

AIRPORTS

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29<sup>th</sup> Annual Report 2013-14





Blacktopping of Santacruz-Chembur Link Road using Polymer Modified Bitumen

## COMPANY INFORMATION

### Board of Directors

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Mr. Jerry Varghese	Chairman cum Managing Director
Mrs. Saramma Varghese	Executive Director
Mr. Dilip Varghese	Executive Director
Mr. Anil Gopal Joshi	Independent Director
Mr. Ramesh Chander Gupta	Independent Director
Mr. Chandrakant Sanghavi	Independent Director

### Chief Financial Officer

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Mr. Anindya Mitra

### Company Secretary

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Mr. Sreekumar K	upto 31.05.2014
Mr. S. Chakraborty	from 12.08.2014

### Statutory Auditors

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M/s Hegde and Associates  
Chartered Accountants  
61/2695, Gandhi Nagar  
Bandra (E), Mumbai 400 051

### Bankers

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Vijaya Bank  
Kotak Mahindra Bank Ltd.

### Registered Office

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Tank Road, Off Gen Vaidya Marg,  
Goregaon (East), Mumbai 400 063  
Tel: +91-22-2840 2130/ 1180  
Website: www.tarmat.in

### Corporate Office

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Tarmat Chambers, Sector 24,  
Plot No. 19, Sanpada  
Navi Mumbai 400703  
Tel: +91-22-27831328/1334  
Fax: +91-22-27833872  
Email: contact@tarmat.in

### Registrars & Transfer Agents

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Bigshare Services Private Limited  
E/2, Ansa Industrial Estate, Saki Vihar Road,  
Andheri (E), Mumbai- 400 072  
Phones +91-22-28470652/0653  
Fax: +91-22-28475207  
Email: bigshare@sify.com  
Website: www.bigshareonline.com

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Notice is hereby given that 29th Annual General Meeting of the Members of Tarmat Limited will be held on Tuesday 30th September, 2014 at 2.30 P.M. at Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai 400049 to transact the following business:

### Ordinary Business:

- 1 To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March 2014, Balance Sheet as on that date, Auditors Report and Director's report thereon
- 2 To Appoint a Director in place of Mr. Dilip Varghese (DIN no 01424196) who retires by rotation and being eligible, offers himself for reappointment.

### 3 Appointment of Auditors:

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and pursuant to the recommendations of the Audit Committee of the Company, M/s. Hegde and Associates, Chartered Accountants (Firm Registration No.103610W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Next annual General Meeting and authorize the Board of Directors to fix their remuneration.”

### Special business:

- 4 To consider and if thought fit to pass with or without modifications following resolution as an ordinary resolution  
RESOLVED THAT pursuant to provisions of sections 196,197,198 schedule V and any other applicable provisions of the Companies Act, 2013 or any amendment to the said Act, and pursuant to the recommendation by the Nomination and Remuneration Committee of Directors of the Company, consent of the Member of the Company be and is hereby accorded to reappoint Mr.Dilip Varghese(DIN no 01424196) as whole time Director designated as Executive Director of the Company for a further period of 5 years with effect from 1st April, 2014 on the terms and conditions including remuneration payable as mentioned below:

- A.** (I) Salary : Basic salary in the range of Rs.60,000 to Rs.1,00,000 per month (annual increase there in to be decided by the Board with in the above ceiling)
- (II) Special Allowances: As may be decided by the Board from time to time but shall not include Provident Fund, Gratuity, and Superannuation fund etc.

### B. Perquisites :

Perquisites applicable to the Executive Director in addition to salary as follows:-

- i) The Expenditure by the company on hiring/leasing furnished accommodation will be subject to 50% of the salary, over and above 10% payable by the Executive Director.
- ii) In case the accommodation is owned by the company, 10%of the salary of the Executive Director shall be deducted by the company. In case no accommodation is provided by the company, the Executive Director shall be entitled to house rent allowance subject to the ceiling laid down Housing i) above.
- iii) Medical Reimbursement:  
Reimbursement of expenses incurred for self and family subject to a ceiling of the month's salary per year or three month's salary over the periods of 3 years.
- iv) Leave Travel Concession:  
Leave Travel Concession for self and family subject to maximum of once in a year incurred in accordance with Rules of the company.
- v) Personal Accident Insurance:  
Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.3000/- Per Month
- vi) Provident Fund/Superannuation Fund and Gratuity as per rules.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will be included in computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income Tax Act.

vii) Earned Leave:

On full pay and allowances as per the rules of the company, but not exceeding one month's leave for every eleven months of service and, leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.

viii) Car for use on Company's Business and telephone at residence will not be considered as perquisite.

- C. Mr. Dilip Varghese will not divulge or disclose or use for his own purpose or any information or knowledge or trade secrets of the company.
- D. Subject to the superintendence control and direction of the board, Mr. Dilip Varghese will exercise and perform such powers and duties as the Board of Directors shall determine from time to time .
- E. The appointment is terminable by either party by giving the other three months notice in writing.
- F. In any financial year, during the tenure of the Executive Director the company has no profit or its profits are inadequate, the company will pay him remuneration by way of salary and perquisites in accordance with limits stipulated in schedule V to the Company's Act 2013. The remuneration payable to Mr. Dilip Varghese is subject to the limits of 5 % to 10 % of net profits of the company as the case may be, as laid down in sub-section (1) of section 197 of the Companies Act, 2013 and the overall limit of 11% of net profits of the company as laid down in sub-section (1) of Section 198 of the Said Act or such other limits as may be specified by the prescribed authorities from time to time.
- G. Executive Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment.

RESOLVED FURTHER THAT Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as the case may be necessary for the aforesaid purpose."

#### **5) Appointment of Mr. Anil Joshi as an Independent Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed there under, read with Schedule IV to the Companies Act, 2013 as amended from time to time and Clause 49 of the Listing Agreement, Mr. Anil Joshi (DIN: 00019927), a non-executive Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this 29th Annual General Meeting i.e. 30th September, 2014 till the conclusion of 34th Annual General Meeting to be held in the year 2019 not liable to retire by rotation ."

#### **6) Appointment of Mr. Ramesh Gupta as an Independent Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Companies Act, 2013 as amended from time to time and Clause 49 of the Listing Agreement, Mr. Ramesh Gupta (DIN: 00554094), a non-executive Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this 29th Annual General Meeting i.e. 30th September , 2014 till the conclusion of 34th Annual General Meeting to be held in the year 2019, not liable to retire by rotation."

#### **7) Appointment of Mr. Chandrakant Sanghavi as an Independent Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed there under, read with Schedule IV to the Companies Act, 2013 as amended from time to time and Clause 49 of the Listing Agreement, Mr. Chandrakant Sanghavi (DIN: 00039015), a non-executive Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member

proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this 29th Annual General Meeting i.e. 30th September, 2014 till the conclusion of 34th Annual General Meeting to be held in the year 2019, not liable to retire by rotation.”

**Registered office:**

Tank Road, Off Gen Vaidya Marg,  
Goregoan (East) Mumbai-400063

Date: 23/08/2014

By Order of Directors

**For Tarmat Limited**

**S. Chakaborty**

Company Secretary

**NOTES:**

**1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of meeting.**

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 pertaining to the business under Item Nos. 4 to 7 set out above Notice is annexed hereto.
3. Corporate Members are required to send a duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
4. Members are requested to bring their Attendance Slip along their copy of the Annual Report to the meeting.
5. Member who holds shares in dematerialized form requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
6. Members seeking any further information about the accounts are requested to send their queries to the Company to collect the relevant information.
7. Members are requested to notify immediately any change in their address /bank mandate to their respective Depository Participants (DP s) in respect of their electronic shares account and to the Registrar and Share Transfer Agent of the Company at Big share services private Limited  
E/2, Ansa Industrial Estate, Saki Vihar Road, Andheri(E), Mumbai -400072 Maharashtra in respect of their physical share folios, if any.
8. The Register of Members and the Share Transfer Book of the Company will remain closed from 25.09.2014 to 30.09.2014 (both days inclusive)
9. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting the said resolutions will not be decided on a show of hands at the AGM.

**10. The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the company as on the cut-off date i.e September 23 2014.**

11. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company pleased to provide to the members facility to exercise their votes at the 29th AGM by electric means and the business may be transacted through e-voting as per details below:

- (i) The voting period begins on 24-09-2014 9 AM and ends on 26-09-2014 6 PM During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23-09-2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the <b>folio/client id</b> number in the PAN field.</li> <li>● In case the <b>folio</b> number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with <b>folio</b> number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will thendirectly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a complianceuser should be created using the admin login and password. The Compliance user would be able to link the account(s)for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA)which they have issuedin favour of the Custodian,if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## Explanatory Statement pursuant to section 102(1) of the companies Act, 2013

### Special business:

#### Item No: 4

The Board of Directors had appointed Mr. Dilip Varghese as an Executive Director on the terms and conditions mentioned there in his term expired on 31/03/2014. To continue to avail the valuable service of Mr. Dilip Varghese the Board proposed to appoint him for a further period of 5 years accordingly passed a resolution at its meeting held on 23/08/2014.

