

AF-TAAB INVESTMENT COMPANY LIMITED

AF-TAAB INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT

To The Members
AF-TAAB INVESTMENT COMPANY LIMITED

The Directors hereby present their Thirty-Forth Annual Report on the business and operations of the Company and the statement of accounts for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

The summarized financial results are:

	2012-13 (Rupees Lakhs)	2011-12 (Rupees Lakhs)
Profit/(Loss) before tax	812.58	540.40
Less : Provision for Taxation	67.07	34.00
Add/(Less) : Provision for Taxation : Deferred tax	(1.33)	(0.64)
Profit /(Loss) after tax	744.18	507.04
Profit on account of merger of VIL	-	3.87
Profit for the year	744.18	510.91
Balance brought forward from the previous year	308.23	250.01
Amount available for appropriation	1052.41	760.92
Appropriations		
Proposed Dividend	321.90	170.55
Tax on Dividend	54.71	27.67
Transfer to Capital Redemption Reserve	64.00	101.20
Transfer to Special Reserve	148.84	102.19
Transfer to General Reserve	74.42	51.09
Balance to be carried forward	388.54	308.22

2. OPERATIONS

The Company earned a profit before tax of ₹ 812.58 Lakhs as against a profit of ₹ 540.40 Lakhs during the previous year. The Profits for the year were mainly on account of profit on sale of current and long term Investments.

3 BUYBACK OF SHARES

During the year, the Company has, in accordance with Section 77A of the Companies Act, 1956 bought back 64,000 equity shares at ₹ 2,500 per share from its parent company by utilizing the Securities Premium account. These bought back shares have been cancelled by the Company.

4. DIVIDEND

The Directors now recommend a Dividend of ₹ 30 per share (Previous year ₹ 15 per share) on 10,73,000 equity shares for the year under review amounting to ₹ 3,76,60,691/- (Inclusive of ₹ 54,70,691/- Dividend tax) subject to approval of shareholders at the Annual General Meeting.

5. SUBSIDIARY COMPANIES

The Company has a wholly owned subsidiary viz Tata Power Green Energy Limited.

Statement required under Section 212 (2) (a) of the Companies Act is attached.

7. DIRECTORS

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Mr Sanjay Dube and Mr Anil Sardana retire by rotation and are eligible for re-appointment.

The Company has appointed Mr Sanjay Dube as 'Manager' for a further period of 5 years with effect 25th July, 2012 on the same terms and conditions. His appointment is subject to the approval of the members at the Annual General Meeting. The terms and conditions of this appointment may be varied by the Board of Directors from time to time, as it may be in its discretion deem fit.

The Company has an Audit Committee comprising of three Directors viz. Dr H S Vachha, Mr P D Karkaria and Mr S Dube. Mr P D Karkaria is the Chairman of the Audit Committee.

8. AUDITORS

Members are requested to appoint Auditors for the current year and to fix their remuneration. M/s Deloitte Haskins & Sells, the existing Auditors, have under Section 224(1) of the Companies Act, 1956, indicated their eligibility for re-appointment.

9. AUDITORS' REPORT

The Notes to the Accounts referred to in the Auditors' Report of the Company are self-explanatory and, therefore, do not call for any further explanation under Section 217(3) of the Act.

10. PARTICULARS OF EMPLOYEES

The Company had no employees of the category specified under section 217(2A) of the Companies Act, 1956.

11. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars to be furnished in this report as required by Section 217(1)(e) of the Companies Act, 1956, relating to conservation of energy and technology absorption. There are no foreign exchange earnings or outgo during the year.

AF-TAAB INVESTMENT COMPANY LIMITED

-3-

12. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:-

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departure;
- ii) they have, in the selection of the accounting policies 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) they have taken proper and sufficient care, to the best of knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;

On behalf of the Board of Directors



Director



Director

Mumbai, 2nd May, 2013

Deloitte Haskins & Sells

Chartered Accountants
Tower 3, 27th - 32nd Floor
Indiabulls Finance Centre
Elphinstone Mill Compound
Senapati Bapat Marg
Elphinstone (W), Mumbai - 400 013
India

Tel: +91 (22) 6185 4000
Fax: +91 (22) 6185 4501/4601

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AF-TAAB INVESTMENT COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of AF-TAAB INVESTMENT COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, 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 referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") 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.

Deloitte Haskins & Sells

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 31st March, 2013;
- (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.

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 referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117366W)

R. A. BANGA

R. A. BANGA
Partner
(Membership No. 37915)

MUMBAI, 2nd May, 2013

Deloitte Haskins & Sells

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 (viii), (xiii), (xvi), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable.

- (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) Physical verification of fixed assets was carried out during the year by the management, the frequency of which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) During the year no major fixed assets were disposed of by the company.
- (ii) In respect of its inventory:
 - (a) As explained to us, the inventories were verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of verification of inventory followed by the management were found 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 inventory and no discrepancies were noticed on verification.
- (iii) The company has neither granted nor taken any loans, secured or unsecured, to or 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 are adequate internal control systems commensurate with the size of the company and the nature of its business for purchase of inventory, fixed assets and with regard to the sale of shares and securities. Further, on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.

