

AF-TAAB INVESTMENT COMPANY LIMITED

**INDEPENDENT AUDITOR'S 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, 2015, the Statement of Profit and Loss, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

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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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.'

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in term of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

R. A. Banga

R. A. BANGA
Partner

Membership Number: 037915

MUMBAI, 29th April, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

Having regard to the nature of the company's business/activities/ results during the year, clauses (vi), (ix), and (xi) of paragraph 3 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) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (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 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 not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of shares and securities and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have unclaimed deposits as at 31st March, 2015 and accordingly, provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act are not applicable to the Company.

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 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, 2015 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	10,333,850/-	Financial Year 1997-98, 2000-01, 2001-02, 2009-10 and 2010-11	Income Tax Appellate Tribunal (ITAT) level
Income Tax Act, 1961	Tax, interest and penalty	3,614,321/-	Financial Year 2011-12	Commissioner of Income Tax (Appeals) level

(d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

(vii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

Deloitte
Haskins & Sells LLP

- (viii) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (ix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

R. A. Banga

R. A. BANGA
Partner
Membership No.037915

MUMBAI, 29th April, 2015

AF-TAAB INVESTMENT COMPANY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2015

	Notes	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	107,300,000	107,300,000
Reserves and surplus	4	1,395,763,977	1,240,999,251
Total shareholders' funds		1,503,063,977	1,348,299,251
Non-current liabilities			
Deferred tax liability	5	4,743,000	4,423,000
Other long-term liabilities	6	-	8,800,000
Total non-current liabilities		4,743,000	13,223,000
Current liabilities			
Trade payables (Refer note 26)		2,546,706	328,652
Other current liabilities	7	9,131,826	85,375
Short-term provisions	8	45,392,001	59,347,909
Total current liabilities		57,070,533	59,761,936
TOTAL		1,564,877,510	1,421,284,187
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	18,182,019	18,735,496
Non-current investments	10	891,448,260	912,925,662
Long-term loans and advances	11	10,513,020	10,512,566
Total non-current assets		920,143,299	942,173,724
Current assets			
Current investments	12	402,150,033	349,502,745
Inventories	13	116,322,994	128,612,492
Cash and bank balances	14	839,256	430,444
Short-term loans and advances	15	11,215	37,532
Other Current assets	16	125,410,713	527,250
Total current assets		644,734,211	479,110,463
TOTAL		1,564,877,510	1,421,284,187

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 and Chief Financial Officer

MUMBAI, 29th April, 2015

MUMBAI, 29th April, 2015

AF-TAAB INVESTMENT COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Notes	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
I. Revenue from operations	17	230,325,598	331,772,003
II. Other income	18	14,294,056	13,826,387
Total revenue		244,619,654	345,598,390
III. Expenses			
Purchase of shares and securities		6,910,916	-
Decrease in inventories	19	12,289,498	7,796,636
Depreciation		553,477	535,057
Other expenses	20	37,167,037	51,421,891
Total expenses		56,920,928	59,753,584
IV. Profit before tax		187,698,726	285,844,806
V. Tax expenses			
Current tax expense		29,934,000	56,279,000
Short provision for tax relating to prior year		2,680,000	-
Net current tax expenses		32,614,000	56,279,000
Deferred tax		320,000	60,000
Total tax expense		32,934,000	56,339,000
VI. Profit for the year		154,764,726	229,505,806
VII. Earnings per equity share basic and diluted (face value of Rs. 100 each)	21	144.24	213.89