Mr. Dilip Varghese born on 12/2/1984 has completed his degree of Bachelor of Science in Management and Bachelor of Science in Marketing from Pennsylvania State University and SAP certification. Mr. Dilip Varghese holds 1028137 shares of the company. Board wishes to avail knowledge and expertise of Mr. Dilip Varghese.

The Board of Directors recommends Ordinary Resolution at item No 4 for your approval.

Except Mr. Jerry Varghese and Mrs. Saramma Varghese, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice

#### Item No: 5 to 7

Mr. Anil Joshi, Mr. Ramesh Gupta and Mr. Chandrakant Sanghavi were appointed as Directors of the Company on 31st July, 2006, 31st July, 2006 and 7th November, 2012 respectively.

Mr. Anil Joshi, Mr. Ramesh Gupta and Mr. Chandrakant Sanghavi are Directors whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Act, it is required that Independent Directors not be liable to retire by rotation and be appointed for a fixed term. In terms of section 149 and other applicable provisions of the Act, Mr. Anil Joshi, Mr. Ramesh Gupta and Mr. Chandrakant Sanghavi being eligible and offering themselves for appointment, is proposed to be appointed as an Independent Directors for a term up to the conclusion of 34th Annual General Meeting to be held in the year 2019

Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors ("the Board") have reviewed the declaration made by them that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and the Board is of opinion that they fulfill the conditions specified in the Companies Act, 2013 and the rules made thereunder and are independent of the management. Hence, it is deemed fit to appoint them as Independent Directors on the Board of the Company. A copy of the draft letter for the appointment of Mr. Anil Joshi, Mr. Ramesh Gupta and Mr. Chandrakant Sanghavi as an Independent Directors setting out the terms and conditions is available for inspection by the Members at the Company's Registered Office between 2.00 p.m. to 4.00 p.m. on any working day (Monday to Friday) of the Company upto the day previous to the date of Annual General Meeting.

Mr. Anil Joshi, Mr. Ramesh Gupta and Mr. Chandrakant Sanghavi are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as a Director of the Company.

The Company has received notice from a Member, along with the requisite deposit under Section 160 of the Companies Act, 2013, proposing their candidature for appointment as an Independent Directors of the Company.

The detailed profile of Mr. Anil Joshi, Mr. Ramesh Gupta and Mr. Chandrakant Sanghavi Directorship and Committee position held by them in other Companies is included separately in this Notice and report on Corporate Governance forming part of the Annual Report.

Your Directors consider that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Anil Joshi, Mr. Ramesh Gupta and Mr. Chandrakant Sanghavi as an Independent Directors.

Accordingly, your Directors recommend the Resolution for the approval of the Members appointing Mr. Anil Joshi, Mr. Ramesh Gupta and Mr. Chandrakant Sanghavi as an Independent Directors of the Company for a period of five years, not liable to retire by rotation.

Except Mr. Anil Joshi, Mr. Ramesh Gupta and Mr. Chandrakant Sanghavi no Director, Key Managerial Personnel or their relatives, is in any way concerned or interested in the resolution at item no. 5, 6 and 7 of the Notice.

Your Directors recommend the resolution at item no. 5, 6 and 7 of the Notice.

### Profile of Directors

Particulars	Mr. Anil Joshi	Mr.Dilip Varghese	Mr.R C Gupta	Mr. Chandrakant Sanghavi
Date of Birth	19.12.1943	12.2.1984	1.1.1945	12.05.1949
Date of Appointment	17.07.2006	17.06.2006	14-7-2012	07.11.2011
Qualification and Experience	Msc...(Physics), DBM,CAIIB part I	Bachelor of Science (Management) & Bachelor of Science(Marketing), SAP Certification Exp. 4 years	B E (Civil Engg from IIT Delhi in 1966)	B E (Civil Engg.) Over 38 years experience. Retd. as Chief Engineer City Industrial Development Corporation (CIDCO) Maharashtra
	Chairman & Managing Director –Dena Bank (Retd).		M I E institution of Engineers India	
	Executive Director- Indian Bank		Rtd.Associate Director Airport (intercontinental consultant and technocrat Pvt Ltd New Delhi )	
	President-Bank Sports Board -Indian Bank Association			
	Chairman AFC			
	Chairman -Finance Banking & Insurance Committee -IMC			
	Member-Think Tank IMC			
	Member-Evaluation Committee-Maharashtra Airport Development Co.Ltd			
Directorship in other public companies	GDA Trustee & Consultancy Ltd	NIL	Nil	NIL
	Videocon Industries Ltd			
	Saraswat Co-op Bank Ltd			
	Unity Infrastructure Ltd			
	APLAB Ltd.			
Director's shareholdings	Nil	1035117	Nil	Nil
Relationship with Directors	Nil	Mr.Dilip Varghese is the son of Mr. Jerry Varghese & Mrs. Saramma Varghese	Nil	Nil

## Directors' Report

To,  
The Members  
Tarmat Limited

Your directors are pleased to present the 29th Annual Report of the company and the audited accounts for the year ended 31st March, 2014

### Financial Results :

(₹ in Lacs)

Particulars	31st March, 2014	31st March, 2013
Total Income	10726.69	15738.57
Total Expenditure	13012.37	16676.17
<b>Profit Before Tax &amp; Exceptional items</b>	<b>(2285.68)</b>	<b>(937.60)</b>
Exceptional items	0.00	(1044.15)
Provision for Taxation	0.00	(700.00)
Provision for Deferred Tax	43.27	54.42
<b>Profit/(Loss) for the year after Tax and exceptional items</b>	<b>(2242.41)</b>	<b>(2627.33)</b>
Balance Brought Forward	218.47	2845.79
<b>Balance Carried Forward</b>	<b>(2023.94)</b>	<b>218.46</b>

### Performance of the Company:

The turnover during the year reduced to Rs.10531.95 lacs as compared to Rs.15457.38 lacs for the previous year ended 31st March 2013.

The infrastructure sector in India presents a pitiable picture. Every infra company is finding the going tough in India. Getting sanctions and clearances from statutory authorities is cumbersome. Receiving payments against bills is delayed. High interest coupled with higher overheads has eaten away the profits. Your company is no exception to this scenario.

### Future prospects

The management is of the opinion that unless the interest burden is reduced, the company will find it difficult to make profits. Hence some of the properties owned by the company is proposed to be sold and the bank liability paid off.

### Capital and Finance:

Due to severe liquidity problems, the company was not able to pay the dues to Vijaya Bank after our account was classified as Non Performing Asset by the bank in FY 2012-13. The company has filed an appeal with Debt Recovery Tribunal to give reasonable time to dispose the surplus non operating assets and pay off Vijaya Bank. This transaction will not affect the current operations of the company. The company has defaulted in repayment of equipment finance loan from Srei Equipment Finance Ltd., Apart from Vijaya Bank, facilities have been availed from Kotak Mahindra Bank Limited; Both these accounts are standard.

The company's shares are being traded in the Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd. (NSE).

### Dividend:

As you are aware, during the year 2013-14, the performance did not match expectation. Cash flow has not substantially improved as the company did not receive disbursements from customers on timely basis. To regularise the funds flow, your directors decided to retain the resources and hence do not recommend any dividend for this year too.

### Directors:

In terms of the provisions of section 152 of the Companies Act, 2013, and Articles of Association of the company, Mr. Dilip Varghese, Directors retire at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.

### **Fixed Deposit:**

During the year under review, the company has not taken any unsecured loans. Unsecured loans taken from one of the promoter directors during 2012-13 was repaid during the year.

### **Particulars of Employees:**

There are no employees in the company who are drawing prescribed salary under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

### **Auditors & Their Report:**

M/s Hegde & Associates, Chartered Accountants, Mumbai, the auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. They have furnished a certificate to the effect that their proposed appointment, if made will be in accordance with the conditions prescribed under Section 139 (1) of the Companies, Act, 2013 and they satisfy the criteria provided in section 141. Your directors recommend their reappointment.

### **Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and outgo:**

Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 217(1)(e) of the companies Act, 1956 read with the Companies (Disclosure of the particulars in the report of the Board of Directors) Rules, 1988 is given by way of Annexure to this report.

### **Corporate Governance**

A report on corporate governance is attached to this report as Annexure. Certificate from the Auditors of the Company regarding compliance of clause 49 of Listing Agreement is also annexed herewith.

The Management Discussion and Analysis Report as required under the code of Corporate Governance are given in the Annexure attached to the Director's Report.

### **Social responsibility**

Your company has been in the forefront in assisting the poor financially and provide medical aid to the ailing.

The construction activities of Tarmat Ltd. are spread all over India, many of them in rural areas. The pollution arising from construction sites is strictly kept under control. Help is always provided to the locals in times of need by way of finance or by vehicles for transportation. Cordial relation is always maintained with the locals, wherever Tarmat is working, hard core support of the locals is available.