Deloitte Haskins & Sells

- (v) According to the information and explanations given to us, the company has not entered into any contracts or arrangement with parties, which needs to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and the provision of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 and rules framed there under.
- (vii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management has been commensurate with the size of the company and nature of its business.
- (viii) According to the information and explanations given to us in respect of statutory dues:
- (a) The company has been generally regular in depositing undisputed dues, including income tax, sales tax, service tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year.
- (b) There were no undisputed amounts payable in respect of income tax, sales tax, service tax and cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (c) Details of dues of income tax which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where pending
Income Tax Act, 1961	Tax, interest and penalty	8,156,701/-	Financial Year 1997-98, 2000-01, 2001-02, and 2009-10	Commissioner of Income Tax (Appeals)

- (ix) The company does not have accumulated losses as at 31st March, 2013 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
- (x) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks or financial institutions.
- (xi) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) Based on our examination of the records and evaluation of the related internal controls, the company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities are held by the company in its own name.

Deloitte Haskins & Sells

- (xiii) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117366W)

R. A. Banga

R. A. BANGA
Partner
(Membership No. 37915)

MUMBAI, 2nd May, 2013

AF-TAAB INVESTMENT COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2013

	Notes	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	107,300,000	113,700,000
Reserves and surplus	4	1,049,154,136	1,165,997,272
Total shareholders' funds		1,156,454,136	1,279,697,272
Non-current liabilities			
Deferred tax liability	5	4,363,000	4,230,000
Other long-term liabilities	6	8,800,000	-
Total non-current liabilities		13,163,000	4,230,000
Current liabilities			
Trade payables (Refer note 27)		328,652	328,652
Other current liabilities	7	93,092	118,593
Short-term provisions	8	59,265,164	39,822,694
Total current liabilities		59,686,908	40,269,939
TOTAL		1,229,304,044	1,324,197,211
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	19,270,553	17,286,499
Non-current investments	10	910,593,328	935,553,458
Long-term loans and advances	11	8,809,632	8,809,632
Total non-current assets		938,673,513	961,649,589
Current assets			
Current investments	12	49,511,506	216,109,763
Inventories	13	136,409,128	145,889,949
Cash and bank balances	14	1,771,650	517,034
Short-term loans and advances	15	102,938,247	30,876
Total current assets		290,630,531	362,547,622
TOTAL		1,229,304,044	1,324,197,211

III. See accompanying notes forming part of the financial statements

In terms of our report attached
FOR DELOITTE HASKINS & SELLS
Chartered Accountants

R. A. Banga

R. A. Banga
Partner

For and on behalf of the Board of Directors

S Ramakrishnan

S Ramakrishnan
Director

Sanjay Dube

Sanjay Dube
Manager and Director

Prasad Bagade

Prasad Bagade
Company Secretary

MUMBAI, 2nd May, 2013

MUMBAI, 2nd May, 2013

AF-TAAB INVESTMENT COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Notes	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
I. Revenue from operations	16	91,458,659	87,976,362
II. Other Income	17	8,783,217	34,725
Total revenue		100,241,876	88,011,087
III. Expenses			
Purchase of shares and securities			
Decrease in Inventories	18	9,480,821	28,962,966
Operation and other expenses	19	8,998,006	4,591,298
Depreciation and amortization expense		505,494	416,804
Total expenses		18,984,321	33,971,068
IV. Profit before tax		81,257,555	54,040,019
V. Tax expenses			
Current tax			
Current tax expense for current year		7,600,000	5,500,000
Less: MAT credit entitlement in respect of earlier years		893,000	2,100,000
Net current tax expenses		6,707,000	3,400,000
Deferred tax		133,000	(64,400)
Total tax expense		6,840,000	3,335,600
VI. Profit after taxes and before adjustment for result of Vantech Investment Limited (VII.) for the period 1st April, 2010 to 31st March, 2011		74,417,555	50,704,419
Add: Profit after tax for year ended 31st March, 2011 of VII. on account of scheme of amalgamation	23		387,217
VII. Profit for the year		74,417,555	51,091,636
VIII. Earnings per equity share basic and diluted (face value of Rs. 100 each)	20	65.51	41.51
IX. See accompanying notes forming part of the financial statements			

In terms of our report attached
FOR DELOITTE HASKINS & SELLS
Chartered Accountants

