44
Amount available for appropriations	**598.53**	520.92
(-) Appropriations		
Proposed Dividend & tax thereon	**10.13**	11.85
General Reserve	**9.79**	8.48
Balance carried to Balance Sheet	**578.61**	500.59

DIVIDEND

The Board of Directors recommend payment of dividend of ₹50 per share (50%) for the year ended 31st March 2014 [PY ₹50/- per share (50%)], subject to approval by the members at the Annual General Meeting.

OPERATIONS

The total income for the year aggregated to ₹3643.31 Crore (PY: ₹ 3541.64 Crore). The operating profit for the year was ₹228.79 Crore (PY: ₹182.42 Crore) resulting in a Profit Before Tax (PBT) of ₹144.41 Crore (PY: ₹115.29 Crore).

BUSINESS OPERATIONS

1. EPC and Industrial Infrastructure Business

This Industrial infrastructure business consists of 7 (Seven) Business Units (BUs) viz., Power Generation (PG); Transmission and Distribution (T&D); Railways; Metal & Minerals (M&M); Oil, Gas and Hydrocarbon (OG & H); Water and Waste Water (W&WW); and Construction Services (CS).

The total revenue during the year from these BUs was ₹ 3597.25 crore (PY: ₹3499.60 Crore).

Key projects completed

The major projects completed by the Industrial infrastructure business units are listed below:

In Power Generation, your company had completed and synchronized (i) 2x80 MW captive power plant at Tuticorin and; (ii) the first unit of Balance of Plant (BoP) Project for Andhra Pradesh Power Development Corporation Limited (2x800 MW Supercritical Thermal Power plant at Krishnapatnam), which is one of India's largest BoP project. The work on gas based (1x388 MW) combined cycle power plant at Raigarh, Maharashtra is in advanced stage of completion.

In Transmission & Distribution, your company had completed 11 lines/work components during the year and received a special trophy for "maximum capitalization during the year" from Power Grid Corporation of India Limited.

In Water and Waste Water, your company completed the performance testing and handed over Water Systems of Thin Slab Caster & Rolling (TSCR) for Tata Steel Limited, Jamshedpur. Out of six projects, three projects namely Water System for SMS-2, Chilled Water Plant (CWP) and Piping Project of Vizag Steel Plant (VSP) of Rashtriya Ispat Nigam Limited (RINL), Vishakhapatanam have received Preliminary Acceptance Certificate (PAC) / Virtual Completion Certificate (VCC). Water System for SMS-2 was first to receive PAC amongst all projects of VSP expansion zone.

In Oil, Gas & Hydrocarbons, your company had completed the execution of ONGC Uran (Fire Water Network) & Cairn Energy-Aishwarya Field Development Project, while Cairn Energy EPC-MPT is progressing as per schedule and is expected to be completed by 1st quarter of financial year 2014-15.

In Railways, your company received PAC for 818 Track Kilometers (TKM) and also commissioned 173 TKM of Railway Lines.

In Metals & Minerals your company commissioned 2.5 MT per annum blast furnace at Rourkela Steel Plant of Steel Authority of India Limited (SAIL), 1.2 MT per annum pelletisation project of National Mineral Development Corporation Limited (NMDC) has reached commissioning stage; while the blast furnace of NMDC and interplant fuel gas and industrial gases piping project at Bhilai Steel Plant of SAIL are steadily progressing towards completion.

In Construction Services, your company had completed 5550 cum of blast furnace foundation at Jindal Steel and Power Limited (JSPL), in just 61 hours and also completed 173 M high Natural Draft Cooling Tower (NDCT) for Krishnapatnam thermal power project through in- house resources. This achievement has positioned the company as one amongst a few construction companies in India, with the experience of constructing NDCT for super critical thermal power projects. Construction Services also had constructed an over-head water tank at Nagarnar without any scaffolding from ground and reduced the construction period by almost one year.

Orders Booked and Year End Order backlog

During the year, your company secured orders worth ₹ 2346 crore and orders worth ₹1379 crore are in L1 stage.

The order backlog as on 31st March 2014 is ₹ 9331 crore and ₹ 10870 crore including L1 orders including variation in contract values

Future Outlook

A. Indian Market: There has been economic slowdown in the Country and nearly insignificant progress in industrial infrastructure sector. However, the scenario is likely to improve in financial year 2014-15. Your company is poised to grab new opportunities of growth in all areas of industrial infrastructure.

B. International market: To derisk the business, your company is aggressively looking at international markets. BU-Power Generation and Railways are contemplating to spread its footprints in Middle East, South East Asia and Africa. BU-Transmission and Distribution have secured two international projects from new clients in Zambia and Nepal and plans to venture further in Africa and Middle-East and North Africa region.

BU-Oil, Gas & Hydrocarbons has secured an EPC contract for chemical storage terminal at Sharjah by Hazel International, Free Zone Establishment and is also qualified and invited for other storage tanks and export EPC projects from clients in UAE.

Key Investments (TMU and Capex)

Tower Manufacturing Unit (TMU), Nagpur has proposed to enhance its manufacturing capacity from present 36,000 MT per annum to 76,000 MT per annum. For this purpose, the company is in the process of acquiring more land adjacent to the present location of the factory.

2. Quality Services (QS)

This SBU is a leading Inspection and Certification agency with Pan India presence, offices in China, Korea and UAE. It is providing services in about 40 countries. The revenue during the year from this SBU was ₹ 66.30 Crore (PY ₹83.30 Crore). The de-growth being mainly on account of slowdown in industrial investments.

In inspection segment, it received a prestigious order to provide project quality management in Highway sector, which is a new line of business. It also received orders for Quality Supervision for various Government Infrastructure Projects.

In Certification and Training segments it received several orders for Emergency Response and Disaster Management Plan (ERDMP) Certification, Warehousing/Cold Storage Accreditation and Energy/Safety Audits of various establishments.

Outlook

This SBU has strong presence in Power Sector in India and OGH Sector in Middle East. Expected revival in Capital expenditure in these sectors and also with planned geographic expansion overseas, SBU is optimistic to comeback to growth path in financial year 2014-15. SBU proposes to diversify its services in Operation and Maintenance sector, where it is negotiating contracts with RSP, SAIL. This SBU is also planning to enter new geographies in countries like Kingdom of Saudi Arabia, Oman and Vietnam for its traditional inspection services business.

NEW INITIATIVES

1. Urban Infrastructure

Operations

This SBU started operations in January 2014 with focus on buildings, airports, metro rail, urban transport and hydro power, with a core team based out of Mumbai Regional Office. Entry strategy in this new sector was through a Joint Venture (JV) formed with Balfour Beatty Group, UK. The SBU had its first success, as it received an order from Tata Realty and Infrastructure Ltd. (TRIL) for Tata Centre Gurgaon (TCG) valued at ₹280 Crore. TCG is a mixed use development project with a built up area of 1.1 million sq ft and is over 33 storey high.

The site work commenced at Gurgaon on 14th April 2014, while the project is planned to be completed in 38 months. The project is being delivered through the innovative alliance contract model and is named as the 'North Alliance'.

Outlook on focus sectors of Urban Infrastructure

A. Commercial Buildings & Airports

The focus is on constructing buildings involving engineering complexity and scale in commercial, retail, office sectors. Also buildings such as hotels, hospitals and airport terminal buildings are being targeted.

Greenfield projects and townships under the Delhi-Mumbai Industrial Corridor shall need infrastructure development. New Joint Ventures and Alliances are being planned by the SBU and the SBU has already submitted new bids with Brookfield Multiplex group for a high end projects in Mumbai and Delhi.

B. Transportation & Hydro

Transportation: To support urban population a robust support infrastructure in terms of metro rail and road network needs to be established and this SBU is targeting projects in these segments. With the first projects of metro rail rolled out in certain cities, the next wave of developing further network in metro cities of Delhi, Chennai, Bangalore, Mumbai and Tier-II and III cities offers a good opportunity. Cities like Ahmedabad, Jaipur, Pune, Lucknow, Ludhiana, Patna and Chandigarh have been earmarked for metro networks in the near future.

Your company has entered into a Joint Venture with Continental Engineering Corporation of Taiwan and ITD Cementation India, for `Mumbai Metro Line-3' and pre-qualification documents have been submitted. The project cost is approximately ₹25,000 Crore with civil works estimated at about ₹ 10,000 Crore. Also, to streamline the flow of traffic, various elevated corridors and flyovers are being planned by the Urban Development Authorities of various cities and your company is targeting projects in this category to provide a complete urban transport construction solution required for the development.

Hydro: Sustainable power in the long run is the need for the Country and your company through this SBU is also developing construction capabilities in hydro sector. Pre-qualification documents have been submitted for various projects.

2. Utility Services

This SBU deals with packaged RO water systems (low and medium capacity) which are currently provided to the rural segment largely through the Corporate Social Responsibility (CSR) route. Your company also plans to start capturing the commercial markets viz., apartments and hospitals for this packaged RO units.

3. International Business (IB)

Operations

The financial year 2013-14 has been an eventful year for your company in Africa. It secured power transmission Projects in Zambia and Kenya. Your Company deployed dedicated business development resources in project branch office in Kenya for power sector opportunities in East African markets. This Enabling Service (ES) also submitted competitive bids for transmission and distribution projects worth more than $300 million in Ethiopia, Kenya, Tanzania and Zambia and secured L1 position in Tanzania and L2 in Zambia bid, which are under evaluation and L3 position in Ethiopia which is also under negotiation. Your Company is also pursuing water supply projects worth USD 600 million in Malawi and Zambia.

Outlook

Efforts are on to strengthen presence in South Africa, by forming JVs as per South African regulations to focus on Eskom Holdings Ltd., (Eskom), in transmission projects. International Business is synergistically bringing together the business development activities of all business verticals of your Company to pursue opportunities in Africa and Middle East. International Business will continue to evaluate other evolving markets to further grow your Company during financial year 2014-15

SUBSIDIARIES AND JOINT VENTURE COMPANIES

Subsidiaries

Artson Engineering Limited (AEL)

AEL reported a total income of ₹79.03 Crore for the financial year ended 31st March 2014 (previous year ₹58.99 Crore) and a loss of ₹8.33 Crore (previous year ₹ 39.39 Crore). The clients who had awarded contract to AEL either reduced the contract value or the scope of work. Moreover, since the market conditions were not conducive, few of the orders did not materialize. As a result, the turnover of AEL was below the expectations. With a view to bring stability in operations, AEL's Management plans to concentrate more on contract manufacturing instead of EPC related projects activities. It is perceived that the strategy to take orders for fabrication work from Tata Companies will help to further stabilise the operations and also with the support of holding company, AEL is hopeful of reporting improved performance in the years to come.

TQ Services Europe GmbH, Germany

This subsidiary company was incorporated in May 2012 to provide quality services in Europe. The Company received and executed initial orders and is consolidating its position in Europe.

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

These two subsidiary companies performed well during the year as per business projections with turnover of ₹ 88.34 (previous year : ₹ 83.44) and PBT : ₹ 34.23 (previous year : ₹ 34.54). The current contract with the client viz., Eskom in South Africa concluded in October 2013 and is due for renewal. In the interim period, services are continuing with the client with revised but lower rates. Eskom has ambitious growth plan and the company is hopeful of winning the award during contract renewal.

Tata Projects Infrastructure Limited (TPIL)

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

Joint Venture Companies

Al-Tawleed for Energy & Power Company LLC

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

TEIL Projects Limited (TEIL)

This joint venture company with Engineers India Limited (EIL) participated in contracts for providing engineering consultancy services such as design and engineering, procurement assistance and construction supervision besides EPC projects in the power and oil and gas sectors. During the year, the JV posted a turnover of ₹2.34 Crore during the year it posted a loss of ₹0.91 Crore (PY ₹1.18 Crore) with a closing order book of ₹2.43 Crore

HUMAN RESOURCES DEVELOPMENT

This function has initiated a number of interventions and processes that would help change the mindset of employees, equipping them to face the business challenges in domestic and international markets. Notable among these include interventions such as competency mapping process, work level study (Rich Jobs), employee engagement study, programs rollout through EPC academy and development center for Resident Construction Managers and Project Managers. The Company has revisited HR policies and processes, employee communication and Knowledge Management strategy. Company has rolled out integrated intranet and KM portal with complete taxonomy on SharePoint 2013.

Employee engagement survey score stood at 4.05 as against previous engagement score of 3.98 on a 5 point scale. Overall attrition level is 7.46% in the financial year 2013-14 while the industry average was around 12%.

Special emphasis was placed on succession planning during the year and key vacancies were filled up. Individual development plans were drawn up for identified individuals.

Processes for statutory compliance are in place and industrial relations at all the project sites remained cordial and harmonious.

OPERATIONAL EXCELLENCE

For operational excellence, Enabling Services (ES) viz., Engineering, Supply Chain Management (SCM), Construction Services, Contracts & Risk and International Business have been established as competency centres. `Engineering has developed an ambitious plan to incorporate cutting edge software to radically enhance engineering quality. The SCM function has taken next strides in developing category based procurement processes and is creating capabilities in category-2 (catalogued products) and category - 4 (sub-contracting). The process of aggregation and consolidation of bulk commodities under category-1 has been institutionalized and the cost benefits have accrued as turnover discounts through master purchase agreements with steel suppliers. Construction Services have started to expand and build its competencies in mechanical and piping segments.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND AFFIRMATIVE ACTION

Your Company continued its CSR initiatives in identified areas viz.,education, skill development and safe drinking water projects, and has been working on Affirmative Action by adopting Tata Group's Affirmative Action Policy, focusing in the areas of entrepreneurship, employability, education and employment.

Your company also provided scholarships to five Scheduled Caste/Scheduled Tribe (SC/ST) students for professional courses through Foundation for Academic Excellence and Access (FAEA), a Tata Group level initiative. It has adopted a residential school near TMU, Umred consisting of 400 children under Affirmative Action and also adopted an Industrial Training Institution (ITI) in partnership with Government of Andhra Pradesh.

A Chairman's scholarship is also constituted which will be awarded to two (2) students every year.

Safe Drinking Water and some of the major activities

Reverse Osmosis (RO) drinking water purification plants manufactured by your company were installed at 5 locations during the year to provide safe drinking water to the community. Your Company received National awards for the best practices in 'Corporate Social Responsibility' from *Greentech* Foundation and *Indian Sustainability Congress.*

Business Excellence

Your company has crossed the score of 500 last year and has taken a break for one year to prepare the organisation for shifting the band (beyond 550). During the year 2013-14 many processes were reviewed and improvements made. Core processes like Toll gate and cost-to-company have been made integral part of every project in the company. Many senior leaders of the organisation have been trained in TBEM. The Company is going for external assessment during the year 2014-15

ENVIRONMENT, HEALTH AND SAFETY (EHS)

During the year total 90.92 million safe man hours was achieved out of which 29.50 Million safe man-hours was in T&D business. Use of horizontal life lines was initiated which is an innovative way of providing safe working conditions while also allowing movement on the towers during erection and stringing activity. 100 power winches were also inducted to progressively eliminate the use of tractors for heavy lifting works in remote areas. The quality of supervision has been significantly increased through mobilisation of safety stewards at all points of activity. More than 7.9 million safe man hours is achieved in BU-OG&H in on-going projects, by following safety modules such as site safety induction, JSA/HIRA and safe operation procedures.

During the year, your company achieved a Safety Assurance Index (SAI) of 264.67, which is an improvement (previous year 275.72). Krishnapatnam Power Generation project site crossed 15 million man hours of work and Kalinganagar Tata Steel Limited project site crossed 12.5 million man hours of work since project inception. Out of a total of 86 active project sites, 82 sites reported "Zero fatality working" in the year. Your company has initiated the "Permit-To-Work" (PTW) systems to ensure hazard free work environment and also introduced an animation film, to explain the workforce at the time of induction on safety and sensitize construction work hazards. Detailed hazard identification and risk assessment was done for all critical activities. Site job safety demonstrations were organized across project sites mainly for T&D sites. These measures would strengthen to augment safety management systems to achieve your Company's goal of "zero harm".

AWARDS AND RECOGNITIONS

Your company won the following awards during the year

(a) Industrial Infrastructure Project of the year Award 2013' by Dun and Bradstreet in association with Ernst & Young for RSP Blast Furnace, the largest project in India which was adjudged as the best in this category for the year 2013;

(b) 'Outstanding Performance in Specialized Projects' trophy for its Rourkela Steel Plant-Blast Furnace from `EPC World ';

(c) Received three prestigious awards-one Gold and two Bronze - from the Association of Business Communicators of India for Internal Communication's campaigns on Environment and Safety;

(d) Bagged the CIO100 Award from CIO magazine for data replication at all Regional Offices by optimizing the existing storage and bandwidth without additional cost - in the Infrastructure Evolution Futurist Special Awards category; and

(e) Awarded as one of the `Most Admired Construction Company in India' by Construction World for the year 2013.

CREDIT RATING

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

A Fund-based and non-fund based limits in line with BASEL-II Guidelines. India Ratings and Research Private Limited (formerly known as Fitch Ratings) has reaffirmed the rating of "IND AA-" for fund based limits and "IND AA- (Long-Term)/IND A1+" (Short-Term) for non-fund based working capital limits; and

B Rating of the company by Dun & Bradstreet

M/s Dun & Bradstreet has rated your Company at 5A2 which indicates overall status of the Company as "Good".

CORPORATE GOVERNANCE

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

A. Board and its Committees of Board

The Audit Committee comprising of Mr S Ramakrishnan, Mr P N Dhume and Mr Prasad R Menon continued to provide valuable advice and guidance in the areas of costing, finance and internal controls. During the year, six (6) meetings of the Audit Committee and eight (8) meetings of the Board of Directors were held.

The Remuneration Committee, comprising of Mr F K Kavarana (until his retirement as Director and Chairman) and Mr Prasad R Menon continued to provide valuable guidance in matters relating to personnel. The Board renamed this committee as Nominations and Remuneration Committee and reconstituted the same by nominating Mr S Ramakrishnan as Chairman, Mr P N Dhume and Mr P R Menon as members.

The Committee for Corporate Social Responsibility, Safety and Sustainability consists of Mr P R Menon, Mr S Ramakrishnan and Mr Vinayak K Deshpande as members.

B. Policies

Your Company has rolled out the policies on Prevention of Sexual Harassment (POSH) at Workplace and the Whistle Blower Policy.

C. Internal Systems

Your Company's internal control system comprises of audit and compliance reporting by an in-house internal audit group and also by an external audit firm, M/s PKF Sridhar & Santhanam, Chartered Accountants. The internal auditors independently evaluate the adequacy of internal systems, controls and audit majority of the transactions in value terms and systems, from a process and compliance perspective.

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

Your Company moved from "Project" based Internal Audit to "Project plus Process" based Internal Audit in financial year 2013-14 to establish the robustness of critical risk prone business processes across all business units and ensure uniformity/ standardization and sharing of best practices.

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

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

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act 1956, the Board of Directors, based on the representations received from the operating management confirm that

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

(ii) in the selection of the accounting policies, it has consulted the Statutory Auditors, and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

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

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

DIRECTORS

Consequent to the adoption of Guidelines on Composition of Board of Directors, Committees and Retirement Age of Directors, Mr F K Kavarana stepped down as Director and Chairman on 31st March 2014. Consequently, Mr Prasad R Menon is appointed as Chairman of your Company effective 1st April 2014.

Mr F K Kavarana had long tenure of over 34 years as Director of which 16 years as Chairman of your Company and on other Committees of the Board. The Board placed on record its grateful appreciation of his invaluable overall contribution and guidance to the Company, particularly in exploring the international business opportunities, corporate governance, safety and corporate social responsibility. The Board also placed on record its warm appreciation of the outstanding leadership and guidance provided by Mr F K Kavarana in deliberations of the Board, during his tenure as Chairman, which had contributed significantly to the excellent growth of your Company both in India and overseas.

Mr P N Dhume Director retires by rotation as Director at the 35th Annual General Meeting and being eligible offer himself for re-appointment.

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, Tata companies, business associates, joint venture partners and other authorities.

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

On behalf of the Board of Directors

Place : Secunderabad
Date : May 20, 2014

Prasad R Menon
Chairman

ANNEXURE - 1

Information as per Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 forming part of the Directors' Report for the accounting year ended 31st March 2014.

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, project sites and also at Tower Manufacturing Unit. Some of the measures taken are as under.

a. Received an incentive of ₹6,02,797/- towards maintaining unit Power Factor (PF) throughout the year.

b. Installed 50 numbers Induction Lamps of 250W in place of 400W HPMV lamp in fabrication shop. This reduced energy consumption by 55%. In addition, the life of the bulb has a warranty period of 5 years. Above all, the effect of lightning is immediate after switching on with more brightness; and

c. Saving of diesel consumption by 12% for Hydra Crane by better utilization and regular monitoring of Ideal rpm.

B. Technology Absorption

1 Tower Manufacturing Unit (TMU)

a. Adopted two numbers of battery operated material transfer trolley for faster and safe movement of entire material from raw material yard to fabrication shop through motorized trolley.

b. Adopted advanced latest model of CNC Angle Drilling with spindles RPM up to 3000 and Shearing Capacity 200x200x16m. Use of this machine enhances faster delivery of drilled angles with improved quality and productivity.

c. Adopted two numbers of advanced latest model of CNC Angle Punching Machine. Use of this machine enhances faster delivery of punched angles with improved quality and productivity.

2 Manufacturing of Reverse Osmosis (RO) Water Purification Plants at Water Purification Development Centre (WPPDC), Medchal, Hyderabad.

In continuation of its efforts to introduce innovative models in R.O.Water purification units for community service WPPDC designed, developed and introduced new models as follows

a. Truck Mounted RO Plant 5000LPH with DG sets for community;

b. Skid Mounted UF (Ultra filtration) Models for Surface Water-750.1250 and 2000 LPH; and

c. ATW (Auto Water Dispensing) for distribution of water through Pre Charged Swipe Cards.

C. Foreign Exchange Earnings and Outgo.

(₹ in Crore)

Earnings/Outgo	Year ended 31st March 2014	Year ended 31st March 2013
Earnings	**156.72**	59.12
Outgo	**379.95**	319.13

ANNEXURE – 2

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

Sl No	Name	Age (yrs)	Designation	Remuneration (Rs)		Qualifications	Date of Commencement of employment	Total Experience (yrs)	Last employment held	Remarks
				Gross*	Net**					
1	Mr. ArabindaGuha	56	Chief Operating Officer	85,09,291	55,38,289	B.E (Mechanical)h M.Tech, MBA	15-07-2013	32	Lanco Infratech Ltd.	effective 15-7-2014
2	Mr. Chari K V R	64	Sr. GM (Projects)	37,40,452	27,57,533	BE (Electrical)	16-10-2007	38	BHEL	upto 31-7-2014
3	Mr. Gupta KK	59	Sr. VP & Business Head (Quality Services)	77,86,827	48,65,210	BE (Electrical)	21-11-2006	34	Lloyd's Register	-
4	Mr. Irfan S A A	51	VP SBU Head- Railways	60,53,630	38,17,223	B.E (Civil)	18-01-2006	27	Rites Ltd.	-
5	Mr. Manzoor Ul Ameen	45	Chief Strategy Officer	64,68,862	42,92,022	B.E (Electronics) , MBA	01-02-2012	18	Titan Industries Ltd.	-
6	Mr. PawarPralhadAnant	55	Executive Vice President & Business Head - OGH	75,40,326	47,63,287	B.E (Chemical); MBA	04-06-2012	32	Larsen & Toubro Ltd.	-
7	Mr. Rajeev I Sunu	54	Head- International Business	64,12,392	41,76,201	B.Sc.(Mechanical)MBA	02-02-2012	32	Tata Teleservices	-
8	Mr. Rajgopal Swami	54	Chief Financial Officer	68,91,617	36,78,072	B.Com; CA, CS	14-02-2012	29	Patil Rail Infra	-
9	Mr Ravi Sankar R	51	Vice President & Head -SCM	60,47,390	36,90,482	B.Sc MPM	19-07-1988	29	Rohini Textiles Pvt. Ltd.	-
10	Mr. Satyanaryana Kasinadhuni	49	Vice President & Head- Construction Services	65,88,925	40,32,244	B.E (Civil)	01-08-2001	26	Nagarjuna Constructions Company	-
11	Mr. Sharma A K	63	Executive VP & Business Head PG	63,99,414	46,26,061	BSc (Civil)	03-11-1982	42	Engineer India Ltd	upto 31-10-2014
12	Mr. Sudhakar B	50	Chief Human Resource Officer & CQSH	1,24,61,184	73,08,124	B.Sc ; MBA	23-05-2012	27	Tata Chemicals	-
13	Mr. SundarChandramouli	45	Head-Urban Infrastructure	99,63,865	66,65,431	BE (Civil); MS (Civil)	17-12-2012	21	ASTARC	-
14	Mr. Vidyasagar A	59	Vice President & Head - Engineering	64,86,165	36,65,358	B.E (Mechanical)	07-06-2004	36	Electrowatt Engineering	-
15	Mr. Vinayak K Deshpande	57	Managing Director	3,10,17,225	1,11,96,660	B.E(Chemical)	01-07-2011	35	HCC Ltd	-
16	Mr. Vivek Singhal	50	COO-Urban Infrastructure	30,46,869	16,80,581	B.E (Civil)	01-01-2014	25	GMR Group	effective 1-1-2014

* Gross remuneration comprises salary, allowances, monetary value of perquisites (including PL encashment), Performance Linked Reward (PLR) and the Company's contribution to provident and superannuation funds.

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

*** The nature of employment of Managing Director is contractual. The remuneration is inclusive of commission paid for the financial year 2012-13.

Standalone Financial Statements

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TATA PROJECTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TATA PROJECTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

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

Emphasis of Matter

We invite attention to Note 31.10 regarding the financial statements of one of the Company's subsidiary having been prepared on a "going concern" basis. As at the Balance Sheet date, the net worth of the subsidiary has been fully eroded and the Company has given financial assistance in the form of inter corporate and other loans aggregating ₹4,030.39 lac and project related advance of ₹ 3,255.81 lac. No provision has been made for reasons stated in the said note.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, 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 it appears from our examination of those books.
   - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
   - (e) On the basis of the written representations received from the directors as on March 31, 2014taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

K. Rajasekhar
Partner
(Membership No. 23341)

Place : Secunderabad
Date : May 20, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

Having regard to the nature of the Company's business/activities/results during the year, clauses (vi), (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Some of the fixed assets were physically verified during the year 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. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

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

(ii) In respect of its inventories:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the procedures of physical verification by way of physical count, site visits by the Management and certification of extent of work completion by competent persons, are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

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

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.

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

(vii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

Statute	**Nature of Dues**	**Forum where Dispute is pending**	**Period to which the amount relates**	**Amount involved (₹ in lac)**
Sales Tax Laws	Sales Tax	Sales Tax Appellate Tribunal	1999-2000 to 2003-04, 2006-07 to 2009-10	1,082.83
Sales Tax Laws	Sales Tax	First Appellate Authority	2002-03 to 2004-05 2006-07 to 2012-13	3,475.36
Sales Tax Laws	Sales Tax	High Court	2001-02, 2002-03, 2008-09	335.06
Income Tax Laws	Income Tax	Commissioner of Income Tax Appeals	2010-11	48.49

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

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by the Company's subsidiary from banks are not, prima facie, prejudicial to the interests of the Company.

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

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

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

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

K. Rajasekhar
Partner
(Membership No. 23341)

Place : Secunderabad
Date : May 20, 2014

Balance Sheet as at March 31, 2014

	Note No.	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
A. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	2,025.00	2,025.00
(b) Reserves and surplus	4	76,702.98	67,921.38
		78,727.98	69,946.38
2 Non-current liabilities			
(a) Long-term borrowings	5	41.25	48.85
(b) Other long-term liabilities	6	1,041.54	883.55
(c) Long-term provisions	7	1,816.88	1,643.32
		2,899.67	2,575.72
3 Current liabilities			
(a) Short-term borrowings	8	29,021.73	3,829.35
(b) Trade payables	9	218,401.43	221,747.81
(c) Other current liabilities	10	99,921.14	97,578.12
(d) Short-term provisions	11	1,812.38	2,082.90
		349,156.68	325,238.18
Total		**430,784.33**	**397,760.28**
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	12	23,169.29	20,740.06
Intangible assets	13	1,022.28	169.91
Capital work-in-progress		559.12	1,474.31
(b) Non-current investments	14	897.42	814.94
(c) Deferred tax assets (net)	15	5,597.02	3,569.67
(d) Long-term loans and advances	16	7,947.90	6,534.39
(e) Other non-current assets	17	1,846.47	1,363.26
		41,039.50	34,666.54
2 Current assets			
(a) Current investments	18	-	4,070.27
(b) Inventories	19	44,882.92	23,923.56
(c) Trade receivables	20	226,714.15	228,011.16
(d) Cash and cash equivalents	21	16,545.77	9,072.56
(e) Short-term loans and advances	22	87,596.55	94,256.00
(f) Other current assets	23	14,005.44	3,760.19
		389,744.83	363,093.74
Total		**430,784.33**	**397,760.28**
Corporate information	1		
Significant accounting policies	2		
See accompanying notes forming part of the financial statements			

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

K Rajasekhar
Partner

Place: Secunderabad
Date: May 20, 2014

For and on behalf of the Board of Directors

Prasad R Menon
Chairman

P N Dhume
Director

Vinayak K Deshpande
Managing Director

Rajgopal Swami
Chief Financial Officer

Dr A Raja Mogili
Company Secretary

Place: Secunderabad
Date: May 20, 2014

Statement of Profit and Loss for the year ended March 31, 2014

		Note No.	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
1	Revenue from operations (gross)		367,024.31	359,010.57
	Less: Indirect taxes and duties		7,186.65	10,955.95
	Revenue from operations (net)	**24**	**359,837.66**	**348,054.62**
2	**Expenses**			
	(a) Contract execution expenses	26	295,277.68	290,500.35
	(b) Cost of materials consumed (refer Note 31.6)		16,524.12	18,442.35
	(c) Changes in inventories of finished goods, work-in-process and contracts-in-progress	27	(20,698.60)	(14,292.42)
	(d) Employee benefits expense	28	27,534.07	24,200.45
	(e) Other expenses	29	22,814.87	17,071.46
	Total		**341,452.14**	**335,922.19**
3	**Earnings before interest, tax, depreciation and amortisation (EBITDA) (1-2)**		**18,385.52**	**12,132.43**
4	Finance costs	30	3,466.89	3,016.75
5	Depreciation and amortisation expense	12, 13	4,971.48	3,696.13
6	Other income	25	4,494.06	6,109.76
7	**Profit before tax (3-4-5+6)**		**14,441.21**	**11,529.31**
8	**Tax expense**			
	(a) Current tax		7,468.78	4,925.30
	(b) Taxation of earlier years		(794.32)	(262.98)
	(c) Deferred tax		(2,027.35)	(1,620.62)
	Net tax expense		**4,647.11**	**3,041.70**
9	**Profit for the year (7-8)**		**9,794.10**	**8,487.61**
	Earnings per equity share (of ₹ 100 each)			
	Basic and diluted (₹) (refer Note 31.18)		483.66	419.14
	Corporate information	1		
	Significant accounting policies	2		
	See accompanying notes forming part of the financial statements			

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

K Rajasekhar
Partner

Place: Secunderabad
Date: May 20, 2014

For and on behalf of the Board of Directors

Prasad R Menon
Chairman

P N Dhume
Director

Vinayak K Deshpande
Managing Director

Rajgopal Swami
Chief Financial Officer

Dr A Raja Mogili
Company Secretary

Place: Secunderabad
Date: May 20, 2014

Cash flow statement for the year ended March 31, 2014

	For the year ended March 31, 2014 ₹ in lac		For the year ended March 31, 2013 ₹ in lac	
A. Cash flow from operating activities				
Profit before tax		14,441.21		11,529.31
Adjustments for:				
Depreciation and amortisation expense	4,971.48		3,696.13	
Finance costs	3,466.89		3,016.75	
Interest income	(1,658.67)		(3,851.43)	
Dividend income from subsidiary	(2,012.23)		(248.79)	
Dividend income from current investments	(127.72)		(1,096.66)	
Amortisation of premium and provision for diminution in the value of investments	0.05		0.24	
Provision for foreseeable losses on contracts	(176.84)		(29.09)	
Loss on sale of fixed assets	13.01		19.00	
Liabilities no longer required written back	(153.71)		(223.14)	
Net unrealised exchange loss	15.44		13.80	
		4,337.70		1,296.81
Operating profit before working capital changes		18,778.91		12,826.12
<u>Changes in working capital:</u>				
Adjustments for (increase)/decrease in Operating Assets:				
- Trade receivables	800.89		(37,842.38)	
- Loans and advances	(602.55)		(36,002.39)	
- Other assets	(9,785.97)		4,778.90	
- Inventories	(20,959.36)		(13,327.56)	
Adjustments for increase/(decrease) in Operating Liabilities:				
- Trade payables, Other liabilities and Provisions	(773.50)		45,160.83	
		(31,320.49)		(37,232.60)
Cash used in operations		(12,541.58)		(24,406.48)
Net income tax paid		(6,975.82)		(5,950.46)
Net cash flows used in operating activities		**(19,517.40)**		**(30,356.94)**
B. Cash flow from investing activities				
Capital expenditure on fixed assets including capital advances	(7,855.66)		(10,697.17)	
Proceeds from sale of fixed assets	60.95		42.73	
Purchase of current investments	(11,120.00)		(62,727.06)	
Proceeds from redemption of current investments	15,317.99		73,496.59	
Investments in subsidiaries/joint ventures	(82.48)		(17.33)	
Advance towards Share Application Money	(5.00)		-	
Interest received	1,598.05		4,400.61	
Inter-corporate deposits given	-		(18,050.00)	
Inter-corporate deposits realised	6,500.00		6,550.00	
Loan to subsidiaries	(300.00)		(200.00)	
Dividend income from subsidiary	2,012.23		248.79	
Net cash flows from / (used in) investing activities		**6,126.08**		**(6,952.84)**

Cash flow statement for the year ended March 31, 2014

	For the year ended March 31, 2014 ₹ in lac		For the year ended March 31, 2013 ₹ in lac	
C. Cash flow from financing activities				
Repayment of debentures	-		(1,125.00)	
Repayment of long-term borrowings	(7.60)		(7.15)	
Proceeds from short-term borrowings (net)	25,192.38		3,712.01	
Finance costs	(3,133.15)		(3,088.98)	
Dividends paid including tax on dividend	(1,184.57)		(2,353.51)	
Net cash flows from / (used in) financing activities		**20,867.06**		**(2,862.63)**
Net increase /(decrease) in Cash and cash equivalents (A+B+C)		**7,475.74**		**(40,172.41)**
Cash and cash equivalents at the beginning of the year		**9,072.56**		**49,253.90**
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(2.53)		(8.93)
Cash and cash equivalents at the end of the year (refer Note 2 below)		**16,545.77**		**9,072.56**

Note:

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

2 Cash and cash equivalents comprise:

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(i) Cash	29.18	23.15
(ii) Balance with banks		
- in current accounts	7,159.53	8,645.81
- in EEFC accounts	4,350.52	61.20
- in deposit accounts	5,006.54	342.40
Cash and cash equivalents included in Note 21	16,545.77	9,072.56

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

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

For and on behalf of the Board of Directors

Prasad R Menon
Chairman

P N Dhume
Director

Vinayak K Deshpande
Managing Director

K Rajasekhar
Partner

Rajgopal Swami
Chief Financial Officer

Dr A Raja Mogili
Company Secretary

Place: Secunderabad
Date: May 20, 2014

Place: Secunderabad
Date: May 20, 2014

Notes forming part of the financial statements

Note 1 Corporate Information

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

Note 2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The financial statements have been prepared under the historical cost convention, on an accrual basis, to comply with the generally accepted accounting principles in India ("Indian GAAP"), the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Act.

The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

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

2.3 Fixed Assets

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

2.4 Depreciation and amortisation, impairment

Depreciation has been provided on the written down value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of following assets, in whose case depreciation is provided on the straight-line method (SLM), basis the life of the assets which has been assessed as under:

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

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

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

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

i. Tata Aldesa (JV) - Depreciation / amortisation on fixed assets is provided over the duration of the project.

ii. Tata Projects Balfour Beatty JV - Depreciation / amortisation on fixed assets, is provided on written down value method as per the rates specified below:

Computer	60%
Furniture and fixtures	10%
Office equipment	15%

Notes forming part of the financial statements

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

2.5 Investments

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

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

2.6 Inventories

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

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

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

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

2.7 Revenue recognition

(i) Income from Contracts

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

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 and upon transfer of property in the goods to customers and at the time of rendering of services respectively. Sales includes excise duty and other indirect taxes but excludes indirect taxes collected from customers.

2.8 Unbilled revenues

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

2.9 Foreign Exchange Transactions

(i) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year end rates. The resultant gain / loss upon such restatement along with gain / loss on account of foreign currency transactions are accounted in the statement of profit and loss.