### **Directors Responsibility Statement**

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

1. In the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards have been followed and that there are no material departures from the same.
2. The Directors have, selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2014 and of the loss of the company for the year ended on that date:
3. The Directors have taken proper and sufficient care, to the best of their knowledge and ability, for maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. They have prepared the annual accounts on a going concern basis.

### **Personnel and Industrial Relations:**

The Company enjoyed cordial relations with the employees during the year under review and the Management appreciates the employees of all cadres for their dedicated services to the Company.

**Acknowledgements:**

The Board of Directors wishes to express its appreciation for the outstanding contribution made by the employees of the company to the operations of the company during the year. The Board of Directors would like to place on record their appreciation of the assistance, guidance and support extended by the Government at the Centre, States, Banks and other Financial Institutions. Your directors also place on record their sincere appreciation of the total commitment and hard work put in by all the sub contractors, consultants and clients of the company.

**For and on behalf of the Board of Directors**

Sd/-  
**CHAIRMAN**

Date: 31.05.2014  
Place: Mumbai

**Annexure to the Directors' Report**

Annexure to the Directors' Report

Statement Pursuant to Section 217(1) (e) of The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

**(a) Conservation of Energy**

The company is taking all steps necessary to minimize energy consumption

**(b) Technology Absorption**

Efforts are made towards technology up gradation with constant efforts are made to improve quality services offered by the company.

**(c) Foreign Exchange Earning and Outgo**

Foreign Exchange earnings: Rs. 56.70 lacs/- (Previous Year Rs.27.14lacs)

Foreign Exchange outgo: Rs. Nil (Previous Year Rs. Nil)

**For and on behalf of the Board of Directors**

Sd/-  
**CHAIRMAN**

Date: 31.05.2014

**REGISTERED OFFICE**

Tank Road, Off Gen Vaidya Marg,  
Goregaon (East),  
Mumbai 400 063.

# Management Discussion and Analysis Report

## 1. Industry Structure and Development and Outlook

As per the World Economic Forum Report 2013-14 presented in Davos, Switzerland, India now ranks 60th in Global Competitive Index continuing its downward trend that began in 2009. Since then, India has been overtaken by a number of countries like Brazil and South Africa. The country's supply of transport, ICTs, and energy infrastructure remains largely insufficient and ill-adapted to the needs of the economy, despite the steady improvement that has been made since 2006. The Indian business community repeatedly cites infrastructure as the single biggest hindrance to doing business, ahead of corruption and cumbersome bureaucracy. Discontent within the business community remains high about the lack of reforms and the perceived inability of the government to push them through. The inflation rate and public deficit-to-GDP ratio were dangerously close to double digits in 2012. The

Recent research shows that every 10 percent increase in infrastructure provision increases output by approximately 1 percent in the long term. Improved infrastructure quality accounted for 30 percent of growth attributed to infrastructure in developing countries. Scaling up infrastructure investment in developing countries can help generate a virtuous cycle in support of a global recovery.

The Global economy grew by about 3.7 % in 2013-14, which will rise to 3.9% in 2014-15, as per the IMF report. Indian economic growth rate was 5.4% in 2013-14, which may go up to 6.4% in 2014-15.

## 2. Opportunities & Threats

Tarmat has been the pioneers in airport runway works and airside works. We have also been executing highways and roads.

India has about 76818 km of National Highways, of which 10226 km was added in the Eleventh Plan (2007-2012). These constitute only 1.7% of the road network, but carry 40% of the traffic. The ministry of road transport and highways has decided to adopt the Engineering Procurement and Construction (EPC) mode for National Highways which are not viable on PPP basis. The 12th Five Year Plan envisages construction of 20,000 km of 2-lane National Highways projects through EPC mode.

In spite of this, the future is not bright as we foresee. Inflation at an alarming rate has created a situation where there is no margin on the projects. Inordinate delay occurs in obtaining clearance from the various government agencies. We are aware that some reputed infrastructure companies withdrew from National Highway projects due to delay in getting all clearances.

## 3. Internal Control

The company has a proper and adequate system of internal controls covering all operational and financial functions commensurate with the size of the company. The company's internal control is designed in such a way that it ensures corporate strategy is implemented, achieve effective and efficient corporate processes, safeguard the value of corporate assets, reliability and integrity of accounting and management data, and operations comply with all existing rules and regulations.

All the financial and audit control systems are also reviewed by the Audit Committee of the board of Directors of the company.

## 4. Operations

The company continued its focus on cost reduction and cost control at all levels.

## 5. Human Resources and Industrial Relations

The company understands the value of acquiring the highly intellectual human capital which the company believes is a crucial asset of the company. For this purpose, company follows the strategy "to attract, to retain and to motivate" the personnel through providing the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. We have focused on to build positive attitude in the employees while working with Tarmat Limited. Tarmat Limited follows the principle - "good performance should be appreciated by good rewarding."

**For and on behalf of the Board of Directors:**

Sd/-  
**CHAIRMAN**

Date: 31.05.2014

Place: Mumbai.

## Report on Corporate Governance

### I Listing of Company's shares in stock exchange

The shares of your company are listed with Bombay Stock Exchange and National Stock Exchange. Accordingly, the Corporate Governance Report for the year 2013-2014 has been prepared pursuant to the provisions of clause 49 of the Listing Agreement.

### II Company's Philosophy on Corporate Governance

Corporate governance represents the value framework, the ethical framework and the moral framework under which business decisions are taken. Corporate governance therefore calls for three factors:

- Transparency in decision-making
- Accountability which follows from transparency because responsibilities could be fixed easily for actions taken or not taken, and
- The accountability is for the safeguarding the interests of the stakeholders and the investors in the organisation .

Effective corporate governance depends upon the commitment of the people in the organisation. Your company has a strong legacy for fair, transparent and ethical governance policies. The company has adopted a code of conduct for members of Board of Directors and senior management who have affirmed in writing their adherence to the code.

### III. Board of Directors (Board)

#### (A) Composition and size of the Board

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business, finance, human resources and management. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors, complies with the requirements of Clause 49 (I) (A) of the Listing Agreements. The present strength of the Board of Directors is six, out of which three are Promoters & Executive Directors, and the other three are Non-Promoter, Independent Directors. None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees (as specified in Clause 49 of the Listing Agreements) across all companies in which they are Directors. The Board does not have any Nominee Director representing any institution. The names and categories of Directors, the number of Directorships and Committee positions held by them in other companies are given below:

Name of the Director and category	No. of directorship in other public companies	No of committee Memberships / Chairmanship held in the Board Committees of other Public Limited Companies as on 31.3.2014	
		Member	Chairman
Mr. Jerry Varghese (Managing Director) Executive and non- independent	NIL	NIL	NIL
Mrs. Saramma Varghese			
Executive and Non Independent	NIL	NIL	NIL
Mr.R.C Gupta			
Non Executive and Independent	NIL	NIL	NIL
Mr. Anil Gopal Joshi			
Non Executive and Independent	12	2	4
Mr. Chandrakant S Sanghavi			
Non Executive and Independent	1	NIL	NIL
Mr. Dilip Varghese			
Executive and Non- Independent	NIL	NIL	NIL

None of the directors are disqualified under Section 274 (1) (g) of the Companies Act, 1956 read with (Disqualification of Directors under Section 274 (1)(g) of the Companies Act, 1956) Rules, 2003.

**(B) Details of Board and Annual General Meetings and attendance record of Directors thereat.**

During the financial year 2013-2014 the Board of Tarmat Limited met 4 times on 27.06.2013, 14.08.2013, 14.11.2013 and 10.02.2014

A table depicting the attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

<b>Name of the Director</b>	<b>No. of the Board meetings held during the year 2013-2014</b>	<b>No. of the Board meetings attended during the year 2013-2014</b>	<b>Whether attended AGM held on 30th September, 2013</b>
Mr. Jerry Varghese	4	4	Yes
Mrs. Saramma Varghese	4	4	Yes
Mr. R. C. Gupta	4	0	No
Mr. Anil Gopal Joshi	4	4	Yes
Mr. Dilip Varghese	4	4	Yes
Mr. C. S. Sanghavi	4	4	Yes

**(C) Code of Conduct**

The Board has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the company [www.tarmat.in](http://www.tarmat.in). All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director of the Company to this effect is enclosed at the end of this Report.

The code of conduct seeks to ensure that the Directors and the Senior Management Personnel observe a total commitment to their duties and responsibilities while ensuring a complete adherence with the applicable statutes on one hand and values and ethics on the other..

**IV. Committees of the Board**

The Board constituted committees namely, Audit Committee, Remuneration Committee and Share Transfer cum Shareholders'/Investors' Grievance Committee are in accordance with the terms of reference determined by the Board. Meetings of each of these Committees are convened by the respective Chairmen. Matters requiring Board's attention/approval are placed before the Board. The role, the composition of these Committees including the number of meetings held during the financial year and the related attendance detail are provided below

**(A) Audit Committee****Composition**

The Audit Committee comprises of four members: Mr. A.G. Joshi, Chairman, Mr. C S Sanghavi and Mr. R.C. Gupta, independent directors and Mrs. Saramma Varghese, Executive Director. Mr. Sreekumar K, Company Secretary also acts as the Secretary to the Audit Committee.