R. A. Banga

R. A. Banga
Partner

For and on behalf of the Board of Directors

S Ramakrishnan

S Ramakrishnan
Director

Sanjay Dube

Sanjay Dube
Manager and Director

Prasad Bagade
Prasad Bagade
Company Secretary

MUMBAI, 2nd May, 2013

MUMBAI, 2nd May, 2013

Ra

AF-TAAB INVESTMENT COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
A. Cash flow from operating activities		
Profit before taxes	81,257,555	54,040,019
Adjustments for:		
Profit on sale of fixed assets	(90,000)	
Profit on sale of current investments	(21,734,438)	(44,203,775)
Profit on sale of long term investments	(9,749,250)	
Provision against standard assets of HBFCs'	213,000	
Provision for diminution in value of long term investment	1,600,000	
Depreciation	505,494	416,804
	<u>(29,055,194)</u>	<u>(43,791,971)</u>
Operating profit/(loss) before working capital changes	52,202,361	10,248,048
Adjustments for:		
Inventories	9,480,821	28,962,966
Short-term loans and advances	(17,907,371)	23,707
Trade payable		(3,226)
Other long-term liabilities	8,800,000	
Other current liabilities	(25,501)	(103,284)
	<u>347,919</u>	<u>28,880,163</u>
Operating profit after working capital changes	52,550,310	39,128,211
Inter-corporate loans given	(135,000,000)	(85,000,000)
Inter-corporate loans refunded	50,000,000	85,000,000
Investment in subsidiary		(400,020)
Investment in others	(4,540,620)	(162,857,200)
Proceeds from sale of long-term investments- others	37,450,000	
Purchase of current investments	(154,770,025)	(164,907,533)
Sale of current investments	343,102,720	577,944,000
	<u>136,242,075</u>	<u>249,779,247</u>
Cash generated from operations	188,792,385	288,907,458
Taxes paid net	(5,316,474)	(7,470,248)
Net cash from operating activities - (A)	<u>183,475,911</u>	<u>281,437,210</u>
B. Cash flow from Investing activities		
Sale of fixed assets	90,000	
Purchase of fixed assets	(2,489,548)	
Net cash used in investing activities - (B)	<u>(2,399,548)</u>	<u>-</u>
C. Cash flow from financing activities		
Dividend paid	(17,055,000)	(61,910,000)
Income tax on dividend paid	(2,766,747)	(10,282,477)
Amount paid towards buy back of equity shares	(160,000,000)	(212,520,000)
Net cash used in financing activities - (C)	<u>(179,821,747)</u>	<u>(284,712,477)</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	<u>1,254,616</u>	<u>(3,275,267)</u>
Cash and cash equivalents as at 1st April, (opening balance)	<u>517,034</u>	<u>3,742,401</u>
Add: Cash and cash equivalents acquired on account of scheme of amalgamation		49,900
Cash and cash equivalents as at 31st March, (closing balance) (refer note 14)	<u>1,771,650</u>	<u>517,034</u>

See accompanying notes forming part of the financial statements

Note:

During the previous year, pursuant to the Scheme of Amalgamation (the Scheme) between Vantech Investment Limited (VIL), a wholly owned subsidiary of the company and the company, approved by the Hon'ble High Court of Bombay vide its order dated 25th November, 2011, the entire business and all the assets and liabilities of VIL were transferred to and vested in the company, from 1st April, 2010 (the appointed date) at the value indicated below. This transaction is a non-cash transaction:

Investment of Rs. 11,862,601 (net of provision for diminution in value of long term investment of Rs. 40,609,139)
Current Assets Loans and Advances of Rs. 1,905,411
Current Liabilities and Provisions of Rs. 932,509

In terms of our report attached
FOR DELOITTE HASKINS & SELLS
Chartered Accountants

R. K. Banga

R. A. Banga
Partner

For and on behalf of the Board of Directors

S. Ramakrishnan
S Ramakrishnan
Director

Sanjay Dule
Sanjay Dule
Manager and Director

Prasad Bagade
Prasad Bagade
Company Secretary

MUMBAI, 2nd May, 2013

MUMBAI, 2nd May, 2013

AF-TAAB INVESTMENT COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1) CORPORATE INFORMATION

Af-Taab Investment Company Limited was incorporated on 21st February, 1979 under the Companies Act, 1956.

The company is registered as a non-banking financial institution under the Reserve Bank of India Act, 1934. The principal business of the company is to carry on the business of issue houses, underwriters and dealers and traders in shares, securities, bonds, debentures and other investments.

Its registered office is at B Block, Corporate Centre, 34, Sant Tukaram Road, Carnac Bunder, Mumbai-400009.

2) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis for accounting and preparation of financial statements:

The financial statements are prepared under historical cost convention on accrual basis and comply in all material respects with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) Use of estimates:

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income 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 due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(c) Fixed assets:

Fixed Assets are stated at cost less accumulated depreciation, and impairment loss if any. Cost includes purchase price, borrowing costs and all other applicable expenses incurred to bring the assets to its present location and condition.

(d) Depreciation:

The company is providing depreciation on fixed assets at the rates prescribed in Schedule XIV of the Companies Act, 1956 on Straight Line Method (SLM) basis. Depreciation on addition/deduction of assets is provided on pro-rata basis. Assets costing less than Rs. 5,000 are depreciated at the rate of 100%.

(e) Investments:

Purchase of securities of Tata Group Companies other than investments in mutual funds are considered as long term investments. Long term investments are carried at cost, less provision for diminution other than temporary, if any, in the value of such investments. Current investments are carried at lower of cost and fair value.

(f) Inventories:

Inventories are valued at lower of cost and fair value.

(g) Revenue recognition:

Dividend income is accounted for when the right to receive income is established.

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

(h) Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provision of the Income Tax Act, 1961. Credit in respect of Minimum Alternate Tax paid is recognised only if there is convincing evidence of realisation of the same.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

(i) Segment reporting:

The accounting policies adopted for segment reporting are in line with the accounting policy of the company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated income/expenses".

(j) Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

(k) Provision, contingent liabilities and contingent assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions 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 not recognised in the financial statements and are disclosed in the notes. A contingent asset is neither recognised nor disclosed in the financial statements.

Handwritten mark

AP-TAAB INVESTMENT COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3) SHARE CAPITAL.

