

AF-TAAB INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT

To The Members
AF-TAAB INVESTMENT COMPANY LIMITED

The Directors hereby present their Thirty-Fifth Annual Report on the business and operations of the Company and the statement of accounts for the year ended 31st March, 2014.

1. FINANCIAL RESULTS

The summarized financial results are:

	2013-14 (₹ Lakhs)	2012-13 (₹ Lakhs)
Profit before tax	2,858.45	812.58
Less : Provision for Taxation	563.39	68.40
Profit after tax for the year	2,295.06	744.18
Balance brought forward from the previous year	388.54	308.23
Amount available for appropriation	2,683.60	1,052.41
Appropriations		
Proposed Dividend	321.90	321.90
Tax on Dividend	54.71	54.71
Transfer to Capital Redemption Reserve	Nil	64.00
Transfer to Special Reserve	459.02	148.84
Transfer to General Reserve	229.51	74.42
Balance to be carried forward	1,618.46	388.54

2. OPERATIONS

The Company earned a profit before tax of ₹ 2,858.45 Lakhs as against a profit of ₹ 812.58 Lakhs during the previous year. The Profits for the year were mainly on account of profit on sale of current and long term Investments.

The Company has provided ₹ 300.00 Lakhs for diminution in the value of investment in Nelito Limited based on an internal valuation and ₹ 175.00 Lakhs in case of Nelco Limited based on the closing share price on the exchanges.

3. DIVIDEND

The Directors now recommend a Dividend of ₹ 30 per share (Previous year ₹ 30 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.

4. 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, 1956 is attached.

5. DIRECTORS

Dr H S Vachha and Mr Deepak Mahendra retire by rotation and are eligible for re-appointment.

Mr S Ramakrishnan resigned as Director of the Company with effect from 1st March, 2014. The Board placed on record their appreciation for the services rendered by Mr S Ramakrishnan during his tenure as Director.

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.

6. AUDITORS

During the year, the Company had received intimation from Deloitte Haskins & Sells LLP stating that Deloitte Haskins & Sells, Chartered Accountants, statutory auditors of the Company, had been converted into a limited liability partnership under the provisions of the Limited Liability Partnership Act, 2008 with effect from 20th November, 2013. In terms of Ministry of Corporate Affairs, Government of India, General Circular No. 09/2013 dated 30th April, 2013, if a firm of Chartered Accountants, being an auditor in a Company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said Company. The Board of Directors of the Company has taken due note of the change. Accordingly, the audit of the Company for financial year 2013-14 was conducted by Deloitte Haskins & Sells LLP.

Deloitte Haskins & Sells LLP, Chartered Accountants hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint Deloitte Haskins & Sells LLP as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the thirty eighth AGM to be held in the year 2017, subject to ratification of their appointment at each intervening AGM.

7. 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 Companies Act, 1956.

8. PARTICULARS OF EMPLOYEES

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

9. 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.

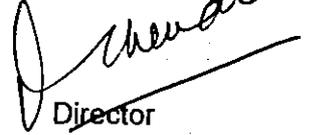
10. DIRECTORS RESPONSIBILITY STATEMENT

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, 2014

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies

1.	Name of the Subsidiary	Tata Power Green Energy Limited
2.	Financial year of the subsidiary ended on	31 st March, 2014
3.	Shares of the subsidiary held by the Company on the above date:	
	a. Number and Face Value	50,000 Equity Shares of Rs.10/- each fully paid
	b. Extent of holding	100%
4.	Net aggregate amount of profits/(losses) of the subsidiary for the above financial year of the subsidiary, so far as they concern members of the Company:	
	a. dealt with in the accounts of the Company for the year ended 31st March, 2014	₹ Nil
	b. not dealt with in the accounts of the Company for the year ended 31st March, 2014	(₹ 49,763)
5.	Net aggregate amount of profits/(losses) for previous financial years of the subsidiary, since it became a subsidiary so far as they concern members of the Company:	
	a. dealt with in the accounts of the Company for the year ended 31st March, 2014	₹ Nil
	b. not dealt with in the accounts of the Company for the year ended 31st March, 2014	(₹ 150,018)

On behalf of the Board of Directors,



Director



Director

Mumbai, 2nd May, 2014

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
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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, 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 term of General Circular 15/2013 dated 13th September, 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 31st March, 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.