**Terms of reference of the Audit Committee**

The terms of reference of the Audit Committee, inter-alia, include :

- to oversee the financial reporting process and disclosure of financial information;
- to review with management, quarterly, half yearly and annual financial statements and ensure their accuracy and correctness before submission to the Board;
- to review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- to recommend the appointment of the internal and statutory auditors and fixing their remuneration;
- to hold discussions with the Statutory and Internal Auditors and fixing their remuneration;
- to hold discussions with the Statutory and Internal Auditors.

**Meetings and Attendance during the year**

During the year 2013-2014, the Audit committee met four times and the attendance record of committee members to the meetings so held is depicted in the table given below:

<b>Name of the Member</b>	<b>Meetings held</b>	<b>Meeting Attended</b>
Mr. A G Joshi	4	4
Mr. R.C. Gupta	4	0
Mr. C S Sanghavi	4	4
Mrs. Saramma Varghese	4	4

**(B) Remuneration Committee****Composition**

The Company has in place a Remuneration Committee comprising of two Independent Non-Executive Directors namely, Mr. A. G. Joshi, as its Chairman and Mr. R. C. Gupta and Mr. C. S. Sanghavi as members.

**Terms of reference**

The terms of reference of Remuneration Committee, inter-alia, include :

- to recommend to the Board compensation terms of the Executive Directors;
- to assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors.

**Meetings**

During the year, the Committee met once on 10.02.2014 and it was attended by two members.

**Remuneration Policy**

The Company's Remuneration Policy is market-led taking into account the competitive circumstance of the business so as to attract and retain quality talent.

**Remuneration of Directors**

The table given below specifies the details of remuneration package of Directors and their relationships with other Directors on the Board.

<b>Name of Director</b>	<b>Salary Rs.</b>	<b>Sitting Fees Rs.</b>	<b>Total Rs.</b>
Mr Jerry Varghese	2400000	NIL	2400000
Mrs. Saramma Varghese	1200000	NIL	1200000
Mr. Dilip Varghese	720000	NIL	720000
Mr. R.C. Gupta	NIL	NIL	NIL
Mr. Anil Gopal Joshi	NIL	60000	60000
Mr. C S Sanghavi	NIL	60000	60000

**(C) Share Transfer cum Shareholders'/ Investors' Grievance Committee**

The Share Transfer cum Shareholders' / Investors' Grievance Committee constituted by the Board comprises of three directors, namely Mr. A G Joshi, Mr. Chandrakant Sanghavi and Mrs. Saramma Varghese.

Mr. Chandrakant Sanghavi, an Independent, Non-Executive Director, is the Chairman of the Committee.

**Terms of Reference**

The scope, terms of reference and functioning of the Committee is as per areas prescribed by Clause 49 of the Listing Agreement. One of the primary functions carried out by the Committee is to approve requests for share transfers and transmissions and those pertaining to re-mat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc. For this purpose, the required authority has been delegated to Mrs. Saramma Varghese.

The Committee oversees all matters encompassing the shareholders' / investors' related issues.

**Meetings and Attendance during the year**

<b>Name of the Member</b>	<b>No. of meetings held</b>	<b>No. of meetings attended</b>
Mr. A. G. Joshi	4	4
Mr. C. S. Sanghavi	4	4
Mrs. Saramma Varghese	4	4

**a) Name and designation of compliance officer**

Mr. Sreekumar K, Company Secretary, is the Compliance Officer pursuant to Clause 47(a) of the Listing Agreement with Stock Exchanges.

**V General Body Meetings**

**Annual General Meeting:** Details of last three Annual General Meetings held are as follows

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
Twenty Eighth AGM 2012-13	Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.	30.09.2013	11 AM.
Twenty Seventh AGM 2011-12	Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.	27.09.2012	10 A.M.
Twenty Sixth AGM 2010-11	Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.	29.09.2011	4 PM.

**VI. Disclosures**

## (i) Details on materially significant related party transactions

Details of materially significant related party transactions made during the year 2013-2014, are contained in the notes to the annual accounts which form a part of the Annual Report.

## (ii) Details of non-compliance, penalties etc imposed by Stock Exchange, SEBI etc. on any matter related to capital markets, during the last three years.

There has been no instance of any non-compliance by the Company on any matter related to capital markets and, hence, no penalties or strictures being imposed on the Company by SEBI or the Stock Exchanges or any other statutory authority on any such matter.

## (iii) Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.

The Company has in place a highly effective Whistle blower policy which sets out the process and mechanism whereby employees at various levels in the organization can bring to the notice of the management any violations of the applicable laws regulations as also any unethical or unprofessional conduct.

All such reports are taken up for consideration at appropriate intervals depending upon the gravity of the matter reported so that adequate remedial measures can be initiated in the right earnest, at the appropriate levels.

In order to encourage the employees to freely air their views and voice their concerns on various matters and to prevent any victimization of the employees, identity of the employees is kept strictly confidential.

It would be important to mention here that the Audit committee set up by the Board constitutes a vital component of the whistle blower mechanism and instances of financial misconduct, if any, are reported to the Audit committee. No employee is denied access to the Audit Committee.

## (iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the non-mandatory requirements are given at the end of the Report.

**VII. Means of Communication**

Publication of Results ; The quarterly / annual results of the Company are published in the leading newspapers viz Navashakti (Marathi) and Free Press Journal (English)

**VIII. General Shareholder Information****(A) Date of AGM**

The forthcoming Annual General Meeting of the Company will be held on Tuesday, 30th Sept. 2014 at 2.30 pm at Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.

**(B) Date of Book Closure**

The Register of members and share transfer books of the Company will remain closed from 25.09.2014 to 30.09.2014 (both days inclusive) for the purpose of the AGM.

**(C) (i) Distribution of shareholding as on 31st March 2014**

Sl.No.	Shareholding of nominal value (in ₹)		No. of holders	% to total holders	Value in ₹	% to nominal value
	From	To				
1	1	- 5,000	8293	90.54	8635730	7.88
2	5,001	- 10,000	419	4.57	3425240	3.13
3	10,001	- 20,000	230	2.51	3488740	3.19
4	20,001	- 30,000	57	0.62	1439110	1.31
5	30,001	- 40,000	36	0.39	1284940	1.17
6	40,001	- 50,000	30	0.33	1416790	1.29
7	50,001	- 1,00,000	40	0.44	2743680	2.50
8	1,00,001	and above	55	0.60	87172840	79.53
	<b>TOTAL</b>		<b>9160</b>	<b>100.00</b>	<b>109607070</b>	<b>100.00</b>

**(ii) Shareholding pattern as on 31st March 2014**

<b>Sr. No.</b>	<b>Category</b>	<b>No. of Shares</b>	<b>% holding</b>
1.	Promoters	68,94,490	62.90
2.	Private Bodies Corporate	10,99,788	10.03
3.	Indian Resident	28,53,696	26.04
4.	NRIs / OCBs	1,11,567	1.02
5.	Clearing Member	1,166	0.01
	<b>Total</b>	<b>1,09,60,707</b>	<b>100.00</b>

**(D) Dematerialization of shares and liquidity**

Shares of the Company are compulsorily traded in dematerialized form and are available for trading under both the depositories i.e. NSDL and CDSL.

As on 31st March 2014, 99.9971% Equity shares of the Company representing 1,09,60,388

shares out of a total of 1,09,60,707 equity shares were held in dematerialized form, and the balance 319 shares were held in physical form.

**(E) Listing on Stock Exchanges**

The Company's Equity Shares are listed on the following stock exchanges as of March 31, 2014:

**Bombay Stock Exchange Limited (BSE)**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

**National Stock Exchange of India Limited (NSE)**

"Exchange Plaza", Bandra-Kurla Complex,  
Bandra (E), Mumbai – 400 051

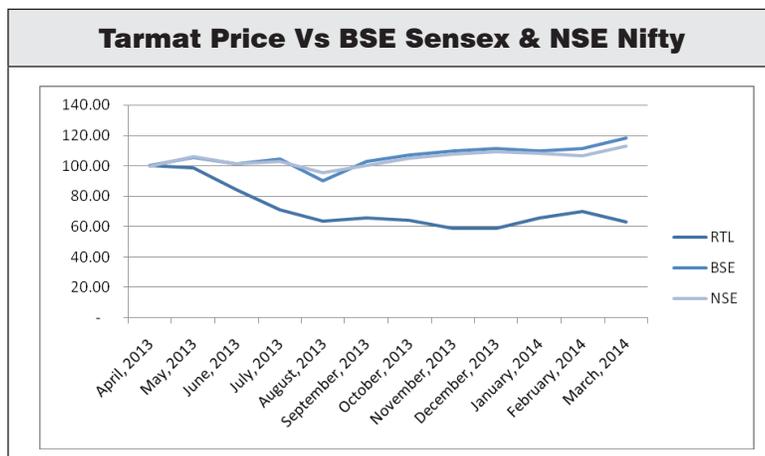
Annual listing fee for the year 2013-14 has been paid by the Company to BSE and NSE