	As at March 31, 2013		As at March 31, 2012	
	Numbers	Rupees	Numbers	Rupees
Authorised				
Equity shares of Rs. 100/- each	1,500,000	150,000,000	1,500,000	150,000,000
	<u>1,500,000</u>	<u>150,000,000</u>	<u>1,500,000</u>	<u>150,000,000</u>
Issued, subscribed and fully paid-up				
Equity shares of Rs. 100/- each	1,073,000	107,300,000	1,137,000	113,700,000
Total issued, subscribed and fully paid-up	<u>1,073,000</u>	<u>107,300,000</u>	<u>1,137,000</u>	<u>113,700,000</u>

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

Equity shares

	March 31, 2013		March 31, 2012	
	Numbers	Rupees	Numbers	Rupees
At the beginning of the year	1,137,000	113,700,000	1,238,200	123,820,000
Less: bought back during the year	(64,000)	(6,400,000)	(101,200)	(10,120,000)
Outstanding at the end of the year	<u>1,073,000</u>	<u>107,300,000</u>	<u>1,137,000</u>	<u>113,700,000</u>

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 100 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividend as and when the company declares and pays dividend after obtaining shareholders approval. Dividends are paid in Indian Rupees.

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 31st March, 2013, the amount of per share dividend recognised as distribution to equity shareholder was Rs. 30 per share (31st March, 2012 Rs.15 per share).

c. The entire share capital is held by The Tata Power Company Limited, the holding company.

d. Aggregate number of shares bought back during the period of five years:

	March 31, 2013	March 31, 2012
	Numbers	Numbers
Equity shares bought back by the company in aggregate	266,200	202,200

During the year, pursuant to the approval of the Board of Directors/shareholders of the company, the company has in accordance with Section 77A of the Companies Act, 1956 bought back 64,000 equity shares (31st March, 2012- 101,200 equity shares) @ Rs. 2,500 per share (31st March, 2012-Rs. 2,100 per share) from its holding company by utilising the securities premium account. Further in terms of Section 77AA of the Companies Act, 1956, an amount equivalent to the nominal value of equity shares bought back has been transferred to capital redemption reserve.

Re

AF-TAAB INVESTMENT COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4) RESERVES AND SURPLUS

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
(a) Capital redemption reserve		
Opening balance	20,221,000	10,100,000
Add: Amount transferred from Surplus in Statement of Profit and Loss	6,400,000	10,120,000
Add: On account of scheme of amalgamation (Note no.23)	-	1,000
Closing balance	26,621,000	20,221,000
(b) Securities premium account		
Opening balance	259,226,000	461,626,000
Less: Amount utilised towards buy back of equity shares	153,600,000	202,400,000
Closing balance	105,626,000	259,226,000
(c) Special reserve fund under Section 45(1)(c) of Reserve Bank of India Act, 1934		
Opening balance	610,014,000	587,861,000
Add: On account of scheme of amalgamation (Note no.23)	-	11,934,000
Add: Amount transferred from Surplus in Statement of Profit and Loss	14,884,000	10,219,000
Closing balance	624,898,000	610,014,000
(d) General reserve		
Opening balance	245,713,548	239,760,000
Add: On account of scheme of amalgamation (Note no.23)	-	844,548
Add: Amount transferred from Surplus in Statement of Profit and Loss	7,442,000	5,109,000
Closing balance	253,155,548	245,713,548
(e) Surplus in Statement of Profit and Loss		
Opening balance	30,822,724	25,000,835
Add: Profit for the year	74,417,555	51,091,636
Less:		
Proposed equity dividend (amount per share Rs. 30 (31st March, 2012: Rs. 15))	32,190,000	17,055,000
Tax on proposed equity dividend	5,470,691	2,766,747
Transferred to:		
Capital redemption reserve	6,400,000	10,120,000
Special reserve fund	14,884,000	10,219,000
General reserve	7,442,000	5,109,000
Closing balance	38,853,588	30,822,724
Total Reserves and Surplus	1,049,154,136	1,165,997,272

Ar

AF-TAAB INVESTMENT COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5) DEFERRED TAX LIABILITY

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Deferred tax liability		
Depreciation and amortisation	4,363,000	4,230,000
	<u>4,363,000</u>	<u>4,230,000</u>

6) OTHER LONG TERM LIABILITIES

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Other liabilities		
Security deposit received	8,800,000	
	<u>8,800,000</u>	<u>-</u>

7) OTHER CURRENT LIABILITIES

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Other liabilities		
Statutory liabilities	7,717	-
Other payables	85,375	118,593
	<u>93,092</u>	<u>118,593</u>

8) SHORT-TERM PROVISIONS

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Other provisions		
Proposed equity dividend	32,190,000	17,055,000
Provision for tax on proposed equity dividend	5,470,691	2,766,747
Provision for tax (net of advance tax of Rs. 467,228,725 (31st March, 2012 Rs. 461,912,252))	21,391,473	20,000,947
Provision against standard assets (as per RBI regulations)	213,000	-
	<u>59,265,164</u>	<u>39,822,694</u>

Re

AF-TAAB INVESTMENT COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9) FIXED ASSETS

Description	GROSS BLOCK (at cost)			DEPRECIATION AND AMORTISATION			(Amount in Rupees)	
	As at April 1, 2012	Additions during the year	Deductions during the year	As at April 1, 2012	Additions during the year	Deductions during the year	As at March 31, 2013	As at March 31, 2013
Tangible assets- Own use								
Computers	165,830	-	165,830	165,830	-	165,830	-	-
	165,830	-	-	165,830	-	-	165,830	-
Tangible assets- given under operating lease								
Buildings	25,570,711	-	-	8,284,212	416,804	-	8,701,016	16,869,695
	25,570,711	-	-	7,867,408	416,804	-	8,284,212	17,286,499
Office equipment	1,450,000	2,489,548	333,357	1,450,000	88,690	333,357	1,205,333	2,400,858
	1,450,000	-	-	1,450,000	-	-	1,450,000	-
Total	27,186,541	2,489,548	499,187	9,900,042	505,494	499,187	9,906,349	19,270,553
	<i>27,186,541</i>	-	-	<i>9,483,238</i>	<i>416,804</i>	-	<i>9,900,042</i>	<i>17,286,499</i>

Note: Previous year's figures are in italics.