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

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

Notes forming part of the financial statements

2.10 Retirement benefits

Defined contribution plans

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

Defined benefit plans

The defined benefit plans comprises gratuity and post retirement medical benefits. Gratuity is covered under a scheme administrated by Tata AIG Life Insurance Company Limited. The liability as at Balance Sheet date is provided based on actuarial valuation carried out by an independent actuary, in accordance with Accounting Standard 15 on 'Employee Benefits' (AS 15).

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

Other long term employee benefits

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

2.11 Taxes on income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities have been measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

2.12 Earnings per share

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

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

2.13 Segment reporting

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

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

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

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

2.14 Joint Ventures

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

Notes forming part of the financial statements

2.15 Provisions and Contingencies

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

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

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

2.16 Operating cycle

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

Notes forming part of the financial statements

Note 3 Share capital

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	₹ in lac	Number of shares	₹ in lac
Authorised				
Equity shares of ₹ 100 each with voting rights	2,500,000	2,500.00	2,500,000	2,500.00
Issued, Subscribed and Paid-up				
Equity shares of ₹ 100 each with voting rights	2,025,000	2,025.00	2,025,000	2,025.00
Total	**2,025,000**	**2,025.00**	**2,025,000**	**2,025.00**

Notes:

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

	Year ended March 31, 2014		Year Ended March 31, 2013	
	Number of shares	Amount (₹ in lac)	Number of shares	Amount (₹ in lac)
As at beginning of the year	2,025,000	2,025.00	2,025,000	2,025.00
Changes during the year	-	-	-	-
At the end of the year	**2,025,000**	**2,025.00**	**2,025,000**	**2,025.00**

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

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

During the year ended March 31, 2014, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 50 (March 31, 2013: ₹ 50)

(iii) Shareholders holding more than 5% of the equity shares
Equity shares of ₹ 100 each with voting rights

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	%	Number of shares	%
The Tata Power Company Limited	967,500	47.78	967,500	47.78
Tata Chemicals Limited	193,500	9.56	193,500	9.56
Tata Sons Limited	135,000	6.67	135,000	6.67
Voltas Limited	135,000	6.67	135,000	6.67
Tata Motors Limited	135,000	6.67	135,000	6.67

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

	Aggregate number of shares	
	As at March 31, 2014	As at March 31, 2013
Equity shares allotted as fully paid bonus shares in 2008-09 by capitalisation of securities premium account.	**1,687,500**	1,687,500

Notes forming part of the financial statements

Note 4 Reserves and surplus

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Securities premium account	**4,987.50**	4,987.50
(b) Debenture redemption reserve		
Opening balance	-	843.75
Less: transferred to surplus in the statement of profit and loss on redemption of 8% partly convertible debentures (non convertible portion)	-	(843.75)
Closing balance	-	-
(c) General reserve		
Opening balance	12,874.88	12,026.12
Add: transferred from surplus in statement of profit and loss	979.41	848.76
Closing balance	13,854.29	12,874.88
(d) Surplus in statement of profit and loss		
Opening balance	50,059.00	42,760.97
Add: Profit for the year	9,794.10	8,487.61
Amount transferred from debenture redemption reserve	-	843.75
Less: Dividend proposed to be distributed to equity shareholders [₹ 50 per share (March 31, 2013: ₹ 50 per share)]	(1,012.50)	(1,012.50)
Tax on dividend (refer Note below)	-	(172.07)
Transferred to general reserve	(979.41)	(848.76)
Closing balance	57,861.19	50,059.00
Total	**76,702.98**	**67,921.38**

Note:

Tax on dividend has been computed after considering the credit taken for dividend aggregating ₹ 2,012.23 lac (March 31, 2013: ₹ Nil) received from foreign subsidiaries [TPL-TQA Quality Services (Mauritius) Pty Limited - ₹ 403.03 lac and TPL-TQA Quality Services South Africa Pty Limited - ₹ 1,609.20 lac] in respect of which income tax amounting to ₹ 341.98 lac (March 31, 2013: ₹ Nil) has been provided and included in current tax.

Notes forming part of the financial statements

Note 5 Long-term borrowings

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Term loan (unsecured)		
From banks	52.23	59.83
Less: Current maturities of long-term borrowings disclosed under Note 10 - Other current liabilities	10.98	10.98
Total	**41.25**	**48.85**

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

Note 6 Other long-term liabilities

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Trade payables *	1,041.54	883.55
Total	**1,041.54**	**883.55**

* comprises retention money payable beyond the normal operating cycle.

Note 7 Long-term provisions

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Provision for employee benefits		
(i) Compensated absences	1,536.38	1,274.21
(ii) Gratuity	-	101.33
(iii) Post retirement medical benefits	39.19	25.95
(iv) Pension	241.31	241.83
Total	**1,816.88**	**1,643.32**

Notes forming part of the financial statements

Note 8 Short-term borrowings

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
From banks		
Secured		
Overdraft facilities (refer Note (i) below)	21,221.15	800.29
Buyer's credit (refer Note (ii) below)	4,327.72	3,029.06
Unsecured		
Commercial advance	3,472.86	-
Total	**29,021.73**	**3,829.35**

Notes :

(i) Overdraft facilities are secured by:

(a) a first charge on the book debts, inventories and other current assets ranking pari-passu.

(b) an exclusive charge on the entire receivables, fixed assets and current assets relating to the project being undertaken at Dubai, Kenya and Zambia.

(ii) Buyer's credit are secured by a first charge on all the current assets including inventories, receivables and other moveable assets of the Company both present and future.

Note 9 Trade payables

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Acceptances	**16,383.08**	**-**
Other than Acceptances *	2,02,018.35	2,21,747.81
Total	**2,18,401.43**	**2,21,747.81**

* includes provision for contract execution expenses ₹ 41,122.24 lac (March 31, 2013: ₹ 56,749.99 lac)

Note:

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

	As at March 31, 2014	As at March 31, 2013
(a) Principal amount remaining unpaid as at the end of the accounting year	2,207.10	1,994.74
(b) Interest due thereon remaining unpaid as at the end of the accounting year	154.76	49.84
(c) The amount of interest paid along with the amounts of payment made to the supplier beyond the appointed day	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	225.20	70.44
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	225.20	70.44
*amounts unpaid to micro and small enterprises on account of retention money has not been considered for the purpose of interest calculation.		

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

Notes forming part of the financial statements

Note 10 Other current liabilities

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Current maturities of long-term borrowings (refer Note 5 - Long-term borrowings)	10.98	10.98
(b) Interest accrued but not due on borrowings	17.60	8.95
(c) Interest accrued and due on borrowings	0.60	1.47
(d) Income received in advance (advance billing)	237.61	154.08
(e) Other payables :		
(i) Statutory remittances	2,216.72	3,098.88
(ii) Payables on purchase of fixed assets	2,626.24	933.87
(iii) Interest accrued on trade payables and mobilisation advance received	705.26	379.30
(iv) Security deposits received	320.04	388.65
(v) Advance from customers including mobilisation advance	92,136.34	92,566.32
(vi) Others (refer Note below)	1,649.75	35.62
Total	**99,921.14**	**97,578.12**

Note:

Includes amounts payable (net) to Aldesa Construcciones, S.A. (JV Partner) ₹ 1,531.59 lac (March 31, 2013: ₹ Nil)

Note 11 Short-term provisions

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Provision for employee benefits:		
(I) Compensated absences	358.38	285.77
(ii) Post retirement medical benefits	5.00	3.00
(iii) Pension	35.58	31.80
	398.96	320.57
(b) Provisions - Others:		
(i) Foreseeable losses on contracts (refer Note 31.20)	400.92	577.76
(ii) Proposed dividend	1,012.50	1,012.50
(iii) Tax on proposed dividend (refer Note below)	-	172.07
	1,413.42	1,762.33
Total	**1,812.38**	**2,082.90**

Note:

Tax on dividend has been computed after considering the credit taken for dividend aggregating ₹ 2,012.23 lac (March 31, 2013: ₹ Nil) received from foreign subsidiaries [TPL-TQA Quality Services (Mauritius) Pty Limited - ₹ 403.03 lac and TPL-TQA Quality Services South Africa Pty Limited - ₹ 1,609.20 lac] in respect of which income tax amounting to ₹ 341.98 lac (March 31, 2013: ₹ Nil) has been provided and included in current tax.

Notes forming part of the financial statements

Note 12 Tangible assets

₹ in lac

Particulars	Gross block					Depreciation / Amortisation					Net Block	
	As at March 31, 2013	Additions	Deductions	Reclassified as held for sale (refer Note 23)	**As at March 31, 2014**	As at March 31, 2013	For the year	On deductions	On reclassification as held for sale	**As at March 31, 2014**	**As at March 31, 2014**	As at March 31, 2013
Freehold Land	322.32	-	-	209.72	112.60	-	-	-	-	-	112.60	322.32
	(322.32)	-	-	-	(322.32)	-	-	-	-	-		
Leasehold Land	51.98	-	-	-	51.98	3.76	0.55	-	-	4.31	47.67	48.22
	(51.98)	-	-	-	(51.98)	(3.21)	(0.55)	-	-	(3.76)		
Buildings	819.53	268.27	-	-	1,087.80	322.25	46.69	-	-	368.94	718.86	497.28
	(819.53)	-	-	-	(819.53)	(271.28)	(50.97)	-	-	(322.25)		
Leasehold Improvements	879.79	71.66	-	-	951.45	294.33	151.64	-	-	445.97	505.48	585.46
	(460.09)	(419.70)	-	-	(879.79)	(211.49)	(82.84)	-	-	(294.33)		
Plant and Machinery (including Erection /Construction Machinery)	27,461.60	5,970.62	209.84	-	33,222.38	10,433.65	3,918.71	199.28	-	14,153.08	19,069.30	17,027.95
	(19,264.26)	(8,232.42)	(35.08)	-	(27,461.60)	(7,607.36)	(2,857.56)	(31.27)	-	(10,433.65)		
Furnitures & Fixtures	897.83	237.81	87.56	-	1,048.08	480.06	129.76	56.54	-	553.28	494.80	417.77
	(634.82)	(331.22)	(68.21)	-	(897.83)	(432.08)	(95.50)	(47.52)	-	(480.06)		
Vehicles *	1,210.64	146.25	56.77	-	1,300.12	556.96	206.34	36.29	-	727.01	573.11	653.68
	(890.46)	(421.52)	(101.34)	-	(1,210.64)	(446.87)	(190.03)	(79.94)	-	(556.96)		
Office Equipment	1,429.49	567.27	37.54	-	1,959.22	579.45	167.82	25.90	-	721.37	1,237.85	850.04
	(1,003.14)	(467.81)	(41.46)	-	(1,429.49)	(477.33)	(128.41)	(26.29)	-	(579.45)		
Computers	1,236.46	240.59	0.36	-	1,476.69	910.96	166.40	0.10	-	1,077.26	399.43	325.50
	(1,035.40)	(228.49)	(27.43)	-	(1,236.46)	(805.37)	(132.36)	(26.77)	-	(910.96)		
R & D-Capital Mobile Desalination Plant	40.24	-	-	-	40.24	28.40	1.65	-	-	30.05	10.19	11.84
	(40.24)	-	-	-	(40.24)	(26.49)	(1.91)	-	-	(28.40)		
Total	**34,349.88**	**7,502.47**	**392.07**	**209.72**	**41,250.56**	**13,609.82**	**4,789.56**	**318.11**	**-**	**18,081.27**	**23,169.29**	
	(24,522.24)	(10,101.16)	(273.52)	-	(34,349.88)	(10,281.48)	(3,540.13)	(211.79)	-	(13,609.82)		(20,740.06)

* includes heavy vehicles viz. tractors, trailers and tippers

Note 13 Intangible assets

₹ in lac

Particulars	Gross block					Depreciation / Amortisation					Net Block	
	As at March 31, 2013	Additions	Deductions	Reclassified as held for sale (refer Note 23)	**As at March 31, 2014**	As at March 31, 2013	For the year	On deductions	On reclassification as held for sale	**As at March 31, 2014**	**As at March 31, 2014**	As at March 31, 2013
Software	783.66	1,034.29	-	-	1,817.95	613.75	181.92	-	-	795.67	1,022.28	169.91
	(741.85)	(41.81)	-	-	(783.66)	(457.75)	(156.00)	-	-	(613.75)		
Goodwill	2,132.57	-	-	-	2,132.57	2,132.57	-	-	-	2,132.57	-	-
	(2,132.57)	-	-	-	(2,132.57)	(2,132.57)	-	-	-	(2,132.57)	–	
Total	**2,916.23**	**1,034.29**	**-**	**-**	**3,950.52**	**2,746.32**	**181.92**	**-**	**-**	**2,928.24**	**1,022.28**	
	(2,874.42)	(41.81)	-	-	(2,916.23)	(2,590.32)	(156.00)	-	-	(2,746.32)		(169.91)

Amounts in brackets represent previous year numbers

Notes forming part of the financial statements

Note 14 Non-current investments

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Trade Investments (At cost unless stated otherwise)		
a) Investment in equity instruments		
(i) of subsidiaries		
Artson Engineering Limited (refer Note 31.10) 2,76,90,000 (March 31, 2013: 2,76,90,000) equity shares of ₹1 each fully paid-up	276.90	276.90
TPL-TQA Quality Services (Mauritius) Pty Limited 16,800 (March 31, 2013: 16,800) equity shares of EUR 1 each fully paid-up	11.37	11.37
TPL-TQA Quality Services South Africa (Propritory) Limited 150,000 (March 31, 2013: 150,000) equity shares of ZAR 1 each fully paid-up	9.34	9.34
TQ Services Europe GmbH 125,000 (March 31, 2013:25,000) shares of EUR 1 each fully paid-up	99.81	17.33
(ii) of joint ventures - jointly controlled entities		
Al-Tawleed for Energy & Power Company (under liquidation)		
300 (March 31, 2013: 300) cash shares of Saudi Arabian Rials (SAR) 2000 per share equivalent to SAR 6,00,000 fully paid	75.60	75.60
Less: Provision for diminution in value of investments	(75.60)	(75.60)
	-	-
TEIL Projects Limited 49,99,997 (March 31, 2013: 49,99,997) equity shares of ₹10 each fully paid-up	500.00	500.00
(iii) of associates		
Virendra Garments Manufacturing Private Limited		
1,200 (March 31, 2013: 1,200) shares of ₹ 100 each fully paid-up	1.20	1.20
Less: Provision for diminution in value of investments	(1.20)	(1.20)
	-	-
b) Investment in partnership firms		
Tata Dilworth Secord Meagher & Associates (refer Note below)	1.80	1.80
Less: Provision for diminution in value of investments	(1.80)	(1.80)
Total	**897.42**	**814.94**
Aggregate amount of listed and quoted investments	276.90	276.90
Aggregate market value of listed and quoted investments	6,908.66	4,471.94
Aggregate amount of unquoted investments	620.52	538.04

Note: Other details relating to investment in partnership firm

Name of the firm	As at March 31, 2014			As at March 31, 2013		
	Name of partner in the firm	Share of Capital	Share of each partner in the profits of the firm	Name of partner in the firm	Share of Capital	Share of each partner in the profits of the firm
Tata Dilworth Secord, Meagher & Associates	(i) Tata Projects Limited	1.80	60%	(I) Tata Projects Limited	1.80	60%
	(ii) Dilworth Secord, Meagher & Associates	1.20	40%	(ii) Dilworth Secord, Meagher & Associates	1.20	40%

Notes forming part of the financial statements

Note 15 Deferred tax assets (net)

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
A. Tax effect of items constituting deferred tax liability	-	-
B. Tax effect of items constituting deferred tax assets		
Depreciation	327.97	171.81
Provision for doubtful debts and advances	4,305.81	2,457.55
Provision for foreseeable losses	136.27	196.38
Provision for compensated absences and gratuity	738.14	657.68
Disallowance under section 43B	61.18	61.18
Others	27.65	25.07
Deferred tax assets (net)	**5,597.02**	**3,569.67**

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

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Capital Advances	53.16	8.01
(b) Loan and advances to related parties (refer Note 31.10)		
- Subsidiary company		
Artson Engineering Limited		
- Inter Corporate Deposit	2,100.00	1,800.00
- Loans	1,930.39	1,930.39
	4,030.39	**3,730.39**
(c) Security deposits	1,081.81	1,012.52
(d) Deposits with government authorities	2,067.40	1,377.23
(e) Loans and advances to employees	47.66	57.49
(f) Prepaid expenses	46.83	34.46
(g) Advance towards Share Application Money	5.00	-
(h) Advance income tax [net of provision for tax ₹ 36,916.09 lac (March 31, 2013 : ₹ 37,164.97 lac)]	589.37	288.01
(i) Advance payment of fringe benefit tax (net)	26.28	26.28
Total	**7,947.90**	**6,534.39**

Note 17 Other non-current assets

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Long-term trade receivables *	1,846.47	1,363.26
Total	**1,846.47**	**1,363.26**

* comprises retention money receivable beyond the normal operating cycle.

Notes forming part of the financial statements

Note 18 Current investments (at lower of cost and fair value)

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Other investments		
Government securities		
Investments in Exim Bank	-	302.35
Nil (March 31, 2013: 3 Nos.) 6.35% Exim Bond - 2013 of ₹100 lac each fully paid-up		
Less: Amortisation of premium	-	(2.30)
	-	300.05
Investments in mutual funds		
UTI Treasury Advantage Fund - Institutional Plan - Daily Dividend Option- Reinvestment Nil (March 31, 2013: 32,165.526) Units of ?1,000 each	-	321.72
Kotak Floater Long Term - Daily Dividend Nil (March 31, 2013: 31,30,268.264) Units of ?10 each	-	315.52
HSBC Floating Rate-Long Term Plan - Weekly Dividend Nil (March 31, 2013: 14,26,706.190) Units of ?10 each	-	160.23
JM Money Manager Fund - Super Plan - Daily Dividend - Reinvest Nil ((March 31, 2013: 22,47,307.451) units of ?10 each	-	224.93
Birla Sun Life Savings Fund - Daily Dividend - Regular Plan - Reinvestment Nil (March 31, 2013: 336,743.244) Units of ?100 each	-	337.06
ICICI Prudential Flexible Income - Regular Plan - Daily Dividend Nil (March 31, 2013: 3,38,417.886) Units of ?100 each	-	357.83
Tata Floater Fund - Plan A- Daily Dividend - Reinvestment Nil (March 31, 2013: 1,00,568.831) Units of ?1,000 each	-	1,009.27
HDFC Liquid Fund - Dividend - Daily Reinvestment Nil (March 31, 2013: 30,48,798.054) Units of ?10 each	-	310.92
Templeton India Ultra Short Bond Fund Super Institutional Daily Dividend Plan Nil (March 31, 2013: 37,21,020.496) Units of ?10 each	-	372.77
DSP BlackRock Money Manager Fund-Regular-Daily Dividend Reinvest Nil (March 31, 2013: 12,578.639) Units of ?1,000 each	-	127.88
SBI Ultra Short Term Debt Fund – Regular Plan - Daily Dividend Nil (March 31, 2013: 21,405.554) Units of ?1,000 each	-	214.33
IDFC Money Manager Fund - Treasury Plan - Daily Dividend - (Regular Plan) Nil (March 31, 2013: 1,76,337.294) Units of ?10 each	-	17.76
	-	**3,770.22**
Total	**-**	**4,070.27**

Notes forming part of the financial statements

Note 19 Inventories (valued at lower of cost and net realisable value)

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Raw materials	1,888.77	1,692.19
(b) Work-in-process	732.49	302.19
(c) Finished goods	10.74	69.02
(d) Stores and spares	96.47	32.29
(e) Contracts-in-progress *	42,154.45	21,827.87
Total	**44,882.92**	**23,923.56**

* includes Goods-in-transit	-	2,979.20

Note 20 Trade receivables

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	16,254.92	19,777.08
Doubtful	11,913.54	6,697.19
	28,168.46	26,474.27
Less: Provision for doubtful trade receivables	(11,913.54)	(6,697.19)
	16,254.92	19,777.08
Other Trade receivables		
Unsecured, considered good	210,459.23	208,234.08
Total	**226,714.15**	**228,011.16**

includes retention money receivable ₹ 121,872.36 lac (March 31, 2013 : ₹ 99,340.63 lac)

Note 21 Cash and cash equivalents

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Cash on hand	29.18	23.15
(b) Balances with banks:		
- In current accounts	7,159.53	8,645.81
- In EEFC accounts	4,350.52	61.20
- In demand deposit accounts (refer Note below)	5,006.54	342.40
Total	**16,545.77**	**9,072.56**

Note:

Deposit accounts include ₹ Nil (March 31, 2013 : ₹ Nil) demand deposits with remaining maturity of more than 12 months from the balance sheet date.

Notes forming part of the financial statements

Note 22 Short-term loans and advances (unsecured, considered good unless otherwise stated)

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Loan and advances to related parties (refer Note 31.10)		
- Subsidiary company		
Artson Engineering Limited		
- Project related advances	3,255.81	1,126.80
(b) Security deposits	605.97	574.63
(c) Loans and advances to employees	174.78	175.89
(d) Prepaid expenses	721.01	640.13
(e) Balances with government authorities		
CENVAT credit receivable	29.74	29.21
VAT credit receivable	903.07	597.24
Sales tax deducted at source	7,287.21	5,980.15
Customs duty refund receivable	817.16	1,169.41
	9,037.18	7,776.01
(f) Inter-corporate deposits	17,000.00	23,500.00
(g) Mobilisation advance	37,723.68	46,666.00
(h) Other project related advances		
Unsecured, considered good *	19,078.12	13,796.54
Doubtful	621.13	400.00
	19,699.25	14,196.54
Less: Provision for doubtful advances	(621.13)	(400.00)
	19,078.12	13,796.54
Total	**87,596.55**	**94,256.00**

* Includes ₹ 128.47 lac (March 31, 2013: ₹ Nil) recoverable from Balfour Beatty Infrastructure India Private Limited - JV partner

Notes forming part of the financial statements

Note 23 Other current assets (unsecured, considered good unless otherwise stated)

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Unbilled revenue	12,178.32	1,743.28
(b) Accruals :		
(i) Interest accrued on deposits	87.93	5.52
(ii) Interest accrued on investments	-	14.87
(iii) Interest accrued on inter corporate deposits	-	56.19
(iv) Interest accrued on loans to subsidiary (doubtful)	133.02	133.02
(v) Interest accrued on mobilisation advance given	129.75	80.48
	350.70	290.08
Less: Provision for doubtful interest accrued on loans to subsidiary	(133.02)	(133.02)
	217.68	157.06
(c) Others		
(i) Insurance and other claims receivable		
Unsecured, considered good	16.97	32.34
Doubtful	73.25	73.25
	90.22	105.59
Less: Provision for doubtful claims	(73.25)	(73.25)
	16.97	32.34
(ii) Contractually reimbursable expenses	1,193.81	1,827.51
(iii) Fixed assets held for sale (at lower of cost and estimated realisable value) (refer Note below)	398.66	-
	1,609.44	1,859.85
Total	**14,005.44**	**3,760.19**
Note:		
Details of fixed assets held for sale :		
Freehold land	209.72	-
Buldings (partly completed transferred from capital work-in-progress)	188.94	-
	398.66	-

Notes forming part of the financial statements

Note 24 Revenue from operations

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
(a) Income from contracts (refer note (i) below)	359,024.30	349,959.48
(b) Income from services (refer note (ii) below)	6,263.63	8,353.51
(c) Income from sale of goods (refer note (iii) below)	520.63	235.81
(d) Share of profit from Joint Venture	701.23	-
(e) Other operating revenues (refer note (iv) below)	514.52	461.77
Revenue from operations (Gross)	**367,024.31**	**359,010.57**
Less: Indirect taxes and duties	7,186.65	10,955.95
Total	**359,837.66**	**348,054.62**
Notes:		
(i) Income from contracts comprises :		
- Supply of contract equipment and materials	232,865.12	223,024.04
- Civil and erection works	126,159.18	126,935.44
Total	**359,024.30**	**349,959.48**
(ii) Income from services comprises :		
- Quality inspection services	6,263.63	8,330.49
- Manpower services	-	23.02
Total	**6,263.63**	**8,353.51**
(iii) Income from sale of goods comprises :		
- Sale of BWRO units	520.63	235.81
Total	**520.63**	**235.81**
(iv) Other operating revenues comprises:		
- Sale of scrap	496.38	461.77
- Duty drawback	18.14	-
Total	**514.52**	**461.77**

Notes forming part of the financial statements

Note 25 Other income

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
(a) Interest income (refer Note (i) below)	1,658.67	3,851.43
(b) Dividend income :		
from current investments		
- mutual funds	127.72	1,096.66
from long-term investments		
- subsidiaries	2,012.23	248.79
(c) Net gain on foreign currency transactions and translations	148.10	220.59
(d) Other non-operating income (refer Note (ii) below)	547.34	692.29
Total	**4,494.06**	**6,109.76**
Notes:		
(i) Interest Income comprises :		
- Interest from banks on deposits	580.04	681.84
- Interest on inter corporate deposits	252.14	2,144.35
- Interest income from current investments	4.18	19.05
- Interest income on mobilisation advance given	770.41	816.11
- Interest on loans to subsidiary	9.46	86.96
- Interest on refund of income tax	36.37	-
- Other interest	6.07	103.12
Total	**1,658.67**	**3,851.43**
(ii) Other non-operating income comprises :		
- Hire charges	374.11	353.87
- Liabilities no longer required written back	153.71	223.14
- Miscellaneous income	19.52	115.28
Total	**547.34**	**692.29**

Note 26 Contract execution expenses

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
(a) Cost of supplies/erection and civil works *	290,114.94	285,052.59
(b) Engineering fees	1,799.59	2,160.17
(c) Insurance premium	1,700.63	1,826.16
(d) Bank guarantee and letter of credit charges	1,662.52	1,461.43
Total	**295,277.68**	**290,500.35**
* includes increase / (decrease) in excise duty of ₹ 84.32 lac (previous year: ₹ 4.84 lac) on finished goods		

Notes forming part of the financial statements

Note 27 Changes in inventories of finished goods, work-in-process and contracts-in-progress

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
Inventories at the end of the year		
Finished goods	10.74	69.02
Work-in-process	732.49	302.19
Contracts-in-progress	42,154.45	21,827.87
	42,897.68	**22,199.08**
Inventories at the beginning of the year		
Finished goods	69.02	78.92
Work-in-process	302.19	548.55
Contracts-in-progress	21,827.87	7,279.19
	22,199.08	**7,906.66**
Net (increase)/decrease	**(20,698.60)**	**(14,292.42)**

Note 28 Employee benefits expense

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
(a) Salaries and wages	23,998.51	20,940.70
(b) Contribution to provident and other funds	2,471.70	2,203.97
(c) Staff welfare expenses	1,063.86	1,055.78
Total	**27,534.07**	**24,200.45**

Notes forming part of the financial statements

Note 29 Other expenses

		For the year ended March 31, 2014 ₹ in lac		For the year ended March 31, 2013 ₹ in lac
Consumption of stores and spare parts		364.51		291.84
Rent		2,347.14		2,003.76
Repairs and maintenance				
- Building		4.01		1.87
- Machinery		434.17		297.29
- Others		433.02		538.90
Processing charges		674.47		765.55
Power and fuel		889.07		776.63
Rates and taxes		156.60		168.52
Insurance		156.84		71.41
Motor vehicle expenses		2,949.84		2,022.37
Travelling and conveyance		2,154.97		2,187.45
Legal and professional		2,409.76		1,450.47
Payment to auditors (refer Note below)		45.76		37.40
Communication expenses		524.31		482.35
Printing and stationery		277.40		261.71
Staff recruitment and training expenses		152.56		156.32
Business development expenditure		234.32		176.14
Bank charges		102.65		50.92
Freight and handling charges		423.49		393.43
Amortisation of premium and provision for diminution in the value of investments		0.05		0.24
Bad debts	268.35		-	
Provision for doubtful trade receivables	6,121.54		3,364.65	
	6,389.89		3,364.65	
Less: Provision for doubtful trade receivables reversed	(905.19)		(451.63)	
		5,484.70		2,913.02
Advances written off		204.38		254.41
Provision for doubtful loans and advances		221.13		133.02
Agency commission		81.49		49.84
Brand equity contribution		790.40		576.47
Loss on sale of fixed assets (net)		13.01		19.00
Miscellaneous expenses		1,284.82		991.13
Total		**22,814.87**		**17,071.46**
Note:				
Payment to auditors comprises (net of service tax)				
(a) To statutory auditors				
Audit fees		20.00		20.00
Tax audit fees		2.00		2.00
Limited review fees		6.00		6.00
Other services *		15.93		6.18
Reimbursement of expenses		0.30		0.59
(b) To Cost auditor for cost audit		1.53		2.63
Total		**45.76**		**37.40**

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

Notes forming part of the financial statements

Note 30 Finance costs

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
(a) Interest expense on :		
(i) Borrowings	1,188.79	124.11
(ii) Mobilisation advance received	1,768.84	2,693.86
(iii) Delayed payment of income tax	8.19	-
(iv) Others	193.14	162.97
(b) Other borrowing costs	307.93	35.81
Total	**3,466.89**	**3,016.75**

Note 31 Additional information to the financial statements

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

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
(i) Contingent liabilities:		
(a) Claim against the Company not acknowledged as debt		
Matters under dispute:		
Sales tax	5,745.83	4,883.17
Service tax	11,577.72	-
Income tax	74.62	-
Third party claims from disputes relating to contracts	10.00	60.00
(b) Guarantees		
Performance and other bank guarantees issued by banks on behalf of the Company (refer Note 1,2 below)	355,375.09	352,735.06
Corporate guarantees (refer Note 1 below)	11,666.56	19,929.12
(c) Others - liquidated damages	Amounts indeterminate	Amounts indeterminate
(d) Bills discounted	-	460.48

Notes:

1 Includes bank guarantees of ₹ 800.00 lac (March 31, 2013 : ₹ Nil) and Corporate guarantee of ₹ 6,000 lac given on behalf of its subsidiary, Artson Engineering Limited and remaining outstanding as on March 31, 2014. The amount of loan outstanding against such guarantees given is ₹ 2,021.45 lac (March 31, 2013 : ₹2,527.48 lac).

2 Includes ₹ 39,160.54 lac (March 31, 2013: ₹ 5,985.13 lac) given on behalf of the following jointly controlled operations.

	₹ in lac	
(i) Tata Aldesa (JV)	33,307.66	(March 31, 2013: ₹ Nil)
(ii) Tata Projects Balfour Beatty JV	200.00	(March 31, 2013: ₹ Nil)
(iii) Tata Projects Limited VNR JV Pkg 1	2,766.29	(March 31, 2013: ₹ 2,958.68 lac)
(iv) Tata Projects Limited VNR JV Pkg 2	2,886.59	(March 31, 2013: ₹ 3,026.45 lac)
	39,160.54	

(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advance ₹ 53.16 lac (March 31, 2013 : ₹ 8.01 lac)]	653.00	69.73

Notes forming part of the financial statements

31.2 Details on derivative instruments and unhedged foreign currency exposures

a) Outstanding forward exchange contracts entered into by the Company as on March 31, 2014

Currency	Amount (in Million)	Buy/Sell	Cross Currency
Euro	1.13 (1.28)	Buy (Buy)	Rupees (Rupees)
USD	4.68 (0.52)	Buy (Buy)	Rupees (Rupees)

Amounts in brackets represent previous year numbers

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

		Currency	As at March 31, 2014		As at March 31, 2013	
			Foreign currency (in Millions)	₹ in lac	Foreign currency (in Millions)	₹ in lac
1	Short term borrowings	USD	0.11	63.86	1.05	569.77
		EUR	0.60	498.53	1.73	1,205.37
		AED	4.80	784.27	5.41	800.29
2	Receivables	AED	19.71	3,223.34	24.67	3,645.50
		KES	590.29	4,108.05	23.06	146.43
		WON	51.33	29.03	85.14	41.72
		QAR	-	-	0.37	54.72
		EUR	0.10	79.37	0.10	69.61
		ZAR	0.56	31.71	2.43	142.93
		SAR	0.52	83.69	0.57	83.69
		ZMW	48.42	4,529.64	-	-
		USD	0.55	332.00	-	-
		CHF	0.03	20.26	-	-
3	Payables	QAR	-	-	0.002	0.26
		AED	11.35	1,855.13	12.52	1,850.38
		SGD	0.07	32.42	0.07	29.66
		WON	-	-	28.56	14.00
		KES	482.85	3,360.32	300.22	210.02
		SAR	0.21	34.39	0.24	34.39
		ZMW	70.72	6,616.12	-	-
		USD	1.86	1,114.43	-	-
		EURO	0.15	121.33	-	-
4	Interest accrued on buyer's credit	USD	0.001	0.88	0.002	1.33
		EUR	0.006	4.89	0.004	2.56
5	Cash and cash equivalents	QAR	-	-	0.02	3.16
		SGD	0.002	0.86	0.01	4.95
		AED	1.13	185.48	2.38	351.96
		USD	7.19	4,321.03	0.42	228.87
		EUR	0.06	49.67	-	-
		WON	373.09	208.93	294.92	143.98
		KES	27.31	190.00	214.15	1,359.86
		ZMW	3.96	368.82	-	-

c. The net difference in foreign exchange credited to the Statement of Profit and Loss is ₹ 148.10 lac (March 31, 2013 : ₹ 220.59 lac).

Notes forming part of the financial statements

			For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
31.3	**Value of imports on CIF basis:**			
	(i)	Project related equipment and materials	20,792.58	24,930.11
	(ii)	Capital goods	1,337.50	3,697.09
31.4	**Expenditure in foreign currency:**			
	(i)	Expenditure incurred on projects (including professional and consultancy fees)	15,075.05	2,402.03
	(ii)	Travel	672.14	813.84
	(iii)	Interest	117.62	64.84
	(iv)	Income Tax	0.50	5.31
31.5	**Earnings in foreign exchange:**			
	(i)	Erection and engineering services	13,609.30	5,652.75
	(ii)	Interest	6.75	6.75
	(iii)	Dividend	2,012.23	248.79
	(iv)	Miscellaneous income	43.48	3.92
31.6	**Raw materials consumed**			
	(i)	Steel	14,524.49	16,584.38
	(ii)	Zinc	1,723.98	1,676.32
	(iii)	Others	275.65	181.65
		Total	**16,524.12**	**18,442.35**

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

31.7 Details of consumption of imported and indigenous items:

			As at March 31, 2014	
			₹ in lac	%
a)	**Imported**		-	-
b)	**Indigenous**			
	(i)	Raw Materials	16,524.12	100
			(18,442.35)	(100)
	(ii)	Spare parts	364.51	100
			(291.84)	(100)

Amounts in brackets represent previous year numbers

Notes forming part of the financial statements

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

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
Contract revenue recognised during the year	359,024.30	349,959.48
Aggregate of contract costs incurred and recognised profits (less recognized losses) upto the reporting date	1,905,855.57	1,510,641.68
Advances received for contracts-in-progress	92,031.92	92,457.78
Retention money for contracts-in-progress	123,718.83	100,703.89
Gross amount due from customers for contract work	54,332.77	20,591.95

31.9 In line with accepted practice in construction business, certain revision to costs and billing of previous years which have crystallised during the year have been dealt with in the current year. The Statement of Profit and Loss for the year includes credits (net) aggregating ₹9,919.70 lac (March 31, 2013 : ₹ 2,139.50 lac - debits (net)) on account of changes in estimates.

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

(ii) The Company has an investment of ₹ 276.90 lac in Artson, has loaned amounts aggregating ₹ 4,030.39 lac and has given project advances aggregating ₹ 3,255.81 lac which are outstanding as on March 31, 2014. Of this, the management has extended the moratorium for repayment of loans aggregating ₹3,730.39 lac for a further period, with repayments falling due in five installments commencing March 31, 2016. Artson has applied to the BIFR seeking conversion of the loan advanced by the Company and the interest thereon into 44,18,22,878 4% Optionally Convertible Cumulative Redeemable Preference Shares of ₹1/- each credited as fully paid up, to be allotted to the Company on a preferential allotment basis. Artson's net worth has been fully eroded. Artson's financial statements for the year ended March 31, 2014 have been prepared on the going concern basis. In view of the continued operational support extended by the Company to Artson, Management is of the view that no provision is required on this account at this stage.

(iii) In view of the foregoing, as a prudent measure, interest income for the year in respect of loans given to Artson aggregating ₹382.84 lac (March 31, 2013 : ₹ 282.79 lac) and cumulatively as at March 31, 2014 of ₹665.63 lac (March 31, 2013 : ₹ 282.79 lac) has not been recognised.

31.11 Note 16 - Long-term loans and advances includes ₹ 610.00 lac (March 31, 2013: ₹610.00 lac) on account of taxes deducted at source on inter state supplies under applicable Value Added Tax Acts. The Company has contested the deduction in the applicable judicial forum and is confident of a favorable outcome in the matter.