**(F) Stock Code**

Bombay Stock Exchange Ltd.- 532869  
National Stock Exchange of India Ltd- TARMAT/EQ  
ISIN for Dematerialisation – INE924H01018

**(G) Stock Market Price at National Stock Exchange and Bombay Stock Exchange (BSE) for the period from April 2013 to March 2014**

	<b>BSE</b>			<b>NSE</b>		
	<b>HIGH</b>	<b>LOW</b>	<b>AVERAGE</b>	<b>HIGH</b>	<b>LOW</b>	<b>AVERAGE</b>
April, 2013	14.70	11.05	12.88	15.90	10.10	13.00
May, 2013	14.46	11.60	13.03	14.35	10.60	12.48
June, 2013	12.69	09.00	10.85	12.85	09.05	10.95
July, 2013	11.00	07.93	09.47	10.55	07.25	08.90
August, 2013	09.95	07.15	08.55	09.35	06.45	07.90
September, 2013	09.66	07.85	08.76	08.75	07.70	08.23
October, 2013	09.87	07.45	08.66	08.10	07.60	07.85
November, 2013	08.50	06.73	07.62			
December, 2013	08.10	07.10	07.60			
January, 2014	09.23	07.75	08.49			
February, 2014	09.95	08.10	09.03			
March, 2014	09.75	06.57	08.16			

**(H) Comparison of daily closing prices of the Company's share with the broad-based indices viz NSE Nifty & BSE Sensex.****(I) Registrar and Transfer Agent**

Bigshare Services Private Limited is the Registrar and Transfer Agent (RTA) of the Company, handling the shareholders and the share related matters, both in physical and the dematerialized segment.

The contact details of the RTA are as under:

**BIGSHARE SERVICES PRIVATE LIMITED**

(Unit : Tarmat Limited)

E/2, Ansa Industrial Estate, Saki Vihar Road,  
Andheri (E), Mumbai- 400 072

Phones +91-22-28470652/0653

Fax: +91-22-28475207

Email: bigshare@sify.com

Website: www.bigshareonline.com

**J) Share Transfer System**

As of date, 99.9971% of the Equity shares of the company are in electronic form. Transfer of these shares are done through the depositories without any involvement of the company.

For speedy processing of share transfers, the Board has delegated powers to approve share transfers to the Shareholders' / Investors' Grievance Committee. Transfers of shares in physical form are normally processed within 15 days of receipt, provided the documents are complete in all respect. All transfers are first processed by the Transfer Agent and are submitted to the company for approval thereof. Thereafter, authorised officers of the company approve the transfer and shares are returned to the shareholders.

Pursuant to Clause 47(c) of the Listing Agreement, certificates from a practicing Company Secretary on half yearly basis to the effect that all the transfers are completed in the statutorily stipulated time period have been obtained. Copy of the certificate so received is submitted both stock exchanges where shares of the company are listed.

**(K) Address for Correspondence****Registered Office**

Tank Road, Off Gen Vaidya Marg, Goregaon (East) Mumbai 400 063

Tel: +91-22-2840 2130/ 1180

Website: www.tarmat.com

**Corporate Office**

Tarmat Chambers, Sector 24,

Plot No. 19, Sanpada, Navi Mumbai 400 703

Tel: +91-22-27831328/1334

Email: contact@tarmat.com

**(L) Compliance Certificate from the Auditors of the Company**

A Certificate from the Auditors of the Company, M/S Hegde and Associates, certifying the Company's compliance with the provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to and forms a part of this Report.

The certificate is also being forwarded to the Stock Exchanges in India where the Securities of the Company are listed.

## **CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE**

I, Jerry Varghese, Managing Director and Anindya Mitra, Chief Financial Officer (CFO) of Tarmat Limited, to the best of our knowledge and belief hereby certify that:

- a) We have received financial statements and the cash flow statement for the year ended 31st March 2014 and:
  - 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the company during the year that are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for the establishing and maintaining internal control systems of the Company pertaining to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - 1) Significant changes in the internal control over financial reporting during the year;
  - 2) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - 3) Instances of the significant fraud of which we have become aware and the involvement therein, if any; of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-  
**JERRY VARGHESE**  
 MANAGING DIRECTOR

Sd/-  
**ANINDYA MITRA**  
 CHIEF FINANCIAL OFFICER

Date: 31.05.2014  
 Place: Mumbai

## **ANNUAL DECLARATION BY THE CEO PURSUANT TO CLAUSE 49(I)(D)(ii) OF THE LISTING AGREEMENT**

As the Managing Director of Tarmat Limited and as required by Clause 49(I)(D)(ii) of the Listing Agreement, I hereby declare that all Board members and Senior Management personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics, for the financial year 2013-2014.

Sd/-  
**JERRY VARGHESE**  
 MANAGING DIRECTOR

Date: 31.05.2014  
 Place: Mumbai

## **CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of Tarmat Limited

We have examined the compliance of conditions of Corporate Governance by Tarmat Limited ("the Company"), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

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

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

We state that there was no investor grievance pending as on March 31, 2014 as per the records maintained by the Company.

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

For **HEGDE & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

Registration No. 103610W

Sd/-

**MANOJ V SHETTY**  
**(PARTNER)**

M. No. -138593

Date: 31.05.2014

Place: Mumbai

# INDEPENDENT AUDITOR'S REPORT

## To the Members of TARMAT LIMITED (Formerly known as Roman Tarmat Limited)

### Report on the Financial Statements

We have audited the accompanying financial statements of **TARMAT LIMITED (Formerly known as Roman Tarmat Limited) ("the Company")**, which comprise the Balance sheet as at 31st March 2014 and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for these Financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956' of India (The "Act" read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) 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.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment including the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014; and
- (b) In the case of the statement of Profit and Loss of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order:
2. As required under provisions of section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of accounts 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 and statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet and statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013
  - (e) On the basis of written representations received from the directors, as on 31st March, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act.

FOR **HEGDE & ASSOCIATES**  
**(Chartered Accountants)**

Firm Reg. No – 103610 W

sd/-

**Manoj V. Shetty**  
**(Partner)**

M. No- 138593

Place: Mumbai  
Date: 31.05.2014

## Annexure to the Independent Auditors' Report:

Referred to in paragraph 1 of our report on **Other Legal and Regulatory Requirement**

- 1) (a) The Company has maintained proper records showing full particulars of quantitative details and situation of fixed assets.
  - (b) As explained to us, fixed assets, according to the practice of the company, are physically verified by the management at reasonable intervals. In a phased verification programme, which in our opinion is reasonable, looking to the size of the company and the nature of its business. According to the information and explanation given to us, discrepancies noticed on physical verification have been adjusted in the books of account.
  - (c) The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us, we are of the opinion that the disposal of the fixed assets has not affected the going concern of the Company.
- 2) (a) As explained to us, Inventories have been physically verified during the year by the management.
  - (b) The procedure explained to us, which are followed by the management for physical verification of inventories, are in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business
  - (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the company is maintaining proper records of its inventory. Discrepancies, which were noticed on physical verification of inventory as compared to book records, have been properly dealt within the books of accounts.
- 3) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register to be maintained under Section 301 of the Act.
  - (b,c,d) In view of (a) above, paragraphs 4 (iii) (b), (c) and (d) of the Order are not applicable.
  - (e) According to the information and explanation given to us, the Company has taken unsecured loan from a party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was 100 Lacs and the balance at the end of the year is NIL.
  - (f) In our opinion, the rate of interest and other terms and conditions of unsecured taken by the Company are not, prima facie prejudicial to the interest of the Company.
  - (g) During the year, principal amount for loans taken and interest thereon are not due for payment.
- 4) In our opinion and according to the information and other explanation given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to purchases of stores, raw materials including components, plant and machinery, equipment and other assets and for sale of goods. During the course of previous year assessment, no major weakness in internal control has come to our notice.
- 5) (a) On the Basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transaction in which directors were interested as contemplated under Section 297 and sub-section (6) of Section 299 of the Companies Act 1956 and which were required to be entered in the register maintained under Section 301 of the said Act, have been so entered.
  - (b) In our opinion and according to the information and explanation given to us, there are transactions of services made in pursuance of contract of arrangement entered in the register maintained u/s 301 of the Companies Act, 1956 and the same are at the market price of the best alternative available in the market for the same.
- 6) The Company has not accepted any deposits from the public during the year under review. Since the company has not accepted any deposits from the public, Section 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public is not applicable to the company.
- 7) In our opinion the company has an adequate internal audit system in commensurate with size of the company and the nature of its business.
- 8) We have broadly reviewed the records maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 9) (a) In our opinion and according to the information and explanation given to us, *barring non payment of undisputed liability of TDS 130.12 Lacs, Vat Rs 100.6 Lacs and Profession Tax Rs 2.82 Lacs and delays in payment of Tax Deducted at Source, Provident Fund and Profession tax*, the company is regular in depositing undisputed statutory dues including Investor Education and Protection fund, Employees State Insurance, Income Tax, Sales tax, Wealth Tax, Cess and other material statutory dues, if any applicable to it with appropriate authorities. According to the information and explanation given to us, *except payment of TDS Rs 130.12 Lacs, VAT Rs 100.6 Lacs and Profession Tax 2.82 Lacs*, there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March 14.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess which have not been deposited on account of dispute except in the following.