Disclosures under Accounting Standards

Details of leasing arrangements

As at	As at
March 31, 2013	March 31, 2012
Rupees	Rupees
13,200,000	-
46,530,000	-
505,494	-

The Company has entered into operating lease arrangements for building together with office equipment and computers. The lease is for the period of 60 months commencing from 15th August, 2012 and having lock in period for a period of 24 months i.e. 15th August, 2012 to 14th August, 2014.

Future minimum lease payments
not later than one year -
later than one year and not later than five years -
later than five years -

Depreciation recognised on the leased assets

Per

AF-TAAB INVESTMENT COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10) NON-CURRENT INVESTMENTS

	Opening Quantity Units	Closing Quantity Units	Cost as at March 31, 2013 Rupees	Cost as at March 31, 2012 Rupees
NON TRADE INVESTMENTS				
A. INVESTMENTS IN SUBSIDIARY COMPANIES				
1 Ordinary Shares - (Unquoted) fully paid up Tata Power Green Energy Ltd.	50,000	50,000	500,000	500,000
Total A			<u>500,000</u>	<u>500,000</u>
B. INVESTMENTS IN ASSOCIATE COMPANIES				
1 Ordinary Shares - (Unquoted) fully paid up Nelito Systems Ltd.	570,000	570,000	159,616,300	159,616,300
Bihari Trading Private Ltd.	3,350	3,350	33,500	33,500
Hemisphere Properties Ltd.	25,000	25,000	250,000	250,000
Tata Ceramics Ltd.	20,829,802	20,829,802	40,609,139 **	40,609,139 **
** Less: Provision for diminution in value of investments other than temporary			(40,609,139)	(40,609,139)
Total B			<u>159,899,800</u>	<u>159,899,800</u>
C. OTHER INVESTMENTS				
1 Ordinary Shares - (Quoted) fully paid up Trent Ltd.	399,990	472,714	157,735,218	117,737,018
Tata Motors Ltd.	338,525	338,525	53,632,576	53,632,576
Tata Motors Ltd. - differential voting rights	48,360	48,360	2,949,960	2,949,960
Tata Investment Corporation Ltd.	857,143	857,143	134,057,281	134,057,281
Tata Consultancy Services Ltd.	761,952	761,952	236,205	236,205
Nelco Ltd.	318,460	318,460	29,512,977	29,512,977
			<u>378,124,217</u>	<u>338,126,017</u>
2 Ordinary Shares - (Unquoted) fully paid up ASL Advanced Systems Private Ltd.	180,000	180,000	1,800,000 **	1,800,000
Rujwalika Investments Ltd.	183,333	183,333	3,000,000	3,000,000
Tata International Ltd.	24,000	20,500	162,247,252	189,948,002
Tata Industries Ltd.	1,000,543	1,000,543	127,751,700	127,751,700
Tata Services Ltd.	552	552	554,739	554,739
The Associated Building Co. Ltd.	425	425	384,415	384,415
Taj Air Ltd.	4,200,000	4,200,000	42,000,000	42,000,000
Tata Capital Ltd	2,106,039	2,333,070	36,131,205	31,590,585
** Less: Provision for diminution in value of investments other than temporary			(1,800,000)	
			<u>372,069,311</u>	<u>397,029,441</u>
3 Preference Shares - (Unquoted) fully paid up Natural Plants Products India Ltd.	4,993	4,993	499,300 **	499,300 **
** Less: Provision for diminution in value of investments other than temporary			(499,300)	(499,300)
			<u>-</u>	<u>-</u>
4 Preference Shares - (Quoted) fully paid up Trent Ltd.- Series B (Cumulative Convertible Preference Shares)- 2012	72,724			39,998,200
				<u>39,998,200</u>
Total C			<u>750,193,528</u>	<u>775,153,658</u>
Total A+B+C			<u>910,593,328</u>	<u>935,553,458</u>

As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
-----------------------------------	-----------------------------------

Notes (1) Aggregate of Quoted Investments-
Cost
Market Value.....