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

31.13 Provision for taxation includes ₹ 0.50 lac (March 31 2013 : ₹ 5.31 lac) paid / payable in other countries.

Notes forming part of the financial statements

31.14 Employee benefits

(a) Defined benefit plans

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

₹ in lac

Particulars	Year ended March 31, 2014			Year ended March 31, 2013		
	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits
	Funded	unfunded	unfunded	Funded	unfunded	unfunded
I Components of employer's expense						
Current service cost	256.67	-	-	217.69	-	-
Interest cost	168.79	20.62	2.20	141.58	16.60	2.36
Expected return on plan assets	(156.15)	-	-	(123.06)	-	-
Past service cost	-	-	-	-	-	-
Actuarial losses / gains	18.52	18.22	29.78	360.91	83.70	(0.66)
Total expense recognized in the Statement of Profit and Loss	**287.83**	**38.84**	**31.98**	**597.12**	**100.30**	**1.70**
II Net asset / (liability) recognised in the Balance Sheet						
Present value of defined benefit obligation	2,273.08	276.89	44.19	2,020.65	273.63	28.95
Fair value on plan assets	(2,333.92)	-	-	(1,919.32)	-	-
Surplus / (Deficit)	60.84	(276.89)	(44.19)	(101.33)	(273.63)	(28.95)
Unrecognised past service cost			-	-	-	-
Net asset/(liability) recognised in the Balance Sheet	**60.84**	**(276.89)**	**(44.19)**	**(101.33)**	**(273.63)**	**(28.95)**
III Change in defined benefit obligation (DBO) during the year						
Present value of DBO at beginning of the year	2,020.65	273.63	28.95	1,447.99	211.13	27.71
Current service cost	256.67	-	-	217.69	-	-
Interest cost	168.79	20.62	2.20	141.58	16.60	2.36
Actuarial (gains)/losses	2.77	18.22	29.78	395.53	83.70	(0.66)
Benefits paid	(175.80)	(35.58)	(16.74)	(182.14)	(37.80)	(0.46)
Present value of DBO at the end of the year	**2,273.08**	**276.89**	**44.19**	**2,020.65**	**273.63**	**28.95**
IV Change in fair values of assets during the year						
Plan assets at beginning of the year	1,919.32	-	-	1,447.72	-	-
Expected return on plan assets	156.15	-	-	123.06	-	-
Actual company contributions	450.00	35.58	16.74	496.06	37.80	0.46
Actuarial gain / (loss)	(15.75)	-	-	34.63	-	-
Benefits paid	(175.80)	(35.58)	(16.74)	(182.14)	(37.80)	(0.46)
Plan assets at the end of the year	2,333.92	-	-	1,919.32	-	-
Actual return on plan assets	140.39	-	-	157.68	-	

Notes forming part of the financial statements

31.14 Employee benefits (cond....)

(a) Defined benefit plans

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

₹ in lac

	Year ended March 31, 2014			Year ended March 31, 2013		
	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits
	Funded	unfunded	unfunded	Funded	unfunded	unfunded
V The major categories of plan assets						
Funded with Tata AIG Life Insurance Co. Ltd.	2,333.92	-	-	1,919.32	-	-
VI Actuarial assumptions						
Discount rate	9.00%	9.00%	9.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	9.00%			8.00%		
Salary escalation	6.00%	-	-	5.00%	-	-
Attrition	10%			10%		
Mortality	Indian Assured Lives Mortality (2006-08) ULT Table			Indian Assured Lives Mortality (2006-08) ULT Table		

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

31.14 Employee benefits (cond....)

VII Experience adjustments

₹ in lac

	2013-14			2012-13			2011-12			2010-11			2009-10		
	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits
Present value of DBO	2,273.08	276.89	44.19	2,020.65	273.63	28.95	1,447.99	211.13	27.71	1,175.28	106.86	-	885.22	94.77	-
Fair value of plan assets	2,333.92	-	-	1,919.32	-		1,447.72	-	-	1,191.27	-	-	885.22	-	-
Status [Surplus/(Deficit)]	60.84	(276.89)	(44.19)	(101.33)	(273.63)	(28.95)	(0.27)	(211.13)	(27.71)	15.99	(106.86)	-	-	(94.77)	-
Experience adjustment on plan assets [gain/(loss)]	(15.75)	-	-	34.63	-	-	9.05	-	-	(10.39)	-	-	(9.10)	-	
Experience adjustment on plan liabilities [gain/(loss)]	140.05	35.87	14.03	199.02	74.92	(1.69)	200.96	25.02	-	201.60	33.72	-	50.57	6.96	-

b) Defined contribution plan

In respect of the defined contribution plans, an amount of ₹ 2,132.40 lac (March 31, 2013: ₹ 1,606.88 lac) has been recognised as an expense in the statement of profit and loss during the year.

Notes forming part of the financial statements

31.15 Segment Information

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

Accordingly the primary segments of the Company are:

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

and secondary segments of the Company are:

(i) Domestic
(ii) Overseas

2 Reporting for business segment is on the following basis:

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

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

Notes forming part of the financial statements

31.15 Segment information (contd..)

₹ in lac

Particulars	Business segments			Eliminations	Total
	EPC	Services	Others		
1 Revenue	353,061.18 (339,505.85)	6,259.56 (8,313.32)	516.92 (235.45)	- -	359,837.66 (348,054.62)
2 Inter segment revenue	-	628.83 (470.50)		628.83 (470.50)	- -
3 Segment revenue	353,061.18 (339,505.85)	6,888.39 (8,783.82)	516.92 (235.45)	628.83 (470.50)	359,837.66 (348,054.62)
4 Segment result	21,717.28 (13,898.44)	912.35 (2,168.56)	121.93 (6.81)	- -	22,751.56 (16,073.81)
5 Unallocable expenses (net)					9,337.52 (7,637.51)
6 Finance costs					3,466.89 (3,016.75)
7 Operating income (4-5-6)					9,947.15 (5,419.55)
8 Other income (net)					4,494.06 (6,109.76)
9 Profit before taxes (7+8)					**14,441.21** (11,529.31)
10 Tax expense					4,647.11 (3,041.70)
11 Profit for the period /year (9-10)					**9,794.10** (8,487.61)
Segment assets	383,498.10 (345,735.89)	2,495.60 (3,129.98)	9.49 (152.47)		386,003.19 (349,018.34)
Unallocable assets					44,781.14 (48,741.94)
Total assets					**430,784.33** (397,760.28)
Segment liabilities	315,364.35 (318,378.63)	462.65 (366.15)	139.22 (41.49)		315,966.22 (318,786.27)
Unallocable liabilities					36,090.13 (9,027.63)
Total liabilities					**352,056.35** (327,813.90)
Other information					
Capital expenditure (allocable)	5,810.16 (8,226.36)	0.96 -	- -		5,811.12 (8,226.36)
Capital expenditure (unallocable)					2,044.54 (2,470.81)
Depreciation and amortisation (allocable)	4,024.46 (2,869.92)	21.10 (21.49)	0.06 -		4,045.62 (2,891.41)
Depreciation and amortisation (unallocable)					925.86 (804.72)

Notes forming part of the financial statements

31.15 Segment information (contd..)

₹ in lac

Geographical segment	Revenue - for the year ended March 31, 2014	Segment assets as at March 31, 2014	Capital expenditure incurred during the year ended March 31, 2014
Domestic (allocable)	344,010.93	368,061.64	5,797.70
	(342,401.87)	(342,583.34)	(8,100.30)
Domestic (unallocable)	-	44,781.14	2,044.54
	-	(48,741.94)	(2,470.81)
Overseas	15,826.73	17,941.55	13.42
	(5,652.75)	(6,435.00)	(126.06)
Total	**359,837.66**	**430,784.33**	**7,855.66**
	(348,054.62)	**(397,760.28)**	**(10,697.17)**

Amounts in brackets represents previous year numbers.

31.16 Related party transactions

Details of related parties:

Description of relationship	Names of related parties
(i) Entity holding more than 20%	The Tata Power Company Limited (TPCL)
(ii) Subsidiaries	Artson Engineering Limited (AEL)
	TPL-TQA Quality Services (Mauritius) Pty Limited (TPL TQA Mauritious)
	TPL-TQA Quality Services South Africa (Pty) Limited (TPL TQA SA)
	TQ Services Europe, GmbH (TQ GmbH)
	Tata Projects Infrastructure Limited (TPIL) w.e.f June 26, 2013
(iii) Jointly controlled entities (JCE)	Al Tawleed for Energy & Power Company (Al Tawleed)
	TEIL Projects Limited (TEIL)
(iv) Jointly controlled operations (JCO)	Tata Projects Limited - VNR Infrastructure Ltd - Package 1 (JV) (TPL VNR JV - Pkg 1)
	Tata Projects Limited - VNR Infrastructure Ltd - Package 2 (JV) (TPL VNR JV - Pkg 2)
	Tata Projects - Balfour Beatty (JV) (TP BB JV) w.e.f. April 1, 2013
	Tata - Aldesa (JV) w.e.f. April 1, 2013
(v) Associates	Virendra Garments Manufacturing Private Limited (VGMPL)
(vi) Key Management Personnel (KMP)	Mr. Vinayak K Deshpande, Managing Director

Notes forming part of the financial statements

31.16 Related party transactions (Contd...)

Details of related party transactions during the year ended March 31, 2014 and balance outstanding as at March 31, 2014

₹ in lac

Particulars	Entity holding more than 20%	Subsidiaries						JCE			JCO					KMP	Total
	TPCL	AEL	TPL TQA Mauritius	TPL TQA SA	TQ GmbH	TPIL	Total	Al Tawleed	TEIL	Total	TPL VNR JV Pkg 1	TPL VNR JV Pkg 2	TP BB JV	Tata - Aldesa (JV)	Total		
Revenue from operations	1,496.09 (1,994.64)	- -	158.18 (240.01)	689.35 (649.35)	- (-)	- (-)	847.53 (889.36)	- (-)	- (-)	- (-)	2,581.28 (1,974.97)	2,311.67 (2,368.41)	- (-)	- (-)	4,892.95 (4,343.38)	- (-)	7,236.57 (7,227.38)
Contract execution expenses	- (-)	4,580.63 (1,425.14)	- (-)	- (-)	22.33 (-)	- (-)	4,602.96 (1,425.14)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	4,602.96 (1,425.14)
Interest received	- (-)	9.46 (86.96)	- (-)	- (-)	- (-)	- (-)	9.46 (86.96)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	9.46 (86.96)
Other income	- (-)	19.19 (-)	- (-)	- (-)	- (-)	- (-)	19.19 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	19.19 (-)
Other expenses	- (-)	- (-)	- (-)	- (-)	24.74 (-)	- (-)	24.74 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	24.74 (-)
Interest expenses on borrowings	- (30.82)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (30.82)
Dividend received	- (-)	- (-)	403.03 (93.76)	1,609.20 (155.03)	- (-)	- (-)	2,012.23 (248.79)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2,012.23 (248.79)
Proposed dividend	483.75 (483.75)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	483.75 (483.75)
Investments	- (-)	- (-)	- (-)	- (-)	82.48 (17.33)	- (-)	82.48 (17.33)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	82.48 (17.33)
Advance towards share application money	- (-)	- (-)	- (-)	- (-)	- (-)	5.00 (-)	5.00 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	5.00 (-)
Loans and advance given (net)	- (-)	2,429.01 (1,188.45)	- (-)	- (-)	- (-)	- (-)	2,429.01 (1,188.45)	- (-)	- (-)	- (-)	- (-)	- (-)	50.00 (-)	- (-)	50.00 (-)	- (-)	2,479.01 (1,188.45)
Mobilisation advance received (net)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	-58.31 (108.54)	62.91 (151.31)	- (-)	4,099.31 (-)	4,103.91 (259.85)	- (-)	4,103.91 (259.85)
Provision for doubtful loans and advances	- (-)	- (133.02)	- (-)	- (-)	- (-)	- (-)	- (133.02)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (133.02)
Redemption of Debentures	- (937.50)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (937.50)
Reimbursable expenses (net)	- (-)	19.01 (239.62)	- (-)	- (-)	- (-)	- (-)	19.01 (239.62)	- (-)	25.34 (40.63)	25.34 (40.63)	0.38 (-)	0.33 (-)	394.62 (-)	141.58 (-)	536.91 (-)	- (-)	581.26 (280.25)
Remuneration	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	334.88 (293.93)	334.88 (293.93)
Guarantees given (net)	-161.15 (4,156.80)	800.00 (-)	- (-)	- (-)	- (-)	- (-)	800.00 (-)	- (-)	- (-)	- (-)	-250.70 (-)	-76.95 (-)	200.00 (-)	49,018.13 (-)	48,890.48 (-)	- (-)	49,529.33 (4,156.80)

Amounts in brackets represents previous year numbers.

31.16 Related party transactions (Contd...)

Balances outstanding at the end of the year

₹ in lac

Particulars	Entity holding more than 20%	Subsidiaries						JCE			JCO					KMP	Total
	TPCL	AEL	TPL TQA Mauritius	TPL TQA SA	TQ GmbH	TPIL	Total	Al Tawleed	TEIL	Total	TPL VNR JV Pkg 1	TPL VNR JV Pkg 2	TP BB JV	Tata - Aldesa (JV)	Total		
Trade receivables	2,734.85 (2,692.66)	7.78 (-)	31.71 (66.19)	60.30 (142.93)	- (-)	- (-)	99.79 (209.12)	83.69 (83.69)	- (-)	83.69 (83.69)	1,808.64 (1,166.38)	1,788.07 (1,083.87)	394.62 (-)	141.58 (-)	4,132.91 (2,250.25)	- (-)	7,051.24 (5,235.72)
Loans and advances	- (-)	7,286.20 (4,857.19)	- (-)	- (-)	- (-)	- (-)	7,286.20 (4,857.19)	- (-)	- (-)	- (-)	- (-)	- (-)	50.00 (-)	- (-)	50.00 (-)	- (-)	7,336.20 (4,857.19)
Advance towards share application money	- (-)	- (-)	- (-)	- (-)	- (-)	5.00 (-)	5.00 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	5.00 (-)
Contractually reimbursable expenses	- (-)	258.63 (239.62)	- (-)	- (-)	- (-)	- (-)	258.63 (239.62)	1.83 (1.83)	65.97 (40.63)	67.80 (42.46)	0.38 (-)	0.33 (-)	- (-)	- (-)	0.71 (-)	- (-)	327.14 (282.08)
Provision for doubtful loans and advances	- (-)	133.02 (133.02)	- (-)	- (-)	- (-)	- (-)	133.02 (133.02)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	133.02 (133.02)
Unbilled revenue	- (2.96)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (2.96)
Trade payables	- (-)	1,182.60 (932.30)	- (-)	- (-)	- (-)	- (-)	1,182.60 (932.30)	34.39 (34.39)	- (-)	34.39 (34.39)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,216.99 (966.69)
Other current liabilities	431.32 (423.93)	- (-)	- (-)	- (-)	- (-)	- (-)	- -	- (-)	- (-)	- (-)	153.57 (211.88)	254.73 (191.82)	- (-)	4,099.31 (-)	4,507.61 (403.70)		4,938.93 (827.63)
Proposed dividend	483.75 (483.75)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	483.75 (483.75)
Commission payable	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	175.00 (150.00)	175.00 (150.00)
Guarantees given	1,843.41 (2,004.56)	6,800.00 (6,000.00)	- (-)	- (-)	- (-)	- (-)	6,800.00 (6,000.00)	- (-)	- (-)	- -	2,919.86 (3,170.56)	3,141.32 (3,218.27)	200.00 (-)	49,018.13 (-)	55,279.31 (6,388.83)	- (-)	63,922.72 (14,393.39)

Amounts in brackets represents previous year numbers.

Notes forming part of the financial statements

31.17 Details of leasing arrangements

Operating lease: As lessee

i) The Company's significant leasing arrangements are in respect of operating leases for premises (residences, office, etc.). The leasing arrangements, which are not non-cancellable range generally between 11 months to 9 years or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rents payable are recognized in the Statement of Profit and Loss for the year as Rent under Note 29 - Other expenses.

ii) With regard to certain other non-cancellable operating leases for premises, the future minimum lease rental are as follows:

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Not later than one year	763.11	666.03
Later than one year and not later than five years	1,068.97	1,537.85
Later than five years	275.50	419.24
	2,107.58	**2,623.12**

31.18 Earnings per share (EPS):

	For the year ended March 31, 2014	**For the year ended March 31, 2013**
a) Profit for the year (₹ in lac)	9,794.10	8,487.61
b) Weighted Average number of Equity Shares of ₹ 100 each outstanding during the year (No's)	2,025,000	2,025,000
Earnings per share		
c) Basic and diluted (₹) (a/b)	483.66	419.14

Notes forming part of the financial statements

31.19 Interest In joint ventures

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

(i) Jointly controlled operations (JCO)

Name of joint venture and country of incorporation	% of interest	Amount of interest based on accounts for the year ended March 31, 2014	
		Contingent liabilities	Capital commitments
Tata Projects Limited - VNR Infrastructure Ltd (JV) - Package 1 -India (unaudited)	80% (80%)	2,919.86 (3,170.56)	- (-)
Tata Projects Limited - VNR Infrastructure Ltd (JV) - Package 2 -India (unaudited)	85% (85%)	3,141.32 (3,218.27)	- (-)
Tata Aldesa JV - India (audited)	50% (-)	49,018.13 (-)	- (-)
Tata Projects - Balfour Beatty JV - India (audited)	50% (-)	200.00 (-)	- (-)

(ii) Jointly controlled entities (JCE)

Name of joint venture and country of incorporation	% of interest	Amount of interest based on accounts for the year ended March 31, 2014					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
TEIL Projects Limited - India As per audited accounts as on March 31, 2014	50%	123.09 (140.18)	123.09 (140.18)	117.11 (167.20)	162.89 (226.26)	- (-)	- (-)
M/s Al-Tawleed for Energy & Power Co. (under liquidation) - Kingdom of Saudi Arabia As per Management Accounts as on December 31, 2013	30%	1,922.88 (1,705.58)	1,922.88 (1,705.58)	- (-)	- (-)	- (-)	- (-)

Amounts in brackets represents previous year numbers.

Notes forming part of the financial statements

31.20 Details of provisions

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

₹ in lac

Particulars	As at April 1, 2013	Additions	Utilisation	As at March 31, 2014
Provision for foreseeable losses on contracts	577.76	1,852.24	2,029.08	400.92
	(606.85)	(496.09)	(525.18)	(577.76)

Amounts in brackets represents previous year numbers.

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

For and on behalf of the Board Directors

Prasad R Menon
Chairman

P N Dhume
Director

Vinayak K Deshpande
Managing Director

Rajgopal Swami
Chief Financial Officer

Dr A Raja Mogili
Company Secretary

Place: Secunderabad
Date : May 20, 2014

Financial Statistics

₹ in lac

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

Consolidated Financial Statements

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

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of TATA PROJECTS LIMITED (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

4. The consolidated financial statements include the unaudited financial statements/financial information of one subsidiary and one jointly controlled entity (Previous year ended March 31, 2013: one subsidiary and one jointly controlled entity), whose financial statements/financial information reflect total assets (net) of ₹1,917.57 lac as at March 31, 2014 (As at March 31, 2013: ₹1,716.19 lac), total revenues of ₹Nil (Previous year ended March 31, 2013: ₹14.39 lac) and net cash inflows amounting to ₹6.73 lac (Previous year ended March 31, 2013: ₹6.17 lac) for the year ended on that date, as considered in the consolidated financial statements. Our opinion, in so far as it relates to the amounts included in respect of this subsidiary and a jointly controlled entity, is based solely on such unaudited financial statements/financial information.

Qualified Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, and based on the

consideration of the reports of the other auditors on the financial statements/ financial information of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid 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 the Group as at March 31, 2014;

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

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

Other Matters

6. We did not audit the financial statements / financial information of three subsidiaries and one jointly controlled entity, whose financial statements / financial information reflect total assets (net) of ₹8,825.92 lac as at March 31, 2014, total revenues of ₹12,208.12 lac and net cash outflows amounting to ₹542.20 lac for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity is based solely on the reports of the other auditors.

7. We did not audit the financial statements / financial information of one subsidiary whose financial statements / financial information reflect total assets (net) of ₹ 71.75 lac as at March 31, 2014, total revenues of ₹ 30.33 lac and net cash inflows amounting to ₹ 39.34 lac for the year ended on that date, as considered in the consolidated financial statements. Based on the explanations provided by Management, it is expected that there should be no material impact on the consolidated financial statements consequent to any possible adjustments in respect of the aforesaid entity since the size of the entity in the context of the Group is not material. These financial statements / financial information have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial statements/ financial information.

8. The consolidated financial statements do not include the Group's share of net profit/loss as at March 31, 2014, in respect of an Associate [Refer Note 2.2 (d) to the Notes forming part of the consolidated financial statements], which could not be determined, as the Management has not obtained the financial statements of this Associate. The value of investment in such Associate has been fully provided for in the consolidated financial statements of the Company. Based on the explanations provided by Management, it is expected that there should be no material impact on the consolidated financial statements consequent to any possible adjustments in respect of the aforesaid entity where no financial statements are available, since the size of the entity in the context of the Group is not material.

9. We invite attention to Note 31.6 regarding the financial statements of one of the subsidiaries having been prepared on a "going concern" basis.

Our opinion is not qualified in respect of these matters.

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

K. Rajasekhar
Partner
(Membership No. 23341)

Place : Secunderabad
Date: May 20, 2014

Consolidated Balance Sheet as at March 31, 2014

		Note No.	**As at March 31, 2014 ₹ in lac**	As at March 31, 2013 ₹ in lac
A.	**EQUITY AND LIABIITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	2,025.00	2,025.00
	(b) Reserves and surplus	4	71,475.63	63,938.58
			73,500.63	65,963.58
2	**Minority interest**		809.48	1,048.50
3	**Non-current liabilities**			
	(a) Long-term borrowings	5	41.25	48.85
	(b) Other long-term liabilities	6	1,218.86	1,096.78
	(c) Long-term provisions	7	1,847.48	1,674.83
			3,107.59	2,820.46
4.	**Current liabilities**			
	(a) Short-term borrowings	8	31,442.55	6,996.85
	(b) Trade payables	9	222,227.59	226,130.92
	(c) Other current liabilities	10	100,208.30	98,561.10
	(d) Short-term provisions	11	2,041.81	2,338.69
			355,920.25	334,027.56
	Total		**433,337.95**	**403,860.10**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	Tangible assets	12	24,091.98	21,771.54
	Intangible assets	13	1,023.46	171.88
	Capital work-in-progress		559.12	1,474.31
	(b) Goodwill on consolidation (refer Note 31.14)		344.07	343.77
	(c) Non-current investments	14	-	-
	(d) Deferred tax assets (net)	15	5,597.02	3,569.67
	(e) Long-term loans and advances	16	5,364.20	3,239.07
	(f) Other non-current assets	17	1,992.65	2,035.21
			38,972.50	32,605.45
2	**Current assets**			
	(a) Current investments	18	-	4,085.83
	(b) Inventories	19	46,692.05	24,939.54
	(c) Trade receivables	20	228,638.16	231,634.76
	(d) Cash and bank balances	21	18,210.51	11,233.43
	(e) Short-term loans and advances	22	86,092.93	95,261.83
	(f) Other current assets	23	14,731.80	4,099.26
			394,365.45	371,254.65
	Total		**433,337.95**	**403,860.10**
	Corporate information	1		
	Basis of consolidation and significant accounting policies	2		
	See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

K Rajasekhar
Partner

Place: Secunderabad
Date: May 20, 2014

For and on behalf of the Board of Directors

Prasad R Menon
Chairman

P N Dhume
Director

Vinayak K Deshpande
Managing Director

Rajgopal Swami
Chief Financial Officer

Dr A Raja Mogili
Company Secretary

Place: Secunderabad
Date: May 20, 2014

Consolidated Statement of Profit and Loss for the year ended March 31, 2014

		Note No.	**For the year ended March 31, 2014 ₹ in lac**	For the year ended March 31, 2013 ₹ in lac
1	**Revenue from operations (gross)**		378,729.93	371,265.28
	Less: Indirect taxes and duties		7,513.62	11,317.66
	Revenue from operations (net)	24	**371,216.31**	**359,947.62**
2	**Expenses**			
	(a) Contract execution expenses	26	297,990.54	296,616.70
	(b) Cost of materials consumed (refer Note 31.2)		19,008.57	21,037.96
	(c) Changes in inventories of finished goods, work-in-process and contracts-in-progress	27	(20,671.86)	(14,425.47)
	(d) Employee benefits expense	28	28,441.36	25,227.91
	(e) Other expenses	29	25,012.34	18,903.77
	Total		**349,780.95**	**347,360.87**
3	**Earnings before interest, tax, depreciation and amortisation (EBITDA) (1-2)**		21,435.36	12,586.75
4	Finance costs	30	3,872.79	3,375.00
5	Depreciation and amortisation expense	12, 13	5,124.09	3,885.10
6	Other income	25	2,574.75	5,803.02
7	**Profit before tax (3-4-5+6)**		**15,013.23**	**11,129.67**
8	**Tax expense**			
	(a) Current tax		8,415.85	5,810.79
	(b) Taxation of earlier years		(893.49)	(262.98)
	(c) Deferred tax		(2,027.35)	(1,621.82)
	Net tax expense		**5,495.01**	**3,925.99**
9	**Profit after tax and before minority interest (7-8)**		**9,518.22**	**7,203.68**
10	**Minority interest**		992.08	989.61
11	**Profit for the year (9-10)**		**8,526.14**	**6,214.07**
	Earnings per equity share (of ₹ 100 each)			
	Basic and diluted (₹) (refer Note 31.13)		421.04	306.87
	Corporate information	1		
	Basis of consolidation and significant accounting policies	2		
	See accompanying notes forming part of the consolidated financial statements			

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

K Rajasekhar
Partner

Place: Secunderabad
Date: May 20, 2014

For and on behalf of the Board of Directors

Prasad R Menon
Chairman

P N Dhume
Director

Vinayak K Deshpande
Managing Director

Rajgopal Swami
Chief Financial Officer

Dr A Raja Mogili
Company Secretary

Place: Secunderabad
Date: May 20, 2014

TATA

Consolidated Cash flow statement for the year ended March 31, 2014

	For the year ended March 31, 2014 ₹ in lac		For the year ended March 31, 2013 ₹ in lac	
A. Cash flow from operating activities				
Profit before tax		**15,013.23**		**11,129.67**
Adjustments for:				
Depreciation and amortisation expense	5,124.09		3,885.10	
Finance costs	3,872.79		3,375.00	
Interest Income	(1,660.57)		(3,780.22)	
Dividend income from current investments	(127.72)		(1,099.65)	
Amortisation of premium and provision for diminution in the value of investments	0.05		0.24	
Provision for foreseeable losses on contracts	(176.84)		(29.09)	
Loss on sale of fixed assets	25.89		79.04	
Liabilities no longer required written back	(208.11)		(223.14)	
Net unrealised exchange loss	15.44		13.80	
		6,865.02		2,221.08
Operating profit before working capital changes		21,878.25		13,350.75
Changes in working capital:				
Adjustments for (increase)/decrease in Operating Assets:				
- Trade receivables	2,725.35		(36,564.36)	
- Loans and advances	1,050.41		(35,395.92)	
- Other assets	(9,859.44)		4,730.94	
- Inventories	(21,752.51)		(13,371.27)	
Adjustments for increase/(decrease) in Operating Liabilities:				
- Trade payables, Other liabilities and Provisions	(3,189.57)		44,955.40	
		(31,025.76)		(35,645.21)
Cash used in operations		(9,147.51)		(22,294.46)
Net income tax paid		(8,019.68)		(6,783.05)
Net cash flows used in operating activities		**(17,167.19)**		**(29,077.51)**
B. Cash flow from investing activities				
Capital expenditure on fixed assets including capital advances	(7,925.39)		(10,787.16)	
Proceeds from sale of fixed assets	74.47		85.12	
Bank balances not considered as Cash and cash equivalents (net)	24.45		13.52	
Purchase of current investments	(11,120.00)		(62,727.06)	
Proceeds from redemption of current investments	15,333.55		73,582.86	
Interest received	1,587.03		4,134.59	
Inter-corporate deposits given	-		(18,050.00)	
Inter-corporate deposits realised	6,500.00		6,550.00	
Net cash flows from / (used in) investing activities		**4,474.11**		**(7,198.13)**

Consolidated Cash flow statement for the year ended March 31, 2014

Note No.	For the year ended March 31, 2014 ₹ in lac		For the year ended March 31, 2013 ₹ in lac	
C. Cash flow from financing activities				
Repayment of debenture	-		(1,125.00)	
Repayment of long-term borrowings	(24.47)		(26.15)	
Proceeds from short-term borrowings (net)	24,445.70		4,518.53	
Finance costs	(3,539.52)		(3,446.91)	
Dividend paid including tax on dividend	(1,184.57)		(2,353.51)	
Net cash flows from / (used in) financing activities		**19,697.14**		**(2,433.04)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**7,004.06**		**(38,708.68)**
Cash and cash equivalents at the beginning of the year		**11,134.84**		**49,852.45**
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(2.53)		(8.93)
Cash and cash equivalents at the end of the year (refer Note 2 below)		**18,136.37**		**11,134.84**

Note:

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

2 Cash and cash equivalents comprise:

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(i) Cash	29.80	43.51
(ii) Balance with banks		
- in current accounts	8,696.10	10,670.30
- in EEFC account	4,350.52	61.20
- in deposit accounts	5,044.64	345.73
	18,121.06	11,120.74
Share of joint ventures	15.31	14.10
Cash and cash equivalents included in Note 21	18,136.37	11,134.84

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

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

K Rajasekhar
Partner

Place: Secunderabad
Date: May 20, 2014

For and on behalf of the Board of Directors

Prasad R Menon
Chairman

P N Dhume
Director

Vinayak K Deshpande
Managing Director

Rajgopal Swami
Chief Financial Officer

Dr A Raja Mogili
Company Secretary

Place: Secunderabad
Date: May 20, 2014

Notes forming part of the consolidated financial statements

Note 1 Corporate Information

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

Note 2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The consolidated financial statements of the Group have been prepared under the historical cost convention, on an accrual basis, to comply with the generally accepted accounting principles in India ("Indian GAAP"), the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Act.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

2.2 Principles of consolidation

a) The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements" , Accounting Standard 23 (AS 23) - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS 27) - "Financial Reporting of Interests in Joint Ventures".

The subsidiaries considered in the preparation of these consolidated financial statements are:

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

b) Interest in Joint Ventures - Jointly controlled entities

Name of the Joint Venture	Country of incorporation	Percentage holding	
		As at March 31, 2014	As at March 31, 2013
Al Tawleed For Energy & Power Company	Kingdom of Saudi Arabia	30	30
TEIL Projects Limited	India	50	50

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

Notes forming part of the consolidated financial statements

Note 2 Significant Accounting Policies (Contd...)

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

- TQ Services Europe GmbH
- Al Tawleed for Energy and Power Company.
- Tata Projects Infrastructure Limited

ii) The financial statements of Al Tawleed for Energy and Power Company considered in the consolidated financial statements is based on management accounts drawn for the period from January 1, 2013 to December 31, 2013. The Company is under liquidation.

d) The group's associate is:-

Name of the Company	Country of incorporation	Percentage of ownership interest	
		As at March 31, 2014	As at March 31, 2013
Virendra Garments Manufacturing Private Limited	India	24	24

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

2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures related to contingent liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the year. Examples of such estimates include accounting for contract costs expected to be incurred to complete the projects, provisions for doubtful receivables, obligations under employee retirement benefit plans, income taxes, post contract warranties, and the useful lives of tangible and intangible assets. Future results could differ from those estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known / materialise.

2.4 Fixed Assets

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

2.5 Depreciation and amortisation, impairment

Depreciation has been provided on the written down value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of following assets, in whose case depreciation is provided on the straight-line method (SLM), basis the life of the assets which has been assessed as under:

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

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

Notes forming part of the consolidated financial statements
Note 2 Significant Accounting Policies (Contd...)

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

i) Tata Aldesa (JV) - Depreciation / amortisation on fixed assets is provided over the duration of the project.

ii) Tata Projects Balfour Beatty JV - Depreciation / amortisation on fixed assets, is provided on written down value method as per the rates specified below:

Computer	60%
Furniture and fixtures	10%
Office equipment	15%

In respect of parent company, fixed assets costing less than ₹ 10,000 each are fully depreciated in the year of capitalisation. In respect of subsidiary company, assets costing less than ₹ 5,000 each are fully depreciated in the year of acquisition.

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

2.6 Goodwill on Consolidation

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

2.7 Investments

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

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

2.8 Inventories

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

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

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

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

2.9 Revenue recognition

(i) 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 except in case of Tata Aldesa (JV), jointly controlled operation, in respect of which no profit is recognised till a minimum of 2.5% progress is achieved on the contract . Cost incurred and invoices raised in respect of such contracts are carried in the 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 and upon transfer of property in the goods to customers and at the time of rendering of services respectively. Sales includes excise duty and other indirect taxes but excludes indirect taxes collected from customers.

Notes forming part of the consolidated financial statements

Note 2 Significant Accounting Policies (Contd...)

2.10 Unbilled revenues

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

2.11 Foreign Exchange Transactions

(i) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year end rates. The resultant gain / loss upon such restatement along with gain / loss on account of foreign currency transactions are accounted in the statement of profit and loss.

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

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

2.12 Retirement benefits

Defined contribution plans

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

Defined benefit plans

The defined benefit plans comprises gratuity and post retirement medical benefits. Gratuity is funded and the liability as at Balance Sheet date is provided based on actuarial valuation carried out by an independent actuary, in accordance with Accounting Standard 15 on 'Employee Benefits' (AS 15).

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

Other long term employee benefits

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

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

2.13 Taxes on income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets and liabilities have been measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

2.14 Earnings per share

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

Notes forming part of the consolidated financial statements
Note 2 Significant Accounting Policies (Contd...)

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

2.15 Segment reporting

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

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

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

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

2.16 Joint Ventures

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

2.17 Provisions and Contingencies

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

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

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

2.18 Operating cycle

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

Notes forming part of the consolidated financial statements

Note 3 Share capital

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	₹ in lac	Number of shares	₹ in lac
Authorised				
Equity shares of ₹ 100 each with voting rights	2,500,000	2,500.00	2,500,000	2,500.00
Issued, Subscribed and Paid-up				
Equity shares of ₹ 100 each with voting rights	2,025,000	2,025.00	2,025,000	2,025.00
Total	**2,025,000**	**2,025.00**	**2,025,000**	**2,025.00**

Notes:

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

	Year ended March 31, 2014		Year Ended March 31, 2013	
	Number of shares	Amount (₹ in lac)	Number of shares	Amount (₹ in lac)
As at beginning of the year	2,025,000	2,025.00	2,025,000	2,025.00
Changes during the year	-	-	-	-
At the end of the year	**2,025,000**	**2,025.00**	**2,025,000**	**2,025.00**

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

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

During the year ended March 31, 2014, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 50 (March 31, 2013: ₹ 50)

(iii) Shareholders holding more than 5% of the equity shares
Equity shares of ₹ 100 each with voting rights

	As at March 31, 2014		As at March 31, 2013	
	Number of shares	%	Number of shares	%
The Tata Power Company Limited	967,500	47.78	967,500	47.78
Tata Chemicals Limited	193,500	9.56	193,500	9.56
Tata Sons Limited	135,000	6.67	135,000	6.67
Voltas Limited	135,000	6.67	135,000	6.67
Tata Motors Limited	135,000	6.67	135,000	6.67

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

	Aggregate number of shares	
	As at March 31, 2014	As at March 31, 2013
Equity shares allotted as fully paid bonus shares in 2008-09 by capitalisation of securities premium account.	1,687,500	1,687,500

Notes forming part of the consolidated financial statements

Note 4 Reserves and surplus

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Securities premium account	4,987.50	4,987.50
(b) Debenture redemption reserve		
Opening balance	-	843.75
Less: transferred to surplus in the consolidated statement of profit and loss on redemption of 8% partly convertible debentures (non convertible portion)	-	(843.75)
Closing balance	-	-
(c) General reserve		
Opening balance	12,874.88	12,026.12
Add: transferred from surplus in the consolidated statement of profit and loss	979.41	848.76
Closing balance	13,854.29	12,874.88
(d) Foreign currency translation reserve		
Opening balance	19.88	135.70
Add/(Less): effect of foreign exchange rate variations during the year	25.82	(115.82)
Closing balance	45.70	19.88
(e) Capital reserve on consolidation (refer Note 31.15)	77.84	80.25
(f) Surplus in consolidated statement of profit and loss		
Opening balance	45,976.07	40,951.58
Add: Profit for the year	8,526.14	6,214.07
Amount transferred from debenture redemption reserve	-	843.75
Less: Dividend proposed to be distributed to equity shareholders		
[₹ 50 per share (March 31, 2013: ₹ 50 per share)]	(1,012.50)	(1,012.50)
Tax on dividend (refer Note below)	-	(172.07)
Transferred to general reserve	(979.41)	(848.76)
Closing balance *	52,510.30	45,976.07
Total	**71,475.63**	**63,938.58**

* includes Group share of loss in joint ventures ₹ 856.88 lac (March 31, 2013: ₹ 811.10 lac)

Note:

Tax on dividend has been computed after considering the credit taken for dividend aggregating ₹ 2,012.23 lac (March 31, 2013: ₹ Nil) received from foreign subsidiaries [TPL-TQA Quality Services (Mauritius) Pty Limited- ₹ 403.03 lac and TPL-TQA Quality Services South Africa Pty Limited - ₹ 1,609.20 lac] in respect of which income tax amounting to ₹ 341.98 lac (March 31, 2013: ₹ Nil) has been provided and included in current tax.