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 term of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

R. K. Banga

R. A. BANGA
Partner
(Membership No. 037915)

MUMBAI, 2nd May, 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 (viii), (x), (xi), (xii) (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 inventories:
 - (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 covered 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.
- (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) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year
- (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.

Deloitte
Haskins & Sells LLP

- (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 statutory dues, including income tax, sales tax, service tax, wealth 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 in arrears as at 31st March, 2014 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, 2014 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	Income tax, interest and penalty	10,333,850/-	Financial Year 1997-98, 2000-01, 2001-02, 2009-10 and 2010-11	Commissioner of Income Tax (Appeals)

- (ix) 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.
- (x) 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.
- (xi) 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.
- (xii) 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 LLP
Chartered Accountants
(Firm's Registration No. 117366W/W – 100018)

R. K. Banga

R. A. BANGA
Partner
(Membership No.037915)

MUMBAI, 2nd May, 2014

AF-TAAB INVESTMENT COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2014

	Notes	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	107,300,000	107,300,000
Reserves and surplus	4	1,240,999,251	1,049,154,136
Total shareholders' funds		1,348,299,251	1,156,454,136
Non-current liabilities			
Deferred tax liability	5	4,423,000	4,363,000
Other long-term liabilities	6	8,800,000	8,800,000
Total non-current liabilities		13,223,000	13,163,000
Current liabilities			
Trade payables (Refer note 27)		328,652	328,652
Other current liabilities	7	85,375	93,092
Short-term provisions	8	59,347,909	59,265,164
Total current liabilities		59,761,936	59,686,908
TOTAL		1,421,284,187	1,229,304,044
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	18,735,496	19,270,553
Non-current investments	10	912,925,662	910,593,328
Long-term loans and advances	11	10,512,566	8,809,632
Total non-current assets		942,173,724	938,673,513
Current assets			
Current investments	12	349,502,745	49,511,506
Inventories	13	128,612,492	136,409,128
Cash and bank balances	14	430,444	1,771,650
Short-term loans and advances	15	37,532	102,938,247
Other Current Assets	16	527,250	-
Total current assets		479,110,463	290,630,531
TOTAL		1,421,284,187	1,229,304,044

III. See accompanying notes forming part of the financial statements

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

R. A. Banga

R. A. Banga
Partner

For and on behalf of the Board of Directors

Deepak Mahendra
Deepak Mahendra
Director

Sanjay Dube
Sanjay Dube
Manager and Director

Prasad Bagade
Prasad Bagade
Company Secretary

MUMBAI, 2nd May, 2014

MUMBAI, 2nd May, 2014

AF-TAAB INVESTMENT COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Notes	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
I. Revenue from operations	17	331,772,003	91,458,659
II. Other income	18	13,826,387	8,783,217
Total revenue		345,598,390	100,241,876
III. Expenses			
Purchase of shares and securities		-	-
Decrease in inventories	19	7,796,636	9,480,821
Depreciation		535,057	505,494
Other expenses	20	51,421,891	8,998,006
Total expenses		59,753,584	18,984,321
IV. Profit before tax		285,844,806	81,257,555
V. Tax expenses			
Current tax			
Current tax expense for current year		56,279,000	7,600,000
Less: MAT credit entitlement in respect of earlier years		-	893,000
Net current tax expenses		56,279,000	6,707,000
Deferred tax		60,000	133,000
Total tax expense		56,339,000	6,840,000
VI. Profit for the year		229,505,806	74,417,555
VII. Earnings per equity share basic and diluted (face value of Rs. 100 each)	21	213.89	65.51