378,124,217	378,124,217
2,152,985,832	1,831,304,645

(2) Aggregate of Unquoted Investments-
Cost

575,377,550	598,537,680
-------------	-------------

Less: Provision for diminution in value of investments other than
temporary

42,908,439	41,108,439
------------	------------

Aggregate of Unquoted Investments- net of provision for diminution in
value of investments other than temporary

532,469,111	557,429,241
-------------	-------------

Handwritten mark

AF-TAAB INVESTMENT COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11) LONG TERM LOANS AND ADVANCES - Unsecured, considered good

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
(a) Advance income tax (net of provision of tax Rs. 74,675,602 (31st March, 2012 Rs.74,675,602))	7,995,277	7,995,277
(b) Other loans and advances Security deposit	814,355	814,355
	8,809,632	8,809,632

12) CURRENT INVESTMENTS

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Investment in Mutual Funds (Unquoted)		
ICICI Prudential Liquid Super Institutional Plan-Daily Dividend		16,524,010
ICICI Prudential Liquid Super Institutional Plan-Growth		49,500,000
Tata Liquid Super High Investment Fund - Daily Dividend	12,008,388	22,786,380
Tata Liquid Fund Direct Plan- Daily Dividend	37,503,118	
Tata Liquid Super High Investment Fund - Growth		127,299,373
	49,511,506	216,109,763

13) INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Stock of shares and securities	136,409,128	145,889,949
	136,409,128	145,889,949

14) CASH AND BANK BALANCES

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Balances with banks In current accounts	1,771,650	517,034
	1,771,650	517,034
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	1,771,650	517,034

15) SHORT TERM LOANS AND ADVANCES

	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Other loans and advances - Unsecured, considered good		
Intercompany loans to Associate	85,000,000	
Prepaid expenses	38,247	30,876
Advance towards purchase of mutual funds	17,900,000	
	102,938,247	30,876

AF-TAAB INVESTMENT COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16) REVENUE FROM OPERATIONS

	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
(a) Sale of shares and securities	1,478,448	1,490,196
(b) Dividend Income		
Dividend from long term investments		
Associates	570,000	570,000
Others	42,597,977	30,069,107
Dividend from current investments		
Others	2,720,023	3,032,787
Dividend from shares and securities (inventories)		
Others	3,885,510	3,395,769
(c) Interest Income		
Interest on Inter-corporate loans from		
Associates	6,832,602	5,209,728
Others	1,890,411	
(d) Other operating revenue		
Profit on sale of current investments	21,734,438	44,208,775
Profit on sale of long term investment	9,749,250	
	91,458,659	87,976,362

17) OTHER INCOME

	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
(a) Leave and licence fees	8,303,226	-
(b) Interest on Income tax refund	351,798	-
(c) Profit on sale of assets	90,000	-
(d) Miscellaneous income	38,193	34,725
	8,783,217	34,725

18) DECREASE IN INVENTORIES

	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
Inventories at the beginning of the year	145,889,949	174,852,915
Less: Inventories at the end of the year	136,409,128	145,889,949
	9,480,821	28,962,966

02

AF-TAAB INVESTMENT COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

19) OPERATION AND OTHER EXPENSES

	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
(a) Advertisement charges		133,219
(b) Custodian charges		26,057
(c) Rates and taxes	22,024	467,200
(d) Profession tax	467,200	2,500
(e) Legal expenses	2,500	13,050
(f) Professional fees	13,050	10,500
(g) Directors' sitting fees	2,226,900	1,892,101
(h) Internal audit fees	255,000	242,000
(i) Auditors' fees	56,180	55,666
(j) Dematerialisation charges	2,219,110	1,126,224
(k) Advances written off	5,124	3,465
(l) Contingent provision against standard assets of NBFC's		50,000
(m) Insurance	213,000	
(n) Repairs and maintenance - Buildings	36,293	30,980
(o) Electricity charges	1,593,703	396,809
(p) Service Tax	41,566	111,589
(q) Miscellaneous expenses	22,247	
(r) Provision for diminution in value of long term Investment	24,109	42,988
	1,800,000	
	8,998,006	4,591,298

Payment to Auditors

Auditors' remuneration (Inclusive of service tax):

	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
Audit fees	674,160	667,980
Taxation matters	1,376,410	303,325
Other services	168,540	154,420
Out of pocket expenses		499
	2,219,110	1,126,224

The remuneration disclosed above includes fees of Rs. 1,179,780 (31st March, 2012- Rs. 82,725) for attest and other professional services rendered by a firm of accountants in which some partners of the firm of statutory auditors are partners.

20) EARNINGS PER SHARE (EPS)

	March 31, 2013	March 31, 2012
Profit attributable to equity share holders (Rupees)- (A)	74,417,555	51,091,636
The weighted average number of equity shares (Nos.)- (B)	1,135,948	1,230,734
The nominal value per equity share (Rupees)	100	100
Basic and diluted earnings per share = (A)/(B)	65.51	41.51

Handwritten mark

AF-TAAB INVESTMENT COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.1) SEGMENT ACCOUNTING

(a) Primary segment information :

	Amount Rupees			
	Investments	Trading	Inter Corporate Loans	TOTAL
REVENUE				
Segment revenue	77,371,688 <i>77,880,669</i>	5,363,958 <i>4,885,965</i>	8,723,013 <i>5,209,728</i>	91,458,659 <i>87,976,362</i>
RESULT				
Segment results	75,545,967 <i>77,852,191</i>	(4,118,290) <i>(24,078,045)</i>	8,723,013 <i>5,209,728</i>	80,150,690 <i>58,983,874</i>
Unallocated Income net of unallocated expense				1,106,865 <i>(4,943,855)</i>
Income Taxes				(6,840,000) <i>(3,335,600)</i>
Profit after tax				74,417,555 <i>50,704,419</i>
OTHER INFORMATION				
Segment assets	978,004,834 <i>1,151,663,221</i>	136,409,128 <i>145,889,949</i>	85,000,000 -	1,199,413,962 <i>1,297,553,170</i>
Unallocated assets				29,890,082 <i>26,644,041</i>
Total assets				1,229,304,044 <i>1,324,197,211</i>
Segment liabilities	-	-	-	-
Unallocated liabilities				72,849,908 <i>44,499,939</i>
Total liabilities				72,849,908 <i>44,499,939</i>
Capital expenditure	-	-	-	-
Non-cash expenses other than depreciation	1,800,000	-	-	1,800,000
Depreciation	-	-	-	-

Type of products and services in each business segment:

Investments - Investment in current and non-current shares and securities

Trading - Trading in shares and securities

Inter-corporate loans - Placement of inter-corporate loans

Note: Previous year's figures are in italics.