Name of the statute.	Nature of dues.	Amount involved.	Period Pending Before
Maharashtra VAT	Assessment	1,43,08,082	01.04.05 DC Appeal vi To 31.03.06
Maharashtra VAT	Assessment	1,26,16,462	01.04.05 DC Appeal vi To 31.03.06
Maharashtra VAT	Assessment	2,65,11,442	01.04.08 DC Appeal vi To 31.03.09

- 10) The Company does not have accumulated losses at the end of the financial year. However it has incurred cash losses during the current financial year and in the immediately preceding financial year.
- 11) According to the records of the Company examined by us and in the information and explanation given to us, the company has defaulted in repayment of following dues with Banks.

Sr. No	Name of the Bank	Principal (₹ in Lacs)	Interest (₹ in Lacs)	Period of Delay
1.	Vijaya Bank	4000.00	1248.32	UNPAID
2	Vijaya Bank (Performance Gurantee)	1941.57	675.91	UNPAID

Vijaya Bank has classified the account as Non Performing Assets during the Current financial year and has served a SARFESAI notice on the company against which the company has preferred an appeal.

In respect of the dues to the financial institution, there were defaults during the financial year under review which were made good by company by 31st March 2014.

Period of Default during the year	Principal (₹ in Lacs)	Interest (₹ in Lacs)	Total (₹ in Lacs)
91-180 Days	42.20	18.98	61.18
Upto 90 Days	42.30	7.26	49.56

- 12) As explained to us the company has not granted loans and advances on the basis of security by way of pledge of share, debentures and other securities.
- 13) The Company is not a chit fund, nidhi or mutual benefit society. Hence the requirement of Item (xiii) of paragraph 4 of the order is not applicable to the company.
- 14) During the year the company has not undertaken any dealing in shares, securities or other investment and hence reporting under this clause does not arise.
- 15) According to the information and explanation given to us, the company has not given guarantee for loans taken by others from bank or Financial Institution.
- 16) Based on the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were applied.
- 17) According to the information and explanation given to us and on an overall examination of the financial Statements of the Company and after placing reliance on the reasonable assumptions made by the company for classification of long term and short term usages if funds we are of the opinion that, prima facie, short term funds have not been utilized for long term purposes, no funds raised on short term basis have been used for long term investments. Similarly no funds raised on long-term basis have been used for short-term Investment.
- 18) According to the information and explanation given to us, the company has not made any preferential allotment of shares to parties and company covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures. Hence the requirement of clause (xix) of paragraph 4 of the Order is not applicable to the company.
- 20) The Company has not issued or raised money by public issues, during the year.
- 21) According to the information and explanation given to us, and to the best of our Knowledge and belief, no fraud on or by the company has been noticed or reported during the year.

FOR **HEGDE & ASSOCIATES**  
**(Chartered Accountants)**  
Firm Reg. No – 103610 W

sd/-  
**Manoj V Shetty**  
**(Partner)**  
M. No- 138593

Place: Mumbai  
Date: 31.05.2014

## Balance Sheet as at 31st March, 2014

(₹ in lacs)

Particulars	Note No.	As on 31st March 2014	As on 31st March 2013
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,096.07	1,096.07
(b) Reserves and surplus	4	4,711.93	6,954.33
		<b>5,808.00</b>	8,050.40
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	2,614.88	107.49
(b) Deferred tax liabilities (Net)	6	22.98	66.25
(c) Long-term provisions	7	39.13	46.91
		<b>2,676.99</b>	220.65
<b>3 Current liabilities</b>			
(a) Short-term borrowings	8	7,971.67	7,027.04
(b) Trade payables	9	1,824.17	1,888.54
(c) Other current liabilities	10	875.47	886.83
		<b>10,671.31</b>	9,802.41
<b>TOTAL</b>		<b>19,156.30</b>	<b>18,073.46</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	2,038.69	2,497.35
(ii) Intangible assets		14.63	14.63
(b) Non-current investments	12	2,446.14	3.50
(c) Long-term loans and advances	13	3,227.76	2,040.63
(d) Long Term Trade Receivables	14	603.06	746.70
		<b>8,330.27</b>	5,302.81
<b>2 Current assets</b>			
(a) Inventories	15	3,256.17	4,532.11
(b) Trade receivables	16	1,573.27	2,644.16
(c) Cash and cash equivalents	17	498.85	446.34
(d) Short-term loans and advances	18	5,497.73	5,148.04
		10,826.02	12,770.65
<b>TOTAL</b>		<b>19,156.30</b>	<b>18,073.46</b>

Summary of Significant Accounting Policies

**1&2**

As per our report of even date

**For HEGDE & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Registration No. 103610W

Sd/-  
**MANOJ V SHETTY**  
(PARTNER)  
Membership No.138593

Date: 31.05.2014  
Place: MUMBAI

**For and on behalf of the Board of Directors of Tarmat Ltd.**

Sd/-  
MANAGING DIRECTOR  
  
Sd/-  
CHIEF FINANCIAL OFFICER

Sd/-  
DIRECTOR  
  
Sd/-  
COMPANY SECRETARY

## Profit and Loss Account for the year ended 31st March, 2014

(₹ in lacs)

Particulars	Note No.	Year Ended 31.3.2014	Year Ended 31.03.2013
<b>I INCOME</b>			
Revenue from operations (Gross)	19	10,531.95	15,457.38
Less : Excise Duty		-	-
<b>II Revenue from operations (Net)</b>		<u>10,531.95</u>	<u>15,457.38</u>
Other income	20	194.74	281.19
<b>III Total Revenue (I + II)</b>		<u><b>10,726.69</b></u>	<u><b>15,738.57</b></u>
<b>EXPENSES:</b>			
Cost of materials consumed	21	749.98	4,835.96
Construction expenses	22	9,467.83	8,325.99
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress		-	-
Employee benefits expense	23	297.35	807.99
Finance costs	24	1,557.37	842.88
Depreciation and amortization expense	11	441.31	497.57
Other expenses	25	498.52	1,365.78
<b>IV Total expenses</b>		<u><b>13,012.37</b></u>	<u><b>16,676.17</b></u>
<b>V Profit before exceptional and extraordinary items and tax (III-IV)</b>		<u>(2,285.68)</u>	<u>(937.60)</u>
VI Exceptional items		-	-
<b>VII Profit before extraordinary items and tax (V - VI)</b>		<u>(2,285.68)</u>	<u>(937.60)</u>
VIII Extraordinary Items	26	0.00	(1,044.15)
<b>IX Profit before tax (VII- VIII)</b>		<u>(2,285.68)</u>	<u>(1,981.75)</u>
<b>X Tax expense:</b>			
(1) Current tax		0.00	0.00
(2) Current tax relating to prior years		0.00	(700.00)
		0.00	(700.00)
(3) Deferred tax		43.27	54.43
<b>XI Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<u>(2,242.41)</u>	<u>(2,627.32)</u>
<b>XII Profit/(loss) from discontinuing operations</b>		0.00	0.00
<b>XIII Tax expense of discontinuing operations</b>		0.00	0.00
<b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		0.00	0.00
<b>XV Profit/(Loss) for the period (XI + XIV)</b>		<u><b>(2,242.41)</b></u>	<u><b>(2,627.32)</b></u>
<b>XVI Earnings per equity share:</b>			
<b>1) Basic</b>			
i) Computed on the basis of profit from continuing operation		(20.57)	(24.09)
ii) Computed on the basis of total profit for the year		(20.57)	(24.09)
<b>2) Diluted</b>			
i) Computed on the basis of profit from continuing operation		(20.57)	(24.09)
ii) Computed on the basis of total profit for the year		(20.57)	(24.09)

Summary of Significant Accounting Policies

As per our report of even date

**For HEGDE & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Registration No. 103610W

**For and on behalf of the Board of Directors of Tarmat Ltd.**

Sd/-  
**MANOJ V SHETTY**  
(PARTNER)  
Membership No.138593

Sd/-  
MANAGING DIRECTOR

Sd/-  
DIRECTOR

Date: 31.05.2014  
Place: MUMBAI

Sd/-  
CHIEF FINANCIAL OFFICER

Sd/-  
COMPANY SECRETARY

## Cash Flow Statement for the year ended 31st March, 2014

(₹ in lacs)