VIII. See accompanying notes forming part of the financial statements

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

R. K. Banga

R. A. Banga
Partner

For and on behalf of the Board of Directors

Deepak Mahendra
Deepak Mahendra
Director

Santjay Dube
Santjay Dube
Manager and Director

Prasad Bagade
Prasad Bagade
Company Secretary

MUMBAI, 2nd May, 2014

MUMBAI, 2nd May, 2014

AF-TAAB INVESTMENT COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	March 31, 2014 Rupees	March 31, 2013 Rupees
A. Cash flow from operating activities		
Profit before taxes	285,844,806	81,257,555
Adjustments for:		
Profit on sale of fixed assets	-	(90,000)
Profit on sale of current investments	(174,898)	(21,734,438)
Profit on sale of long term investments	(263,806,739)	(9,749,250)
Provision against standard assets of NBFCs'	(213,000)	213,000
Provision for diminution in value of long term investment	47,500,000	1,800,000
Depreciation	535,057	505,494
	(216,159,580)	(29,055,194)
Operating profit before working capital changes	69,685,226	52,202,361
Adjustments for:		
Inventories	7,796,636	9,480,821
Short-term loans and advances	17,900,715	(17,907,371)
Other current assets	(527,250)	-
Other long-term liabilities	-	8,800,000
Other current liabilities	(7,717)	(25,501)
	25,162,384	347,949
Operating profit after working capital changes	94,847,610	52,550,310
Inter-corporate loans given	(35,000,000)	(135,000,000)
Inter-corporate loans refunded	120,000,000	50,000,000
Investment in associate	(50,000,000)	-
Investment in others	-	(4,540,620)
Proceeds from sale of long-term investments- associates	127,800	-
Proceeds from sale of long-term investments- others	263,846,605	37,450,000
Purchase of current investments	(428,301,063)	(154,770,025)
Sale of current investments	128,484,722	343,102,720
	(841,936)	136,242,075
Cash generated from operations	94,005,674	188,792,385
Taxes paid net	(57,686,189)	(5,316,474)
Net cash from operating activities - (A)	36,319,485	183,475,911
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)	-	(2,399,548)
C. Cash flow from financing activities		
Dividend paid	(32,190,000)	(17,055,000)
Income tax on dividend paid	(5,470,691)	(2,766,747)
Amount paid towards buy back of equity shares	-	(160,000,000)
Net cash used in financing activities - (C)	(37,660,691)	(179,821,747)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(1,341,206)	1,254,616
Cash and cash equivalents as at 1st April, (opening balance)	1,771,650	517,034
Cash and cash equivalents as at 31st March, (closing balance) (refer note 14)	430,444	1,771,650

See accompanying notes forming part of the financial statements

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

R.K. Banga

R. A. Banga
Partner

For and on behalf of the Board of Directors

Deepak Mahendra
Deepak Mahendra
Director

Sanjay Dube
Sanjay Dube
Manager and Director

Prasad Bagade
Prasad Bagade
Company Secretary

MUMBAI, 2nd May, 2014

MUMBAI, 2nd May, 2014

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 of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of 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 Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported 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) Inventories:

Inventories are valued at lower of cost and fair value.

(d) Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(e) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(f) 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's/deduction of assets is provided on pro-rata basis. Assets costing less than Rs. 5,000 are depreciated at the rate of 100%.

(g) Revenue recognition:

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

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

(h) Fixed assets:

Fixed Assets are carried at cost less accumulated depreciation, and impairment loss if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

(i) 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 individually at cost, less provision for diminution other than temporary, in the value of such investments. Current investments are carried individually at lower of cost and fair value.

(j) Segment reporting:

The accounting policies adopted for segment reporting are in line with the accounting policy 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.

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

(k) 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.

(l) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(m) 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. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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.

(n) 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 disclosed in the Notes. Contingent assets are not recognised in the financial statements.

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

3) SHARE CAPITAL

	As at March 31, 2014		As at March 31, 2013	
	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	1,073,000	107,300,000
Total issued, subscribed and fully paid-up	<u>1,073,000</u>	<u>107,300,000</u>	<u>1,073,000</u>	<u>107,300,000</u>

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

Equity shares

	March 31, 2014		March 31, 2013	
	Numbers	Rupees	Numbers	Rupees
At the beginning of the year	1,073,000	107,300,000	1,137,000	113,700,000
Less: bought back during the year	-	-	(64,000)	(6,400,000)
Outstanding at the end of the year	<u>1,073,000</u>	<u>107,300,000</u>	<u>1,073,000</u>	<u>107,300,000</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, 2014, the amount of per share dividend recognised as distribution to equity shareholder was Rs. 30 per share (31st March, 2013 Rs.30 per share).

c. 1,073,000 shares (March 31, 2013 - 1,073,000 shares) being 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, 2014 Numbers	March 31, 2013 Numbers
Equity shares bought back by the company in aggregate	266,200	266,200

During the previous year, pursuant to the approval of the Board of Directors/shareholders of the company, the company had in accordance with Section 77A of the Companies Act, 1956 bought back equity 64,000 equity shares @ Rs. 2,500 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 was transferred to the capital redemption reserve.