VIII. 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 and Chief Financial Officer

MUMBAI, 29th April, 2015

MUMBAI, 29th April, 2015

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AF-TAAB INVESTMENT COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
A. Cash flow from operating activities		
Profit before taxes	187,698,726	285,844,806
Adjustments for:		
Profit on sale of current investments	(22,319,715)	(174,898)
Profit on sale of long term investments	(97,047,911)	(263,806,739)
Provision against standard assets of NBFCs'	-	(213,000)
Provision for diminution in value of long term investment	30,000,000	47,500,000
Depreciation	553,477	535,057
	<u>(88,814,149)</u>	<u>(216,159,580)</u>
Operating profit before working capital changes	98,884,577	69,685,226
Adjustments for:		
Inventories	12,289,498	7,796,636
Short-term loans and advances	26,317	17,900,715
Other current assets	(124,883,463)	(527,250)
Trade payable	2,218,054	-
Other long-term liabilities	(8,800,000)	-
Other current liabilities	9,046,451	(7,717)
	<u>(110,103,143)</u>	<u>25,162,384</u>
Operating profit after working capital changes	(11,218,566)	94,847,610
Inter-corporate loans given	-	(35,000,000)
Inter-corporate loans refunded	-	120,000,000
Purchase of Non-current investments in Associate	-	(50,000,000)
in Others	(37,007,600)	-
Proceeds from sale of long-term investments- associates	122,200	127,800
Proceeds from sale of long-term investments- others	125,410,713	263,846,605
Purchase of current investments	(327,210,375)	(428,301,063)
Sale of current investments	296,882,802	128,484,722
	<u>58,197,740</u>	<u>(841,936)</u>
Cash generated from operations	46,979,174	94,005,674
Taxes paid net	(8,909,671)	(57,686,189)
Net cash from operating activities - (A)	<u>38,069,503</u>	<u>36,319,485</u>
B. Cash flow from investing activities		
Net cash from/(used) in investing activities - (B)	<u>-</u>	<u>-</u>
C. Cash flow from financing activities		
Dividend paid	(32,190,000)	(32,190,000)
Income tax on dividend paid	(5,470,691)	(5,470,691)
Net cash used in financing activities - (C)	<u>(37,660,691)</u>	<u>(37,660,691)</u>
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	<u>408,812</u>	<u>(1,341,206)</u>
Cash and cash equivalents as at 1st April, (opening balance)	<u>430,444</u>	<u>1,771,650</u>
Cash and cash equivalents as at 31st March, (closing balance) (refer note 14)	<u>839,256</u>	<u>430,444</u>

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 and Chief Financial Officer

MUMBAI, 29th April, 2015

MUMBAI, 29th April, 2015

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 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:

Depreciable amount for assets is the cost of an asset less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on addition's/deduction of assets is provided on pro-rata basis.

Pursuant to the enactment of the Companies Act, 2013 (the '2013 Act'), the Company has, effective 1st April, 2014, revised the estimated useful life of its fixed assets, to align the useful life with those specified in Schedule II of the 2013 Act. The carrying amount of the assets as on that date have been depreciated over the remaining useful life of the assets as per Schedule II of the 2013 Act. The consequential impact on the depreciation charged for the year is not material.

(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.

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(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 applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. 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 substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. 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.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

(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, 2015		As at March 31, 2014	
	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, 2015		March 31, 2014	
	Numbers	Rupees	Numbers	Rupees
At the beginning of the year	1,073,000	107,300,000	1,073,000	107,300,000
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, 2015, the amount of dividend per share recognised as distribution to equity shareholder is Rs. Nil per share (31st March, 2014 Rs.30 per share).

c. 1,073,000 shares (March 31, 2014 - 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, 2015 Numbers	March 31, 2014 Numbers
Equity shares bought back by the company in aggregate	266,200	266,200

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

4) RESERVES AND SURPLUS

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
(a) Capital redemption reserve	26,621,000	26,621,000
(b) Securities premium account	105,626,000	105,626,000
(c) Special reserve fund under Section 45(1)(c) of Reserve Bank of India Act, 1934		
Opening balance	670,800,000	624,898,000
Add: Amount transferred from Surplus in Statement of Profit and Loss	30,953,000	45,902,000
Closing balance	701,753,000	670,800,000
(d) General reserve		
Opening balance	276,106,548	253,155,548
Add: Amount transferred from Surplus in Statement of Profit and Loss	-	22,951,000
Closing balance	276,106,548	276,106,548
(e) Surplus in Statement of Profit and Loss		
Opening balance	161,845,703	38,853,588
Add: Profit for the year	154,764,726	229,505,806
Less:		
Proposed equity dividend (amount per share Rs. Nil (31st March, 2014: Rs. 30))	-	32,190,000
Tax on proposed equity dividend	-	5,470,691
Transferred to:		
Special reserve fund	30,953,000	45,902,000
General reserve	-	22,951,000
Closing balance	285,657,429	161,845,703
Total Reserves and Surplus	1,395,763,977	1,240,999,251