		2013-14	2012-13
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit/(Loss) as per Profit &amp; Loss Account</b>	(2,285.68)	(1,981.75)
	<b>Adjustments for Non-Cash and other items</b>		
	Interest Expense	1,557.37	842.88
	Interest Income	(32.92)	(29.40)
	Depreciation	441.31	497.57
	Dividend received	0.00	(0.49)
	Provision for Doubtful Debts/ Advances (Net of Recovery)	0.00	0.00
	Gratuity provision	(7.78)	3.00
	Preliminary Expenses w/off	0.00	0.00
	Loss on Sale of Fixed Assets	0.42	10.08
	Investment in JV written off	0.00	362.96
	Bad debts written off	0.00	412.61
	<b>Operating Profit/(loss) Before Working Capital Changes</b>	<b>(327.28)</b>	<b>117.46</b>
	<b>Changes in Working Capital</b>		
	Adjustment for		
	Trade & Other Receivables	1,214.53	(612.20)
	Loans & Advances	(1,373.21)	(633.74)
	Inventories	1,275.94	565.49
	Fixed Deposit	60.46	57.91
	Trade payables and other liabilities	75.74	(279.13)
	Less: Taxes paid	981.07	(286.18)
	<b>Net Cash from Operating Activities [A]</b>	<b>653.79</b>	<b>(1,070.39)</b>
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets	(0.07)	(22.06)
	Sale of Fixed Assets	17.01	4.00
	Purchase of Non current investments	(2,442.64)	(0.26)
	Interest received	32.92	29.40
	Dividend received	0.00	0.49
	<b>Net Cash from Investing Activities [B]</b>	<b>(2,392.78)</b>	<b>11.57</b>
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Dividend and Distribution tax paid	-	-
	Interest paid	(1,557.37)	(842.88)
	Proceeds from Long Term and Short Term Borrowings (Net Of Repayment)	3,288.42	1,731.68
	<b>Net Cash from Financing Activities [C]</b>	<b>1,731.05</b>	<b>888.80</b>
	<b>Net increase in Cash and Cash equivalents [A+B+C]</b>	(7.94)	(170.02)
	<b>Cash &amp; Cash equivalents at the beginning of the year</b>	121.91	291.93
	<b>Cash &amp; Cash equivalents at the end of the year</b>	113.97	121.91

Note:

- 1 Cash Flow Statement has been prepared under the indirect method as set in accounting standard (AS) 3 : " Cash Flow Statements issued by the Institute of Chartered Accountants of India
  - 2 Cash and Cash equivalents at the end of the year represent Cash and Bank Balances.
  - 3 Previous Year's figures have been regrouped/reclassified whenever applicable
- As per our report of even date

**For HEGDE & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Registration No. 103610W

Sd/-  
**MANOJ V SHETTY**  
(PARTNER)  
Membership No.138593

**For and on behalf of the Board of Directors of Tarmat Ltd.**

Sd/-  
MANAGING DIRECTOR

Sd/-  
DIRECTOR

Sd/-

CHIEF FINANCIAL OFFICER

Sd/-

COMPANY SECRETARY

Date: 31.05.2014

Place: MUMBAI

## Notes forming part of the financial statements for the year ended 31st March 2014.

### 1. Corporate Information :

Tarmat Ltd. was established in the year 1986 by Mr. Jerry Varghese. The company is specialized in the construction of Airfield and National/State Highways all over India. The present works include construction of heavy duty parking bays at Bangalore International Airport, construction of airport runway, taxiway, apron, approach road, peripheral road etc. at Gulbarga & Shimoga, recarpeting of Main Runway at Gwalior and Awantipur Airports, four laning project of Nagpur-Hyderabad National Highway, construction of internal roads for Sai Sansthan Trust, Shirdi etc.

The company had its IPO in 2007 and got listed in BSE and NSE. The present paid up capital of the company is Rs. 10.96Cr, of which 63% is held by the promoters.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS -

- (i) The financial statements have been prepared in accordance with the generally accepted accounting principles under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) (which continues to be applicable in terms of General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate affairs in respect of Section 133 of the Companies Act, 2013) and other relevant provisions of the Companies Act, 1956.
- (ii) Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- (iii) Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### 2.2 Use of Estimate -

The preparation of financial statements requires estimates and assumptions to be made that affects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### 2.3 Revenue Recognition -

- (i) Income from construction contracts is recognized on the basis of work certified in accordance with percentage completion method. All other income and expenditure are recognized and accounted for on an accrual basis. Losses on contracts are fully accounted for as and when incurred.
- (ii) Hire Charges is accounted for as per terms of the lease agreement.
- (iii) Dividend Income is accounted for when the right to receive is established.
- (iv) Interest income on deposits is recognized on accrual basis.

#### 2.4 Fixed Assets -

Fixed Assets are stated at cost net of tax/duty credits availed, wherever applicable less accumulated depreciation/ impairment losses, if any. The cost of an asset comprises of purchase price and any directly attributable cost of bringing the assets to its present condition for intended use and incremental amount of revaluation.

#### 2.5 Depreciation -

Depreciation is charged as per Straight-line method at the rate and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation on fixed assets sold or scrapped during the year is provided upto the date on which such fixed asset is sold or scrapped. Depreciation on addition to fixed assets is calculated on pro rata basis from the day of addition.

#### 2.6 Inventories -

The stock of stores, spares and embedded goods and fuel is valued at cost (weighted average basis), or net realizable value whichever is lower.

Work in Progress is valued at the contract rates and site mobilization expenditure of incomplete contracts is stated at cost.

## **2.7 Investment -**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Long Term Investments. Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are measured at Cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investment.

## **2.8 Borrowing Costs -**

Borrowing cost which are directly attributable to the acquisition/construction of Qualifying Assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost is charged to revenue.

## **2.9 Current Tax and Deferred Tax -**

- i. Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961.
- ii. Current Tax is calculated in accordance with the tax laws applicable to the current financial year.
- iii. Deferred tax expense of benefit is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.
- iv. Advance tax and provision for current income are presented in the balance sheet after setting off advance tax paid and income tax provision arising in the same tax jurisdiction.

## **2.10 Foreign Exchange Transaction -**

- (i) Transaction denominated in foreign currencies is normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currency as at the balance sheet date are translated at the year-end exchange rate.
- (iii) Premium on forward cover contracts in respect of import of raw material is charged to profit & loss account over the period of contracts except in respect of liability for acquiring fixed assets, in which case the difference are adjusted in carrying cost of the same.

## **2.11 Employee Retirement Benefits -**

The company provides for gratuity in accordance with the rules of the company based on an actuarial valuation carried out at the balance sheet date, by an independent actuary. Contribution payable to Employees benefits is charged to Profit & Loss Account as and when incurred. Leave wages is not applicable to this company. The Company has provided for gratuity during the current year as per the actuarial valuation of liability.

## **2.12 Impairment of Assets -**

The company assesses at each balance sheet date whether there is any indication that an assets may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

## **2.13 Earning per share -**

Basic EPS is computed using the weighted average number of equity shares outstanding during the year.

## **2.14 Provision, Contingent Liabilities and contingent assets -**

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

<b>31st March 2014</b>	31st March 2013
<b>₹ In Lacs</b>	₹ In Lacs

**Note 3. SHARE CAPITAL****Authorised Shares (No in Lacs)**

12000000 (31st March 2013 12000000) Equity Shares of Rs 10/- each	<b>1,200.00</b>	1,200.00
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**Issued, Subscribed & fully paid up shares (No in Lacs)**

10960707 (31st March 2013 10960707) Equity Shares of Rs 10/- each	<b>1,096.07</b>	1,096.07
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**Total Issued, subscribed and fully paid up share capital**

	<b>1,096.07</b>	<b>1,096.07</b>
--	-----------------	-----------------

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

	<b>31st March 2014</b>		31st March 2013	
	<b>No. (Lacs)</b>	<b>₹ In Lacs</b>	No. (Lacs)	₹ In Lacs
At the beginning of the year	<b>109.60</b>	1096.07	109.60	1096.07
Issued during the period- Bonus Issue	-	-	-	-
Issued during the period- ESOP	-	-	-	-
Outstanding at the end of the period	<b>109.60</b>	1096.07	109.60	1096.07

**b. Terms / Rights attached to equity shares**

The company has only one class of equity shares having a par value of ` 10 per share. Each Holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend (if any) proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder

**c. Shares held by holding /ultimate holding company**

Tarmat Ltd has no holding company. Hence the number of shares held by Holding/ultimate company is NIL

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

<b>Name of the Shareholder</b>	<b>31st March 2014</b>		As at 31st March 2013	
	<b>No of Shares Held (In Lacs)</b>	<b>% of Holding</b>	<b>No of Shares Held (In Lacs)</b>	<b>% of Holding</b>
Mr. Jerry Varghese	<b>32.42</b>	<b>29.58%</b>	32.42	29.58%
Mr. Dilip Varghese	<b>10.63</b>	<b>9.70%</b>	10.63	9.70%
Mrs. Saramma Varghese	<b>10.51</b>	<b>9.59%</b>	10.51	9.59%
M/s. Tarmat Holdings Pvt. Ltd	<b>13.61</b>	<b>12.42%</b>	13.61	12.42%