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

4) RESERVES AND SURPLUS

	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
(a) Capital redemption reserve		
Opening balance	26,621,000	20,221,000
Add: Amount transferred from Surplus in Statement of Profit and Loss	-	6,400,000
Closing balance	26,621,000	26,621,000
(b) Securities premium account		
Opening balance	105,626,000	259,226,000
Less: Amount utilised towards buy back of equity shares	-	153,600,000
Closing balance	105,626,000	105,626,000
(c) Special reserve fund under Section 45(1)(c) of Reserve Bank of India Act, 1934		
Opening balance	624,898,000	610,014,000
Add: Amount transferred from Surplus in Statement of Profit and Loss	45,902,000	14,884,000
Closing balance	670,800,000	624,898,000
(d) General reserve		
Opening balance	253,155,548	245,713,548
Add: Amount transferred from Surplus in Statement of Profit and Loss	22,951,000	7,442,000
Closing balance	276,106,548	253,155,548
(e) Surplus in Statement of Profit and Loss		
Opening balance	38,853,588	30,822,724
Add: Profit for the year	229,505,806	74,417,555
Less:		
Proposed equity dividend (amount per share Rs. 30 (31st March, 2013: Rs. 30))	32,190,000	32,190,000
Tax on proposed equity dividend	5,470,691	5,470,691
Transferred to:		
Capital redemption reserve	-	6,400,000
Special reserve fund	45,902,000	14,884,000
General reserve	22,951,000	7,442,000
Closing balance	161,845,703	38,853,588
Total Reserves and Surplus	1,240,999,251	1,049,154,136

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

5) DEFERRED TAX LIABILITIES

	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
Deferred tax liabilities		
Depreciation and amortisation	4,423,000	4,363,000
	4,423,000	4,363,000

6) OTHER LONG TERM LIABILITIES

	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
Other liabilities		
Security deposit received	8,800,000	8,800,000
	8,800,000	8,800,000

7) OTHER CURRENT LIABILITIES

	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
Other liabilities		
Statutory liabilities	-	7,717
Other payables	85,375	85,375
	85,375	93,092

8) SHORT-TERM PROVISIONS

	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
Provisions for - Others		
Proposed equity dividend	32,190,000	32,190,000
Provision for tax on proposed equity dividend	5,470,691	5,470,691
Provision for tax (net of advance tax of Rs. 516,504,980 (31st March, 2013 Rs. 467,228,725))	21,687,218	21,391,473
Provision against standard assets (as per RBI regulations)	-	213,000
	59,347,909	59,265,164

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

9) FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION			(Amount in Rupees)		
	As at April 1, 2013	Additions during the year	Deductions during the year	As at March 31, 2014	As at April 1, 2013	Additions during the year	Deductions during the year	As at March 31, 2014	As at March 31, 2014
Tangible assets- Own use									
Computers	165,830	-	165,830	-	165,830	-	165,830	-	-
Tangible assets- given under operating lease									
Buildings	25,570,711	-	-	25,570,711	8,701,016	416,803	-	9,117,819	16,452,892
Office equipment	3,606,191	-	-	3,606,191	1,205,333	118,254	-	1,323,587	16,869,695
	1,450,000	2,489,548	333,357	3,606,191	1,450,000	88,690	333,357	1,205,333	2,282,604
Total	29,176,902	-	-	29,176,902	9,906,349	535,057	-	10,441,406	18,735,496
	<i>27,186,541</i>	<i>2,489,548</i>	<i>499,187</i>	<i>29,176,902</i>	<i>9,900,042</i>	<i>505,494</i>	<i>499,187</i>	<i>9,906,349</i>	<i>19,270,553</i>

Note: Previous year's figures are in italics.