Notes forming part of the consolidated financial statements

Note 5 Long-term borrowings

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Term loans		
From banks		
- secured	-	0.90
- unsecured	52.23	59.83
	52.23	60.73
Less: Current maturities of long-term borrowings disclosed under Note 10 - Other current liabilities	10.98	11.88
	41.25	48.85
Sales tax deferment loan	**8.04**	**24.01**
Less: Current maturities of long-term borrowings discussed under Note 10 - Other current liabilities	8.04	24.01
	-	-
	41.25	48.85
Share of joint ventures	-	-
Total	**41.25**	**48.85**

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

Note 6 Other long-term liabilities

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
a) Trade payables *	1,207.57	1,085.09
b) Security deposit received	11.29	11.69
	1,218.86	1,096.78
Share of joint ventures-	-	-
Total	**1,218.86**	**1,096.78**

* comprises retention money payable beyond the normal operating cycle.

Note 7 Long-term provisions

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Provision for employee benefits		
(I) Compensated absences	1,563.02	1,305.12
(ii) Gratuity	-	101.33
(iii) Post retirement medical benefits	39.19	25.95
(iv) Pension	241.31	241.83
Total	**1,843.52**	**1,674.23**
Share of joint ventures	3.96	0.60
Total	**1,847.48**	**1,674.83**

Notes forming part of the consolidated financial statements

Note 8 Short-term borrowings

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
From Banks		
- **Secured**		
Overdraft facilities (refer Note (i) below)	21,221.15	800.29
Buyer's credit (refer Note (ii) below)(ii)	4,327.72	3,029.06
Working capital (refer Note (iii) below)	2,021.45	2,527.48
- **Unsecured**		
Overdraft facilities	-	300.37
Commercial advance	3,472.86	-
	31,043.18	6657.2
Share of joint ventures	399.37	339.65
Total	**31,442.55**	**6,996.85**

Notes :

(i) Overdraft facilities are secured by:

(a) a first charge on the book debts, inventories and other current assets ranking pari-passu.

(b) an exclusive charge on the entire receivables, fixed assets and current assets relating to the project being undertaken at Dubai, Kenya & Zambia

(ii) Buyer's credit are secured by a first charge on all the current assets including inventories, receivables and other moveable assets of the Company both present and future.

(iii) Working capital loan is secured by a first charge on inventories, receivables, other current assets and also secured by guarantee given by the Parent Company.

Note 9 Trade payables

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Acceptances	16383.08	-
Other than Acceptances *	204,130.86	224,606.05
	220,513.94	224,606.05
Share of joint ventures	1,713.65	1,524.87
Total	**222,227.59**	**226,130.92**

* includes provision for contract execution expenses ₹ 41,579.01 lac (March 31, 2013: ₹ 56,990.71 lac)

Notes forming part of the consolidated financial statements

Note 10 Other current liabilities

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Current maturities of long-term borrowings (refer Note 5 - Long-term borrowings)	19.02	35.89
(b) Interest accrued but not due on borrowings	17.60	8.95
(c) Interest accrued and due on borrowings	0.45	1.79
(d) Income received in advance (advance billing)	237.61	164.59
(e) Other payables :		
(i) Statutory remittances	2,427.25	3,548.72
(ii) Payables on purchase of fixed assets	2,626.24	933.87
(iii) Interest accrued on trade payables and mobilisation advance received	705.26	379.30
(iv) Security deposits received	320.04	388.65
(v) Mobilisation advance from customers	92,136.34	93,008.00
(vi) Others (refer Note below)	1,665.13	43.91
	100,154.94	98,513.67
Share of joint ventures	53.36	47.43
Total	**100,208.30**	**98,561.10**

Note:

Includes amounts payable (net) to Aldesa Construcciones, S.A. (JV Partner) ₹ 1,531.59 lac (March 31, 2013: ₹ Nil))

Note 11 Short-term provisions

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Provision for employee benefits:		
(i) Compensated absences	364.07	297.04
(ii) Gratuity	17.90	0.84
(iii) Post retirement medical benefits	5.00	3.00
(iv) Pension	35.58	31.80
	422.55	332.68
(b) Provisions - Others:		
(i) Taxation (net)	204.27	240.09
(ii) Foreseeable losses on contracts (refer Note 31.16)	400.92	577.76
(iii) Proposed dividend	1,012.50	1,012.50
(iv) Tax on proposed dividend (refer Note below)	-	172.07
	1,617.69	2,002.42
	2,040.24	2,335.10
Share of joint ventures	1.57	3.59
Total	**2,041.81**	**2,338.69**

Note:

Tax on dividend has been computed after considering the credit taken for dividend aggregating ₹ 2,012.23 lac (March 31, 2013: ₹ Nil) received from foreign subsidiaries [TPL-TQA Quality Services (Mauritius) Pty Limited - ₹ 403.03 lac and TPL-TQA Quality Services South Africa (Pty) Limited - ₹ 1,609.20 lac] in respect of which income tax amounting to ₹ 341.98 lac (March 31, 2013: ₹ Nil) has been provided and included in current tax.

Note 12 Tangible assets

₹ in lac

Particulars	Gross block						Depreciation / Amortisation						Net Block	
	As at March 31, 2013	Additions	Deductions	**Reclassified as held for sale (refer Note 23)**	**Currency realign-ment**	**As at March 31, 2014**	As at March 31, 2013	For the year	On deductions	On reclassifi-cation as held for sale	Currency realign-ment	**As at March 31, 2014**	**As at March 31, 2014**	As at March 31, 2013
Freehold Land	326.61	-	-	209.72	-	116.89	-	-	-	-	-		116.89	326.61
	(326.61)	-	-	-	-	(326.61)	-	-	-	-	-			
Leasehold Land	51.98	-	-	-	-	51.98	3.76	1.95	-	-	-	5.71	46.27	48.22
	(51.98)	-	-	-	-	(51.98)	(3.21)	(0.55)	-	-	-	(3.76)		
Buildings	1,020.78	268.27	-	-	-	1,289.05	411.74	57.87	-	-	-	469.61	819.44	609.04
	(1,020.78)	-	-	-	-	(1,020.78)	(348.36)	(63.38)	-	-	-	(411.74)		
Leasehold Improvements	879.79	71.66	-	-	-	951.45	294.33	151.64	-	-	-	445.97	505.48	585.46
	(512.12)	(419.70)	(52.03)	-	-	(879.79)	(223.25)	(92.69)	(21.61)	-	-	(294.33)		
Plant and Machinery (including erection/ construction machinery)	29,588.47	6,027.55	211.29	-	-	35,404.73	11,803.33	4,026.84	199.51	-	-	15,630.66	19,774.07	17,785.14
	(21,364.56)	(8,304.86)	(80.95)	-	-	(29,588.47)	(8,872.20)	(2,977.69)	(46.56)	-	-	(11,803.33)		
Furniture & Fixtures	1,063.65	242.91	111.54	-	-	1,195.02	585.23	142.24	65.72	-	-	661.75	533.27	478.42
	(798.75)	(333.94)	(69.04)	-	-	(1,063.65)	(523.78)	(109.80)	(48.35)	-	-	(585.23)		
Vehicles *	1,267.34	146.25	79.57	-	-	1,334.02	604.95	207.07	53.09	-	-	758.93	575.09	662.39
	(947.02)	(421.66)	(101.34)	-	-	(1,267.34)	(491.68)	(193.21)	(79.94)	-	-	(604.95)		
Office Equipment	1,590.39	568.17	43.52	-	-	2,115.04	676.32	176.57	27.50	-	-	825.39	1,289.65	914.07
	(1,201.93)	(472.73)	(84.27)	-	-	(1,590.39)	(570.92)	(144.89)	(39.49)	-	-	(676.32)		
Computers	1,365.19	246.38	0.36	-	-	1,611.21	1,023.80	174.36	0.10	-	-	1,198.06	413.15	341.39
	(1,156.06)	(236.56)	(27.43)	-	-	(1,365.19)	(910.62)	(139.95)	(26.77)	-	-	(1,023.80)		
R & D - Capital Mobile Desalination Plant	40.24	-	-	-	-	40.24	28.40	1.65	-	-	-	30.05	10.19	11.84
	(40.24)	-	-	-	-	(40.24)	(26.49)	(1.91)	-	-	-	(28.40)		
	37,194.44	7,571.19	446.28	209.72	-	44,109.63	15,431.86	4,940.19	345.92	-	-	20,026.13	24,083.50	21,762.58
	(27,420.05)	(10,189.45)	(415.06)	-	-	(37,194.44)	(11,970.51)	(3,724.07)	(262.72)	-	-	(15,431.86)	-	-
Share of joint ventures	29.02	0.03	-	-	2.77	31.82	20.06	1.19	-	-	2.09	23.34	8.48	8.96
	(53.68)	(1.17)	(26.40)		(0.57)	(29.02)	(30.85)	(3.36)	(14.58)	-	(0.43)	(20.06)		
Total	**37,223.46**	**7,571.22**	**446.28**	**209.72**	**2.77**	**44,141.45**	**15,451.92**	**4,941.38**	**345.92**	**-**	**2.09**	**20,049.47**	**24,091.98**	
	(27,473.73)	(10,190.62)	(441.46)	-	(0.57)	(37,223.46)	(12,001.36)	(3,727.43)	(277.30)	-	(0.43)	(15,451.92)	-	(21,771.54)

* includes heavy vehicles viz. tractors, trailers and tippers Note 13 Intangible assets

Notes forming part of the consolidated financial statements

Note 13 Intangible assets

₹ in lac

Particulars	Gross block						Depreciation / Amortisation						Net Block	
	As at March 31, 2013	Additions	Deductions	Reclassified as held for sale (refer Note 23)	Currency realign-ment	**As at March 31, 2014**	As at March 31, 2013	For the year	On deductions	On reclassifi-cation as held for sale	Currency realign-ment	**As at March 31, 2014**	**As at March 31, 2014**	As at March 31, 2013
Software	787.98	1,034.29	-	-		1,822.27	616.10	182.71	-			798.81	1,023.46	171.88
	(746.17)	(41.81)	-	-		(787.98)	(458.78)	(157.32)	-			(616.10)	-	
Goodwill	2,132.57	-	-	-		2,132.57	2,132.57	-	-			2,132.57	-	
	(2,132.57)	-	-	-		(2,132.57)	(2,132.57)	-	-			(2,132.57)	-	-
	2,920.55	1,034.29	-	-	-	3,954.84	2,748.67	182.71	-		-	2,931.38	1,023.46	171.88
	(2,878.74)	(41.81)	-	-	-	(2,920.55)	(2,591.35)	(157.32)	-		-	(2,748.67)	-	-
Share of joint ventures	1.05	-	-	-		1.05	1.05	-	-		-	1.05	-	-
	(0.70)	(0.35)				(1.05)	(0.70)	(0.35)	-	-		(1.05)	-	
Total	**2,921.60**	**1,034.29**	**-**	**-**	**-**	**3,955.89**	**2,749.72**	**182.71**	**-**	**-**		**2,932.43**	**1,023.46**	
	(2,879.44)	(42.16)	-	-	-	(2,921.60)	(2,592.05)	(157.67)	-	-		(2,749.72)	-	(171.88)

Amounts in brackets represtnt previous year numbers

Notes forming part of the consolidated financial statements

Note 14 Non-current investments

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

Note: Other details relating to investment in partnership firm

Name of the firm	As at March 31, 2014			As at March 31, 2013		
	Name of partner in the firm	Share of Capital	Share of each partner in the profits of the firm	Name of partner in the firm	Share of Capital	Share of each partner in the profits of the firm
Tata Dilworth Secord, Meagher & Associates	(i) Tata Projects Limited	1.80	60%	(I) Tata Projects Limited	1.80	60%
	(ii) Dilworth Secord, Meagher & Associates	1.20	40%	(ii) Dilworth Secord, Meagher & Associates	1.20	40%

Note 15 Deferred tax assets (net)

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
A. Tax effect of items constituting deferred tax liability	-	-
B. Tax effect of items constituting deferred tax assets		
Depreciation	327.97	171.81
Provision for doubtful debts and advances	4,305.81	2,457.55
Provision for foreseeable losses	136.27	196.38
Provision of compensated absences and gratuity	738.14	657.68
Disallowance under section 43B	61.18	61.18
Others	27.65	25.07
	5,597.02	3,569.67
Share of joint ventures	-	-
Deferred tax assets (net)	**5,597.02**	**3,569.67**

Notes forming part of the consolidated financial statements

Note 16 Long-term loans and advances (unsecured, considered good, unless otherwise stated)

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Capital Advances	53.16	8.01
(b) Security deposits		
Unsecured, considered good	1,119.85	1,108.51
Doubtful	199.00	199.00
	1,318.85	1,307.51
Less: Provision for doubtful deposits	(199.00)	(199.00)
	1,119.85	1,108.51
(c) Deposits with government authorities	2,963.85	1,377.23
(d) Loans and advances to employees	47.66	57.49
(e) Prepaid expenses	46.83	34.46
(f) Advance income tax (net)	961.97	500.47
(g) Advance payment of fringe benefit tax (net)	26.28	26.28
(h) Other project related advances		
Unsecured, considered good	138.27	104.03
Doubtful	162.63	-
	300.90	104.03
Less: Provision for doubtful advances	(162.63)	-
	138.27	104.03
	5,357.87	3,216.48
Share of joint ventures	6.33	22.59
Total	**5,364.20**	**3,239.07**

Note 17 Other non-current assets

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Long-term trade receivables *	1,992.65	1,734.31
(b) Insurance and other claims receivable	-	300.90
	1,992.65	2,035.21
Share of joint ventures	-	-
Total	**1,992.65**	**2,035.21**

* comprises retention money receivable beyond the normal operating cycle.

Notes forming part of the consolidated financial statements

Note 18 Current investments (at lower of cost and fair value)

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Other investments		
Government securities		
Investments in Exim Bank		
Nil (March 31, 2013: 3 Nos.) 6.35% Exim Bond - 2013 of ₹ 100 lac each fully paid	-	302.35
Less: Amortisation of premium	-	(2.30)
	-	300.05
Investments in mutual funds		
UTI Treasury Advantage Fund - Institutional Plan - Daily Dividend Option- Reinvestment	-	321.72
Nil (March 31, 2013: 32,165.526) Units of ₹ 1,000 each		
Kotak Floater Long Term - Daily Dividend	-	315.52
Nil (March 31, 2013: 31,30,268.264) Units of ₹ 10 each		
HSBC Floating Rate-Long Term Plan - Weekly Dividend	-	160.23
Nil (March 31, 2013: 14,26,706.190) Units of ₹10 each		
JM Money Manager Fund - Super Plan - Daily Dividend - Reinvest	-	224.93
Nil ((March 31, 2013: 22,47,307.451) units of ₹ 10 each		
Birla Sun Life Savings Fund - Daily Dividend-Regular Plan-Reinvestment	-	337.06
Nil (March 31, 2013: 336,743.244) Units of ₹ 100 each		
ICICI Prudential Flexible Income - Regular Plan - Daily Dividend	-	357.83
Nil (March 31, 2013: 3,38,417.886) Units of ₹100 each		
Tata Floater Fund - Plan A- Daily Dividend - Reinvestment	-	1,009.27
Nil (March 31, 2013: 1,00,568.831) Units of ₹ 1,000 each		
HDFC Liquid Fund - Dividend - Daily Reinvestment	-	310.92
Nil (March 31, 2013: 30,48,798.054) Units of ₹ 10 each		
Templeton India Ultra Short Bond Fund Super Institutional Daily Dividend Plan	-	372.77
Nil (March 31, 2013: 37,21,020.496) Units of ₹ 10 each		
DSP BlackRock Money Manager Fund-Regular-Daily Dividend Reinvest	-	127.88
Nil (March 31, 2013: 12,578.639) Units of ₹ 1,000 each		
SBI Ultra Short Term Debt Fund – Regular Plan - Daily Dividend	-	214.33
Nil (March 31, 2013: 21,405.554) Units of ₹ 1,000 each		
IDFC Money Manager Fund - Treasury Plan-Daily Dividend-(Regular Plan)	-	17.76
Nil (March 31, 2013: 1,76,337.294) Units of ₹ 10 each		
	-	3,770.22
Share of joint venture	-	15.56
Total	**-**	**4,085.83**

Notes forming part of the consolidated financial statements

Note 19 Inventories (valued at lower of cost and net realisable value)

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Raw materials	3,096.59	2,080.12
(b) Work-in-process	1,314.33	507.27
(c) Finished goods #	10.74	245.02
(d) Stores and spares	96.47	32.29
(e) Contracts-in-progress *	42,173.92	22,074.84
Total	**46,692.05**	**24,939.54**
# includes Goods-in-transit	-	176.00
* includes Goods-in-transit	-	2,979.20

Note 20 Trade receivables

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	15,395.46	19,373.71
Doubtful	12,134.91	6,875.19
	27,530.37	26,248.90
Less: Provision for doubtful trade receivables	(12,134.91)	(6,875.19)
	15,395.46	19,373.71
Other Trade receivables		
Unsecured, considered good	212,495.31	211,575.63
	227,890.77	230,949.34
Share of joint ventures	747.39	685.42
Total	**228,638.16**	**231,634.76**

includes retention money receivable ₹1,21,872.36 lac (March 31, 2013 : ₹99,340.63 lac)

Note 21 Cash and bank balances

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
A. Cash and cash equivalents		
(a) Cash on hand	29.80	43.51
(b) Balances with banks:		
- In current accounts	8,696.10	10,670.30
- In EEFC accounts	4,350.52	61.20
- In demand deposit accounts	5,044.64	345.73
	18,121.06	11,120.74
Share of joint ventures	15.31	14.10
	18,136.37	11,134.84
B. Other bank balances		
In other deposit accounts - original maturity more than 3 months (refer Note below)	74.14	98.59
Total	**18,210.51**	**11,233.43**

Note:

Deposit accounts include ₹ Nil (March 31, 2013 : ₹ Nil) demand deposits which have an original maturity of more than 12 months from the balance sheet date.

Notes forming part of the consolidated financial statements

Note 22 Short-term loans and advances (Unsecured, considered good unless otherwise stated)

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Security deposits	639.65	574.63
(b) Loans and advances to employees	178.85	260.63
(c) Prepaid expenses	743.18	670.83
(d) Balances with government authorities		
CENVAT credit receivable	29.74	29.21
VAT credit receivable	903.07	1,329.70
Sales tax deducted at source	7,287.21	5,980.15
Customs duty refund receivable	817.16	1,169.41
	9,037.18	8,508.47
(e) Inter-corporate deposits	17,000.00	23,500.00
(f) Mobilisation advances	38,200.79	46,787.76
(g) Other project related advances		
Unsecured, considered good *	19,083.50	13,900.92
Doubtful	621.13	400.00
	19,704.63	14,300.92
Less: Provision for doubtful advances	(621.13)	(400.00)
	19,083.50	13,900.92
	84,883.15	94,203.24
Share of joint ventures	1,209.78	1,058.59
Total	**86,092.93**	**95,261.83**

* Includes ₹ 128.47 lac (March 31, 2013: ₹ Nil) recoverable from Balfour Beatty Infrastructure India Private Limited - JV partner

Notes forming part of the consolidated financial statements

Note 23 Other current assets (unsecured, considered good unless otherwise stated)

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
(a) Unbilled revenue	13,124.35	2,300.99
(b) Accruals :		
(i) Interest accrued on deposits	111.92	16.59
(ii) Interest accrued on investments	-	14.87
(iii) Interest accrued on inter corporate deposits	-	56.19
(iv) Interest accrued on mobilisation advance given	129.75	80.48
	241.67	168.13
(c) Others		
(i) Insurance and other claims receivables		
Unsecured, considered good	16.97	32.34
Doubtful	73.25	73.25
	90.22	105.59
Less: Provision for doubtful claims	(73.25)	(73.25)
	16.97	32.34
(ii) Contractually reimbursable expenses	901.64	1,567.57
(iii) Fixed assets held for sale (at lower of cost and estimated realisable value) (refer Note below)	398.66	-
	1,317.27	1,599.91
	14,683.29	4,069.03
Share of joint ventures	48.51	30.23
Total	**14,731.80**	**4,099.26**

Note:

Details of fixed assets held for sale :		
Freehold land	209.72	-
Buildings (partly completed transferred from capital work-in-progress)	188.94	-
	398.66	-

Notes forming part of the consolidated financial statements

Note 24 Revenue from operations

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
(a) Income from contracts (refer Note (i) below)	359,100.29	352,779.47
(b) Income from services (refer Note (ii) below)	14,765.36	16,172.53
(c) Income from sale of goods (refer Note (iii) below)	3,509.61	1,541.17
(d) Share of profit from Joint Venture	701.23	-
(e) Other operating revenues (refer note (iv) below)	538.46	614.65
	378,614.95	371,107.82
Share of joint ventures	114.98	157.46
Revenue from operations (Gross)	**378,729.93**	**371,265.28**
Less: Indirect taxes and duties	7,513.62	11,317.66
Total	**371,216.31**	**359,947.62**
Notes:		
(i) Income from contacts comprises :		
- Supply of contract equipment and materials	232,941.11	225,844.03
- Civil and erection works	126,159.18	126,935.44
Total	**359,100.29**	**352,779.47**
(ii) Income from services comprises :		
- Quality inspection services	14,253.38	15,800.37
- Manpower services	511.98	372.16
Total	**14,765.36**	**16,172.53**
(iii) Income from sale of goods comprises :		
- Sale of BWRO units	520.63	235.81
- Sale of pressure vessels and air receivers	2,988.98	1,305.36
Total	**3,509.61**	**1,541.17**
(iv) Other operating revenues comprises :		
- Sale of scrap	520.32	614.65
- Duty drawback	18.14	-
Total	**538.46**	**614.65**

Notes forming part of the consolidated financial statements

Note 25 Other income

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
(a) Interest income (refer Note (i) below)	1,660.57	3,780.22
(b) Dividend income :		
from current investments		
- mutual funds	127.72	1,096.66
(c) Net gain on foreign currency transactions and translations	143.30	213.73
(d) Other non-operating income (refer Note (ii) below)	641.03	702.67
	2,572.62	5,793.28
Share of joint ventures	2.13	9.74
Total	**2,574.75**	**5,803.02**
Notes:		
(i) Interest Income comprises :		
- Interest from banks on deposits	591.07	697.08
- Interest on inter corporate deposits	252.14	2,144.35
- Interest income from current investments	4.18	19.05
- Interest income on mobilisation advance given	770.41	816.11
- Interest on income tax refund	36.37	-
- Other interest	6.40	103.63
Total	**1,660.57**	**3,780.22**
(ii) Other non-operating income comprises :		
- Hire charges	374.11	364.21
- Liabilities no longer required written back	208.11	223.14
- Miscellaneous income	58.81	115.32
Total	**641.03**	**702.67**

Note 26 Contract execution expenses

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
(a) Cost of supplies/erection and civil works *	289,600.81	288,056.36
(b) Technical and engineering fees	4,923.19	5,089.97
(c) Insurance premium	1,733.95	1,857.65
(d) Bank guarantee and letter of credit charges	1,683.97	1,515.56
	297,941.92	296,519.54
Share of joint ventures	48.62	97.16
Total	**297,990.54**	**296,616.70**

* includes increase / (decrease) in excise duty of ₹ 84.32 lac (previous year: (₹ 4.84 lac)) on finished goods

Notes forming part of the consolidated financial statements

Note 27 Changes in inventories of finished goods, work-in-process and contracts-in-progress

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
Inventories at the end of the year		
Finished goods	10.74	245.02
Work-in-process	1,314.33	507.27
Contracts-in-progress	42,173.92	22,074.84
	43,498.99	**22,827.13**
Inventories at the beginning of the year		
Finished goods	245.02	78.92
Work-in-process	507.27	585.95
Contracts-in-progress	22,074.84	7,736.79
	22,827.13	**8,401.66**
	(20,671.86)	(14,425.47)
Share of joint ventures	-	-
Net (increase)/decrease	**(20,671.86)**	**(14,425.47)**

Note 28 Employee benefits expense

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
(a) Salaries and wages	24,761.15	21,852.78
(b) Contribution to provident and other funds	2,534.92	2,242.70
(c) Staff welfare expenses	1,077.17	1,059.61
	28,373.24	25,155.09
Share of joint ventures	68.12	72.82
Total	**28,441.36**	**25,227.91**

Notes forming part of the consolidated financial statements

Note 29 Other expenses

		For the year ended March 31, 2014 ₹ in lac		For the year ended March 31, 2013 ₹ in lac
Consumption of stores and spare parts		364.51		291.84
Rent		2,442.56		2,099.69
Repairs and maintenance				
- Building		4.01		1.87
- Machinery		434.17		297.29
- Others		433.02		538.90
Processing charges		674.47		765.55
Power and fuel		889.07		788.53
Rates and taxes		179.69		239.72
Insurance		156.84		71.50
Motor vehicle expenses		3,053.82		2,031.10
Travelling and conveyance		3,568.16		3,232.00
Legal and professional		2,560.12		1,587.63
Payment to auditors (refer Note below)		72.67		59.23
Communication expenses		576.92		526.02
Printing and stationery		287.46		277.19
Staff recruitment and training expenses		152.56		165.63
Business development expenditure		238.11		178.63
Bank charges		105.08		53.61
Freight and handling charges		423.49		393.43
Amortisation of premium and provision for diminution in the value of investments		0.05		0.24
Bad debts	268.35		36.06	
Provision for doubtful trade receivables	6,164.91		3,442.65	
	6,433.26		3,478.71	
Less: Provision for doubtful trade receivables reversed	(905.19)		(451.63)	
		5,528.07		3,027.08
Advances written off		204.38		254.41
Provision for doubtful loans and advances		383.76		199.00
Agency commission		81.49		49.84
Brand equity contribution		790.40		576.47
Loss on sale of fixed assets (net)		25.89		79.04
Miscellaneous expenses		1,336.88		1,066.76
		24,967.65		18,852.20
Share of joint ventures		44.69		51.57
Total		**25,012.34**		**18,903.77**
Note:				
Payment to auditors comprises (net of service tax)				
(a) To Statutory auditors				
Audit fees		42.34		38.66
Tax audit fees		3.00		3.12
Limited review fees		6.00		7.68
Other services		18.43		6.18
Reimbursement of expenses		1.37		0.96
(b) To Cost auditor for cost audit		1.53		2.63
Total		**72.67**		**59.23**

Notes forming part of the consolidated financial statements

Note 30 Finance costs

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
(a) Interest expense on :		
(I) Borrowings	1,558.00	467.54
(ii) Mobilisation advance received	1,768.84	2,693.86
(iii) Delayed payment of income tax	33.27	-
(iv) Others	193.25	166.52
(b) Other borrowing costs	319.16	47.08
	3,872.52	3,375.00
Share of joint ventures	0.27	-
Total	**3,872.79**	**3,375.00**

Note 31 Additional information to the financial statements

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

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
(i) Contingent liabilities:		
(a) Claim against the Company not acknowledged as debt Matters under dispute:		
Sales tax	5,768.14	4,905.48
Service tax	11,577.72	-
Income tax	211.34	227.26
Third party claims from disputes relating to contracts	910.00	1,594.99
(b) Guarantees		
Performance and other bank guarantees issued by banks on behalf of the Company (refer Note 1,2 below)	353,353.64	351,295.52
Corporate guarantees (refer Note 1 below)	11,666.56	19,929.12
(c) Others - liquidated damages	Amounts indeterminate	Amounts indeterminate
(d) Bills discounted	-	460.48

Notes:

1 Includes bank guarantees of ₹ 800.00 lac (March 31, 2013 : ₹Nil) and Corporate guarantee of ₹3,978.55 lac (March 31, 2013: ₹3,472.52 lac) given by the Parent Company on behalf of its subsidiary Artson Engineering Limited and outstanding as on March 31, 2014.

2 Includes ₹39,160.54 lac (March 31, 2013 : ₹ 5,985.13 lac) given on behalf of the following jointly controlled operations.

	₹ in lac	
(i) Tata Aldesa (JV)	33,307.66	(March 31, 2013: ₹ Nil)
(ii) Tata Projects Balfour Beatty JV	200.00	(March 31, 2013: ₹ Nil)
(iii) Tata Projects Limited VNR JV Pkg 1	2,766.29	(March 31, 2013: ₹ 2,958.68 lac)
(iv) Tata Projects Limited VNR JV Pkg 2	2,886.59	(March 31, 2013: ₹ 3,026.45 lac)
	39,160.54	

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advance ₹ 53.16 lac (March 31, 2013 : ₹ 8.01 lac)]	653.00	69.73

Notes forming part of the consolidated financial statements

31.2 Raw materials consumed

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
Steel / Plates	16,572.91	17,639.55
Zinc	1,723.98	1,676.32
Others (including lead, pipes and paints)	711.68	1,722.09
Total	**19,008.57**	**21,037.96**

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

31.3 Details on derivative instruments and unhedged foreign currency exposures

a) Outstanding forward exchange contracts entered into by the Company as on March 31, 2014

Currency	Amount (in Million)	Buy/Sell	Cross Currency
Euro	1.13 (1.28)	Buy (Buy)	Rupees (Rupees)
USD	4.68 (0.52)	Buy (Buy)	Rupees (Rupees)

Amounts in brackets represent previous year numbers

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

	Currency	As at March 31, 2014		As at March 31, 2013	
		Foreign currency (in Millions)	₹ in lac	Foreign currency (in Millions)	₹ in lac
1 Short term borrowings	USD	0.11	63.86	1.05	569.77
	EUR	0.60	498.53	1.73	1,205.37
	AED	4.80	784.27	5.41	800.29
2 Receivables	AED	19.71	3,223.34	24.67	3,645.50
	KES	590.29	4,108.05	23.06	146.43
	WON	51.33	29.03	85.14	41.72
	QAR	-	-	0.37	54.72
	EUR	0.23	186.80	0.32	220.68
	ZAR	24.50	1,396.93	40.77	2,397.26
	SAR	11.84	1,950.09	11.94	1,746.37
	ZMW	48.42	4,529.64	-	-
	USD	0.55	322.00	-	-
	CHF	0.03	20.26	-	
3 Payables	QAR	-	-	0.002	0.26
	AED	11.35	1,855.13	12.52	1,850.38
	SGD	0.07	32.42	0.07	29.66
	EUR	0.21	169.55	0.14	95.74
	ZAR	11.44	652.72	29.15	1,713.92
	SAR	12.88	2,124.25	13.06	1,910.12
	WON	-	-	28.56	14.00
	KES	482.85	3,360.32	300.22	210.02
	ZMW	70.72	6,616.12	-	-
	USD	1.86	1,114.43	-	-
4 Interest accrued on buyer's credit	USD	0.001	0.88	0.002	1.33
	EUR	0.006	4.89	0.004	2.56

Notes forming part of the consolidated financial statements

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

	Currency	**As at March 31, 2014**		As at March 31, 2013	
		Foreign currency (in Millions)	₹ in lac	Foreign currency (in Millions)	₹ in lac
5 Cash and cash equivalents	QAR	-	-	0.02	3.16
	SGD	0.002	0.86	0.01	4.95
	AED	1.13	185.48	2.38	351.96
	USD	7.19	4,321.03	0.42	228.87
	WON	373.09	208.93	294.92	143.98
	KES	27.31	190.00	214.15	1,359.86
	EUR	0.63	520.71	0.66	456.03
	ZAR	16.62	947.61	25.74	1,513.27
	SAR	0.09	15.27	0.09	13.54
	ZMW	3.96	368.82	-	-

c) The net difference in foreign exchange credited to the Statement of Profit and Loss is ₹ 143.30 lac (March 31, 2013 : ₹ 213.73 lac).

31.4 Note 16 - Long-term loans and advances includes ₹ 610.00 lac (March 31, 2013: ₹ 610.00 lac) on account of taxes deducted at source on inter state supplies under applicable Value Added Tax Acts. The Parent Company has contested the deduction in the applicable judicial forum and is confident of a favorable outcome in the matter.

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

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

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

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

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

	For the year ended March 31, 2014 ₹ in lac	For the year ended March 31, 2013 ₹ in lac
Contract revenue recognised during the year	**359,100.29**	352,779.47
Aggregate of contract costs incurred and recognised profits (less recognized losses) upto the reporting date	**1,942,112.36**	1,542,110.05
Advances received for contracts-in-progress	**92,254.08**	92,899.46
Retention money for contracts-in-progress	**123,865.01**	101,074.94
Gross amount due from customers for contract work	**55,298.27**	22,451.57

Notes forming part of the consolidated financial statements

31.8 In line with accepted practice in construction business, certain revision to costs and billing of previous years which have crystallised during the year have been dealt with in the current year. The Statement of Profit and Loss for the year includes credits (net) aggregating ₹ 9,919.70 lac (March 31, 2013 : ₹ 2,139.50 lac - debits(net)) on account of changes in estimates.

31.9 Employee benefits

(a) Defined benefit plans

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

₹ in lac

	Year ended March 31, 2014			Year ended March 31, 2013		
	Gratuity	**Pension**	**Post retirement medical benefits**	Gratuity	Pension	Post retirement medical benefits
	Funded	**unfunded**	**unfunded**	Funded	unfunded	unfunded
I Components of employer's expense						
Current service cost	269.17	-	-	225.58	-	-
Interest cost	171.38	20.62	2.20	144.24	16.60	2.36
Expected return on plan assets	(159.12)	-	-	(126.33)	-	-
Past service cost	-	-	-	-	-	-
Actuarial losses / gains	25.47	18.22	29.78	359.29	83.70	(0.66)
Total expense recognized in the Statement of Profit and Loss	**306.90**	**38.84**	**31.98**	**602.78**	**100.30**	**1.70**
II Net asset / (liability) recognised in the Balance Sheet						
Present value of defined benefit obligation	2,317.52	276.89	44.19	2,062.56	273.63	28.95
Fair value on plan assets	(2,360.46)	-	-	(1,960.39)	-	-
Surplus / (Deficit)	42.94	(276.89)	(44.19)	(102.17)	(273.63	(28.95)
Unrecognised past service cost	-	-	-	-	-	-
Net asset/(liability) recognised in the Balance Sheet	**42.94**	**(276.89)**	**(44.19)**	**(102.17)**	**(273.63)**	**(28.95)**
III Change in defined benefit obligation (DBO) during the year						
Present value of DBO at beginning of the period/year	2,062.56	273.63	28.95	1,481.93	211.13	27.71
Current service cost	269.17	-	-	225.58	-	-
Interest cost	171.38	20.62	2.20	144.24	16.60	2.36
Actuarial (gains)/losses	9.35	18.22	29.78	394.16	83.70	(0.66)
Benefits paid	(194.94)	(35.58)	(16.74)	(183.35)	(37.80)	(0.46)
Present value of DBO at the end of the year	**2,317.52**	**276.89**	**44.19**	**2,062.56**	**273.63**	**28.95**

Notes forming part of the consolidated financial statements

31.9 Employee benefits (Contd....)

(a) Defined benefit plans

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

₹ in lac

	Year ended March 31, 2014			Year ended March 31, 2013		
	Gratuity	**Pension**	**Post retirement medical benefits**	Gratuity	Pension	Post retirement medical benefits
	Funded	**unfunded**	**unfunded**	Funded	unfunded	unfunded
IV Change in fair values of assets during the year						
Plan assets at beginning of the period/year	1,960.39	-	-	1,481.66	-	-
Expected return on plan assets	159.12	-	-	126.33	-	-
Actual company contributions	452.01	35.58	16.74	501.13	37.80	0.46
Actuarial gain / (loss)	(16.12)	-	-	34.62	-	-
Benefits paid	(194.94)	(35.58)	(16.74)	(183.35)	(37.80)	(0.46)
Plan assets at the end of the period/year	2,360.46	-	-	1,960.39	-	-
Actual return on plan assets	143.00	-	-	157.68	-	-
V The major categories of plan assets						
Funded with Tata AIG Life Insurance Company Limited and Life Insurance Corporation of India	2,360.46	-	-	1,960.39	-	
VI Actuarial assumptions						
Discount rate	9.00%	9.00%	9.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	9.00%			8.00%		
Salary escalation	6.00%	-	-	5.00%	-	-
Attrition	10%			10%		
Mortality	Indian Assured Lives Mortality (2006-08) ULT Table			Indian Assured Lives Mortality (2006-08) ULT Table		

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

31.9 Employee benefits (cond....)

VII Experience adjustments

₹ in lac

	2013-14			2012-13			2011-12			2010-11			2009-10		
	Gratuity	**Pension**	**Post retirement medical benefits**	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits	Gratuity	Pension	Post retirement medical benefits
Present value of DBO	2,317.52	276.89	44.19	2,062.56	273.63	28.95	1,478.78	211.13	27.71	1,198.44	106.86	-	900.70	94.77	-
Fair value of plan assets	2,360.46	-	-	1,960.39	-	-	1,481.66	-	-	1,220.68	-	-	913.44	-	-
Status [Surplus/(Deficit)]	42.94	(276.89)	(44.19)	(102.17)	(273.63)	(28.95)	2.88	(211.13)	(27.71)	22.24	(106.86)	-	12.74	(94.77)	-
Experience adjustment on plan assets [gain/(loss)]	(16.12)	-	-	34.62	-	-	9.05	-	(10.42)	-	-	(8.88)	-	-	-
Experience adjustment on plan liabilities [gain/(loss)]	144.09	35.87	14.03	199.02	74.92	(1.69)	200.96	25.02	-	197.34	33.72	-	63.93	6.96	-

b) Defined contribution plan

In respect of the defined contribution plans, an amount of ₹ 2,195.62 lac (March 31, 2013: ₹ 1,645.61 lac) has been recognised as an expense in the statement of profit and loss during the year.