(b) Secondary segment information:

There is no secondary reportable segment relating to the company's business.

Re

AP-TAAB INVESTMENT COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

22) RELATED PARTY DISCLOSURES

Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" are as follows:

a) List of the related parties and description of relationship:

Name of the related party	Country of origin
Holding Company The Tata Power Company Limited (TPCL)	India
Related parties where control exists Subsidiaries Tata Power Green Energy Limited (TPGEL)	India
Related party disclosure where transactions have taken place Associates Tata Ceramics Limited (TCL) Nelito Systems Limited (NSL)	India India
Fellow Associates Rujavalika Investments Limited (RIL)	India
Subsidiary of the holding company Nelco Ltd. (Nelco) Chemical Terminal Trombay Limited (CTTL)	India India
Joint Venture of the holding company Mandakini Coal Company Limited (MCCL)	India

b) Related party transactions:

Particulars	Holding Company	Subsidiaries	Associates	Fellow Associates	Fellow Subsidiary	Fellow Joint Ventures
Inter corporate loans given to TCL and MCCL	-	-	85,000,000	-	-	50,000,000
Inter corporate loans repaid from MCCL and TCL	-	-	<i>85,000,000</i>	-	-	-
Interest earned on Inter corporate loans from TCL and MCCL	-	-	6,832,602	-	-	1,890,411
Dividend earned from NSL, Nelco and RIL	-	-	570,000	-	159,230	-
Professional fees	<i>1,269,083</i>	-	-	<i>13,108,309</i>	-	-
Amount paid towards Equity contribution to TPGEL	-	<i>400,020</i>	-	-	-	-
Amount paid on buyback of shares	160,000,000	-	-	-	-	-
Dividend paid	<i>17,055,000</i>	-	-	-	-	-
Letter of undertaking given on behalf of TCL (Note 25)	-	-	170,576,028	-	-	-
Guarantee given on behalf of TCL (Notes 24 (b))	-	-	<i>160,292,215</i>	-	-	-
Amount received towards sale of shares from CTTL	-	-	85,000,000	-	-	-
Balance Outstanding	-	-	-	-	37,450,000	-
Final proposed dividend payable	32,190,000	-	-	-	-	-
Guarantee outstanding on behalf of TCL (Note no. 24 (b))	-	-	<i>17,055,000</i>	-	-	-
Letter of undertaking outstanding given on behalf of TCL (Note no. 25)	-	-	85,000,000	-	-	-
Inter corporate loans receivable	-	-	170,576,028	-	-	-
	-	-	<i>160,292,215</i>	-	-	-
	-	-	85,000,000	-	-	-

Note: Previous year's/ period figures are in italics.

AF-TAAB INVESTMENT COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

23) SCHEME OF AMALGAMATION

In the previous year, the company had filed a petition for approval of the scheme of amalgamation (the Scheme) between Vantech Investments Limited (VIL), a wholly owned subsidiary of the company and the company which was approved by the Hon'ble High Court of Bombay vide its Order dated 25th November, 2011. Pursuant to the Scheme, the entire business and all assets and liabilities of VIL were transferred to and vested in the company, from 1st April, 2010 (the appointed date). The Scheme became effective on 21st December, 2011 and the following were effect given in the previous year's financial statements of the company in accordance with the Scheme.

- (a) Investments, Current Assets and Current Liabilities of VIL as on 1st April, 2010 were taken into the books of the company on line by line basis. The net effect is an increase in assets of Rs. 12,779,548.
- (b) Debit balance of Rs. 19,055,452 appearing in the Statement of Profit and Loss of VIL as at 1st April, 2010 was adjusted against the general reserves of the company.
- (c) Share Capital of Rs. 19,900,000 of VIL as at 1st April, 2010 was adjusted against the general reserve of the company. Therefore the net effect of Note no. 23 (b) and (c) was an increase in general reserve of Rs. 8,44,548.
- (d) Credit balance of Rs. 11,934,000 and Rs. 1,000 appearing in the special reserve fund and capital redemption reserve of VIL as at 1st April, 2010 were accounted as the special reserve fund and capital redemption reserve of the company.
- (e) Investments of VIL in the company's books of Rs. 52,595,700 and the provision of Rs. 52,595,700 in respect of this investment were cancelled and were adjusted against the general reserves of the company.
- (f) In accordance with the Order of Hon'ble High Court of Bombay dated 25th November, 2011, the addition to general reserve as stated in Note no. 23 (c) above amounting to Rs. 8,44,548 shall not be utilised for declaring of dividend.

VIL was engaged in the business of Non-Banking Financial Company (NBFC) and its Profit after tax of Rs. 387,217 for the period 1st April, 2010 to 31st March, 2011, as per the financial statements of VIL was recognised in the previous year and disclosed separately in the Statement of Profit and Loss.