Disclosures under Accounting Standards

Details of leasing arrangements

The Company has entered into operating lease arrangements for buildings together with office equipment. 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 13,200,000
later than one year and not later than five years 46,530,000
later than five years -

Depreciation recognised on the leased assets 535,057

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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, 2014 Rupees	Cost as at March 31, 2013 Rupees
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NON TRADE INVESTMENTS

INVESTMENT IN EQUITY SHARES

A. INVESTMENTS IN SUBSIDIARY COMPANIES

1 Equity Shares - (Unquoted) fully paid up Tata Power Green Energy Ltd.	50,000	50,000	500,000	500,000
Total A			500,000	500,000

B. INVESTMENTS IN ASSOCIATE COMPANIES

1 Equity Shares - (Unquoted) fully paid up Nelito Systems Ltd.	570,000	570,000	159,616,300	159,616,300
**Less: Provision for diminution in value of investments other than temporary			(30,000,000)	-
Brihat Trading Private Ltd.	3,350	3,350	33,500	33,500
Hemisphere Properties Ltd.	25,000	12,220	122,200	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			129,772,000	159,899,800

C. OTHER

1 Equity Shares - (Quoted) fully paid up Trent Ltd.	472,714	472,714	157,735,218	157,735,218
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	633,352	196,339	236,205
Nelco Limited	318,460	318,460	29,512,977	29,512,977
**Less: Provision for diminution in value of investments other than temporary			(17,500,000)	-
			360,584,351	378,124,217
2 Equity Shares - (Unquoted) fully paid up ASL Advanced Systems Private Ltd.	180,000	180,000	1,800,000	1,800,000
**Less: Provision for diminution in value of investments other than temporary			(1,800,000)	(1,800,000)
Rujvalika Investments Ltd.	183,333	183,333	3,000,000	3,000,000
Tata International Ltd .	20,500	20,500	162,247,252	162,247,252
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	2,333,070	2,333,070	36,131,205	36,131,205
			372,069,311	372,069,311
Total C			732,653,662	750,193,528
Total A+B+C			862,925,662	910,593,328

INVESTMENT IN PREFERENCE SHARES

A. INVESTMENTS IN ASSOCIATE COMPANIES

1 Preference Shares - (Unquoted) fully paid up 7.25% Redeemable Cumulative Convertible Preference Shares- Tata Ceramics Limited	-	500,000	50,000,000	-
Total A			50,000,000	-

B. OTHERS

1 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)
Total B			-	-
Total A+B			50,000,000	-
Total			912,925,662	910,593,328

As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
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Notes (1) Aggregate of Quoted Investments-		
Cost	378,084,351	378,124,217
Less: Provision for diminution in value of investments other than temporary	17,500,000	-
Aggregate of quoted Investments- net of provision for diminution in value of investments other than temporary	360,584,351	378,124,217
Market Value.....	2,386,977,436	2,152,985,832
(2) Aggregate of Unquoted Investments-		
Cost	625,249,750	575,377,550
Less: Provision for diminution in value of investments other than temporary	72,908,439	42,908,439
Aggregate of Unquoted Investments- net of provision for diminution in value of investments other than temporary	552,341,311	532,469,111

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, 2014 Rupees	As at March 31, 2013 Rupees
(a) Advance income tax (net of provision of tax Rs. 81,382,601 (31st March, 2013 Rs.74,675,602))	9,698,211	7,995,277
(b) Other loans and advances Security deposit	814,355	814,355
	10,512,566	8,809,632

12) CURRENT INVESTMENTS

At lower of cost and fair value, unless otherwise stated

	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
Investment in Mutual Funds (Unquoted)		
ICICI Prudential Liquid Super Institutional Plan-Growth	190,763,087	-
Tata Liquid Super High Investment Fund - Growth	20,629,504	-
Tata Liquid Super High Investment Fund - Daily Dividend	138,110,154	12,008,388
Tata Liquid Fund Direct Plan- Daily Dividend	-	37,503,118
	349,502,745	49,511,506

13) INVENTORIES

VALUED AT LOWER OF COST AND FAIR VALUE

	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
Stock of shares and securities	128,612,492	136,409,128
	128,612,492	136,409,128

14) CASH AND BANK BALANCE

	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
Balances with banks In current accounts	430,444	1,771,650
	430,444	1,771,650
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	430,444	1,771,650

15) SHORT TERM LOANS AND ADVANCES

	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
Other loans and advances - Unsecured, considered good		
Intercorporate loans to Associate	-	85,000,000
Prepaid expenses	37,532	38,247
Advance towards purchase of mutual funds	-	17,900,000
	37,532	102,938,247

16) OTHER CURRENT ASSETS

	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
Dividend receivable	527,250	-
	527,250	-