Notes forming part of the consolidated financial statements

31.10 Segment Information

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

   Accordingly the primary segments of the Group are:

   1 EPC

   2 Services

   3 Others

   and secondary segments of the Group are:

   1 Domestic

   2 Overseas

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

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

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

31.10 Segment Results

₹ in lac

	Particulars	Business segments			Eliminations	Total
		EPC	Services	Others		
	Revenue	357,427.03	15,770.87	3,505.91	5,487.50	371,216.31
		(343,389.27)	(17,179.16)	(1,693.69)	(2,314.50)	(359,947.62)
	Inter segment revenue	-	628.83	-	628.83	-
		-	(470.50)	-	(470.50)	-
1	Segment revenue	357,427.03	16,399.70	3,505.91	6,116.33	371,216.31
		(343,389.27)	(17,649.66)	(1,693.69)	(2,785.00)	(359,947.62)
2	Segment result	17,832.30	4,705.57	3,110.92		25,648.79
		(8,842.85)	(5,898.24)	(1,465.05)		(16,206.14)
3	Unallocable expenses (net)					9,337.52
						(7,504.49)
4	Finance costs					3,872.79
						(3,375.00)
5	Operating income (2-3-4)					12,438.48
						(5,326.65)
6	Other income (net)					2,574.75
						(5,803.02)
7	**Profit before taxes (5+6)**					**15,013.23**
						(11,129.67)
8	Tax expense					5,495.01
						(3,925.99)

Notes forming part of the consolidated financial statements

31.10 Segment Results

₹ in lac

Particulars	Business segments			Eliminations	Total
	EPC	Services	Others		
9 **Profit after tax and before minority interest (7-8)**					**9,518.22** **(7,203.68)**
Segment assets	387,512.82 (354,690.71)	5,628.11 (7,837.44)	9.49 (152.47)		393,150.42 (362,680.62)
Unallocable assets					40,187.53 (41,179.48)
Total assets					**433,337.95** **(403,860.10)**
Segment liabilities	319,613.41 (322,983.46)	959.34 (1,726.60)	139.22 (41.49)		320,711.97 (324,751.55)
Unallocable liabilities					38,315.87 (12,096.47)
Total liabilities					**359,027.84** **(336,848.02)**
Other information					
Capital expenditure (allocable)	5,879.86 (8,314.83)	0.99 (1.52)	- -		5,880.85 (8,316.35)
Capital expenditure (unallocable)					2,044.54 (2,470.81)
Depreciation and amortisation (allocable)	4,175.88 (3,055.18)	22.29 (25.20)	0.06 -		4,198.23 (3,080.38)
Depreciation and amortisation (unallocable)					925.86 (804.72)

₹ in lac

Geographical segment	Revenue - for the year ended March 31, 2014	Segment assets as at March 31, 2014	Capital expenditure incurred during the year ende March 31, 2014
Domestic (allocable)	347,384.85 (346,499.60)	370,383.89 (350,176.63)	5,867.43 (8,190.29)
Domestic (unallocable)	- -	40,187.53 (41,179.48)	2,044.54 (2,470.81)
Overseas	23,831.46 (13,448.02)	22,766.53 (12,503.99)	13.42 (126.06)
Total	**371,216.31** **(359,947.62)**	**433,337.95** **(403,860.10)**	**7,925.39** **(10,787.16)**

Note: Amounts in brackets represent previous year numbers

Notes forming part of the consolidated financial statements

31.11 Related party transactions

Details of related parties:

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

31.11 Related party transactions (Contd...)

Details of related party transactions during the year ended March 31, 2014 and balance outstanding as at March 31, 2014

₹ in lac

Particulars	Entity holding more than	JCE			JCO					KMP	Total
	TPCL	Al Tawleed	TEIL	Total	TPL VNR JV Pkg 1	TPL VNR JV Pkg 2	TP BB JV	Tata - Aldesa (JV)	Total		
Revenue from operations	1,496.09	-	-	-	2,581.28	2,311.67	-	-	4,892.95	-	6,389.04
	(1,994.64)	(-)	(-)	(-)	(1,974.97	(2,368.41)	(-)	(-)	(4,343.38)	(-)	(6,338.02)
Interest expenses on borrowings	-	-	-	-	-	-	-	-	-	-	-
	(30.82)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(30.82)
Proposed dividend	483.75	-	-	-	-	-	-	-	-	-	483.75
	(483.75)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(483.75)
Loans and advance given (net)	-	-	-	-	-	-	50.00	-	50.00	-	50.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Mobilisation advance received (net)	-	-	-	-	-58.31	62.91	-	4,099.31	4,103.91	-	4,103.91
	(-)	(-)	(-)	(-)	(108.54)	(151.31)	(-)	(-)	(259.85)	(-)	(259.85)
Redemption of Debentures	-	-	-	-	-	-	-	-	-	-	-
	(937.50)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(937.50)
Reimbursable expenses (net)	-	-	12.67	12.67	0.38	0.33	394.62	141.58	536.91	-	549.58
	(-)	(-)	(20.32)	(20.32)	(-)	(-)	(-)	(-)	(-)	(-)	(20.32)
Remuneration	-	-	-	-	-	-	-	-	-	334.88	334.88
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(293.93)	(293.93)
Guarantees given (net)	-161.15	-	-	-	-250.70	-76.95	200.00	49,018.13	48,890.48	-	48,729.33
	(4,156.80)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(4,156.80)

Amounts in brackets represents previous year numbers.

31.11 Related party transactions (Contd...)

Balances outstanding at the end of the year

₹ in lac

Particulars	Entity holding more than	JCE			JCO					KMP	Total
	TPCL	Al Tawleed	TEIL	Total	TPL VNR JV Pkg 1	TPL VNR JV Pkg 2	TP BB JV	Tata - Aldesa (JV)	Total		
Trade receivables	2,734.85	58.58	-	58.58	1,808.64	1,788.07	394.62	141.58	4,132.91	-	6,926.34
	(2,692.66)	(58.58)	(-)	(58.58)	(1,166.38)	(1,083.87)	(-)	(-)	(2,250.25)	(-)	(5,001.49)
Loans and advances	-	-	-	-	-	-	50.00	-	50.00	-	50.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Contractually reimbursable expenses	-	1.28	32.99	34.27	0.38	0.33	-	-	0.71	-	34.98
	(-)	(1.28)	(20.32)	(21.60)	(-)	(-)	(-)	(-)	(-)	(-)	(21.60)
Unbilled revenue	-	-	-	-	-	-	-	-	-	-	-
	(2.96)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2.96)
Trade payables	-	24.07	-	24.07	-	-	-	-	-	-	24.07
	(-)	(24.07)	(-)	(24.07)	(-)	(-)	(-)	(-)	(-)	(-)	(24.07)
Other current liabilities	431.32	-	-	-	153.57	254.73	-	4,099.31	4,507.61		4,938.93
	(423.93)	(-)	(-)	(-)	(211.88)	(191.82)	(-)	(-)	(403.70)	-	(827.63)
Proposed dividend	483.75	-	-	-	-	-	-	-	-	-	483.75
	(483.75)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(483.75)
Commission payable	-	-	-	-	-	-	-	-	-	175.00	175.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(150.00)	(150.00)
Guarantees given (net)	1,843.41	-	-	-	2,919.86	3,141.32	200.00	49,018.13	55,279.31	-	57,122.72
	(2,004.56)	(-)	(-)	-	(3,170.56)	(3,218.27)	(-)	(-)	(6,388.83)	(-)	(8,393.39)

Amounts in brackets represents previous year numbers.

Notes forming part of the consolidated financial statements

31.12 Details of leasing arrangements

Operating lease: As lessee

i) The Company's significant leasing arrangements are in respect of operating leases for premises (residences, office, etc.). The leasing arrangements, which are not non-cancellable range generally between 11 months to 9 years or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rents payable are recognized in the Statement of Profit and Loss for the year as Rent under Note 29 - Other expenses.

ii) With regard to certain other non-cancellable operating leases for premises, the future minimum lease rental are as follows:

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Not later than one year	926.18	1,178.69
Later than one year and not later than five years	1,068.97	1,537.85
Later than five years	275.50	419.24
	2,270.65	3,135.78

31.13 Earnings per Share (EPS):

	For the year ended March 31, 2014	For the year ended March 31, 2013
a) Profit for the year (₹ in lac)	8,526.14	6,214.07
b) Weighted Average number of Equity Shares of ₹ 100 each outstanding during the year (No's)	2,025,000	2,025,000
Earnings per share		
c) Basic and diluted (₹) (a/b)	421.04	306.87

31.14 Goodwill on consolidation

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Opening Balance	343.77	343.73
Add: Exchange difference during the year on translation of Goodwill of foreign subsidiaries	0.30	0.04
Total	**344.07**	**343.77**

31.15 Capital reserve on consolidation

	As at March 31, 2014 ₹ in lac	As at March 31, 2013 ₹ in lac
Opening Balance	80.25	90.48
Less: Exchange difference during the year on translation of Goodwill of foreign subsidiaries	(2.41)	(10.23)
Total	**77.84**	**80.25**

Notes forming part of the consolidated financial statements

31.16 Details of provisions

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

Particulars	As at April 1, 2013	Additions	Utilisation	As at March 31, 2014
Provision for foreseeable losses on contracts	577.76	1,852.24	2,029.08	400.92
	(606.85)	(496.09)	(525.18)	(577.76)

Amounts in brackets represents previous year numbers.

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

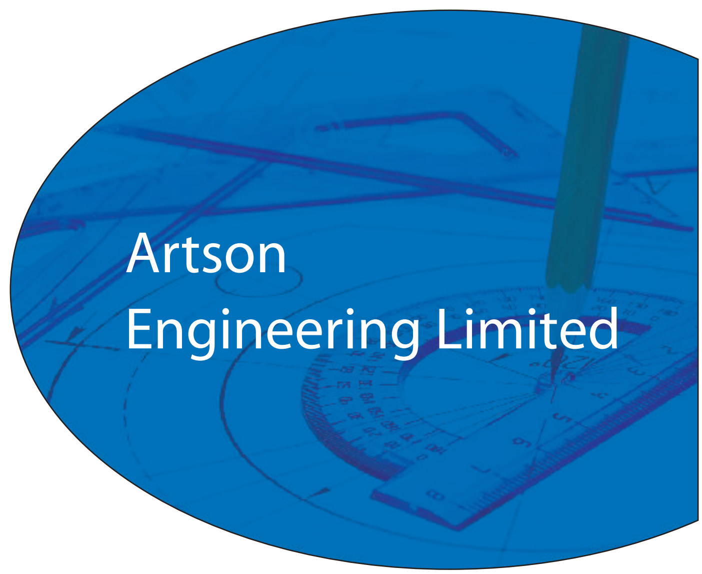
For and on behalf of the Board Directors

Prasad R Menon	**P N Dhume**	**Vinayak K Deshpande**
Chairman	Director	Managing Director

Rajgopal Swami	**Dr A Raja Mogili**
Chief Financial Officer	Company Secretary

Place: Secunderabad
Date: May 20, 2014

Subsidiary Company Financial Statements



Artson Engineering Limited

(A subsidiary of Tata Projects Limited)
Corporate Identity Number: L27290MH1978PLC020644
Tel No.: + 91 22 66255600. Fax: + 91 22 66255614
Email: artson@artson.net. Website: www.artson.net

BOARD OF DIRECTORS

(As on 14th May 2014)

Chairman	**Vinayak Deshpande**
Directors	**A.K.Misra**
	Michael Bastian
	Nalin Shah
	Pralhad Pawar
Special Director	**Shashikant Oak**

Registered Office

11th Floor,
Hiranandani Knowledge Park,
Technology Street, Powai,
Mumbai–400 076

Manufacturing Units

D–5, MIDC
Ambad,
Nashik–422 010

Plot No. D–1,
Umred Industrial Area,
MIDC Umred,
Dist– Nagpur–441 203

Share Registrars and Transfer Agents

Sharepro Services (India) Private Limited
(Registered Office)
UNIT: Artson Engineering Limited
13AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri–Kurla Road, Sakinaka,
Andheri (East), Mumbai–400 072

Sharepro Services (India) Private Limited
(Investor Relation Centre)
UNIT: Artson Engineering Limited
912, Raheja Centre,
Free Press Journal Road,
Nariman Point,
Mumbai–400 021

Bankers

Corporation Bank
ICICI Bank Limited

Monitoring Agency

Bank of India

Statutory Auditors

Chokshi & Chokshi, Chartered Accountants

Internal Auditors

Patel & Deodhar, Chartered Accountants

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors present their Thirty–Fifth Annual Report along with the Audited Financial Statement for the Financial Year ended 31st March 2014.

1. Performance of the Company

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

Financial Highlights

(₹ Crore)

	Financial Year ended 31st March 2014	Financial Year ended 31st March 2013
Sales and Other Income	**79.61**	59.25
Profit/ (Loss) before Finance Cost, Tax, Depreciation and Exceptional Items	**(1.84)**	(29.70)
Profit/ (Loss) before tax	**(8.33)**	(39.41)
Profit/ (Loss) after tax	**(8.33)**	(39.40)
Profit/ (Loss) brought forward	**(59.07)**	(19.67)
Profit/ (Loss) available for appropriation	**(67.40)**	(59.07)

Operations

The Company's Total Income for the year under review aggregated ₹79.61 Crore (Previous year- ₹ 59.25 Crore). The operations of the Company for the period under review resulted in a Loss after Tax of ₹ 8.33 Crore (Previous year – Loss after Tax ₹39.40 Crore).

The Company commenced the financial year with an order backlog of about ₹54 Crore. During the year under review, the Company received new orders with estimated value of about ₹116 Crore. Out of this, the Company received a repeat order for the works entailing structural fabrication at Gamharia, Jamshedpur and a major order for fabrication, erection, assembly, painting, supply and transportation of various building structures. Thus, the total orders available for execution aggregated approx. ₹ 170 Crore, leaving behind a backlog at the year end of approximately ₹ 66 Crore.

The year in retrospect was a difficult year in terms of operations. The Clients who had awarded contracts to the Company either reduced the contract value or the scope of works. Moreover, since the market conditions were not conducive, few of the orders did not materialise. As a result, the Turnover of the Company was below the expectations.

During the year under review, the Company completed all mechanical works pertaining to the construction of 21 (Twenty One) tanks at Liquid Tank Terminal at Haldia. The Company has completed construction of Export Oil Storage tank at Barmer and blasting and painting is in progress and hydro test balance is expected to complete in the first quarter of the Financial Year 2014-15. The structural fabrication activities at Gamharia, Jamshedpur were carried out in a smooth manner and are likely to be completed by second quarter of the Financial Year 2014-15.

The Company has also completed site demobilisation activities at Dahej, Gujrat, KPO, Odisha and Cuddalore, Tamil Nadu.

The Company's Nashik Factory received an Order for design, engineering, manufacturing, supply, testing and commissioning of 12 nos. of Buffer Vessels. 4 (Four) vessels were delivered up to the end of the Financial Year under review and delivery of balance vessels is likely to be completed by second quarter of the Financial Year 2014-15.

The Company has started a new manufacturing facility at Umred, Nagpur wherein medium to heavy structural fabrication works are undertaken. The Order pertaining to fabrication of the building structures is being executed at this Manufacturing facility.

With a view to bring stability in operations, the Company's Management plans to concentrate more on Fabrication/ Manufacturing instead of EPC related projects activities. The Company will continue to be selective and cautious in carrying out 'Tankage' related works. It is perceived that the strategy to take orders for fabrication work from Tata Companies will help to further stabilise the operations of the Company.

With the support of Tata Projects Limited, the Company is hopeful of reporting improved performance in the years to follow.

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

During the year under review, the Company had filed a Miscellaneous Application (''MA'') with the Board for Industrial and Financial Reconstruction (BIFR). The said MA, amongst others, contained a proposal for modification of the Sanctioned Scheme , by converting the total outstanding loan, availed from Tata Projects Limited (TPL), the Holding Company, aggregating ₹ 44.18 Crore (including interest upto 31st March 2013) into 44,18,22,878 4 % Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 1/– each to be allotted to TPL on preferential allotment basis and also extension of the rehabilitation period. The said MA, though heard by the Hon'ble Bench Members earlier, is now scheduled for hearing afresh as one of the Hon'ble Bench Members had demitted the office on his retirement. The Company is hopeful that the BIFR will graciously consider the Company's proposals and will approve the modifications contained therein.

3. Term loan and Inter–Corporate Deposits from Tata Projects Limited

As mentioned in the earlier paragraph, in order to ensure early revival and to achieve positive net worth, the Company's Miscellaneous Application contains the above–mentioned proposal on financial restructuring. In view of this, the Company was not required to repay the balance installments of term–loan as well as the outstanding Inter–Corporate Deposits availed from Tata Projects Limited (TPL). During the course of the proceedings before the Hon'ble BIFR, TPL has conveyed its consent to the proposed modifications and also to support the Company's operations.

4. Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, for the year ended 31st March 2014 the Directors, based on the representations received from the Management, confirm that:

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

b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

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

5. Directors

Pursuant to Section 149 of the Companies Act, 2013 the Board has, subject to the approval of the Members at the ensuing Annual General Meeting, approved the appointment of Mr. Michael Bastian and Mr. Nalin Shah, as Independent Directors on the Board of the Company for a term of 5 consecutive years effective from the ensuing Annual General Meeting.

Mr. Bastian and Mr. Shah satisfy the criteria for independence laid down in the Companies Act, 2013 and accordingly, the Board recommends the proposal for appointment of Mr. Michael Bastian and Mr. Nalin Shah as Independent Directors for approval by the shareholders at the ensuing Annual General Meeting.

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

6. Audit Committee

Mr. H.H. Malgham retired by rotation and did not seek re–election. Consequent to ceasing to be a Director, he has also ceased to be the Chairman of the Audit Committee.

Mr. Nalin Shah, Director and member of the Audit Committee was appointed as the Chairman of the Audit Committee effective from the conclusion of the Annual General Meeting held on 12th July 2013.

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

7. Auditors

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

8. Cost Auditors

The Central Government has approved the appointment of M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, as the Cost Auditors for conducting the cost audit for the Financial Year ended 31st March 2014. Cost Audit for the Financial Year ended 31st March 2014 is under process at the time of finalisation of this Report.

9. Particulars of Employees

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. However, as per Section 219 (1) (b) (iv) of the Companies Act, 1956, this Report together with the Accounts is being sent to all the shareholders of the Company excluding the Section 217 (2A) statement. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

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

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

11. Report on Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance together with the Auditors' Certificate on compliance with the conditions of Corporate Governance as laid down forms part of this Report and are annexed hereto.

12. Management Discussion and Analysis Report

Management Discussion and Analysis for the Financial Year ended 31st March 2014 is separately given and forms part of this Report.

13. Acknowledgements

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

For and on behalf of the Board of Directors

Vinayak Deshpande
Chairman

Mumbai, 14th May 2014

ANNEXURE TO THE DIRECTORS' REPORT

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

Information as per Section 217 (1) (e) read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the Financial Year ended 31st March 2014:

A. Conservation of Energy

The Company is conscious of the need for energy conservation and striving to explore the possibilities of reducing energy consumption in office premises as well as in the Nashik Factory and the Company's Manufacturing facility at Nagpur. Environment and energy conservation days were observed to create awareness among employees and business associates on conservation of energy.

B. Technology Absorption

Not applicable

C. Foreign Exchange Earnings and Outgoings

(₹ Crore)

	Financial Year ended 31st March 2014	Financial Year ended 31st March 2013
Earnings	**1.72**	4.97
Outgo	**1.59**	7.35

For and on behalf of the Board of Directors

Vinayak Deshpande
Chairman

Mumbai, 14th May 2014

CORPORATE GOVERNANCE REPORT

Company's philosophy on the Code of Governance

The Company has worked with a philosophy and mission of good governance in every field. The Company believes that the Corporate Governance code will enhance the growth of benefits to all the stakeholders. The core values followed by the Company truly reflect this spirit by focusing on the customer, shareholders and employees.

The broad disclosures as required by the Stock Exchange and regulatory authorities are given below:

1. Board of Directors

A. Composition of the Board of Directors – 31st March 2014

Name of the Director	Business Relationship	Executive/Non–Executive/ Independent
Mr. Vinayak Kashinath Deshpande	Chairman	Non–Executive, Nominee of Tata Projects Limited (TPL)
Mr. Arun Kumar Misra	Director	Non–Executive, Nominee of TPL
Mr. Michael Bastian	Director	Non–Executive, Independent
Mr. Shashikant Waman Oak	Special Director	Non–Executive, Independent, Nominee of BIFR
Mr. Nalin Mansukhlal Shah	Director	Non–Executive, Independent
Mr. Pralhad Anant Pawar	Director	Non–Executive, Nominee of TPL

Mr. H. H. Malgham retired by rotation and did not seek re–election. He ceased to be a Director of the Company effective from the conclusion of the Annual General Meeting held on 12th July 2013.

Mr. P. S. Chopde resigned as an Executive Director (Manufacturing) of the Company effective 10th April 2013 and consequently ceased to be a Director of the Company.

None of the Directors are related to each other.

The information prescribed under the Listing Agreement on Directors seeking appointment and re–appointment to be sent to shareholders is stated in the Notice of the Annual General Meeting.

B. Non–Executive Directors' compensation and disclosures

At the Meeting held on 22nd January 2008, the Board of Directors has passed a Resolution for payment of ₹ 5,000/- as Sitting Fees to each Non–Executive Director for attending each of the Board, Audit and Management Committee Meetings. The Board, has vide its Resolution dated 12th January 2010, partially modified the above Resolution to pay the Sitting Fees of ₹ 5,000/– also for attending each Meeting of the Remuneration Committee. No Sitting Fee is payable for attending the Meetings of other Committees of the Board. The said fee is within the limits prescribed under the Notification No. G. S. R. 580 (E) dated 24th July 2003 issued by the Department of Company Affairs.

Accordingly, the total sitting fees paid to the Non–Executive Directors are as under:

Name of the Director	Sitting Fees (₹)
Mr. H. H. Malgham	20,000
Mr. Arun Kumar Misra	25,000
Mr. Michael Bastian	40,000
Mr. Shashikant Waman Oak	65,000
Mr. Nalin Mansukhlal Shah	45,000
Total	**1,95,000**

Pursuant to the provisions of Section 309(6) of the Companies Act, 1956, Mr. Vinayak Deshpande is not eligible to receive any remuneration from the Company.

Mr. Pralhad Pawar is a nominee appointed by Tata Projects Limited (TPL). He is presently the Executive Vice President and Business Head of OG & H of TPL. Presently no remuneration is paid to Mr. Pawar.

Presently no commission or any remuneration other than the sitting fees is paid to the Non–Executive Directors. The Company does not have any Stock Option Scheme for the Non–Executive Directors.

C. Board Meetings:

5 Board Meetings were held during the period under review and the gap between any two Board Meetings did not exceed four months. The dates of these Board Meetings are 10th May 2013, 12th July 2013, 19th October 2013, 20th January 2014 and 25th March 2014.

The information, as required under Annexure IA to the Clause 49 of the Listing Agreement, is placed before the Board of Directors for deliberations and decisions.

Name of the Director	Number of Board Meetings attended	Number of Board Meeting held during the tenure	Attendance at the at the 34th Annual General Meeting
Mr. Vinayak Kashinath Deshpande	5	5	Yes
Mr. Hoshie Hirji Malgham	2	2	Yes
Mr. Arun Kumar Misra	3	5	No
Mr. Michael Bastian	4	5	Yes
Mr. Shashikant Waman Oak	5	5	Yes
Mr. Nalin Mansukhlal Shah	5	5	Yes
Mr. Pralhad Pawar	5	5	Yes

Leave of Absence was granted to Director(s) who had expressed inability to attend the Meeting.

Directorships and Committee Memberships of Directors in other companies – as on 31st March 2014

Name of the Director	No. of Directorships in other companies@	No. of Committee Memberships in other companies*	
		Chairman	Member
Mr. Vinayak Deshpande	5	–	2
Mr. A.K. Misra	1	1	–
Mr. Michael Bastian	3	2	2
Mr. Shashikant Oak	–	–	–
Mr. Nalin Shah	4	2	2
Mr. Pralhad Pawar	–	–	–

* For this purpose, Chairmanship/ Membership in Audit Committee and Shareholders'/Grievances Committee of public limited companies, whether listed or not, is considered.

@ Directorship, if any, in foreign companies and private limited companies are not considered.

D. **Code of Conduct**

The Board of Directors had, at its Meeting held on 8th May 2008, approved and adopted a Code of Conduct applicable to the Directors and the Senior Management personnel. All the Directors and senior management personnel have complied with the Code of Conduct as approved and adopted by the Board of Directors. Mr. Vinayak Deshpande, Chairman has confirmed Compliance by all concerned in this respect.

Committees constituted by the Board of Directors

2. Audit Committee

The composition of the Committee as at 31st March 2014 is given below.

Name of the Member	Position	Executive/Non–Executive/Independent
Mr. Nalin Shah*	Chairman	Non–Executive, Independent
Mr. Michael Bastian	Member	Non–Executive, Independent
Mr. Shashikant Oak	Member	Non–Executive, Independent, BIFR Nominee

* Mr. H.H. Malgham consequent to his cessation as a Director of the Company, also ceased to be a Member of the Committee. The Board of Directors has, at its Meeting held on 12th July 2013 appointed Mr. Nalin Shah as the Chairman of the Audit Committee effective from the conclusion of the 34th Annual General Meeting.

The Committee has been empowered by the Board with the necessary powers as stipulated in II C of Clause 49 of the Listing Agreement and also with such other powers as it may deem fit.

Mr. H. H. Malgham, the then Chairman of the Audit Committee, was present at the 34th Annual General Meeting held on 12th July 2013.

Ms. Anuja Bhate, Company Secretary is the Secretary of the Committee.

During the period under review, 4 meetings of the Audit Committee were held on 10th May 2013, 12th July 2013, 19th October 2013 and 20th January 2014. Attendance of each Member at these Committee Meetings is given below:

Name of the Member	Number of Meetings attended	Number of Meetings held during the tenure
Mr. H.H. Malgham	2	2
Mr. Nalin Shah	4	4
Mr. Michael Bastian	4	4
Mr. Shashikant Oak	4	4

Powers of the Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain external legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee mandatorily reviewed the following:

- Management discussion and analysis report on the financial position and results of operation.
- Statement of significant related–party transactions.
- Management letters/letters of internal control weakness issued by the statutory auditors.
- Internal audit reports relating to internal control weakness.

Meetings are scheduled well in advance. The Audit Committee considers and recommends the financial results for approval by the Board. The statutory auditors are invited to attend the meeting. The Committee also invites senior executives to be present.

3. Remuneration Committee

The Board of Directors has constituted a Remuneration Committee vide Resolution dated 12th January 2010. The Committee is empowered by the Board with necessary powers to approve the terms and conditions of appointment and remuneration payable to Company's Managerial Personnel.

The composition of the Remuneration Committee as at 31st March 2014 is given below.

Name of the Member	Position	Executive/Non–Executive/Independent
Mr. Michael Bastian	Chairman	Non–Executive, Independent
Mr. Shashikant Oak	Member	Non–Executive, Independent, BIFR Nominee
Mr. Vinayak Deshpande	Member	Non–Executive

During the period under review, no meeting of the Remuneration Committee was held as the Company did not have any Managerial Personnel during substantial part of this period.

4. Management Committee

At the Board Meeting held on 22nd January 2008, the Management Committee was constituted in terms of the scheme of rehabilitation approved by the Board for Industrial and Financial Reconstruction ("BIFR") vide its Order dated 18th December 2007 ("Sanctioned Scheme") , to review the operations of the Company and to closely monitor the implementation of the Sanctioned Scheme.

The composition of the Management Committee as at 31st March 2014 is given below.

Name of the Director	Composition	Executive/Non–Executive/Independent
Mr. A.K. Misra	Chairman	Non–Executive
Mr. Shashikant Oak	Member	Non–Executive, Independent, BIFR Nominee
Mr. Pralhad Pawar*	Member	Non–Executive

* Mr. Pralhad Pawar has been appointed as a Member of the Management Committee effective 28th April 2013.

In addition to the above, the Representative of the Monitoring Agency is also an ex–officio Member of the Committee.

During the period under review, 4 meetings of the Management Committee were held on 10th May 2013, 12th July 2013, 19th October 2013 and 20th January 2014. Attendance of each Member at these Committee Meetings is given below:

Name of the Member	Number of Meetings attended	Number of Meetings held during the tenure
Mr. A.K. Misra	2	4
Mr. Shashikant Oak	4	4
Mr. Pralhad Pawar	4	4
Representative of the Monitoring Agency	–	4

5. Investors Grievance Committee

This Committee also functions as the Share Transfer Committee. The composition of the Committee as at 31st March 2014 is given below.

Name of the Director	Composition	Executive/Non–Executive/Independent
Mr. A.K. Misra	Chairman	Non–Executive
Mr. Nalin Shah	Member	Non–Executive, Independent
Mr. Pralhad Pawar*	Member	Non–Executive

* Mr. Pralhad Pawar has been appointed as a Member of the Investors Grievance Committee effective 28th April 2013.

During the period under review, 4 meetings of this Committee were held on 10th May 2013, 12th July 2013, 19th October 2013 and 20th January 2014. Attendance of each Member at these Committee Meetings is given below:

Name of the Member	Number of Meetings attended	Number of Meetings held during the tenure
Mr. A.K. Misra	2	4
Mr. Nalin Shah	4	4
Mr. Pralhad Pawar	4	4

During the year, no complaints/grievances were received and hence, as at 31st March 2014 there were no complaints pending for resolution.

6. Executive Committee

To expedite the process of decision making the Board of Directors has, subject to the provisions of the Companies Act, 1956, constituted the Executive Committee. The composition of the Executive committee as on 31st March 2014 is as follows:

Name of the Member	Position	Executive/Non–Executive/Independent
Mr. Vinayak Deshpande	Chairman	Non–Executive
Mr. Nalin Shah*	Member	Non–Executive, Independent
Mr. A.K. Misra	Member	Non– Executive

* Mr. Nalin Shah has been appointed as a member of the Executive Committee effective from the conclusion of the Annual General Meeting held on 12th July 2013.

During the year, no meeting of the Executive Committee was held.

Compliance Officer

Ms. Anuja Bhate, Company Secretary is the Compliance Officer. She can be contacted at the Registered Office address of the Company or by e–mail at the below mentioned details

Registered Office	11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai 400 076
Telephone No.	(022) 66255600
Email ID	investors@artson.net

7. Subsidiary Company

The Company does not have any subsidiary company. Accordingly, provisions of Part III of Clause 49 are not applicable to the Company.

8. Remuneration of Directors

Non–Executive Directors:

The amount paid as Sitting Fees to the Non–Executive Directors is disclosed above. Besides this, the Company does not have any pecuniary relationship or transactions with the Non–Executive Directors.

Mr. Vinayak Deshpande, Mr. A. K. Misra, Mr. Michael Bastian, Mr. Shashikant Oak, Mr. Nalin Shah and Mr. Pralhad Pawar do not hold any shares in the Company.

Executive Director:

Mr. P.S. Chopde resigned as the Executive Director (Manufacturing) effective 10th April 2013 and consequently he ceased to be a Director of the Company effective that date. Details of the remuneration paid to him till that date are as under:

Salary (₹)	33,333
Perquisites and Allowances (₹)	46,666
Notice Pay (₹)	6,00,000
Total Remuneration (₹)	6,79,999
Leave Encashment (₹)	2,43,333
Gratuity (₹)	10,00,000

Pursuant to the provisions of Schedule XIII to the Companies Act, 1956, gratuity and encashment of leave at the end of the tenure paid to Mr. P.S. Chopde are not included in the total remuneration.

The Company does not have any Stock Option scheme for its Executive Directors.

Mr. Vinayak Deshpande, Chairman and Mr. Shailesh Jain, Chief Financial Officer, have issued a certificate to the Board as prescribed under sub–clause V of Clause 49 of the Listing Agreement. The said certificate was placed before the Board Meeting held on 14th May 2014 in which the Financial Statements for the Financial Year ended 31st March 2014 were considered and approved by the Board of Directors.

9. General Body Meetings

Day, Date, Time and Venue of the previous three Annual General Meetings:

Sr. No.	Day	Date	Time	Venue
1	Friday,	12th July 2013	4.00 p.m.	Sunville Banquets, Royal Hall, 3rd Floor, 9, Dr. Annie Besant Road, Opposite Atria Mall, Worli, Mumbai – 400 018
2	Monday	23rd July 2012	4.00 p.m.	Mini Theater, 3rd Floor, Ravindra Natya Mandir, P.L. Deshpande, Kala Academy, Sayani Road, Prabhadevi, Mumbai – 400 025
3	Thursday	28th July 2011	4.00 p.m.	Mini Theater, 3rd Floor, Ravindra Natya Mandir, P.L. Deshpande, Kala Academy, Sayani Road, Prabhadevi, Mumbai – 400 025

Special Resolutions:

Special Resolutions passed at the previous 3 (three) Annual General Meetings are:

Date	Subject matter of Special Resolution(s)
12th July 2013	No Special Resolutions were passed at this Annual General Meeting.
23rd July 2012	No Special Resolutions were passed at this Annual General Meeting.
28th July 2011	Appointment and Remuneration payable to Mr. P.S. Chopde as the Executive Director (Manufacturing) for as period of 3 years effective 1st April 2011

No business was required to be transacted through Postal Ballot at the above meetings and none is required to be transacted through postal ballot at the ensuing Annual General Meeting.

10. Disclosures

The Company does not have any materially significant commercial and financial transactions with any of the related parties i.e. Promoters, Directors, Relatives, Associated Company or Management having conflict, actual or potential, with the interest of the Company.

The Company has complied with various rules and regulations prescribed by the Bombay Stock Exchange Limited ("BSE"), Securities and Exchange Board of India or any other statutory authority relating to the capital markets. No penalties or strictures have been imposed by them on the Company during the last 3 years.

The Company has in place a Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

11. Means of communication

Financial Results: The Audit Committee, in its meeting, considers the financial results of the Company and recommends it to the Board of Directors for its approval. The financial results, as taken on record by the Board of Directors, are communicated to BSE, where the shares of the Company are listed. Quarterly Results of the Company are published in 'Free Press Journal' in English and 'Navshakti' in Marathi and are displayed on the Company's website www.artson.net. The Company is regular in filing the periodic information, online on the portal maintained by BSE viz., http://listing.bseindia.com

Website and news releases: The information viz. statement of shareholding pattern, financial results, official news releases are available on the website of BSE – ((www.bseindia.com)) and are also available on the Company's website www.artson.net. During the period under review, no presentation was made to any analysts.