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

5) DEFERRED TAX LIABILITIES

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Deferred tax liabilities		
Depreciation and amortisation	4,743,000	4,423,000
	4,743,000	4,423,000

6) OTHER LONG TERM LIABILITIES

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Other liabilities		
Security deposit received	-	8,800,000
	-	8,800,000

7) OTHER CURRENT LIABILITIES

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Other payables		
Statutory liabilities	246,451	-
Other payables	85,375	85,375
Security deposit received	8,800,000	-
	9,131,826	85,375

8) SHORT-TERM PROVISIONS

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Provisions for - Others		
Proposed equity dividend	-	32,190,000
Provision for tax on proposed equity dividend	-	5,470,691
Provision for tax (net of advance tax of Rs. 466,455,197 (31st March, 2014 Rs. 516,504,980))	45,392,001	21,687,218
	45,392,001	59,347,909

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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, 2014	Additions during the year	Deductions during the year	As at March 31, 2015	Additions during the year	Deductions during the year	As at March 31, 2015	As at March 31, 2015
Tangible assets- given under operating lease								
Buildings	25,570,711	-	-	25,570,711	399,324	-	9,517,143	16,053,568
	<i>25,570,711</i>			<i>25,570,711</i>	<i>416,803</i>		<i>9,117,819</i>	<i>16,452,892</i>
Office equipment	3,606,191	-	-	3,606,191	154,153	-	1,477,740	2,128,451
	<i>3,606,191</i>			<i>3,606,191</i>	<i>118,254</i>		<i>1,323,587</i>	<i>2,282,604</i>
Total	29,176,902	-	-	29,176,902	553,477	-	10,994,883	18,182,019
	<i>29,176,902</i>			<i>29,176,902</i>	<i>535,057</i>		<i>10,441,406</i>	<i>18,735,496</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. During the year, the Company has proposed to terminate operating lease arrangements effective from 15th September, 2015, which has been accepted by the lessee.

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

As at	
March 31, 2015	As at March 31, 2014
Rupees	Rupees
6,670,125	14,294,056
-	53,610,075
553,477	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, 2015 Rupees	Cost as at March 31, 2014 Rupees
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			(60,000,000)	(30,000,000)
Brihat Trading Private Ltd.	3,350	3,350	33,500	33,500
Hemisphere Properties Ltd.	12,220	-	-	122,200
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			99,649,800	129,772,000
C. OTHER				
1 Equity Shares - (Quoted) fully paid up Trent Ltd.	472,714	387,714	129,372,416	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.	633,352	633,352	196,339	196,339
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)	(17,500,000)
Total C			332,221,549	360,584,351
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)
Rujuvallika 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	7,900,760	79,007,600	42,000,000
Tata Capital Ltd	2,333,070	2,333,070	36,131,205	36,131,205
Total C			409,076,911	372,069,311
Total A+B+C			841,448,260	862,925,662
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	500,000	50,000,000	50,000,000
Total A			50,000,000	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	50,000,000
Total			891,448,260	912,925,662
			As at March 31, 2015 Rupees	As at March 31, 2014 Rupees

Notes (1) Aggregate of Quoted Investments-

Cost	349,721,549	378,084,351
Less: Provision for diminution in value of investments other than temporary	17,500,000	17,500,000
Aggregate of quoted Investments- net of provision for diminution in value of investments other than temporary	332,221,549	360,584,351
Market Value.....	2,902,614,995	2,386,977,436