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

17) REVENUE FROM OPERATIONS

	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
(a) Sale of shares and securities	13,615,268	1,478,448
(b) Dividend income		
Dividend from long term investments		
Associates	570,000	570,000
Others	36,216,292	42,597,977
Dividend from current investments		
Others	8,619,196	2,720,023
Dividend from shares and securities (inventories)		
Others	6,591,116	3,885,510
(c) Interest income		
Interest on Inter-corporate loans from		
Associates	2,178,494	6,832,602
Others	-	1,890,411
(d) Other operating revenue		
Profit on sale of current investments	174,898	21,734,438
Profit on sale of long term investment	263,806,739	9,749,250
	331,772,003	91,458,659

18) OTHER INCOME

	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
(a) Leave and licence fees	13,613,387	8,303,226
(b) Interest on Income tax refund	-	351,798
(c) Profit on sale of assets	-	90,000
(d) Contingent provision against standard assets of NBFC's no longer required written back	213,000	-
(e) Miscellaneous income	-	38,193
	13,826,387	8,783,217

19) DECREASE IN INVENTORIES

	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
Inventories at the beginning of the year	136,409,128	145,889,949
Less: Inventories at the end of the year	128,612,492	136,409,128
	7,796,636	9,480,821

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

20) OTHER EXPENSES

	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
(a) Custodian charges	17,730	22,024
(b) Rates and taxes	1,504,418	467,200
(c) Profession tax	2,500	2,500
(d) Legal expenses	16,000	13,050
(e) Professional fees	215,912	2,226,900
(f) Directors' sitting fees	185,000	255,000
(g) Internal audit fees	56,180	56,180
(h) Auditors' fees	1,719,108	2,219,110
(i) Dematerialisation charges	135,456	5,124
(j) Contingent provision against standard assets of NBFC's	-	213,000
(k) Insurance	34,376	36,293
(l) Repairs and maintenance - Buildings	-	1,593,703
(m) Electricity charges	-	41,566
(n) Service Tax	25,557	22,247
(o) Miscellaneous expenses	9,654	24,109
(p) Provision for diminution in value of long term investment	47,500,000	1,800,000
	51,421,891	8,998,006

Payment to Auditors

Auditors' remuneration (inclusive of service tax):

	For the year ended March 31, 2014 Rupees	For the year ended March 31, 2013 Rupees
Audit fees	674,160	674,160
Taxation matters	224,720	196,630
Other services	820,228	1,348,320
Out of pocket expenses	-	-
	1,719,108	2,219,110

The remuneration disclosed above includes fees of Rs. 707,868 (31st March, 2013 - Rs. 1,179,780) for attest and other professional services rendered by a firm of accountants in which some partners of the firm of statutory auditors are partners.

21) EARNINGS PER SHARE (EPS)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit attributable to equity share holders (Rupees)- (A)	229,505,806	74,417,555
The weighted average number of equity shares (Nos.)- (B)	1,073,000	1,135,948
The nominal value per equity share (Rupees)	100	100
Basic and diluted earnings per share = (A)/(B)	213.89	65.51

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

22) SEGMENT ACCOUNTING

(a) Primary segment information:

	Amount Rupees			
	Investments	Trading	Inter Corporate Loans	TOTAL
REVENUE				
Segment revenue	309,387,125 <i>77,371,688</i>	20,206,384 <i>5,363,958</i>	2,178,494 <i>8,723,013</i>	331,772,003 <i>91,458,659</i>
RESULT				
Segment results	261,750,666 <i>75,545,967</i>	12,393,021 <i>(4,118,290)</i>	2,178,494 <i>8,723,013</i>	276,322,181 <i>80,150,690</i>
Unallocated income net of unallocated expense				9,522,625 <i>1,106,865</i>
Income Taxes				(56,339,000) <i>(6,840,000)</i>
Profit for the year				229,505,806 <i>74,417,555</i>
OTHER INFORMATION				
Segment assets	1,262,428,407 <i>978,004,834</i>	129,139,742 <i>136,409,128</i>	- <i>85,000,000</i>	1,391,568,149 <i>1,199,413,962</i>
Unallocated assets				29,716,038 <i>29,890,082</i>
Total assets				1,421,284,187 <i>1,229,304,044</i>
Segment liabilities	-	-	-	-
Unallocated liabilities				72,984,936 <i>72,849,908</i>
Total liabilities				72,984,936 <i>72,849,908</i>
CAPITAL EXPENDITURE				
Non cash expenses other than depreciation	47,500,000 <i>1,800,000</i>	-	-	47,500,000 <i>1,800,000</i>
Depreciation	-	-	-	-