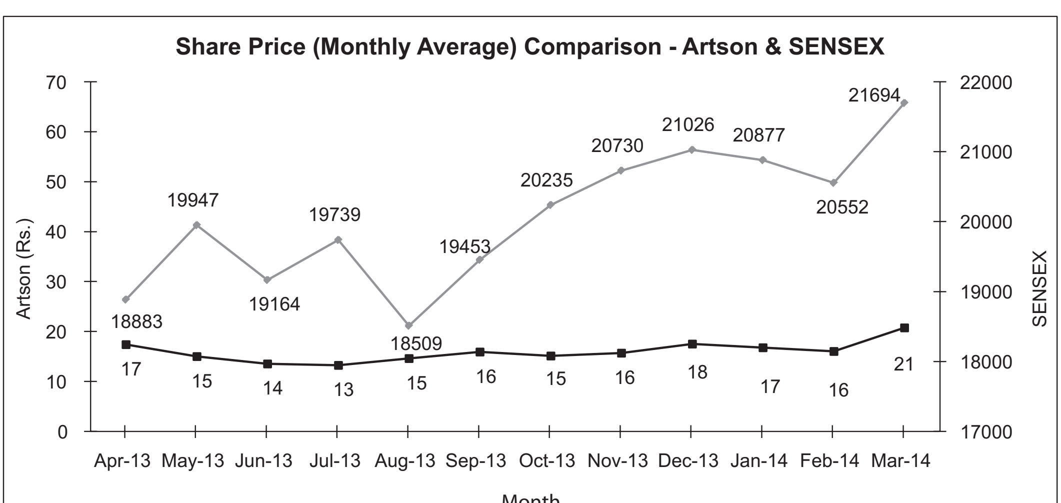
12. General Shareholder information

35th Annual General Meeting	Friday, 8th August 2014
Financial Year	1st April 2013 to 31st March 2014
Dates of Book Closures	From : Monday, 4th August 2014
(Both days inclusive)	To : Friday, 8th August 2014
Listing on Stock Exchanges	The Company's equity shares are listed on the Bombay Stock Exchange Limited (BSE). The Company has paid Annual Listing Fees to the BSE.
Stock Code	BSE – 522134 (ARTSONEN)
ISIN	INE133D01023
Registrar and Transfer Agents	Sharepro Services (India) Private Limited (Registered Office) **Unit : ARTSON ENGINEERING LIMITED** 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri–Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072
	Sharepro Services (India) Private Limited (Investor Relation Centre) Unit: ARTSON ENGINEERING LIMITED 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021

Dematerialization of shares and liquidity	The Company has signed the agreements with both the Depositories viz.NSDL & CDSIL. The Company has paid the Annual Custodial Fees to both the Depositories. As at 31st March 2014, 95.04 % of the shares of the Company were in dematerialized form.
Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company's capital comprises of only Equity shares and the does not have any outstanding ADRs, GDRs, warrants or any convertible instruments.
Share Transfer System	The Company has complied with the requirements under the Listing Agreement regarding transfer of shares, other matters related to shares and dispatch of share certificates to the shareholders. The share transfer requests in physical form and other shares related issues are processed and dispatched to the respective lodgers within the statutory period provided the documents are complete in all respects. Invalid requests are returned together with the reasons of objection within the stipulated time period.

Market Price Data and Comparison with SENSEX

Month	Artson Engineering Limited		SENSEX	
	High Price (₹)	Low Price (₹)	High	Low
April 2013	18.75	16.00	19622.68	18144.22
May 2013	16.95	13.10	20443.62	19451.26
June 2013	15.31	11.80	19860.19	18467.16
July 2013	14.50	12.00	20351.06	19126.82
August 2013	17.75	11.51	19569.20	17448.71
September 2013	17.95	13.85	20739.69	18166.17
October 2013	16.93	13.30	21205.44	19264.72
November 2013	17.10	14.30	21321.53	20137.67
December 2013	19.80	15.25	21483.74	20568.70
January 2014	19.50	14.00	21409.66	20343.78
February 2014	17.08	14.95	21140.51	19963.12
March 2014	26.50	15.00	22467.21	20920.98

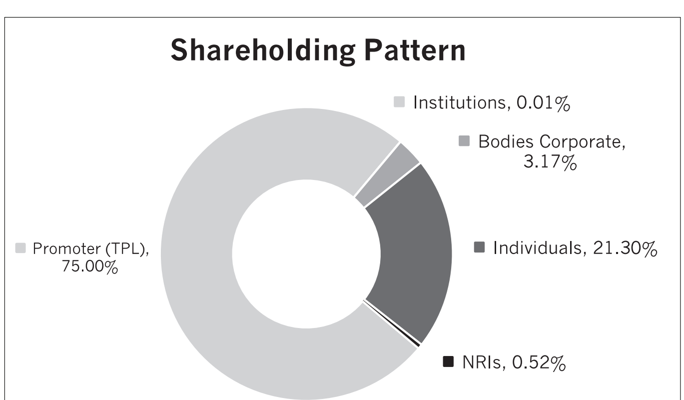


Distribution of shareholding as at 31st March 2014

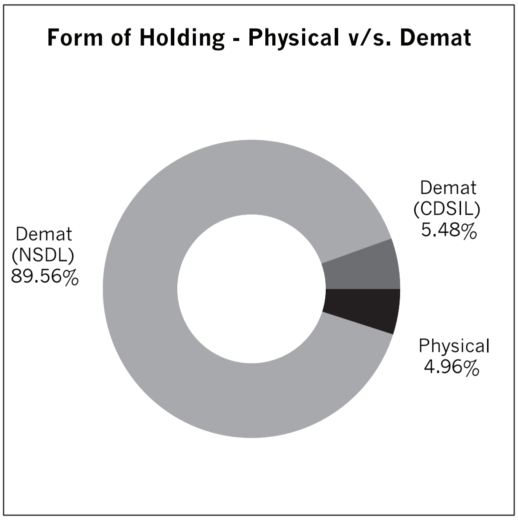
No. of equity shares held	Folios	% to Total	No. of Shares	% to Total
Less than 5,000	13464	98.69%	45,95,497	12.45%
5,001 to 10,000	92	0.67%	7,02,508	1.90%
10,001 to 20,000	39	0.29%	5,95,587	1.61%
20,001 to 30,000	17	0.12%	4,19,118	1.14%
30,001 to 40,000	8	0.06%	2,89,340	0.78%
40,001 to 50,000	4	0.03%	1,75,883	0.48%
50,001 to 1,00,000	11	0.08%	8,04,567	2.18%
1,00,001 & above	8	0.06%	2,93,37,500	79.46%
Grand Total	**13,643**	**100.00%**	**3,69,20,000**	**100.00%**

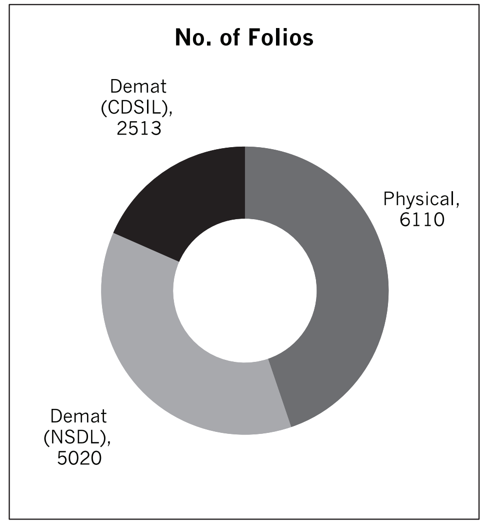
Shareholding Pattern – as on 31st March 2014

Category of Shareholder		Number of Shareholders	Number of Shares Held	% to Total Capital
Promoter and Promoter Group				
Tata Projects Limited		1	2,76,90,000	75.00%
Total Promoter Shareholding		**1**	**2,76,90,000**	**75.00%**
Public Shareholding Institutions				
Mutual Funds/UTI		2	2,875	0.01%
Financial Institutions/Banks		3	1,400	0.00%
Foreign Institutional Investors		3	770	0.00%
	A	**8**	**5,045**	**0.01%**
Non–Institutions				
Bodies Corporate		221	11,70,164	3.17%
Individuals		13,330	78,64,783	21.30%
Non–Resident Indians		83	190008	0.52%
	B	**13,634**	**92,24,955**	**24.99%**
Total Public Shareholding	**(A + B)**	**13,642**	**92,30,000**	**25.00%**
GRAND TOTAL		**13,643**	**3,69,20,000**	**100.00%**



Form of Holding – as at 31st March 2014





Shareholders holding more than 1 Lakh shares (in a single folio/ demat account) – as at 31st March 2014

Name of the Shareholder	No. of Shares held	% to Total
Tata Projects Limited	2,76,90,000	75.00%
Sarnam Trading & Mercantile Private Limited	4,00,000	1.08%
Meenaxi Mehta	3,00,000	0.81%
Narayan Keshavdas Jagasia	2,82,500	0.77%
Pranav M. Shah	2,00,000	0.54%
Renuka Pranav Shah	2,00,000	0.54%
Smita Navare	1,50,000	0.41%
Emdee Stockbro Private Limited	1,15,000	0.31%
Total	**2,93,37,500**	**79.46%**

Plant Locations

Plant Locations

1. Plot No. D – 5,
   MIDC, Ambad,
   Nashik – 422 010

2. Plot No. D – 1,
   Umred Industrial Area,
   MIDC Umred, Dist – Nagpur – 441 203

Registered Office

11th Floor,
Hiranandani Knowledge Park,
Technology Street,
Powai, Mumbai – 400 076

EXTENT OF COMPLIANCE WITH THE NON–MANDATORY REQUIREMENTS

1. The Board

The Company does not maintain the Office of the Chairman. The Chairman is the Managing Director of the Company's holding company viz. Tata Projects Limited.

2. Remuneration Committee

The Company has constituted a Remuneration Committee. This Report contains disclosures on the composition, role and responsibilities of the Remuneration Committee.

3. Shareholder Rights

A half–yearly declaration of financial performance including summary of the significant events is presently not sent to each household of shareholders.

4. Audit qualifications

The Company is registered with the BIFR as a sick company and the Sanctioned Scheme is under implementation. While most of the provisions of the Sanctioned Scheme have been implemented, the Company was not able to achieve positive net worth as at 31st March 2013. The Company has filed an application on 17th October 2013 with the BIFR seeking certain modifications to the Sanctioned Scheme. The Application is pending for approval. Based on the same as well as current order book position, operating results and continued support of the holding company, barring unforeseen circumstances, the Management is confident about the Company's ability to continue as a going concern. The Auditors of the Company have put an "emphasis of matter" paragraph on the aforesaid matter.

5. Training of Board Members

The Company's Board of Directors comprise of professionals with expertise in their respective fields and industry. They endeavour to keep themselves updated with changes in global economy and various legislations. They attend various workshops and seminars to keep themselves abreast with the changes in business environment. No separate training of Board Members is organised by the Company.

6. Mechanism for evaluating non–executive Board Members

The Board does not evaluate the performance of the Non–Executive Directors of the Company. The performance of the Non–Executive Directors nominated by TPL is evaluated as per TPL's applicable systems and guidelines.

7. Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and adheres to norms relating to the same.

For **ARTSON ENGINEERING LIMITED**

VINAYAK DESHPANDE
Chairman

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

All the Directors and senior management personnel have, respectively, affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors.

For **ARTSON ENGINEERING LIMITED**

VINAYAK DESHPANDE

Chairman

Mumbai, 14th May, 2014

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the members of

Artson Engineering Limited

We have examined the compliance of the conditions of Corporate Governance by **Artson Engineering Limited** ('the Company'), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mention Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For CHOKSHI & CHOKSHI
Chartered Accountants
FRN – 101872W

Vineet Saxena
Partner
M.No.100770

Place: Mumbai
Date: 14/05/2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY TRENDS & DEVELOPMENTS

Currently, the Indian industry is passing through recessionary trend and there are hardly any major projects that have been declared in the recent past. Most of the investors have been avoiding taking investment decisions in almost all the sectors including Oil & Gas, Fertilizers, Power and Infrastructure sectors due to one or other reasons.

It is expected that the current market scenario will continue to prevail for another 6 months to one year or so.

Keeping in mind the slump in the Infrastructure and Construction Industry in India, increased competition and depressed market prices, the Management has taken a policy decision to focus more on manufacturing activities on Contract Manufacturing Model which has much lower risk area. Keeping this strategy in mind, the Company has started the structural fabrication at Nagpur facility.

2. OPPORTUNITIES

i. Other Oil companies and Refineries are expected to undertake expansion programmes where the Company can participate for piping and tankage work.

ii. Since the Company has established structural fabrication facility at Nagpur, it will have a good scope to cater to the Cement and steel industries, building structural needs from this facility.

iii. Nashik factory shall get higher qualification after execution of the Order entailing design, engineering, manufacturing, supply, testing and commissioning of 12 nos. of Buffer vessel and shall also get more opportunities for higher capacity items.

iv. We expect ourselves to get established in structural fabrication which will open up new business opportunities for us from various domestic and international customers.

3. PERFORMANCE

i. During the Financial Year the Company has booked orders of ₹ 116 Crore against previous year order book of ₹ 82.97 Crore.

ii. The Company has completed all mechanical works pertaining to the construction of 21 (Twenty One) tanks at Liquid Tank Terminal at Haldia and the tanks were handed over to Client and are in operation. There is some painting work which is yet to be completed.

iii. We had major order back log with NOCL/ABIR–Cuddalore project which has been suspended by client due to non–availability of sufficient funds with them.

iv. During the year under review, the Company has closed its Project site at Dahej and completed the demobilization.

v. The Company has been executing repeat Order of approx. ₹ 42.5 Crore pertaining to fabrication of structural work for Tata Steel Limited's Growth Shop Division at Gamharia.

vi. Due to unfavourable working conditions at Kalinganagar project site, we had to shortclose the Order with Tata Projects Limited. We have since received our final settlement against this project.

vii. The Company has completed the process modification piping spool fabrication work at RAK Gas facility at Ras Al Kaimah and the contract closed.

viii. The Company has completed the supply of balance 8 nos. of Pressure filters to Tata Projects Limited's Hot Strip Mill project work at Tata Steel Limited's steel plant at Kalinga Nagar.

ix. Presently the Company is executing 10000 MT structural fabrication work for Tata Projects Limited's Nagarnar Project. The Company has already despatched 2457 tons till end of March 2014.

4. OUTLOOK

We expect the depressed sentiments prevailing in the market scenario to continue for further 6 months or so. However, we expect that the new Government will take necessary steps to boost the economy and reinstate the investors' confidence in the Indian economy.

Keeping the above in mind, the Company expects opening of business in Oil & Gas, Petrochemicals, Refinery and infrastructure industry.

5. RISK & CHALLENGES

i. The Company is registered as a sick industrial company with the Board for Industrial and Financial Reconstruction (BIFR) and the Company's Net worth continues to be negative. Hence, getting qualified for new projects with higher magnitude will be very difficult.

ii. Considering the core competency in tankage and piping work, the Company will have to develop additional technology to minimize manpower and to improve the production; otherwise, the conventional method of working will have huge cost impact and the Company may not be competitive in prices due to which it may lose the market.

iii. Raising working capital at competitive rate of interests remains a major challenge for the Company.

iv. Availability of skilled manpower is a challenge given the status of the Company as a sick company.

6. FINANCIAL ANALYSIS

The following are relevant financial performance details, with respect to the operational performance of the Company:

Particulars	Financial Year		Change*	% Change	Remarks
	2013–14	2012–13			
Total Income	7961.31	5924.76	2036.55	34.00	a
Consumption of raw materials/ Project Execution Expenses/ Increase/ Decrease of Inventories and Contract– in – Progress	6883.14	7373.87	(490.73)	(7)	b
Employee cost	769.88	954.64	(184.76)	(19)	c
Other expenses	491.87	565.95	(74.08)	(13)	
Depreciation and amortisation expenses	151.42	185.26	(33.84)	(18)	
Finance cost	485.10	727.97	(242.87)	(33)	d
Exceptional Items	13.14	58.06	(44.92)	(77)	
Loss after tax	(833.34)	(3939.79)	3106.45	(79.00)	
Earnings per share (₹)	(2.26)	(10.67)	8.41	(79.00)	
Share Capital	369.20	369.20	0	0	
Reserves & Surplus	(6740.59)	(5907.25)	(833.34)	14.00	
Non Current Liabilities	4234.35	3974.52	259.83	7	e
Current Liabilities	9110.90	7998.11	1112.79	14	f
Fixed Assets	915.53	1024.50	(108.97)	(11.00)	
Non Current Assets	1591.54	1811.62	(220.08)	(12)	g
Current Assets	4466.79	3598.46	868.33	24	h

a) Increase in Total Income is mainly due to New Manufacturing facility started at Nagpur.

b) Decrease in Consumption of Raw material is mainly due to Price reduction Schedule (PRS) applied by client during the Previous Year.

c) Employee Cost Reduced since the strength of the employees has reduced from 225 as on 1.4.2013 to 178 as on 31.03.2014.

d) Finance Costs is reduced mainly because interest on Term Loan and Inter Corporate Deposit (ICD) availed from Tata Projects Limited (TPL), Holding Company is not provided since July 2013 till March 14.

e) Increase in Non Current Liabilities is due to ICD taken from TPL during the year under review.

f) Increase in Current Liabilities is mainly due to:

   i. Increase in trade payables by ₹ 1017 lac

   ii. Increase in Advance from Customers by ₹ 745 lac

g) Non Current Assets decreased as the Retention Receivables reduced by ₹ 225 lac.

h) Current Assets increased due to:

   i. Increase in Inventories by ₹793 lac

   ii. Increase in Other Current Assets by ₹ 350 lac

7. INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls to ensure the timely and accurate recording of financial transactions, adherence to applicable accounting standards, compliance with applicable laws, regulations.

Pursuant to the Order dated 18th December 2007 passed by the Board for Industrial and Financial Reconstruction (BIFR) for rehabilitation of the Company, the Company has engaged an Independent firm of Chartered Accountants as the Concurrent/ Internal Auditors, who conduct periodic audits, report internal control weaknesses, if any, and recommend corrective measures thereon.

The Audit Committee of the Company meets Internal Auditor team on quarterly basis to review its reports, findings and the follow up and compliance status of its earlier observations.

8. HUMAN RESOURCES

The Company had 178 employees as on 31st March 2014. The Company recognises the critical importance of its human capital. It endeavours to create a positive work environment for its employees. A key challenge before the Company remains attraction and retention of the talent.

There have been no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The industrial relations remained cordial throughout the year.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report describing the Company's activities, projections, estimates, assumptions with regard to economic conditions and Government policies etc. may be forward looking statements based upon the information available with the Company. Important developments that could affect the Company's operations include trends in the industrial sector in which it operates, significant changes in political and economic environment, tax laws, litigation, labour relations, interest rates and other costs. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Therefore, it is cautioned that the actual results may materially differ from those expressed or implied in the report. The Company assumes no responsibility to publicly modify, amend, or revise any forward looking statements, on the basis of any subsequent developments, information or events.

For **ARTSON ENGINEERING LIMITED**

VINAYAK DESHPANDE
Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARTSON ENGINEERING LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of ARTSON ENGINEERING LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub–section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 issued by the Ministry of Corporate Affairs with regard to section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness on the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

(b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

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

5. Emphasis of Matter

Without qualifying our report, we draw attention to Note 36 to the financial statements on going concern which has been relied upon by us.

6. Report on Other Legal and Regulatory Requirements

6.1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub–section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

6.2 As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; read with the General Circular 15/2013 dated 13th September 2013 issued by the Ministry of Corporate Affairs with regard to section 133 of the Companies Act, 2013.

e. On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub–section (1) of section 274 of the Companies Act, 1956.

For **CHOKSHI & CHOKSHI**
Chartered Accountants
FRN – 101872W

Vineet Saxena
Partner
M.No. 100770

Place: Mumbai
Date: 14.05.2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARA 6.1 OF OUR REPORT OF EVEN DATE OF ARTSON ENGINEERING LIMITED

1. (a) The Company is maintaining records showing full particulars, including quantitative details and situations of all the fixed assets.

   (b) According to the information and explanations given to us, the fixed assets are being physically verified by the Management at all its offices in a phased manner at reasonable intervals which in our opinion is reasonable having regard to the size of the Company and nature of assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

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

2. (a) According to the information and explanations given to us, physical verification has been conducted by the management as at the year end in respect of the finished goods in process, stores, spare parts and raw materials.

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

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

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

   (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not taken any loans, secured or unsecured, from parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (e), (f) & (g) of the Order are not applicable.

4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and the sale of goods and services. Further, during the course of our audit, we have neither come across nor have been informed of any continuing failure to correct any major weakness in such internal controls. However, in our opinion having regard to the size and nature of business and construction sites being spread over different areas, the internal control needs to be strengthened.

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

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

6. In our opinion, and according to the information and explanations given to us, the Company has not accepted any public deposits and hence directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable. As per the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this respect.

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

8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not undertaken a detailed examination of the records with a view to determine whether they are accurate or complete.

9. In our opinion and according to the information & explanations given to us in respect of statutory dues:

   (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income–Tax, Sales–Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities. Also, as at 31st March 2014, there were no statutory dues outstanding for a period of more than six months from the date they became payable.

   (b) The particulars of dues on account of Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/ Custom Duty / Excise Duty that have not been deposited on account of disputes as on 31st March 2014 are as under:–

Name of the Statute	Nature of the Dues	Amount (₹ in Lakh)	Period to which Amount relates	Forum where dispute pending
Commercial Tax Officer (Andhra Pradesh)	Works Contract differences in value of property passing and sale in transit	12.21	1998–99	Commissioner (Appeals)
Commercial Tax (West Bengal)	Works Contract value	2.08	1998–99 1999–00 2000–01	Commissioner (Appeals)
Commercial Tax (Punjab)	Penalty levied on account of documents missing in transport of material.	8.03	2010–11	Joint Director cum Deputy Excise & Taxation Commissioner (Appeals)
Income Tax	Demand of Tax in respect of certain claims not admitted	136.72	AY 2010–11	Commissioner (Appeals)

10. The accumulated losses of the Company are more than it's paid up capital and free reserves. The Company has incurred a cash loss of ₹457.42 Lakh during the current financial year and ₹ 3697.68 Lakh in the immediately preceding financial year.

11. According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion, the Company has not defaulted in repayment of dues to any financial institution or banks or debenture holders.

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

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

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

15. According to the information and explanations given to us and the representations made by the management, the Company has not given any Guarantee for loans taken by others from any bank or financial institutions.
16. In our opinion and according to the information and explanations given to us, term loans availed by the Company were prima–facie applied by the Company during the year for the purpose for which they were obtained.
17. According to the information and explanations given to us and based on the overall examination of the Balance Sheet of the Company, funds raised on short term basis have prima–facie not been used for long term investment.
18. During the year, Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any secured debentures during the year.
20. The Company has not raised any money by way of public issues during the year.
21. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have not come across any instance of fraud either noticed or reported during the year on or by the Company.

For CHOKSHI & CHOKSHI
Chartered Accountants
FRN – 101872W

Vineet Saxena
Partner
M.No. 100770

Place: Mumbai
Date: 14.05.2014

Balance Sheet as at 31st March 2014

Particulars	Notes	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
A. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	369.20	369.20
Reserves and Surplus	4	(6,740.59)	(5,907.25)
		(6,371.39)	**(5,538.05)**
Non–current Liabilities			
Long–term Borrowings	5	4,030.39	3,730.39
Deferred Tax Liability (net)	32 (b)	—	—
Other long–term Liabilities	6	177.32	213.22
Long–term Provisions	7	26.64	30.91
		4,234.35	**3,974.52**
Current Liabilities			
Short–term Borrowings	8	2,021.45	2,827.85
Trade Payables	9	2,869.21	1,851.78
Other Current Liabilities	10	4,196.65	3,306.37
Short–term Provisions	11	23.59	12.11
		9,110.90	**7,998.11**
Total		**6,973.86**	**6,434.58**
B. ASSETS			
Non–Current Assets			
Fixed Assets			
Tangible Assets	12	914.35	1,022.53
Intangible Assets	13	1.18	1.97
Deferred Tax Asset (net)	32 (b)	—	—
Long–term Loans and Advances	14	1,445.36	1,440.57
Other Non–current Assets	15	146.18	371.05
		2,507.07	**2,836.12**
Current Assets			
Inventories	16	1,809.13	1,015.98
Trade Receivables	17	1,006.39	1,665.56
Cash and Bank Balances	18	225.78	177.47
Short–term Loans and Advances	19	506.93	170.67
Other Current Assets	20	918.56	568.78
		4,466.79	**3,598.46**
Total		**6,973.86**	**6,434.58**
Notes to the Financial Statements	1–48		

As per our report of even date

For and on behalf of the Board

for Chokshi & Chokshi
Chartered Accountants
FRN : 101872W

Shailesh Jain
Chief Financial Officer

Vinayak Deshpande
Chairman

Vineet Saxena
Partner
Membership No. 100770

Nalin M. Shah
Director

Anuja Bhate
Company Secretary

Pralhad Pawar
Director

Place: Mumbai
Date: 14th May 2014

Place: Mumbai
Date: 14th May 2014

Statement of Profit and Loss for the year ended March 31, 2014

Particulars	Notes	**31st March 2014 ₹ Lac**	31st March 2013 ₹ Lac
Income			
Revenue from operations (gross)	21	8,157.58	5,899.63
Less: Excise Duty		(289.98)	(162.96)
		7,867.60	**5,736.67**
Other Operating Revenue (gross)	22	40.52	165.78
Less: Excise Duty		(4.31)	(2.56)
		36.21	**163.22**
Revenue from operations (net)		7,903.81	5,899.90
Other Income	23	57.50	24.87
Total Revenue (I)		**7,961.31**	**5,924.76**
Expenses			
Cost of raw materials and components consumed	24	2,484.45	2,419.60
Project execution expenses	25	4,547.95	4,912.30
(Increase)/Decrease in work–in–progress and contracts–in–progress	26	(149.26)	41.97
Employee benefits expense	27	769.98	954.64
Other expenses	28	491.87	565.95
Finance costs	29	485.10	727.97
Depreciation and amortization expense	12 & 13	151.42	185.26
Total Expenses (II)		**8,781.51**	**9,807.69**
Profit/(Loss) before exceptional Items and tax		**(820.20)**	**(3,882.93)**
Exceptional Items	30	13.14	58.06
Profit/(Loss) before tax		**(833.34)**	**(3,940.99)**
Tax expenses			
Current tax		—	—
Taxation of earlier years		—	—
Deferred tax	32 (b)	—	(1.20)
Total Tax expense		**—**	**(1.20)**
Profit/(Loss) after tax for the year		**(833.34)**	**(3,939.79)**
Earnings per equity share (nominal value of share ₹ 1/–)			
Basic and Diluted		(2.26)	(10.67)
Notes to the Financial Statements	**1–48**		

As per our report of even date
for Chokshi & Chokshi
Chartered Accountants
FRN : 101872W

Vineet Saxena
Partner
Membership No. 100770

Place: Mumbai
Date: 14th May 2014

Shailesh Jain
Chief Financial Officer

Anuja Bhate
Company Secretary

Place: Mumbai
Date: 14th May 2014

For and on behalf of the Board

Vinayak Deshpande
Chairman

Nalin M. Shah
Director

Pralhad Pawar
Director

Cash Flow Statement for the year ended 31st March 2014

		31st March 2014 ₹ Lac		31tst March 2013 ₹ Lac	
A. Cash Flow from Operating Activities					
Profit/(Loss) Before Tax			(833.34)		(3,940.99)
Adjustments for:					
Depreciation and amortisation expense		151.42		185.26	
Finance costs		485.10		727.97	
Interest income		(11.03)		(15.24)	
Loss on fixed assets discarded		13.14		—	
			638.63		897.99
Operating profit before working capital changes			(194.71)		(3,043.00)
Adjustments for:					
Trade receivables		659.17		2,509.10	
Long–term loans and advances		(4.79)		(560.92)	
Short term loans and advances		(336.26)		(66.30)	
Other current assets		(349.77)		193.78	
Other non–current assets		224.87		(210.96)	
Inventories		(793.15)		(44.71)	
Trade payables		1,017.43		18.80	
Other current liabilities		890.28		976.51	
Other long–term liabilities		(35.90)		(28.11)	
Long–term provisions		(4.27)		7.40	
Short–term provisions		11.49		7.61	
			1,279.07		2,802.20
Cash generated from operations			1,084.36		(240.80)
Taxes Paid (net)			—		—
Net cash from operating activities	**A**		**1,084.36**		**(240.80)**
B. Cash flow from investing activities					
Purchase of current investments					
Purchase of fixed assets and CWIP		(68.72)		(88.31)	
Investment in Deposits (With maturity more than three month)		24.45		13.52	
Sale of fixed assets		13.12		90.61	
Interest received		11.03		15.24	
Net Cash used in Investing Activities	**B**		**(20.11)**		**31.06**

Cash Flow Statement for the year ended 31st March 2014 (Contd...)

		31st March 2014 ₹ Lac		31tst March 2013 ₹ Lac	
C. Cash Flow from financing activities					
Proceeds from long–term borrowings – non current		300.00		2,653.03	
Proceeds from long–term borrowings – current		—		(887.66)	
Proceeds from short–term borrowings		(806.40)		(808.02)	
Repayment of long–term borrowings		—		15.62	
Repayment of short–term borrowings		—		3.39	
Interest paid		(485.10)		(727.97)	
Net cash from financing activities	C		(991.49)		248.39
Net (decrease) / increase in cash and cash equivalents (A+B+C)			72.76		38.65
Cash and cash equivalent at the beginning of the year			78.88		40.23
Cash and cash equivalent at the end of the year			151.64		78.88

Notes:

1. The Cash Flow Statement has been prepared following the indirect method except in case of Purchase and Sale of investments and Taxes paid which have been considered on the basis of actual movement of cash with necessary adjustments in corresponding Assets and Liabilities.
2. Cash and Cash Equivalents represent Cash and Bank Balances only

As per our report of even date

for Chokshi & Chokshi
Chartered Accountants
FRN : 101872W

Vineet Saxena
Partner
Membership No. 100770

Place: Mumbai
Date: 14th May 2014

Shailesh Jain
Chief Financial Officer

Anuja Bhate
Company Secretary

Place: Mumbai
Date: 14th May 2014

For and on behalf of the Board

Vinayak Deshpande
Chairman

Nalin M. Shah
Director

Pralhad Pawar
Director

Notes To Financial Statements

1. Corporate Information

Artson Engineering Limited ("the Company") is a company limited by shares incorporated under the Companies Act, 1956. The Company's Registered Office is situated at Mumbai. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the Scrip Code is 522134.

The Company was incorporated in the year 1978 and since inception, the Company has commissioned, on turn–key basis, several fuel storage and handling facility systems. The Company operates in only one business segment i.e Engineering and Construction for EPC Projects.

The Company was referred to the BIFR as a sick company under the provisions of Section 3 (1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company's reference as a sick company was registered under Case No. 152/2004 with the BIFR. At the hearing held on 27th November 2007, the BIFR sanctioned the Rehabilitation Scheme of the Company and the Order sanctioning the scheme of rehabilitation was received by the Company on 18th December 2007 (Sanctioned Scheme). The Company has made an application on 17th October 2013 for extension of the Rehabilitation Scheme as referred above and pending the final hearing, the Sanctioned Scheme is under implementation.

2. Significant Accounting Policies:

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

i) Method of Accounting and preparation of the Financial Statements:

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

ii) Revenue Recognition

a. Manufacturing activities:

Sales of Goods is recognized as per the terms of sales. Sales exclude amount recovered towards Excise Duty and Sales Tax.

b. Erection / Construction activities:

Revenues from execution of contract is recognized on the Percentage Completion method. The stage of completion is determined on the basis of actual work executed during the year. Running bills are accounted as sales on monthly basis. No profit is recognized till a minimum of 10% progress is achieved on the contract except in case of contracts executed on cost–plus basis. Costs incurred and invoices raised in respect of such contracts are carried in the Balance Sheet as contract in progress and advance billing respectively. When it is probable at any stage of the contract that the total cost will exceed the total contract revenue, the expected loss is recognized immediately. In case of arbitration awards which are granted in favour of the Company, any amount to be received is treated as income in the year of receipt of such award. Liquidated damages/Penalties are accounted for as cost when such delays and causes are attributable to the Company or when deducted by the client.

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

d. i. Income and Expenses are accounted on accrual basis except capital incentive from Government authorities and liquidated damages to the extent under negotiation.

ii. VAT set–off is based on returns filed with appropriate authorities.

e. Bank Guarantee commission is accounted in the year of execution/renewal of guarantee.

Notes To Financial Statements (Contd...)

iii) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known/materialise.

iv) Fixed Assets:

All tangible fixed assets are stated at historical cost (as reduced by CENVAT credit) less accumulated depreciation. The cost of fixed assets comprises its purchase price and other attributable expenditure incurred in making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

v) Depreciation /Amortization on Fixed Assets:

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

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

c. Leasehold Land and Leasehold Improvements are amortized over the period of the lease.

vi) Impairment of Assets:

As at each Balance Sheet date, the Company assesses the realizable value of all the assets. If there is any indication of fall in the realizable value over the carrying cost of the assets, impairment in value of the assets is recognized.

vii) Valuation of Inventories:

a. Stage of completion and cost of completion in respect of engineering and construction contracts in progress, being technical matters, are estimated and certified by the Company's technical personnel.

b. Stock of all the raw materials, construction materials , stores and spares lying at store, sites/ factory have been valued at cost on First in First Out basis.

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

viii) Investments:

a. Investments intended to be held for more than one year are classified as long term investments and are carried at cost of acquisition inclusive of other attributable expenses or fair value whichever is lower. Diminution in the value of investment is provided for, if such diminution is of other than temporary nature, in the value of such investments.

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

ix) Foreign Currency Transactions:

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

b. Monetary assets and liabilities denominated in foreign currencies at the year–end are translated at the year–end exchange rates.

c. The exchange difference on conversion are credited or charged to the Statement of Profit and Loss.

Notes To Financial Statements (Contd...)

d. Financial statement of Foreign operations, which are integral operations are translated using the same principles as stated above except following items which are translated as below:

Sl.No.	Nature of the account	Policy
1.	Opening and Closing Work–in–progress	Exchange Rate at the commencement and close of the year respectively.
2.	Fixed Assets and Depreciation	Exchange Rate used for the translation of the respective date of purchase of fixed assets.

x) Employee benefits:

a. The Company's contribution to Provident Fund is charged to the Statement of Profit and Loss.

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

c. The gratuity liability, which is a defined benefit plan, is provided on the basis of actuarial valuation as on Balance Sheet date on the projected unit credit method and the same is funded with Life Insurance Corporation of India.

xi) Segment Reporting:

The Company is in the business of Engineering, Procurement & Construction contract in Oil, Gas & Hydrocarbon (OG&H) Sector and ancillary services, including manufacturing activity. More than 90% of the income is only from Engineering & Construction contracts in OG&H Sector and ancillary services. The projects are executed both in India and abroad. Considering the core activity of the Company as above, the primary segment is geographical segment. Accordingly the reportable segments of the Company are:

1. Domestic
2. Overseas

xii) Earnings Per Share:

The Company reports basic earnings per share in accordance with the Accounting Standard 20 'Earnings per share'. Basic earnings per share, is computed by dividing the net profit or loss for the year, by the weighted average number of equity shares outstanding during the year.

xiii) Taxation (including Deferred Tax):

Provision for Income Tax is made for both current and deferred taxes. Current tax is provided on the basis of the taxable income in accordance with and at the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates, and tax laws that have been enacted or substantively enacted, subject to prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognized unless there is a virtual certainty that there will be sufficient future taxable income available to realize such assets.

xiv) Borrowing Costs:

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

xv) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if:

a. The Company has a present obligation as a result of past events.

b. A probable outflow of resources is expected to settle the obligation.

c. The amount of the obligation is best estimate required to settle the obligation at the Balance Sheet date.

d. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

Reimbursement expected in respect of the expenditure required to settle a provision is recognized only when it is virtually certain that reimbursement will be received.

Contingent Liability is disclosed in the case of :

a. A present obligation arises from past events, when it is not probable that an outflow of resources will be required to settle the obligation,

b. A present obligation when no reliable estimate is possible, and

c. A possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized, nor disclosed. Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

xvi) Extraordinary Items:

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

The nature and amount of each extra ordinary items is identified and disclosed in the Statement of Profit and Loss in a manner that its impact on current profit or loss can be perceived.

Note 3 Share Capital

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Authorized capital		
(i) 150,000,000 Equity Shares of ` 1/– each	1,500.00	1,500.00
(ii) 200,000 Preference Shares of ` 100/– each	200.00	200.00
Issued, Subscribed and Paid–up		
36,920,000 Equity Shares of ` 1/– each	369.20	369.20
Total issued, subscribed and fully paid–up share capital	**369.20**	**369.20**

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

	31st March 2014		31st March 2013	
Equity shares	**No.**	**₹ Lac**	No.	₹ Lac
At the beginning of the year	36,920,000	369.20	36,920,000	369.20
Issued during the year	—	—	—	—
Outstanding at the end of the year	**36,920,000**	**369.20**	**36,920,000**	**369.20**

b. Terms/rights attached to equity shares

The Company's issued, subscribed and paid–up capital comprises of equity shares only and no preference share have been issued. The Company's paid–up capital comprises only one class, i.e. equity shares having par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share.

Notes To Financial Statements (Contd...)

The liability of the members is limited.

The Company's shares are listed on the Bombay Stock Exchange Limited (BSE).