(2) Aggregate of Unquoted Investments-

Cost	662,135,150	625,249,750
Less: Provision for diminution in value of investments other than temporary	102,908,439	72,908,439
Aggregate of Unquoted Investments- net of provision for diminution in value of investments other than temporary	559,226,711	552,341,311

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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, 2015 Rupees	As at March 31, 2014 Rupees
(a) Advance income tax (net of provision of tax Rs. 140,341,601 (31st March, 2014 Rs.81,382,601))	9,698,665	9,698,211
(b) Other loans and advances Security deposit	814,355	814,355
	10,513,020	10,512,566

12) CURRENT INVESTMENTS

At lower of cost and fair value, unless otherwise stated

Investment in Mutual Funds (Unquoted)

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
ICICI Prudential Liquid Super Institutional Plan-Growth	-	190,763,087
Tata Liquid Super High Investment Fund - Growth	342,204,504	20,629,504
Tata Liquid Fund Direct Plan- Daily Dividend	59,945,529	138,110,154
	402,150,033	349,502,745

13) INVENTORIES

VALUED AT LOWER OF COST AND FAIR VALUE

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Stock of shares and securities	116,322,994	128,612,492
	116,322,994	128,612,492

14) CASH AND BANK BALANCES

Balances with banks
In current accounts

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
	839,256	430,444
	839,256	430,444

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is

	839,256	430,444
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15) SHORT TERM LOANS AND ADVANCES

Other loans and advances - Unsecured, considered good

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Prepaid expenses	11,215	37,532
	11,215	37,532

16) OTHER CURRENT ASSETS

Dividend receivable
Amount receivable on sale of Shares

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
	-	527,250
	125,410,713	-
	125,410,713	527,250

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

17) REVENUE FROM OPERATIONS

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
(a) Sale of shares and securities	33,567,967	13,615,268
(b) Dividend income		
Dividend from long term investments		
Associates	1,130,000	570,000
Others	68,210,435	36,216,292
Dividend from current investments		
Others	4,935,376	8,619,196
Dividend from shares and securities (inventories)		
Others	3,114,194	6,591,116
(c) Interest income		
Interest on Inter-corporate loans from Associates	-	2,178,494
(d) Other operating revenue		
Profit on sale of current investments	22,319,715	174,898
Profit on sale of long term investment	97,047,911	263,806,739
	230,325,598	331,772,003

18) OTHER INCOME

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
(a) Leave and licence fees	14,294,056	13,613,387
(b) Contingent provision against standard assets of NBFC's no longer required written back	-	213,000
	14,294,056	13,826,387

19) DECREASE IN INVENTORIES

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
Inventories at the beginning of the year	128,612,492	136,409,128
Less: Inventories at the end of the year	116,322,994	128,612,492
	12,289,498	7,796,636

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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, 2015 Rupees	For the year ended March 31, 2014 Rupees
(a) Custodian charges	16,632	17,730
(b) Rental of land and building	103,821	-
(c) Rates and taxes	929,604	1,504,418
(d) Profession tax	2,500	2,500
(e) Legal expenses	50,541	16,000
(f) Professional fees	204,345	215,912
(g) Directors' sitting fees	255,000	185,000
(h) Internal audit fees	56,180	56,180
(i) Auditors' fees	2,483,156	1,719,108
(j) Dematerialisation charges	19,062	135,456
(k) Corporate social responsibility (CSR) expenditure	600,000	-
(l) Insurance	34,073	34,376
(m) Service Tax	31,519	25,557
(n) Cost of services procured	2,360,684	-
(o) Miscellaneous expenses	19,920	9,654
(p) Provision for diminution in value of long term investment	30,000,000	47,500,000
	37,167,037	51,421,891

Payment to Auditors

Auditors' remuneration (inclusive of service tax):

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
Audit fees	674,160	674,160
Tax Audit	224,720	224,720
Taxation matters	1,443,826	707,868
Other services	140,450	112,360
Out of pocket expenses	-	-
	2,483,156	1,719,108