24) CONTINGENT LIABILITIES (No cash outflow is expected in the near future)

- (a) Claims against the Company not acknowledged as debt
Taxation Matters in respect of which the company is in appeal and paid for Rs. 8,181,054/- (31st March, 2012 - Rs. 6,359,537/-).
- (b) Guarantees
The company has given guarantee of Rs. Nil (31st March, 2012 - Rs. 50,000,000) to Tata Petrodyne Limited and Rs. Nil (31st March, 2012 - Rs. 35,000,000) to Tata Industries Limited for timely servicing/repayment of Inter-corporate loans of Rs. Nil (31st March, 2012 - Rs. 50,000,000 and Rs. 35,000,000 respectively), given by them to Tata Ceramics Limited.
Loans outstanding against these amounting to Rs. Nil (31st March, 2012 - Rs. 85,000,000).

25) LETTER OF UNDERTAKING

The company in case of Tata Ceramics Limited (TCL), has given a letter of undertaking to the rating agency that in the event of TCL not having requisite cash flows to timely service its debt obligations, the company will make all endeavors to repay the principal and interest falling due, from its own cash flows in such manner that all the banks of TCL are repaid on or before due dates.

Outstanding debt (principal and interest due) of TCL as on 31st March, 2013 amounting to Rs. 170,576,028 (31st March, 2012 - Rs. 160,292,215) against this letter of undertaking.

- 26) The company has an investment in Taj Air Limited (TAL) of Rs. 42,000,000/- (31st March, 2012 - Rs. 42,000,000/-), TAL has accumulated losses as at 31st March, 2012, based on audited accounts for March, 2012, which have eroded its net worth. In the opinion of the management, having regard to the long term nature of its business and proposed restructuring plan by management of TAL, at this point of time there is no diminution other than temporary, in the value of the investment.

27) MICRO, SMALL AND MEDIUM ENTERPRISES DISCLOSURES

During the year there are no transactions with 'suppliers' as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

As

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Particulars		
Liabilities side:		
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount outstanding
	(a) Debentures : Secured	Nil
	: Unsecured	Nil
	(other than falling within the meaning of public deposits*)	Nil
	(b) Deferred Credits	Nil
	(c) Term Loans	Nil
	(d) Inter-corporate loans and borrowing	Nil
	(e) Commercial Paper	Nil
	(f) Other Loans (specify nature)	Nil
	* Please see Note 1 below	Nil
		Amount outstanding
Assets side:		
(2)	Break-up of Loans and advances including bills receivables [other than those included in (1) below]	
	(a) Secured:	
	(b) Unsecured:	
	(1) Non current	8,809,632
	(2) Current	102,938,247
(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors :	Nil
	(a) Financial Lease	
	(b) Operating Lease	
	(ii) Stock on hire including hire charges under sundry debtors :	Nil
	(a) Assets on hire	
	(b) Repossessed Assets	
	(iii) Other loans counting towards AFC activities :	Nil
	(a) Loans where assets have been repossessed	
	(b) Loans other than (a) above	
(4)	Break-up of Investments	
	Current Investments	
	Quoted :	##(refer note below)
	(i) Shares : (a) Equity	Nil
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	Unquoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	49,511,506
	(iv) Government Securities	-
	(v) Others (please specify)	-
	Long Term Investments	
	Quoted :	
	(i) Shares : (a) Equity	378,124,217
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	Unquoted :	
	(i) Shares : (a) Equity	##(refer note below)
	(b) Preference	###(refer note below)
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-

Excludes Inventories of shares and securities aggregating Rs. 136,409,128

net of provision for diminution in value of investments other than temporary Rs. 42,409,139

net of provision for diminution in value of investments other than temporary Rs. 499,300

(5)	Borrower group-wise classification of assets financed as in (2) and (3) above :		
	Please see Note 2 below		
	Category	Secured	Unsecured
	1. Related Parties[†]		Total
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	85,000,000
	2. Other than related parties	-	26,747,879
	Total	-	111,747,879
(6)	Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted) :		
	Please see Note 3 below		
	Category	Market Value / Break-up* or Fair Value[†] or NAV	Book Value (Net of Provisions)
	1. Related Parties[†]		
	(a) Subsidiaries #	349,982	500,000
	(b) Companies in the same group	-	-
	(c) Other related parties#	139,803,132	192,797,192
	2. Other than related parties (Note 5)	2,748,809,421	766,807,642
	Total	2,888,962,535	960,104,834
	** As per Accounting Standard of ICAI (Please see Note 3)		
	* Based on the latest available audited accounts.		
	# does not includes the Investments which have been fully provided.		
(7)	Other Information		
	Particulars	Amount	
	(i) Gross Non-Performing Assets	Nil	
	(a) Related parties		
	(b) Other than related parties		
	(ii) Net Non-Performing Assets	Nil	
	(a) Related parties		
	(b) Other than related parties		
	(iii) Assets acquired in satisfaction of debt		

Notes :

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes Issued by ICAI are applicable including valuation of Investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted Investments and break up / fair value / NAV in respect of unquoted Investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.
- Companies under the same management as defined under Section 370 (18) of the Companies Act, 1956 have been considered as companies in the same group.
- Excludes Inventories of shares whose book value (net of provision) and Market value as on 31st March, 2013 are Rs. 136,409,128 and Rs.170,237,427 respectively.