Restriction on distribution of Dividend

Pursuant to the Provisions of the Sanctioned Scheme, the Company is not permitted to declare any dividend to the equity shareholders without the prior approval of the BIFR/Monitoring Agency (MA) during the period of rehabilitation.

c. **No bonus shares have been issued, no shares have been issued for consideration other than cash and no shares have been bought back during the last five years**

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

	Nature	31st March 2014		31st March 2013	
		No.	% holding	No.	% holding
Equity shares of ₹ 1/– each fully paid					
Tata Projects Limited	Holding Company	27,690,000	75	27,690,000	75

e. **Reduction in paid–up value of equity shares**

Pursuant to the provisions of the Sanctioned Scheme, effective 26th December 2007 the paid–up value of the equity shares has been reduced from ₹ 10/– per share to ₹ 1/– per share fully paid–up. On reduction, the paid–up capital of the Company was reduced to ₹ 92,30,000 comprising of 92,30,000 equity shares of ₹ 1/– each. On 4th January 2008, the Company has allotted 2,76,90,000 equity shares of ₹ 1/– each to Tata Projects Limited. Consequent to the allotment of these shares, the Company has become a subsidiary of Tata Projects Limited (shareholding of 75% in the Company's paid–up capital). The Company's paid–up capital has thus been increased to ₹ 3,69,20,000 comprising of 3,69,20,000 equity shares of ₹ 1/– each.

Note 4 Reserves and Surplus

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Balance as per last Balance Sheet	**(5,907.25)**	(1,967.46)
Loss for the year	**(833.34)**	(3,939.79)
Net surplus / (deficit) in the Statement of Profit and Loss	**(6,740.59)**	(5,907.25)
Total Reserves and Surplus	**(6,740.59)**	(5,907.25)

Note 5 Long–term Borrowings

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Loans and advances from related parties		
Secured *	**1,930.39**	1,930.39
Unsecured	**2,100.00**	1,800.00
	4,030.39	3,730.39

Foot Note :

* Term Loan from the Holding Company in terms of the Sanctioned Scheme of BIFR dated 18th December 2007 secured against the immovable property and all title deeds of the property.

Notes To Financial Statements (Contd...)

Maturity Profile of Long–term borrowings

₹ Lac

Maturity Profile	Loans & Advances from Related Parties (secured)	Loans & Advances from Related Parties (unsecured)	Loans & Advances from Related Parties (secured)	Loans & Advances from Related Parties (unsecured)
1–2 Years	—	2,100.00	—	—
2–3 Years	—	—	—	1,800.00
3–4 Years	370.00	—	370.00	—
Beyond 4 Years	1,560.39	—	1,560.39	—
Total	**1,930.39**	**2,100.00**	**1,930.39**	**1,800.00**

Foot Note :

Based on an in–principle approval granted by the Holding Company for extension of dates for moratorium as proposed by the Company, the maturity profile of the loans and their classification into Current and Non–current has been done for the current year.

The above Maturity Profile may change subject to approval of modification application made to BIFR as referred in Note 36.

Note 6 Other Long–term Liabilities

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Trade Payables		
To MSMED [See Note 35]	—	—
Others	166.03	201.53
Others		
Security deposits received	11.29	11.69
	177.32	213.22

Note 7 Long–term Provisions

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Provision for employee benefits		
Provision for compensated absences	26.64	30.91
	26.64	30.91

Notes To Financial Statements (Contd...)

Note 8 Short–term Borrowings

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Loans repayable on demand		
From banks		
Secured *	2,021.45	2,527.48
Unsecured	—	300.37
Loans and advances from related parties		
Unsecured	—	—
	2,021.45	2,827.85

Foot Note :
* Working Capital loan is secured by first charge by way of hypothecation of inventories, books debts and other current assets.

Note 9 Trade Payables

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
To MSMED [See Note 35]	86.98	—
Others	2,782.23	1,851.78
	2,869.21	1,851.78

Note 10 Other Current Liabilities

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Current maturities of long term Debt [See Note 38]	8.04	24.01
Current maturities of finance lease obligations	—	0.90
Interest accrued and due on borrowings	472.64	387.83
Income received in advance	—	10.51
Other payables		
Advances from customers	1,186.54	441.68
Liability for contract expenses	456.77	240.72
Liability for other expenses	1,301.48	1,279.16
Statutory dues	123.74	299.05
Other payable (includes reimbursement and withheld amount)	647.44	622.51
	4,196.65	**3,306.37**

Note 11 Short–Term Provisions

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Provision for employee benefits		
Provision for gratuity	17.90	0.84
Provision for compensated absences	5.69	11.27
	23.59	12.11

Notes To Financial Statements (Contd...)

Note 12 Tangible Fixed Assets

(₹ Lac)

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01–04–2013 (at cost)	Additions	Deductions/ Other adjustments	As at 31–03–2014 (at cost)	As at 01–04–2013	For the year	Deductions/ Other adjustments	As at 31–03–2014	As at 31–03–2014	As at 31–03–2013
Tangible Assets										
1. Leasehold Land	4.29	—	—	**4.29**	—	1.40	—	**1.40**	**2.89**	4.29
	(4.29)	—	—	**(4.29)**	—	—	—	**—**	**(4.29)**	(4.29)
2. Buildings	201.26	—	—	**201.26**	89.49	11.18	—	**100.67**	**100.59**	111.77
	(201.26)	—	—	**(201.26)**	(77.07)	(12.42)	—	**(89.49)**	**(111.77)**	(124.19)
3. Leasehold Improvements	—	—	—	**—**	—	—	—	**—**	**—**	—
	(52.03)	—	(52.03)	**—**	(11.75)	(9.85)	(21.61)	**0.00**	**(0.00)**	(40.27)
4. Plant And Machinery	2,126.88	56.93	1.45	**2,182.36**	1,369.68	108.13	0.23	**1,477.58**	**704.78**	757.19
	(2,100.29)	(72.45)	(45.87)	**(2,126.88)**	(1,264.84)	(120.13)	(15.29)	**(1,369.68)**	**(757.19)**	(835.46)
5. Computers	128.74	5.79	—	**134.53**	112.84	7.96	—	**120.80**	**13.73**	15.90
	(120.66)	(8.08)	—	**(128.74)**	(105.25)	(7.59)	—	**(112.84)**	**(15.90)**	(15.41)
6. Furniture And Fixtures	165.74	5.10	23.98	**146.86**	105.09	12.48	9.18	**108.39**	**38.47**	60.65
	(163.93)	(2.72)	(0.83)	**(165.82)**	(91.70)	(14.30)	(0.83)	**(105.17)**	**(60.65)**	(72.23)
7. Office Equipment	84.55	0.90	5.92	**79.53**	52.38	4.32	1.68	**55.02**	**24.51**	32.18
	(81.34)	(4.91)	(1.70)	**(84.55)**	(47.03)	(6.87)	(1.52)	**(52.38)**	**(32.18)**	(34.31)
8. Electrical Installation	76.38	—	0.06	**76.32**	44.54	4.43	0.06	**48.91**	**27.41**	31.84
	(117.42)	—	(41.12)	**(76.30)**	(46.55)	(9.62)	(11.69)	**(44.46)**	**(31.84)**	(70.88)
9. Vehicles	56.71	—	22.80	**33.91**	48.00	0.73	16.80	**31.93**	**1.98**	8.71
	(56.57)	(0.14)	—	**(56.71)**	(44.82)	(3.18)	—	**(48.00)**	**(8.71)**	(11.75)
TOTAL	**2,844.55**	**68.72**	**54.21**	**2,859.06**	**1,822.03**	**150.63**	**27.95**	**1,944.71**	**914.35**	**1,022.53**
Previous Year	(2,897.79)	(88.30)	(141.55)	(2,844.55)	(1,689.01)	(183.94)	(50.92)	(1,822.03)	(1,022.53)	(1,208.78)

Note:

a. Figure in bracket are of previous year.

b. Deletion to Fixed Asset includes Leasehold Improvements discarded Gross Block ₹ Nil (P.Y ₹ 52.03 Lac), Accumulated Depreciation ₹ Nil (P.Y ₹ 21.61 Lac) & Net Charged to Statement of Profit and Loss ₹ Nil (P.Y ₹ 30.42 Lac)

c. Deletion to Fixed Assets includes Electrical Installation discarded Gross Block ₹Nil (P.Y ₹38.45 Lac), Accumulated Depreciation ₹ Nil (P.Y ₹ 10.81 Lac) & Net Charged to Statement of Profit and Loss ₹ Nil (P.Y ₹ 27.64 Lac).

d. Deletion to Fixed Assets includes Furniture and Fixture discarded Gross Block ₹ 23.98 Lac (P.Y ₹ Nil), Accumulated Depreciation ₹ 9.18 Lac (P.Y ₹ Nil) & Net Charged to Statement of Profit and Loss ₹ 13.14 Lac (P.Y ₹ Nil).

Note 13 Intangible Fixed Assets

(₹ Lac)

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01–04–2013 (at cost)	Additions	Deductions/ Other adjustments	As at 31–03–2014 (at cost)	As at 01–04–2013	For the year	Deductions / Other adjustments	As at 31–03–2014	As at 31–03–2014	As at 31–03–2013
Intangible Assets										
1. Computer Software (Acquired)	4.32	—	—	**4.32**	2.35	0.79	—	**3.14**	**1.18**	1.97
	(4.32)			**(4.32)**	(1.03)	(1.32)		**(2.35)**	**(1.97)**	(3.29)
TOTAL	**4.32**	**—**	**—**	**4.32**	**2.35**	**0.79**	**—**	**3.14**	**1.18**	**1.97**
Previous Year	(4.32)	—	—	(4.32)	(1.03)	(1.32)	—	(2.35)	(1.97)	(3.29)

Notes To Financial Statements (Contd...)

Note 14 Long–Term Loans and Advances

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Security deposits		
Unsecured, considered good	38.04	95.99
Doubtful	199.00	199.00
	237.04	294.99
Provision for doubtful deposits	(199.00)	(199.00)
	38.04	95.99
Other loans and advances (unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received [See note 37 (d)]		
Unsecured, considered good	138.27	404.94
Doubtful	162.63	–
	300.90	404.94
Provision for doubtful deposits	(162.63)	–
	138.27	404.94
Advance income–tax (net of provision for taxation)	372.60	210.75
Balances with statutory/government authorities	896.45	728.89
	1,407.32	**1,344.58**
Total	**1,445.36**	**1,440.57**

Note 15 Other Non–Current Assets

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
A. Trade receivables not due for payment		
Unsecured, considered good		
Long–Term Trade Receivables (Unsecured)		
Considered good [See Note 37 (b)]*	146.18	371.05
Considered doubtful	—	—
Total	**146.18**	**371.05**

* Comprises of Retention money receivable

Note 16 Inventories

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Raw materials and components	1,207.82	387.93
Work–in–progress at factory	581.84	205.08
Contracts–in–progress	19.47	246.97
Finished goods (Stock–in–transit ₹ Nil, Previous Year ₹ 176.00 Lakh)	—	176.00
	1,809.13	**1,015.98**

Notes To Financial Statements (Contd...)

Note 17 Trade Receivables

		31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Outstanding for a period exceeding six months from the date they are due for payment (unsecured)			
Considered good		448.04	763.16
Considered doubtful		221.37	178.00
		669.41	**941.16**
Provision for doubtful receivables		(221.37)	(178.00)
	(A)	448.04	763.16
Others (unsecured)			
Considered good		558.35	902.40
Doubtful		—	—
		558.35	**902.40**
Provision for doubtful receivables		—	—
	(B)	**558.35**	**902.40**
Total	**(A + B)**	**1,006.39**	**1,665.56**

Note 18 Cash and Bank Balances

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Cash and Cash Equivalents		
Balances with banks:		
In current accounts	112.92	55.19
In deposit accounts with original maturity of less than 3 months [See Note 32 (a)]	38.10	3.33
Cash in hand	0.62	20.36
	151.64	78.88
Other bank balances		
In Deposit Accounts with original maturity for more than 3 months but less than 12 months	74.14	98.59
	74.14	**98.59**
	225.78	**177.47**

Note 19 Short–Term Loans and Advances

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Other loans and advances		
(Unsecured, considered good)		
Advances to staff	4.07	8.36
Advances to contractors/suppliers	477.11	121.67
Prepaid expenses	20.37	29.39
Other loans and advances	5.38	11.25
Total	**506.93**	**170.67**

Notes To Financial Statements (Contd...)

Note 20 Other Current Assets

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Unsecured, considered good		
Work done but not billed	**894.57**	557.71
Interest accrued on fixed deposit/margin money	**23.99**	11.07
	918.56	568.78

Note 21 Revenue from Operations

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Sale of goods / products		
Pressure Vessels and Air Receivers/Structural	**2,988.98**	1,305.36
Less: Excise Duty	**(289.98)**	(162.96)
	2,699.00	1,142.40
Sale of services		
Income from Erection/Supply Contracts	**4,656.62**	4,245.13
Income from Manpower Supply Contracts	**511.98**	349.14
	7,867.60	5,736.67

Note 22 Other Operating Revenue

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Other operating revenue	**40.52**	165.78
Less: Excise Duty	**(4.31)**	(2.56)
	36.21	163.22

Note 23 Other Income

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Interest Income	**11.03**	15.24
Exchange Rate Difference (net) [See Note 41]	**—**	9.59
Profit on Sale of Assets	**0.26**	—
Miscellaneous Income	**46.21**	0.04
	57.50	24.87

Note 24 Cost of Raw Materials and Components Consumed

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Inventory at the beginning of the year	**563.93**	477.25
Add: Purchases	**3,128.34**	**2,506.28**
	3,692.27	**2,983.53**
Less: Inventory at the end of the year	**(1,207.82)**	**(563.93)**
	2,484.45	**2,419.60**

Notes To Financial Statements (Contd...)

Note 25 Project Execution Expenses

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Cost of Erection Services	3,594.65	2,964.00
Motor Vehicle expenses	96.93	114.38
Hire Charges Machineries	221.13	133.05
Works Contract Tax and Other Taxes	36.99	198.75
Liquidated Damages and Penalty	—	57.68
Site Expenses	131.86	137.39
Rent for Guest House/Office at Site	59.82	70.95
Provision for Contract Expenses	248.19	211.94
Price Reduction	—	884.35
Insurance Premium	33.32	31.49
Professional Charges	56.94	—
Bank Guarantee and Letter of Credit charges	21.45	54.13
Other Project Expenses	46.67	54.18
	4,547.95	4,912.30

Note 26 (Increase)/ Decrease in Work in Progress and Contracts–in–progress

.	31st March 2014 ₹Lac	31st March 2013 ₹ Lac
Work in Progress and contract in Progress at the end of the year		
Work–in–progress	581.84	205.08
Contracts–in–progress	19.47	246.97
	601.31	452.05
Work in Progress and contract in Progress at the beginning of the year		
Work–in–progress	205.08	37.41
Contracts–in–progress	246.97	456.61
	452.05	494.02
Net (Increase)/Decrease	**(149.26)**	**41.97**

Note 27 Employee Benefit Expenses

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Salaries,Wages and Bonus	703.98	902.14
Contribution to Provident and Other Funds *	63.22	48.67
Staff Welfare Expenses	2.78	3.83
	769.98	**954.64**

* Contribution to Provident and Other Funds includes ₹ 31.38 Lac (Previous Year ₹ 34.07 Lac) towards Defined Contribution Plan and ₹ 20.04 Lac (Previous Year ₹ 9.94 Lac) towards Defined Benefit Plan.

Notes To Financial Statements (Contd...)

Note 28 Other Expenses

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Office Rent	19.61	85.25
Electricity Expenses	—	11.90
Rates and Taxes	4.31	1.07
Motor Vehicle Expenses	7.05	8.73
Travelling Expenses	49.20	97.99
Legal and Professional Fees [See Note 43]	98.66	127.86
Postage and Telephone	23.38	24.83
Printing and Stationery	10.06	15.48
Business Development Expenditure	3.79	2.49
Registration Expenses – Overseas	17.04	16.75
Directors' Fees	1.95	2.50
Exchange Rate Difference (net) [See Note 41]	14.54	—
Bad debts	—	36.06
Provision for Doubtful Debts	43.37	78.00
Provision for Doubtful Advances	162.63	—
Loss on Sale of Assets	—	1.98
Miscellaneous expenses	36.28	55.06
	491.87	**565.95**

Note 29 Finance Costs

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Interest Expenses		
On Borrowing	463.94	713.18
On Deferred/Delayed payment of Taxes	9.93	3.55
Other Borrowing Costs	**11.23**	**11.24**
	485.10	**727.97**

Note 30 Exceptional Items

	31st March 2014 ₹ Lac	31st March 2013 ₹ Lac
Furniture, Office Equipment and Vehicle Discarded	13.14	–
Leasehold Improvements Discarded	—	30.42
Electrical Installations Discarded	—	27.64
	13.14	58.06

31 Contingent liabilities not provided for :

a. Demand from Sales Tax Department (Work Contract Tax) ₹ 22.32 Lac (Previous Year ₹ 22.32 Lac) for which appeals are pending.

b. Claims against the Company not acknowledged as debts ₹ 900 Lac (Previous Year ₹ 1534.99 Lac)

c. Income Tax Department has issued a demand notice for ₹ 136.72 Lac (Previous Year ₹ 227.26 Lac) as penalty.

Notes To Financial Statements (Contd...)

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

b. Deferred Tax Liabilities as on 31st March 2014 comprises of :

Particulars	**Balance as on 31st March 2014 (₹ Lac)**	Balance as on 31st March 2013 (₹ Lac)
Deferred Tax Liability : Arising on account of timing difference in:		
I. Depreciation	(8.05)	2.31
Deferred Tax Asset: Arising on account of timing difference in:		
I. Provision for Compensated Absences	(9.99)	(4.94)
ii. Provision for Gratuity	(5.53)	(0.29)
iii. Provision for Bonus	(7.34)	(1.93)
iv. Provision for doubtful debts	(50.25)	—
v. Provision for doubtful Advances	(13.40)	—
Net Deferred Tax (Asset)/Liability	**(94.56)**	**(4.85)**
Net Deferred Tax (Asset)/Liability recognized during the year (See Foot Note)	Nil	(1.20)

Note: On grounds of prudence, the Company has recognized Deferred Tax Asset only to the extent of the future reversal of Deferred Tax Liability. During the year, there is no reversal of Deferred Tax Liability (Previous Year ₹ 1.20 Lac).

c. Provision for tax under the Income Tax Act, 1961 is not made as there are no chargeable profits during the year.

33 a. Related Parties and Relationships

Holding Company : Tata Projects Limited

Key Managerial Personnel : Mr. P.S. Chopde, Executive Director (Manufacturing) upto 10th April 2013

Notes To Financial Statements (Contd...)

b. Related Party Transactions

Information as required under AS–18 on "Related Party Disclosures" is as follows :

Name of the related party	Nature of relation	Nature of transaction	2013–14 (₹ Lac)	2012–13 (₹ Lac)
Tata Projects Limited	Holding Company	Secured Loan outstanding as at the beginning of the year	**1,930.39**	1,930.39
		Secured Loan taken during the year	**—**	—
		Secured Loan repaid during the year	**—**	—
		Secured Loan outstanding as at year end	**1,930.39**	1,930.39
		Unsecured Loan outstanding as at the beginning of the year	**1,800.00**	1,600.00
		Unsecured Loan taken during the year	**300.00**	200.00
		Unsecured Loan repaid during the year	**—**	—
		Unsecured Loan outstanding as at year end	**2,100.00**	1,800.00
		Interest payable at the beginning of the year	**387.84**	193.16
		Interest accrued and due during the year	**94.27**	370.16
		Interest Paid during the year	**9.46**	175.48
		Interest payable at the end of the year	**472.65**	387.84
		Sale of Goods/Services	**3,999.05**	11.98
		Receivables as at end of the year	**2.48**	—
		Balance of Mobilisation / Advance as at the end of year	**1,141.99**	1.30
		Liability for Reimbursement of Expenses	**421.35**	1.94
Mr.P.S. Chopde Executive Director (Manufacturing)	Key Management Personnel (upto 10th April 2013)	Managerial Remuneration	**0.80**	28.80
Mr.P.V.Varghese Executive Director	Key Management Personnel (upto 31st December 2012)	Managerial Remuneration	**—**	21.60

34 Disclosure as required by As–7 on "Accounting for Construction Contracts" is as follows:

Sr.No.	Particulars	2013–14 (₹ Lac)	2012–13 (₹ Lac)
a.	Contract revenue recognized during the year	5,168.61	4,594.28
b.	Amount of Customer Advances (net of recoveries from progressive bills)	222.16	334.96
c.	Retention amount	143.12	316.20
d.	Aggregate amount of contract costs incurred in respect of ongoing contracts net of recognized profits (less recognized loss) up to the reporting date. (Including the contracts closed during the year)	36,256.79	31,468.37
e.	Gross amount due from customers for contract work	1,331.13	1,859.62

* The Company is following Percentage Completion Method for recognising contract revenue.

* The Company has adopted Completion of Physical Proportion of the Contract Work Method to determine the stage of completion of contracts in progress.

Notes To Financial Statements (Contd...)

35 Disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

According to information available with the Management and relied upon by the auditors, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to micro and small enterprises under the MSMED Act as follows:

a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:

Sr.No.	Particulars	Balance as on 31st March 2014 (₹ Lac)	Balance as on 31st March 2013 (₹ Lac)
i	Principal amount remaining unpaid	86.98	—
ii	Interest accrued, due and remained unpaid thereon	12.30	—
iii	Payment made to suppliers (other than interest) beyond the appointed day during the year	239.76	—
iv	interest paid to suppliers under MSMED Act (other than Section 16)	—	
v	interest paid to suppliers under MSMED Act (Section 16)	—	—
vi	interest due and payable towards suppliers under MSMED Act for payments already made	1.34	—
vii	interest accrued and remaining unpaid at the end of the year to suppliers under the MSMED Act	12.30	—

36 The Company is registered with the Board for Industrial and Financial Reconstruction (BIFR) as a sick company and BIFR has vide its order dated 18th December 2007 sanctioned the rehabilitation scheme ("the Sanctioned Scheme"). While most of the provisions of the Sanctioned Scheme have been implemented, the Company was not able to achieve positive net worth as at 31st March 2013, accordingly, the Company has filed application on 17th October 2013 to BIFR seeking an extension and modification of the Sanctioned Scheme. The modification also includes conversion of Loans of ₹ 4418 Lac (including interest up to 31st March 2013 and loan of ₹ 300 Lac taken during the three months period ended 30th June 2013, but excluding interest of ₹ 94.27 Lac for the three months period ended 30th June 2013) of the Holding Company as on 31st March 2013 into 4% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 1/– each, which is pending for approval from BIFR. In view of this, and based on written confirmation from the Holding Company, no provision has been made for interest payable to it for the nine months ended 31st March 2014 amounting to ₹ 302.56 Lac (including ₹ 99.38 Lac for the quarter ended 31st March 2014). The Management is considering various alternatives for achieving profitability and positive cash flow. Based on the current order book position, operating results for the current year and considering the continued support of the Holding Company, barring unforeseen circumstances, the Management is confident about the Company's ability to continue as a going concern and the Auditors of the Company have put an "emphasis of matter" paragraph on the aforesaid matter in the Auditors Report for the year ended 31st March 2014.

37 a. In the opinion of the Management, all Current Assets, Loans & Advances are approximately of the same value if realized in the ordinary course of business. Provision for all the known liabilities and doubtful receivables is adequately made.

b. Trade receivables include retention of ₹146.18 lac (Previous Year ₹371.05 lac) receivable on completion of projects.

c. Balance outstanding against Trade Receivable and Trade Payable (including debit balances), are subject to reconciliation and confirmation with respective parties. Provision of ₹ 43.37 lac (Previous Year ₹ 78 lac) for doubtful debts is made during the year; resulting in total provision of ₹ 221.37 lac as on 31st March 2014.

Notes To Financial Statements (Contd...)

d. Long term Loans and Advances includes ₹ 300.90 lac reimbursement receivable from client. Provision of ₹ 162.63 lac (Previous Year ₹ Nil) has been made during the year.

38 Amount due within one year towards Sales Tax Deferment Loan is ₹ 8.04 lac (Previous Year ₹ 24.01 lac).

39 Earnings per share (Basic & Diluted)

	31st March 2014	31st March 2013
a. Net profit/(loss) available for equity share holders (₹ Lac)	**(833.34)**	(3,939.79)
b. Number of equity shares (Face value ₹ 1/–) (No.in Lac)	**369.20**	369.20
c. Basic and diluted earnings per share (₹)	**(2.26)**	(10.67)

40 Details of earning and expenditure in foreign currency:

PARTICULARS	31st March 2014 (₹ Lac)	31st March 2013 (₹ Lakh)
Earning in foreign exchange (Amount expended in equivalent Indian rupees)	**172.47**	496.91
Expenditure in foreign currency (Amount expended in equivalent Indian rupees)	**158.98**	735.27

41 The net loss on account of exchange rate difference amounting to ₹ 14.54 Lakh (Previous Year Gain of ₹ 9.59 Lakh) has been accounted in the Statement of Profit and Loss in compliance with AS–11 on "Changes in Foreign Exchange Rates"

42 Quantitative Details:

a. Erection / Construction Activities:

In respect of Erection / Construction activities, the materials procured by the Company are directly delivered to the project sites and charged off in the year of purchase. It is not practicable to furnish the quantitative information in respect of these items due to diversified size and nature of business.

b. Manufacturing Activities:

The relevant quantitative details for commercial operations carried out at factories are as follows:

i) Raw material Consumed :

	Unit	2013–14		2012–13	
		Quantity	Value (₹ Lac)	Quantity	Value (₹ Lac)
Plates/Steel	(MT)	**5,023.51**	**2,048.42**	2,350.67	1,055.17
Pipes	(MT)	**76.42**	**36.54**	47.40	36.30
Paints	Litres	**27,739.00**	**23.16**	18,600.00	31.31
Others	—	**—**	**—**	—	33.21
TOTAL			**2,108.12**		1,155.99

Notes To Financial Statements (Contd...)

ii) Imported/Indigenous Raw materials Consumed :

	2013–14		2012–13	
	Value (₹ Lac)	%	Value (₹ Lac)	%
Imported	NIL	NIL	NIL	NIL
Indigenous	2,108.12	100%	1,155.99	100%

iii) Manufacturing Sales:

Turnover	Unit	2013–14		2012–13	
		Quantity	Value (₹ Lac)	Quantity	Value (₹ Lac)
Vessels/Structural	(MT)	3,661.18	2,988.98	1,943.75	1,305.36
Less :– Excise Duty		—	(289.98)	—	(162.96)
TOTAL		3,661.18	2,699.00	1,943.75	1,142.40

43 Legal and Professional Fees include Auditors' Remuneration as below:

Nature of services	2013–14 (₹ Lac)	2012–13 (₹ Lac)
Audit fees	6.00	6.00
Tax Audit fees	1.00	1.00
Taxation matters	1.00	1.50
Transfer Pricing Audit	1.50	—
Reimbursement of expenses	1.07	0.37
Service Tax*	1.17	1.04
Total	**11.74**	**9.91**

*Set off claimed

44 The Actuarial Valuation of Gratuity and compensated absences have been done and the details of the same are:

Sr.No	Particular	Gratuity (funded)		Compensated Absences (Unfunded)	
		2013–14 (₹ Lac)	2012–13 (₹ Lac)	2013–14 (₹ Lac)	2012–13 (₹ Lac)
a.	**Expenses recognized in the statement of P & L**				
	Current Service Cost	12.50	7.90	19.23	28.42
	Interest Cost	2.59	2.66	2.68	2.05
	Expected Return on Plan Assets	(2.97)	(3.27)	—	—
	Net Actuarial (Gain)/Loss recognized for the period	6.95	(1.62)	(14.33)	(12.01)
	Expense recognized in the Statement of P & L	19.07	5.67	7.58	18.46

Notes To Financial Statements (Contd...)

Sr.No	Particular	Gratuity (funded)		Compensated Absences (Unfunded)	
		2013–14 (₹ Lac)	2012–13 (₹ Lac)	**2013–14 (₹ Lac)**	2012–13 (₹ Lac)
b.	**Movement in the Liability recognized in Balance Sheet.**				
	Opening Net Liability	0.84	—	42.18	27.63
	Expenses as above	19.06	5.67	7.58	18.46
	Contribution Paid	(2.00)	(4.83)	(17.43)	(3.91)
	Closing Net Liability	17.90	0.84	32.33	42.18
c.	**Changes in present value of obligations**				
	PVO at the beginning of year	41.91	33.94	42.18	27.63
	Interest Cost	2.59	2.66	2.67	2.05
	Current Service Cost	12.50	7.90	19.24	28.42
	Benefits Paid	(19.14)	(1.21)	(17.43)	(3.91)
	Actuarial (Gain)/Loss on obligation	6.58	(1.38)	(14.33)	(12.01)
	PVO at end of year	44.44	41.91	32.33	42.18
d.	**Changes in fair value of plan assets**				
	Fair Value Plan Assets at Beginning of the year	41.07	33.94	—	—
	Expected Return on plan Assets Contribution	2.97	3.51	—	—
	Contributions	2.00	4.83	—	—
	Benefit Paid	(19.14)	(1.21)	—	—
	Actuarial Gain/ (Loss) on Plan Assets	(0.36)	—	—	—
	Fair Value of Plan Assets at end year	26.54	41.07	—	—
e.	**Actual Return on Plan Asset**	**2.61**	**3.50**	**—**	**—**
f.	**Category of Assets as at the end of the year**				
	Insurer Managed Funds *	26.54	41.07	—	—

* Details of Individual Investment in portfolio or Investment structure of portfolio are not available as on the Balance Sheet date.

g. Experience Adjustment

Gratuity	2014	2013	2012	2011	2010
Defined Benefit Obligation	44.44	41.91	30.79	23.17	15.48
Fair Value of Planned Assets	26.53	41.07	33.94	29.41	28.22
(Surplus)/Deficit	17.91	0.84	(3.15)	(6.24)	(12.74)
Experience Adjustment on Plan Liabilities [(Gain)/Loss]6.58	(1.38)	1.04	8.74	(12.63)	
Experience Adjustment on Plan Asset [(Gain)/Loss]	0.36	(0.24)	—	—	(0.22)
Compensated Absences					
Defined Benefit Obligation	32.33	42.18	27.63	15.95	3.82
Experience Adjustment on Plan Liabilities [(Gain)/Loss]	(9.85)	(2.13)	(9.43)	(4.92)	(5.47)

Notes To Financial Statements (Contd...)

h. Actuarial Assumptions

Gratuity Mortality	**2013–14** **LIC (1994–96) Ult.**	2012–13 LIC (1994–96) Ult.
Interest/Discount Rate	**8%**	8%
Rate of Increase In Compensation	**10%**	4%
Rate of Return (expected) on plan Assets	**9.15%**	9.15%
Employee Attrition Rate (PS)	**10%**	10%
Expected Average Remaining Service	**7.32**	7.48

Compensated Absences **Mortality**	**2013–14** **LIC (1994–96) Ult.**	2012–13 LIC (1994–96) Ult.
Interest/Discount Rate	**8%**	8%
Rate of Increase In Compensation	**10%**	10%
Rate of Return (expected) on plan Assets	**–**	–
Employee Attrition Rate (PS)	**10%**	10%
Expected Average Remaining Service	**7.32**	7.41

I. Expected Contribution to be made to the plan assets in financial year 2014–15 is ₹ 17.40 Lakh

45 Segmental Reporting (Geographical Segments):

Sales	**2013–14** **(₹ Lac)**	2012–13 (₹ Lac)
Domestic	**7,700.56**	5,411.28
Overseas	**167.04**	325.39
Total	**7,867.60**	5,736.67

46 From the current year the Company has amortized Leasehold Land on Straight Line Method based on period of the lease. Consequentially depreciation on leasehold land includes ₹ 1.35 Lac which is related to earlier years.

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

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

As per our report of even date

for Chokshi & Chokshi
Chartered Accountants
FRN : 101872W

Vineet Saxena
Partner
Membership No. 100770

Place: Mumbai
Date: 14th May 2014

For and on behalf of the Board

Shailesh Jain
Chief Financial Officer

Vinayak Deshpande
Chairman

Nalin M. Shah
Director

Anuja Bhate
Company Secretary

Pralhad Pawar
Director

Place: Mumbai
Date : 14th May 2014

TPL-TQA Quality Services (Mauritius) Pty Limited

TPL-TQA Quality Services (Mauritius) Pty Limited

Company Information

		DATE OF APPOINTMENT
DIRECTORS:	Kapildeo Joory	29 August 2008
	Zakir Hussein Niamut	23 October 2012
	Dhanapalan Naidoo	8 April 2009
	Krishan Kumar Gupta	8 April 2009
	Arun Kumar Misra	8 April 2009
	Anandan Varatharajoo Naidoo	12 June 2009
	Vinayak Kashinath Deshpande	27 February 2012

REGISTERED OFFICE:	IFS Court, Twenty Eight Cybercity Ebène Mauritius
ADMINISTRATOR & SECRETARY AND MAURITIAN TAX AGENT	International Financial Services Limited IFS Court, Twenty Eight Cybercity Ebène Mauritius
BANKER:	SBI Mauritius Ltd 7th Floor, Wing 2, SBI Tower Mindspace Building Ebène Mauritius
AUDITOR:	Deloitte 7th Floor, Raffles Tower 19 Cybercity Ebène Mauritius

TPL-TQA Quality Services (Mauritius) Pty Limited

COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH, 2014

The directors present the audited financial statements of TPL-TQA Quality Services (Mauritius) Pty Limited (the "Company") for the year ended 31 March 2014.

PRINCIPAL ACTIVITY

The principal activity of the Company is to facilitate the inspection activities to be rendered to Eskom Holdings Limited, SA and other companies as required.

RESULTS

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

The Company has declared and paid dividend of EUR676,200 (2013: EUR197,239) to its shareholders during the financial year under review.

DIRECTORS

The present membership of the Board is set out on page 2. All directors served office during the year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The auditor, Deloitte, has indicated its willingness to continue in office until the next Annual Meeting.

TPL-TQA Quality Services (Mauritius) Pty Limited

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required for **TPL-TQA Quality Services (Mauritius) Pty Limited** under the Mauritius Companies Act 2001 during the year ended 31 March 2014.

***for* International Financial Services Limited**
Secretary

Registered office:

IFS Court
TwentyEight
Cybercity
Ebene
Mauritius

Date: 28 April 2014

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

7th floor, Raffles Tower
19 Cybercity
Ebene
Mauritius

This report is made solely to the company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of **TPL-TQA Quality Services (Mauritius) Pty Limited** on pages 6 to 20 which comprise the statement of financial position as a 31 March 2014 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Director's responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to category 1 Global Business Licence companies. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements on pages 6 to 20 give a true and fair view of the financial position of **TPL-TQA Quality Services (Mauritius) Pty Limited** as at 31 March 2014 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies.

Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- In our opinion, proper accounting records have been kept by the company as far as appears from our examination of those records.

Deloitte
Chartered Accountants
28 April 2014

Pradeep Malik, FCA
Licensed by FRC

TPL-TQA Quality Services (Mauritius) Pty Limited
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 EUR	2013 EUR
Revenue			
Subcontract Cost	2(g)	**773,866**	1,104,490
		(268,473)	(514,878)
		505,393	589,612
Other Income			
Interest income		**411**	731
Total income		**505,804**	590,343
OPERATING EXPENSES			
Professional fees	11	**24,511**	17,258
Licence fees		**1,928**	1,351
Audit fees		**14,985**	7,385
Foreign exchange loss		**-**	593
Bank charges		**1,668**	2,305
Total expenditure		**43,092**	28,892
PROFIT BEFORE TAX		**462,712**	561,451
Taxation	9	**(13,869)**	(16,822)
PROFIT FOR THE YEAR		**448,843**	544,629
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**448,843**	544,629

TPL-TQA Quality Services (Mauritius) Pty Limited
STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2014

	Notes	**2014 EUR**	2013 EUR
ASSETS			
Current assets			
Trade and other receivables	5	**135,938**	291,320
Cash and cash equivalents		**514,901**	646,894
Total assets		**650,839**	938,214
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	6	**24,000**	24,000
Retained earnings		**561,994**	789,351
Total equity		**585,994**	813,351
Current liabilities			
Trade and other payables	7	**63,684**	119,063
Loan from shareholder	8	**3**	3
Taxation	9	**1,158**	5,797
		64,845	124,863
Total equity and liabilities		**650,839**	938,214

Approved by the Board of Directors and authorised for issue on 28 April 2014.