The remuneration disclosed above includes fees of Rs. 129,214 (31st March, 2014 - Rs. 707,868) 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, 2015	For the year ended March 31, 2014
Profit attributable to equity share holders (Rupees)- (A)	154,764,726	229,505,806
The weighted average number of equity shares (Nos.)- (B)	1,073,000	1,073,000
The nominal value per equity share (Rupees)	100	100
Basic and diluted earnings per share = (A)/(B)	144.24	213.89

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

22) SEGMENT ACCOUNTING

(a) Primary segment information:

	Investments	Trading	Inter Corporate Loans	Amount Rupees
				TOTAL
REVENUE				
Segment revenue	193,643,437	36,682,161	-	230,325,598
	<i>309,387,125</i>	<i>20,206,384</i>	<i>2,178,494</i>	<i>331,772,003</i>
RESULT				
Segment results	163,609,943	17,479,547	-	181,089,490
	<i>261,750,666</i>	<i>12,393,021</i>	<i>2,178,494</i>	<i>276,322,181</i>
Unallocated income net of unallocated expense				6,609,236
				<i>9,522,625</i>
Income Taxes				(32,934,000)
				<i>(56,339,000)</i>
Profit for the year				154,764,726
				229,505,806
OTHER INFORMATION				
Segment assets	1,419,009,006	116,322,994	-	1,535,332,000
	<i>1,262,428,407</i>	<i>129,139,742</i>	-	<i>1,391,568,149</i>
Unallocated assets				29,545,510
				<i>29,716,038</i>
Total assets				1,564,877,510
				1,421,284,187
Segment liabilities	-	-	-	-
	-	-	-	-
Unallocated liabilities				61,813,533
				<i>72,984,936</i>
Total liabilities				61,813,533
				72,984,936
CAPITAL EXPENDITURE				
Non cash expenses other than depreciation	30,000,000	-	-	30,000,000
	<i>47,500,000</i>	-	-	47,500,000
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 Rujuvalika Investments Limited (RIL)	India
Key Management Personnel (KMP) Sanjay Dube- Manager and Director	

b) Related party transactions:

Particulars	Holding Company	Associates and Fellow Associates	KMP
Inter corporate loans given to TCL	-	-	-
	-	<i>350,00,000</i>	-
Inter corporate loans repaid from TCL	-	-	-
	-	<i>1200,00,000</i>	-
Interest earned on inter corporate loans from TCL	-	-	-
	-	<i>21,78,494</i>	-
Dividend earned from NSL	-	8,55,000	-
	-	<i>5,70,000</i>	-
RIL	-	2,75,000	-
	-	-	-
Purchase of preference shares of TCL	-	-	-
	-	<i>500,00,000</i>	-
Letter of undertaking given on behalf of TCL	-	-	-
	-	<i>1597,31,510</i>	-
Rent paid to TPCL	1,03,821	-	-
	-	-	-
Sitting fees paid to KMP	-	-	60,000
	-	-	-
Receiving of services from TPCL	23,60,684	-	-
	-	-	-
Dividend paid to TPCL	321,90,000	-	-
	<i>321,90,000</i>	-	-
Balance Outstanding at the end of year			
Final proposed dividend payable TPCL	-	-	-
	<i>321,90,000</i>	-	-
Other payable TPCL	22,18,054	-	-
	-	-	-
Letter of undertaking outstanding given on behalf of TCL	-	-	-
	-	<i>1597,31,510</i>	-

Note: Previous year's figures are in italics.

AF-TAAB INVESTMENT COMPANY LIMITED
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. 14,993,499/- (31st March, 2014 –Rs. 10,358,203/-).

- 25)** The company has an investment in Taj Air Limited (TAL) of Rs.79,007,600/- (31st March, 2014 –Rs.42,000,000/-), TAL has accumulated losses as at 31st March, 2014, based on audited accounts for March, 2014, 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.

26) 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.

27) CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

During the year the Company has paid Rs. 600,000/- to Tata Power Community Development Trust towards CSR activities.

28) 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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