Note: Previous year figures are in italics

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

(b) Secondary segment information:

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

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

23) 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 Rujvalika Investments Limited (RIL)	India
Fellow Subsidiary Nelco Limited (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	Associates	Fellow Subsidiary	Joint Venture of the holding company
Inter corporate loans given to TCL and MCCL	-	35,000,000	-	-
	-	<i>85,000,000</i>	-	<i>50,000,000</i>
Inter corporate loans repaid from TCL and MCCL	-	120,000,000	-	-
	-	-	-	<i>50,000,000</i>
Interest earned on inter corporate loans from TCL and MCCL	-	2,178,494	-	-
	-	<i>6,832,602</i>	-	<i>1,890,411</i>
Dividend earned from NSL and Nelco	-	570,000	-	-
	-	<i>570,000</i>	<i>159,230</i>	-
Purchase of preference shares of TCL	-	50,000,000	-	-
	-	-	-	-
Amount paid on buyback of shares to TPCL	-	-	-	-
	<i>160,000,000</i>	-	-	-
Dividend paid to TPCL	32,190,000	-	-	-
	<i>17,055,000</i>	-	-	-
Letter of undertaking given on behalf of TCL (Note 25)	-	159,731,510	-	-
	-	<i>170,576,028</i>	-	-
Amount received towards sale of shares of CTTL	-	-	-	-
	-	-	<i>37,450,000</i>	-
Balance Outstanding at the end of year				
Final proposed dividend payable	32,190,000	-	-	-
	<i>32,190,000</i>	-	-	-
Letter of undertaking outstanding given on behalf of TCL (Note no. 25)	-	159,731,510	-	-
	-	<i>170,576,028</i>	-	-
Inter corporate loans receivable	-	-	-	-
	-	<i>85,000,000</i>	-	-

Note: Previous year's figures are in italics.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Claims against the Company not acknowledged as debt

Taxation Matters in respect of which the company is in appeal and paid Rs. 10,358,203/- (31st March, 2013 –Rs. 8,181,054/-).

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, 2014 amounting to Rs. 159,731,510 (31st March, 2013 - Rs. 170,576,028) against this letter of undertaking.

- 26)** The company has an investment in Taj Air Limited (TAL) of Rs.42,000,000/- (31st March, 2013 –Rs.42,000,000/-), TAL has accumulated losses as at 31st March, 2013, based on audited accounts for March, 2013, 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.

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

28) RBI DISCLOSURES

The Following additional information (other than what is already disclosed elsewhere) is disclosed in terms of RBI circular (Ref. No. DBNS. 200/CGM CPR-2008) dated 1 st August, 2008.

(A). Capital to Risk Assets Ratio (CRAR):-

	Items	2013-14*	2012-13
i	CRAR %	93.57	91.23
ii	CRAR- Tier I Capital %	93.57	91.20
iii	CRAR- Tier II Capital %	-	0.03

* NBS-7 return yet to be filed.

(B). Exposures to Real estate sector:-

	Category	2013-14	2012-13
i	Direct exposure	N.A.	N.A.
	Commercial real estate	N.A.	N.A.
ii	Indirect exposure	N.A.	N.A.
	Exposure to housing finance companies	N.A.	N.A.

(C). Assets Liability Management:-

Maturity pattern of certain items of assets and liabilities as on 31 st March, 2014:

	1 day to 30/31 days (one month)	Over one month to two months	Over two months to three months	Over three months to six months	Over six months to one year	Over one year to three years	Total
Liabilities:							
Borrowing from banks	-	-	-	-	-	-	-
Market borrowing	-	-	-	-	-	-	-
Assets:							
Advances (ICD) and investments@	-	-	-	-	-	-	-

@ Non-current investments and current investments amounting to Rs. 912,925,662 and Rs. 349,502,745 respectively have not been included above, since there is no set maturity pattern for the same.

29) PREVIOUS YEAR'S FIGURES

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

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