Director **Director**

TPL-TQA Quality Services (Mauritius) Pty Limited
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2014

	Note	Stated capital EUR	Retained earnings EUR	Total EUR
At 1 April 2012		24,000	441,961	465,961
Profit for the year and total comprehensive income		-	544,629	544,629
Dividend	10	-	(197,239)	(197,239)
At 31 March 2013		**24,000**	789,351	813,351
Profit for the year and total comprehensive income		-	**448,843**	**448,843**
Dividend	10	**-**	**(676,200)**	**(676,200)**
At 31 March 2014		**24,000**	**561,994**	**585,994**

TPL-TQA Quality Services (Mauritius) Pty Limited
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2014

	2014 EUR	2013 EUR
Cash flows from operating activities		
Profit before tax	**462,712**	561,451
Adjustments for:		
Decrease in trade and other receivables	**155,382**	79,573
(Decrease) /increase in trade and other payables	**(55,379)**	3,444
Interest received	**(411)**	(731)
Cash generated from operating activities	**562,304**	643,737
Tax paid	**(18,508)**	(14,523)
Net cash generated from operating activities	**543,796**	629,214
Cash flows from investing activities		
Interest received	**411**	731
Net cash generated from investing activities	**411**	731
Cash flows from financing activities		
Payment of dividend	**(676,200)**	(197,239)
Net cash used in financing activities	**(676,200)**	(197,239)
Net (decrease)/increase in cash and cash equivalents	**(131,993)**	432,706
Cash and cash equivalents at 1 April	**646,894**	214,188
Cash and cash equivalents at 31 March	**514,901**	646,894

TPL-TQA Quality Services (Mauritius) Pty Limited
Notes to the Financial Statements for the Year Ended 31 March 2014

1. BACKGROUND INFORMATION

TPL-TQA Quality Services (Mauritius) Pty Limited (the "Company") was incorporated in Mauritius under the Companies Act 2001 on 29 August 2008 as a private company with liability limited by shares and has its registered office at IFS Court, TwentyEight, Cybercity, Ebene, Mauritius. It holds a Category 1 Global Business Licence issued by the Financial Services Commission.

The principal activity of the Company is to facilitate the inspection activities rendered to Eskom Holdings Limited, SA and other companies as required.

2. ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS"). The preparation of financial statements in accordance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. A summary of the more important accounting policies, which have been applied consistently, is set out below:-

(a) Basis of preparation

The financial statements are prepared under the historical cost convention.

(b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The financial statements of the Company are presented in Euro ("EUR"), which is the Company's functional currency and presentation currency.

Transactions and balances

Transactions denominated in foreign currencies are translated in EUR at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities are translated at the rate of exchange ruling at reporting date. Exchange differences arising on translation and realised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the statement of profit or loss and other comprehensive income.

(c) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and are held for the purpose of meeting short term cash commitments rather than investment or other purpose.

(d) Financial instruments

Financial instruments are recognised on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit or loss.

<u>Financial Assets</u>

Financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Trade and other receivables, bank balances and cash are measured at amortised cost using the effective interest method less any impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

A significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and definitions of a financial liability and equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

TPL-TQA Quality Services (Mauritius) Pty Limited
Notes to the Financial Statements for the Year Ended 31 March 2014 (Contd....)

Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Effective interest method

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when the Company's obligations are discharged, cancelled or they expire.

e) Related parties

Parties are considered to be related if one party has control, joint control or exercises significant influence over the other party or is a member of the key management personnel of the other party.

f) Payables

Payables are stated at amortised cost.

g) Revenue recognition

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

(i) Inspection fees

Inspection fees are recognised on an accrual basis based on the labour hours delivered at the contractually agreed rates.

(ii) Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

h) Expense recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on an accruals basis.

i) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Income tax

Income tax on the profit for the year comprises of current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are effective for accounting periods beginning on 1 April 2013.

3.1 Standards affecting presentation and disclosure

IAS 1 Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The Company has applied the amendments to IAS 1 Presentation of Items of Other Comprehensive Income in the current year. The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed the 'statement of profit or loss'. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. Other than the above mentioned presentation changes the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

3.2 Standards and Interpretations adopted with no effect on the financial statements

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

IAS 1 Presentation of Financial Statements - Amendments resulting from Annual Improvements 2009-2011 cycle (comparative information)

IAS 32 Financial instruments: Presentation - Amendments resulting from Annual Improvements 2009-2011 Cycle (tax effect of equity distributions)

IFRS 7 Financial instruments: Disclosures – Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

IFRS 13 Fair Value Measurement

TPL-TQA Quality Services (Mauritius) Pty Limited
Notes to the Financial Statements for the Year Ended 31 March 2014 (Contd....)

3.3 New and Revised Standards and Interpretations in issue but not yet effective

At the date of the authorisation of these financial statements, the following Standards and Interpretation were in issue but effective for annual periods beginning on or after the respective date as indicated:

IAS 24	Related Party Disclosures - Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities) (effective 1 July 2014)
IAS 32	Financial instruments: Presentation – Amendments to application guidance on offsetting of financial assets and financial liabilities (effective 1 January 2014)
IAS 36	Impairment of Assets - Amendments arising from recoverable amount disclosures for non-financial assets (effective 1 January 2014)
IAS 39	Financial Instruments: Recognition and Measurement – Amendments for novations of derivatives (effective 1 January 2014)
IAS 39	Financial Instruments: Recognition and Measurement – Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of portfolio of financial assets or financial liabilities when IFRS 9 is applied and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective 1 January 2018)
IFRS 7	Financial instruments: Disclosures–Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)
IFRS 7	Financial Instruments: Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)
IFRS 9	Financial Instruments: Classification and Measurement of Financial Assets (effective 1 January 2018)
IFRS 9	Financial Instruments – Original Issue (Classification and Measurement of Financial Assets) (effective 1 January 2018)
IFRS 9	Financial Instruments - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)
IFRS 9	Financial Instruments – Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements (effective 1 January 2018)
IFRS 9	Financial Instruments: Reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9 (effective 1 January 2018)
IFRS 13	Fair Value Measurement - Amendments resulting from Annual Improvements 2010-2012 Cycle (Short-term receivables and payables) (Amendments to basis for conclusion only)
IFRS 13	Fair Value Measurement - Amendments resulting from Annual Improvements 2011-2013 Cycle (Scope of the portfolio exception in paragraph 52) (effective 1 July 2014)

The directors anticipate that these amendments will be applied in the financial statements for the annual periods beginning on the respective dates as indicated above. The directors are in the process of assessing the potential impact of the application of these amendments

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2, the directors have made the following judgements that have the most significant effect on the amounts recognised in the accounts.

TPL-TQA Quality Services (Mauritius) Pty Limited
Notes to the Financial Statements for the Year Ended 31 March 2014 (Contd....)

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the Euro.

5. TRADE AND OTHER RECEIVABLES

	2014 EUR	2013 EUR
Prepaid expenses	**2,169**	1,878
Inspection fees receivable	**133,769**	289,442
	135,938	291,320

The inspection fees are receivable from Eskom Holdings Limited ("Eskom"), a state–owned company in South Africa, pursuant to a Professional Services Contract dated 16 October 2008 entered into by Eskom, Tata Projects Limited and TQA Consultants Africa (Pty) Ltd Joint Venture Consortium (TPL-TQA Quality Services (Mauritius) Pty Limited) for quality and inspection services.

The above agreement was adopted by the Company on 8 April 2009 following the acquisition of the Company by Tata Projects Limited and TQA Consultants Africa (Pty) Ltd. Inspection fees are generally due for payment within 30 days from date of receipt of invoices by Eskom and subject to clearance of necessary clarifications requested or as agreed by the Company and Eskom.

Out of **EUR133,769**, an amount of **EUR103,879** is past due but not impaired as the directors believe that the amount is still recoverable as of date.

Ageing of receivable from Eskom

	2014 EUR	2013 EUR
30-90 days	**51,416**	-
90-120 days	**51,881**	15,210
More than 120 days	**582**	582
Total	**103,879**	15,792

6. STATED CAPITAL

	2014 EUR	2013 EUR
24,000 Ordinary shares of EUR1 each	**24,000**	24,000

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

7. TRADE AND OTHER PAYABLES

	2014 EUR	2013 EUR
Inspection services	**45,101**	107,159
Other payables	**18,583**	11,904
	63,684	119,063

TPL-TQA Quality Services (Mauritius) Pty Limited
Notes to the Financial Statements for the Year Ended 31 March 2014 (Contd....)

7. TRADE AND OTHER PAYABLES (CONTINUED)

The inspection services fees are payable to Tata Projects Limited, TQA Consultants Africa (Pty) Ltd and TQS Europe GmbH for services provided in respect of inspection of equipments, components and commodities in various countries.

Inspection fees are generally payable within 30 days from invoice date or as agreed between the parties. No interest is charged on trade payables balances. The Company has financial risk management policies in place to ensure that all payables are paid within credit timeframe.

8. LOAN FROM SHAREHOLDER

	2014 EUR	2013 EUR
TQA Consultants Africa (Pty) Ltd	**3**	3

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

9. TAXATION

The Company is liable to income tax on its chargeable income at the rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual tax suffered or 80% of Mauritian tax payable in respect of its net income, thus reducing its maximum effective tax rate payable to 3%.

At 31 March 2014, a provision for tax of **EUR1,158** (2013: EUR5,797) has been made in the financial statements.

(i) Tax reconciliation

	2014 EUR	2013 EUR
Profit before taxation	**462,712**	561,451
Tax at the applicable rate of 15%	**69,407**	84,218
Tax effect of :		
- Exempt income	**(62)**	(110)
- Deemed Foreign tax credit	**(55,476)**	(67,286)
Income tax expense	**13,869**	16,822

(ii) Tax liability

	2014 EUR	2013 EUR
At 1 April	**5,797**	3,498
Income tax expense	**13,869**	16,822
Tax paid during the year	**(18,508)**	(14,523)
At 31 March	**1,158**	5,797

10. DIVIDEND

During the year ended 31 March 2014, the Company declared and paid dividend amounting to **EUR676,200** (2013: EUR197,239) to its existing shareholders.

TPL-TQA Quality Services (Mauritius) Pty Limited
Notes to the Financial Statements for the Year Ended 31 March 2014 (Contd....)

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

	2014 EUR	2013 EUR
2 September 2013	**408,472**	–
23 December 2013	**267,728**	–
	676,200	
16 July 2012	–	197,239

Dividend declared and paid during the year is of EUR28.18 (2013:EUR8.22) per share.

11. RELATED PARTY TRANSACTIONS

During the year under review, the Company transacted with the following related parties. The nature, volume of transactions and balances with related parties are as follows:

Name of related party	Relationship	Nature of transaction	Volume EUR		Balance EUR	
			2014	2013	2014	2013
Tata Projects Limited	Shareholder	Inspection services payable	237,526	394,115	38,244	96,837
TQA Consultants Africa (Pty) Ltd	Shareholder	Inspection services payable	25,190	120,763	1,100	10,321
TQS Europe GmbH	Subsidiary of shareholder	Inspection services payable	5,757	-	5,757	-
TQA Consultants Africa (Pty) Ltd	Shareholder	Loan	-	-	3	3
Kapildeo Joory	Director	Director fees (paid to IFS)	1,500	1,500	-	-
International Financial Services Limited ("IFS")	Administrator and Secretary	Professional fees	24,511	17,258	10,499	4,351

A director of the Company, Mr Kapildeo Joory is also director of International Financial Services Limited ("IFS", the Administrator/Secretary) and is deemed to have beneficial interest in the Administration Agreement and the Tax letter of engagement between the Company and the Administrator/Secretary.

The payable to IFS is unsecured, interest-free and would be settled at a date agreeable between the parties.

Professional fees:

	2014 EUR	2013 EUR
Administration fees	**19,131**	11,878
Tax filing fees	**1,250**	1,250
Directors fees	**3,000**	3,000
Secretarial fees	**1,130**	1,130
	24,511	17,258

TPL-TQA Quality Services (Mauritius) Pty Limited
Notes to the Financial Statements for the Year Ended 31 March 2014 (Contd....)

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of equity, comprising stated capital and retained earnings.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial assets, financial liabilities and equity instruments are disclosed in Note 2 to the financial statements.

Categories of financial instruments

	2014 EUR	2013 EUR
Financial assets		
Loans and receivables (including cash and cash equivalents)	**648,670**	936,336
Financial liabilities		
Amortised cost	**63,687**	119,066

Prepayments amounting to **EUR2,169** (2013: EUR1,878) have not been included in the financial assets.

Financial risk management

In its ordinary operations, the Company's activities expose it to various types of risks, which are associated with the financial instruments and markets in which it provides services. The following are a summary of the main risks:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's financial assets, except the cash and cash equivalents, are non-interest-bearing. As such, the Company's income and operating cash flows are not significantly independent of changes in market interest rates.

(ii) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company.

Financial assets that potentially expose the Company to credit risk consist principally of inspection fees receivable from Eskom Holdings Limited. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's Statement of Financial Position.

Carrying Amount	**2014 EUR**	2013 EUR
Trade receivables	133,769	289,442

(iii) Currency risk

All of the financial assets and liabilities of the Company are denominated in Euro. Consequently, the Company is not exposed to currency risk.

TPL-TQA Quality Services (Mauritius) Pty Limited

Notes to the Financial Statements for the Year Ended 31 March 2014 (Contd....)

(iv) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(v) Liquidity and interest risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Less than 1 year 2014	Less than 1 year 2013
	EUR	EUR
Financial assets		
Non-interest bearing	**133,769**	289,442
Variable interest rate instruments	**514,901**	646,894
	648,670	936,336
Financial liabilities		
Non-interest bearing	**63,687**	119,066

(vi) Fair values

The Company's financial assets and liabilities include cash and cash equivalents, trade and other receivables, loans from shareholders and trade and other payables. The carrying amounts of these assets and liabilities approximate their fair values.

13. HOLDING COMPANY

Tata Projects Limited, a company incorporated in India is the holding company and TQA Consultants Africa (Pty) Ltd is the other shareholder of the Company.

TPL-TQA Quality Services South Africa (Proprietary) Limited

TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED

(Registration number 2009/012351/07)

Annual Financial Statements for the Year Ended 31 March 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Quality Assurance and Consulting Services
Directors	Krishan K. Gupta Dhanapalan Naidoo Arun K. Misra Anandan V. Naidoo Vinayak K. Deshpande
Registered office	Second Floor, Suite 201 Convention House 125 Florence Nzama Street Durban 4001
Business address	Second Floor, Suite 201 Convention House 125 Florence Nzama Street Durban 4001
Postal address	PO Box 1163 Durban 4000
Holding company	Tata Projects Limited Incorporated in India
Banker	First National Bank
Auditor	Ted Naidoo Chartered Accountants
Company registration number	2009/012351/07
Tax reference number	9254/523/17/9
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: S Pillay Chartered Accountant (SA)
Published	22 April 2014

TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED
(Registration number 2009/012351/07)

Annual Financial Statements for the Year Ended 31 March 2014

12/14 Charles Strachan Road
Mayville
P.O.Box 18521, Dalbridge 4014
Tel : (031) 261 1489
Fax : (031) 261 5778
Practice No.: 938394

Report to the Independent Auditors

To the shareholders of TPL-TQA Quality Services South Africa (Pty) Ltd

We have audited the accompanying financial statements of **TPL-TQA Quality ServicesSouth Africa(Pty) Ltd,** which comprise the directors' report, the balance sheet as at 31 March 2014, the income statement, the statement of changes in equity and cash flow statement for the period ended, a summary of significant accounting policies and other explanatory notes as set out on pages 4 to 23.

Directors Responsibility for the financial statements
The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies: and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements present fairy, in all material respects, the financial position of the company as of 31 March 2014 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards, and in the manner required by Companies Act of South Africa.

Ted Naidoo Chartered Accountants

Registered Accountants and Auditors

R.N. Naidoo C.A. (S.A.), HONS. B.Compt., B. Com.
Registered Accountants and Auditors
IRBA Registration No.186716

Durban
22 April 2014

TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED

(Registration number 2009/012351/07)

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2015 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 24, which have been prepared on the going concern basis, were approved by the directors on 17 April 2014 and were signed on its behalf by:

Krishan K. Gupta Director	**Dhanapalan Naidoo** Director

TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED

(Registration number 2009/012351/07)

Annual Financial Statements for the Year Ended 31 March 2014

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of TPL-TQA Quality Services South Africa Proprietary Limited for the year ended 31 March 2014.

1. Nature of business

TPL-TQA Quality Services South Africa Proprietary Limited was incorporated in South Africa with interests in the Quality Assurance and Consulting Services industry. The company operates in South Africa.

These services are supplied solely to Eskom Holdings Limited South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

Authorised	**2014 No. of shares**	2013 No. of shares
Ordinary shares	500,000	500,000

Issued	**2014 R**	2013 R	**2014 Number of shares**	2013
Ordinary shares	**250,000**	250,000	**250,000**	250,000

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

The dividends already declared and paid to shareholders during the year are as reflected in the attached statement of changes in equity, after the appropriate approval was granted by the board of directors.

5. Directorate

The directors in office at the date of this report are as follows:

Directors

Krishan K. Gupta
Dhanapalan Naidoo
Arun K. Misra
Anandan V. Naidoo
Vinayak K. Deshpande

There have been no changes to the Directorate for the year under review.

6. Holding company

The company's holding company is Tata Projects Limited and is incorporated in India.

7. Events after the reporting period

The directors are not aware of any material reportable event which occurred after the reporting date and up to the date of this report.

TPL-TQA QUALITY SERVICES SOUTH AFRICA PROPRIETARY LIMITED

(Registration number 2009/012351/07)

Annual Financial Statements for the Year Ended 31 March 2014

8. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

9. Auditors

Ted Naidoo Chartered Accountants continued in office as auditors for the company for 2014.

10. Secretary

The company had no secretary during the year.

TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED
(Registration number 2009/012351/07)

Statement of Financial Position as at 31 March 2014

Figures in Rand

	Notes	2014	2013
Assets			
Current Assets			
Trade and other receivables	3	24,994,678	40,769,751
Cash and cash equivalents	4	16,615,081	25,735,876
		41,609,759	**66,505,627**
Equity and Liabilities			
Equity			
Share capital	5	250,000	250,000
Retained income		28,857,801	37,107,407
		29,107,801	**37,357,407**
Liabilities			
Current Liabilities			
Current tax payable	6	3,564,797	4,014,459
Trade and other payables	7	8,937,161	25,133,761
		12,501,958	**29,148,220**
Total Equity and Liabilities		**41,609,759**	**66,505,627**

Statement of Comprehensive Income as at 31 March 2014

Figures in Rand

	Notes	2014	2013
Revenue	10	137,271,104	118,503,459
Cost of sales	11	(86,051,632)	(68,858,809)
Gross profit		**51,219,472**	**49,644,650**
Operating expenses		(223,259)	(1,724,254)
Operating profit	**15**	**50,996,213**	**47,920,396**
Finance costs	16	(1,892)	(454)
Profit before taxation		**50,994,321**	**47,919,942**
Taxation	17	(13,946,427)	(13,673,166)
Profit for the year		**37,047,894**	**34,246,776**
Other comprehensive income		-	-
Total comprehensive income for the year		**37,047,894**	**34,246,776**

TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED

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Statement of Changes in Equity as at 31 March 2014

Figures in Rand

	Share capital	Retained income	Total equity
Balance at 01 April 2012	**250,000**	**7,249,493**	**7,499,493**
Profit for the year	-	34,246,776	34,246,776
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**34,246,776**	**34,246,776**
Dividends	-	(4,388,862)	(4,388,862)
Balance at 01 April 2013	**250,000**	**37,107,407**	**37,357,407**
Profit for the year	-	37,047,894	37,047,894
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**37,047,894**	**37,047,894**
Dividends	-	(45,297,500)	(45,297,500)
Balance at 31 March 2014	**250,000**	**28,857,801**	**29,107,801**

Statement of Cash Flows

Figures in Rand

	Notes	2014	2013
Cash flows from operating activities			
Cash receipts from customers		120,743,908	84,189,551
Cash paid to suppliers and employees		(70,169,222)	(49,672,119)
Cash generated from operations	18	50,574,686	34,517,432
Interest income		-	-
Finance costs		(1,892)	(454)
Dividends		(45,297,500)	(4,388,862)
Tax paid	19	(14,396,089)	(10,394,397)
Net cash used in operating activities		**(9,120,795)**	**19,733,719**
Total cash movement for the year		**(9,120,795)**	**19,733,719**
Cash at the beginning of the year		25,735,876	6,002,157
Total cash at end of the year	4	**16,615,081**	**25,735,876**

TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED
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Notes to the Annual Financial Statements

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, except as indicated, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, including transaction costs for those that are not at fair value through profit or loss.

Transaction costs on financial instruments at fair value through profit or loss are recognised immediately in profit or loss.

Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, plus any transaction costs using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or

TPL-TQA QUALITY SERVICES SOUTH AFRICA (PTY) LIMITED
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Notes to the Annual Financial Statements

loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered objective evidence that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other payables

Trade payables are initially measured at fair value, less any transaction costs and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value plus any transaction costs and subsequently measured at amortised cost.

For the purposes of the cash flow the cash per the statement of cash flows is made up of cash and cash equivalents as well as bank overdrafts.

1.2 Tax

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income,
  or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.4 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.6 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

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Notes to the Annual Financial Statements

1.7 Cost of sales

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

2. New Standards and Interpretations

IAS 1 Presentation of Financial Statements

The amendment now requires items of other comprehensive income to be presented as:

- Those which will be reclassified to profit or loss
- Those which will not be reclassified to profit or loss.

The related tax disclosures are also required to follow the presentation allocation.

In addition, the amendment changed the name of the statement of comprehensive income to the statement of profit or loss and other comprehensive income.

The effective date of the amendment is for years beginning on or after 01 July 2012.

The impact of the amendment is not material.

IAS 19 Employee Benefits Revised

- Require recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements
- Introduce enhanced disclosures about defined benefit plans
- Modify accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits
- Clarification of miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features

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

The impact of the amendment is not material.

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2014 or later periods:

IFRS 9 Financial Instruments

This new standard is the first phase of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification

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takes place prospectively from the beginning of the first reporting period after the date of change of the business model.

- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.

The effective date of the standard is currently open.

The company expects to adopt the standard for the first time when it becomes effective.

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

3. Trade and other receivables

Figures in Rand

	2014	2013
Trade receivables	23,551,366	31,640,187
Trade receivables (Unapproved invoices)	902,304	6,317,216
Prepayments	-	1,513,355
Deposits	541,008	1,298,993
	24,994,678	**40,769,751**
Credit quality of trade and other receivables		
The credit quality of trade and other receivables that are neither past due nor impaired are evaluated by management on an ongoing basis.		
Fair value of trade and other receivables		
Trade and other receivables	24,994,678	40,769,751
Trade receivables are carried at amortised cost, with fair value being approximately by such carrying value, due to short term nature of the receivables.		
Trade and other receivables past due but not impaired		
Trade receivables which are less than 12 months past due are not considered for impairment by management.		
The ageing of trade receivables as at 31 March 2014 are as follows:		
0 -30 days	2,803,860	22,932,206
31 -60 days	2,956,179	1,439,196
61 -90 days	4,361,848	1,300,140
91 -120 days	6,829,759	1,363,602
greater than 120 days	6,599,720	4,605,043
	23,551,366	**31,640,187**

Trade and other receivables impaired

As of 31 March 2014, trade and other receivables of R Nil (2013: R Nil) were impaired and provided for.

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Accounting Policies

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Figures in Rand

	2014	2013
Bank balances	16,615,081	25,735,876

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired are considered acceptable due to the credit rating of the company's banker.

5. Share capital

	2014	2013
Authorised		
500,000 Ordinary shares of no par value	500,000	500,000
Issued		
250,000 Ordinary shares of no par value	250,000	250,000

250,000 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

6. Current tax payable

	2014	2013
SA Normal tax payable	846,947	4,014,459
Dividend withholding tax	2,717,850	-
	3,564,797	**4,014,459**

Current tax payable consists of amounts payable to the South African Revenue Services for local income tax and dividend withholding tax.

7. Trade and other payables

Figures in Rand

	2014	2013
Trade payables	845,177	602,135
Tata Consulting Engineers Limited	3,208,962	8,591,652
VAT	1,472,088	2,523,982
Tata Projects Limited	1,057,866	2,557,049
Accrued expense	151,984	45,500
TQA Consultants Africa (Pty) Ltd	2,201,084	10,813,443
	8,937,161	**25,133,761**

Fair value of trade and other payables

Figures in Rand

	2014	2013
Trade payables	8,937,161	25,133,761

Trade and other payables are carried at amortised cost, with the fair value being approximated by such carrying value, due to the short term nature of the payables.

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Statement of Financial Position as at 31 March 2014

Accounting Policies

Figures in Rand

	2014	2013
8. Financial assets by category		
The accounting policies for financial instruments have been applied to the line items below		
Loans and receivables		
Trade and other receivables	23,551,366	31,640,187
Cash and cash equivalents	16,615,081	25,735,876
	40,166,447	**57,376,063**
9. Financial liabilities by category		
The accounting policies for financial instruments have been applied to the line items below:		
Financial liabilities at amortised cost		
Trade and other payables	7,465,073	22,609,779
	7,465,073	**22,609,779**
10. Revenue		
Rendering of services	137,271,104	118,503,459
11. Cost of sales		
Cost of services	63,362,992	54,069,113
Accomodation for migrant employees	15,810,614	10,019,162
Travel	6,506,426	4,331,366
Visa application	371,600	439,168
	(86,051,632)	**(68,858,809)**
12. Accounting fees		
Monthly processing fees - current year	72,600	52,975
Compilation fees - current year	60,600	40,400
Consulting	7,750	6,050
Tax and secretarial services	19,195	11,980
Other	600	400
	160,745	**111,805**
13. Fines and penalties		
Interest and penalties on late payment of taxation	254,223	912,793
Reversal of prior year penalties	(912,793)	-
	(658,570)	**912,793**
14. Auditor's remuneration		
Audit fees - current year	70,000	100,000
Audit fees - prior year adjustment	900	5,686
	70,900	**105,686**

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Accounting Policies

Figures in Rand

	2014	2013
15. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	137,976	134,626
Accomodation for migrant employees		
• Contractual amounts	15,810,614	10,019,162
	15,948,590	10,153,788
Auditor's remuneration	70,900	105,686
Accounting fees	160,745	111,805
16. Finance costs		
Bank	-	454
Other interest	1,892	-
	1,892	**454**
17. Taxation		
Major components of the tax expense		
Current		
Local income tax -current period	15,610,186	13,673,166
Local income tax -prior year overprovision	(1,663,759)	-
	13,946,427	**13,673,166**
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	50,994,321	47,919,942
Tax at the applicable tax rate of 28% (2013:28%)	14,278,410	13,417,584
Tax effect of adjustments on taxable income		
Non -deductible expenses	1,331,776	255,582
Prior period adjustment	(1,663,759)	-
	13,946,427	**13,673,166**
18. Cash generated from operations		
Profit before taxation	50,994,321	47,919,942
Adjustments for:		
Finance costs	1,892	454
Changes in working capital:		
Trade and other receivables	15,775,073	(36,471,363)
Trade and other payables	(16,196,600)	23,068,39
	50,574,686	**34,517,432**

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Statement of Financial Position as at 31 March 2014

Accounting Policies

Figures in Rand

	2014	2013
19. Tax paid		
Balance at beginning of the year	(4,014,459)	(735,690)
Current tax for the year recognised in profit or loss	(13,946,427)	(13,673,166)
Balance at end of the year	3,564,797	4,014,459
	(14,396,089	**(10,394,397)**
20. Dividends paid		
Dividends	(45,297,500)	(4,388,862)
21. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	2,859,234	8,718,687

Operating lease payments represent rentals payable by the company for certain of its office properties and accommodation for its consulting engineers. Leases are negotiated for an average term of three years.

22. Related parties

Relationships	
Holding company	Tata Projects Limited
Shareholder with significant influence	Tata Projects Limited TQA Consultants Africa Proprietary Limited Tata Consulting Engineers Limited

Figures in Rand

	2014	2013
Related party balances		
Amounts included in Trade Payables regarding related parties		
Tata Projects Limited	1,057,866	2,557,04
TQA Consultants Africa Proprietary Limited	2,201,084	10,813,443
Tata Consulting Engineers Limited	3,208,962	8,591,652
Related party transactions		
Cost of services rendered by related parties		
Tata Projects Limited	11,640,631	9,935,550
TQA Consultants Africa Proprietary Limited	37,559,225	35,327,923
Tata Consulting Engineers Limited	14,163,137	8,805,640

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Statement of Financial Position as at 31 March 2014

Accounting Policies

23. Directors' emoluments

No emoluments were paid to the directors or any individuals holding a prescribed office during the year (31 March 2013 : R Nil).

24. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a single debtor viz Eskom Holdings Ltd. Eskom Holdings Ltd is a public company with the Government of the Republic of South Africa as its sole shareholder. It supplies approximately 95% of South Africa's electricity and more than 40% of Africa's electricity. It has credit ratings of "BBB" (2013: "BBB") and "Baa3" (2013: "Baa3") with unchanged negative outlooks by Moody's and Standard and Poor respectively. In view thereof it has limited if not minimal credit risk.

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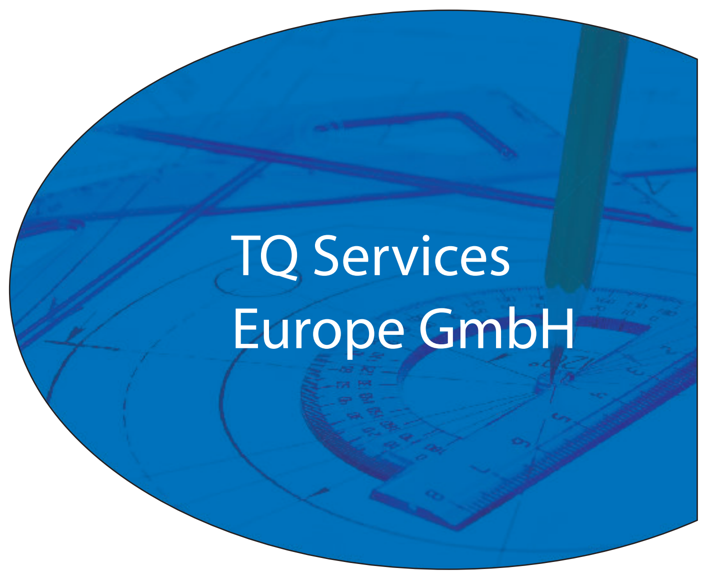
Statement of Financial Position as at 31 March 2014

Detailed Income Statement

Figures in Rand

	Notes	2014	2013
Revenue			
Rendering of services		137,271,104	118,503,459
Cost of sales			
Cost of services		(63,362,992)	(54,069,113)
Accommodation for migrant employees		(15,810,614)	(10,019,162)
Travel		(6,506,426)	(4,331,366)
Visa application		(371,600)	(439,168)
	11	**(86,051,632)**	**(68,858,809)**
Gross profit		**51,219,472**	**49,644,650**
Operating expenses			
Accounting fees	12	160,745	111,805
Annual duty		3,000	2,000
Auditor's remuneration		70,900	105,686
Bank charges		18,750	16,837
Fines and penalties	13	(658,570)	912,793
Lease rentals on operating lease		137,976	134,626
Staff welfare		-	145,740
Telephone and fax		490,458	294,767
		223,259	1,724,254
Operating profit	15	50,996,213	47,920,396
Finance costs	16	(1,892)	(454)
Profit before taxation		50,994,321	47,919,942
Taxation	17	13,946,427	13,673,166
Profit for the year		37,047,894	34,246,776



TQ Services Europe GmbH

TQ SERVICES EUROPE GmbH
General Information

Country of incorporation and domicile	Germany
Nature of business and principal activities	Inspection & Expediting services, Field Quality services, Certification services, Technical training courses and Supplier Assessment, in Europe.
Managing Director	Krishan K.Gupta
Prokurist	Mainak Dutta
Registered office	Fritz-Vomfelde Strasse 34 40547 Dusseldorf, Germany
Legal Advisors	Poppek Law Firm, Dusseldorf, Germany
Share capital Details	EUR 125,000 (Euro One Hundred and Twenty Five Thousand Only)
Banker	Deutsche Bank, Düsseldorf, Germany
Tax advisory Firm	BM Partner Revision GmbH, Dusseldorf, Germany
Tax reference number	103/5763/1696
Date of registration	29th June 2013
Register of Deeds No.	503 for 2012
Level of assurance	These annual financial statements are certified by Management.

Management Report

The Managing Director submits the following report for the year ended 31 March 2014.

1. **Review of activities - Main business and operations**

   The company is incorporated on 23rd May 2012 mainly to carry on the following activities:

   - Inspection and expediting Services
   - Field Quality services
   - Certification services
   - Technical training courses
   - Supplier Assessment

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

   The revenue from services for the year is Euro 95,740.68 and Earnings Before Tax (EBT) was **(Euro 55,631.74)**

2. **Going concern**

   The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. **Authorised and issued share capital**

   The subscribed share capital is Euro 125,000 consisting of 125,000 shares of Euro 1 each.

   The authorized and issued share capital of the company was increased from Euro 25,000 by Euro 100,000 to Euro 125,000 during the year under review

4. **Dividends**

   No dividends were declared during the year

5. **Directors**

   Krishna K Gupta is appointed as the Managing Director and Mr Mainak Dutta is appointed as Prokurist.

For **TQ Services Europe, GmbH**

Krishan K Gupta
Managing Director

TQ Services Europe GmbH.
Balance sheet as at 31 March 2014

	Note No.	As at 31 March 2014 EUR	As at 31 March 2013 EUR
Shareholders funds			
Subscribed share capital	1	125,000.00	25,000.00
Accumulated profit /(loss)	2	(70,047.29)	(7,639.95)
		54,952.71	17,360.05
Current liabilities			
Trade payable	3	3,233.20	9,341.45
Other liabilities	4	8,745.27	1,645.46
Provisions		19,804.00	
		31,782.47	10,986.91
Total liabilities		**86,735.18**	**28,346.96**
Current assets			
Trade receivables		28,846.13	8,294.40
Other assets	5	3,407.00	11,824.78
Bank balance		54,482.05	8,227.78
Total assets		**86,735.18**	**28,346.96**

K. K. Gupta
Managing Director

TQ Services Europe GmbH.
Statement of Profit and Loss for the period ended 31 March 2014

	Note No.	**For the Period ended 31 March 2014 EUR**	For the Period ended 31 March 2013 EUR
Revenue			
Revenue from services	6	95,740.68	20,543.40
		95,740.68	**20,543.40**
Expenses			
Personnel expenses	7	85,596.98	5,747.90
Other operating expenses	8	65,775.44	22,435.45
Total		**151,372.42**	**28,183.35**
Profit/(loss) before Tax		**(55,631.74)**	**(7,639.95)**
Tax expense		6,775.60	-
Net Profit/(loss) for the period.		**(62,407.34)**	**(7,639.95)**

K. K. Gupta
Managing Director

TQ Services Europe GmbH.
Notes forming part of the financial statements

	As at 31 March 2014 EUR	As at 31 March 2013 EUR
Note 1 Subscribed share capital		
Opening balance	25,000.00	
Additions during the period	125,000.00	25,000.00
	150,000.00	**25,000.00**
Note 2 Accumulated profit /(loss)		
Opening balance	(7,639.95)	-
Add : Loss for the period	(62,407.34)	(7,639.95)
	(70,047.29)	**(7,639.95)**
Note 3 Trade payables		
Trade payables	476.00	6,584.25
Liabilities to affiliated companies	2,757.20	2,757.20
	3,233.20	**9,341.45**
Note 4 Other liabilities.		
VAT Payable	1,731.74	-
Wage and church tax payables	974.98	954.43
Social security liabilities	710.78	691.03
Payroll Liabilities	5,327.77	-
	8,745.27	**1,645.46**
Note 5 Other assets.		
Imperest	-	2,617.49
Security deposits	3,407.00	3,407.00
Vat receivable	-	3,350.29
	3,407.00	**11,824.78**

TQ Services Europe GmbH.
Notes forming part of the financial statements

Note No.		For the Period ended 31 March 2014 EUR	For the Period ended 31 March 2013 EUR
Note 6	**Revenue from services**		
	Revenue from services	**95,740.68**	**20,543.40**
Note 7	**Personnel expenses**		
	Salaries	72,566.93	2,533.49
	Statutory social security expenses	13,030.05	3,214.41
		85,596.98	**5,747.90**
Note 8	**Other operating expenses**		
	Rent	9,608.19	2,968.12
	Travel expenses	18,316.58	2,140.39
	Sub Contract Expenses	4,758.00	-
	Other expenses	33,092.67	17,326.94
		65,775.44	**22,435.45**

Gist of the Financial Performance for the year 2013-14 of the Subsidiary Companies

₹ in lac

S. No.	Name of the Subsidiary	Capital	Reserves and Surplus	Total Assets @	Total Liabilities #	Investments	Turnover ##	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend
1	Artson Engineering Limited	369.20	(6,740.59)	6,973.86	13,345.25	-	7,961.31	(833.34)	-	(833.34)	-
2	TPL - TQA Quality Services (Mauritus) Pty Limited	19.85	464.94	538.43	53.64	-	625.92	374.06	11.21	362.85	-
3	TPL - TQA Quality Services South Africa Pty Limited	14.26	1,645.85	2,373.13	713.02	-	8,181.36	3,039.26	832.28	2,206.98	-
4	TQ Services Europe GmbH	103.41	(57.94)	71.76	26.29	-	77.40	(44.97)	-	(50.45)	-
5	Tata Projects Infrastructure Limited	5.00	-	5.00	-	-	-	-	-	-	-

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

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

Turnover includes Other Income

Exchange rate as on 31.03.2014 - ₹ 82.728 / EUR

Exchange rate as on 31.03.2014 - ₹ 5.7033 / ZAR

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

TATA PROJECTS LIMITED

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