**e. Aggregate number of Bonus shares issued ,shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :**

	<b>31st March 2014</b>	31st March 2013
	<b>No. In Lacs</b>	No. In Lacs
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	<b>Nil</b>	Nil
Equity Shares allotted as fully paid - up pursuant to contracts for consideration other than cash	<b>Nil</b>	Nil
Equity shares bought back by the company	<b>Nil</b>	Nil

**Note 4. RESERVES & SURPLUS**

	<b>31st March 2014</b>	31st March 2013
	<b>₹ in lacs</b>	₹ in lacs
<b>Securities Premium Account</b>		
Balance As per Last Balance Sheet	<b>6,206.89</b>	6,206.89
Add : Transferred from surplus balance in the Profit & Loss Statement	-	-
Closing Balance	<b>6,206.89</b>	6,206.89
<b>Revaluation Reserve</b>		
As per Last Balance Sheet	<b>8.50</b>	8.50
Transfer/write back during the year	-	-
Closing Balance	<b>8.50</b>	8.50
<b>General Reserve</b>		
Opening Balance	<b>520.48</b>	520.48
Add : Transferred from surplus balance in the Profit & Loss Statement	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>520.48</b>	520.48
<b>Surplus/ (deficit) in the statement of Profit &amp; Loss</b>		
Balance as per Last financial statements	<b>218.47</b>	2,845.79
Profit for the year	<b>-2,242.41</b>	-2,627.32
Less : Appropriations		
(-) Proposed Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<b>-2,023.94</b>	218.47
<b>Total</b>	<b>4,711.93</b>	6,954.34

**Note 5. LONG TERM BORROWINGS**

	<b>Non Current Portion</b>		<b>Current Portion</b>	
	<b>31.3.2014</b>	31.3.2013	<b>31.3.2014</b>	31.3.2013
	<b>₹ (Lakhs)</b>	₹ (Lakhs)	<b>₹ (Lakhs)</b>	₹ (Lakhs)
<b>Secured</b>				
<b>Term Loans</b>				
From Other Parties				
SREI Equipment Finance Pvt Ltd (NBFC)	-	107.49	<b>155.42</b>	170.37
Kotak Mahindra Bank	<b>172.24</b>	-	<b>227.76</b>	-
<b>Unsecured</b>				
From Others	<b>2,442.64</b>	-	-	-
	<b>2,614.88</b>	107.49	<b>383.18</b>	170.37

**5.1 Additional Information to Secured Long Term Borrowings**

The long term portion of term loans are shown under long term borrowing and the current maturities of the long term borrowings are shown under the current liabilities as per the disclosure of the Revised Schedule VI.

**5.2 Details of Securities and Terms of Repayment****Secured (Term Loans)**

SREI Equipment Finance Private Limited

Secured by first charge by way of hypothecation of specific movable assets as described in the Annexure to Schedule of the loan agreement executed on August 8, 2011 (for disbursement of Rs.72lacs), on August 15, 2011 (for disbursement of Rs.28lacs), on October 15, 2011 (for disbursement of Rs. 250lacs), on December 5, 2011 for disbursement of Rs.60lacs) on March 15, 2012 (for disbursement of Rs.20.68lacs and on March 15, 2012 (for disbursement of Rs.40lacs)

₹ Lacs

Amount of Loan	Interest Rate	Instalment Amount Payable	No of Outstanding Instalment	Period of maturity from Balance Sheet Date.
28.00	14.00%	0.98	6 monthly	4 months
72.00	14.00%	2.52	05 monthly	5 months
250.00	14.00%	8.74	8 monthly	8 months
60.00	14.75%	2.12	9 monthly	9 Months
20.68	14.75%	0.73	12 monthly	1 yrs 0 months
40.00	14.75%	1.41	12 monthly	1 yrs 0 months

**Kotak Mahindra Bank (Term Loan)**

- Secured by way of subservient charge on all existing and future current assets of the company
- Equitable mortgage of residential flat at Bandra, Mumbai in the name of Mrs. Saramma Varghese
- Equitable mortgage of residential flat at Bandra, Mumbai in the name of Mr. Dilip Varghese"

Amount of Loan	Interest Rate	Instalment Amount Payable	No of Outstanding Instalment	Period of maturity from Balance Sheet Date.
400.00	18.00%	22.62	20 monthly	20 months

**Note 6 DEFERRED TAX LIABILITIES (Net)**

	<b>31st March 2014</b>	31st March 2013
	<b>₹ in lacs</b>	₹ in lacs
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	<b>37.58</b>	114.78
<b>Deferred Tax Assets</b>		
Related to Tax Disallowances	-	18.37
Related to Preliminary expenses written off	<b>14.60</b>	30.16
Deferred Tax Assets	<b>14.60</b>	48.53
Deferred Tax Liability (Net)	<b>22.98</b>	66.25

**Note 7. LONG TERM PROVISIONS**

	<b>31st March 2014</b>	31st March 2013
	<b>₹ in lacs</b>	₹ in lacs
a) Provision for Employee Benefits	<b>39.13</b>	46.91
<b>TOTAL</b>	<b>39.13</b>	46.91

**Note 8. SHORT TERM BORROWINGS**

	<b>31st March 2014</b>	31st March 2013
	<b>₹ in lacs</b>	₹ in lacs
<b>Secured</b>		
<b>(A) Loans repayable on demand</b>		
a) From Banks		
i) Vijaya Bank-Cash Credit	<b>5,248.33</b>	4,521.55
ii) Kotak Mahindra Bank- WCTL	-	38.36
iii) Kotak Mahindra Bank- Cash Credit	<b>105.87</b>	425.56
iv) Vijaya Bank -Bank guarantees invoked	<b>2,617.48</b>	1,941.57
<b>Unsecured</b>		
From Directors	-	100.00
	-	-
<b>Total</b>	<b>7,971.67</b>	7,027.04

1. Cash Credit Limits - Note 8 (A) (a)

**A) Vijaya Bank**

Secured by way of: First charge on stock and book debts and other receivables.

Collateral securities

- a. Unencumbered Plant & Machinery
- b. Mortgage of factory land at Shirdon, Taluk Panvel, Dist Raigad standing in the name of Mr. Jerry Varghese
- c. Mortgage of Non Agricultural land at Nasik standing in the name of Mr. Jerry Varghese
- d. Mortgage of Plot No.19, Sector 24, Vashi, Navi Mumbai in the name of the company
- e. Mortgage of land & residential flats at Sector 24, Vashi, Navi Mumbai in the name of the company
- f. Mortgage of land & building at Goregaon East, Village Malad, Mumbai in the name of the company

**B) Kotak Mahindra Bank**

- a. Secured by way of subservient charge on all existing and future current assets of the company Collateral securities
  - a. Secured by mortgage of specific fixed assets of the company.
  - b. Equitable mortgage of residential flat at Bandra, Mumbai in the name of Mrs. Saramma Varghese
  - c. Equitable mortgage of residential flat at Bandra, Mumbai in the name of Mr. Dilip Varghese

**Default**

The company has defaulted in the repayment of interest dues to Vijaya Bank during the period May 2012 till date. Vijaya Bank has classified the account as "Non Performing Asset" during the previous financial year and has served a SARFESAI notice on the company against which the company has preferred an appeal.

**Note 9 : TRADE PAYABLES**

	<b>31st March 2014</b>	31st March 2013
	<b>₹ in lacs</b>	₹ in lacs
a) Trade Payables	<b>1,824.17</b>	1888.54
<b>TOTAL</b>	<b>1,824.17</b>	1888.54

Note on SME

The company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to the amount unpaid as at year end together with interest paid/payable under this act has not been given.

**Note 10 : OTHER CURRENT LIABILITIES**

	<b>31st March 2014</b>	31st March 2013
	<b>₹ in lacs</b>	₹ in lacs
a) Current Maturities of Long Term Borrowings	<b>383.18</b>	170.37
b) Advance from Contractor	-	162.30
c) Others	<b>225.19</b>	199.83
i) Unpaid Dividend	<b>4.80</b>	4.80
ii) Due To Employees	<b>21.10</b>	60.95
iii) Statutory Dues Payable	<b>239.43</b>	285.02
d) Application money received for Allotment of securities and due for refund	<b>1.77</b>	1.77
e) Interest accrued but not due	-	1.80
<b>TOTAL</b>	<b>875.47</b>	886.84

Note on Application money due

The amount relates to share application money received but not refunded as the addressees are not traceable. The amount is kept in a separate bank account pending transfer to Investor Education & Protection Fund when due.

**Note 11** in Lacs

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
	As at 01st April 2013	Additions/ (Disposals)	Revaluations/ (Impairments)	As at 31st March 2014	As at 01st April 2013	Depreciation for the period	Adjustment due to revaluations	On disposals	As at 31st March 2014	As at 31st March 2013
a Tangible Assets										
Land	461.25	-	-	461.25	-	-	-	-	461.25	461.25
Assets under lease										
Buildings	340.02	-	-	340.02	111.94	9.83	-	-	218.25	228.08
Assets under lease										
Plant and Equipment	5,021.97	-	36.79	4,985.18	3,374.86	389.78	-	19.37	1,239.92	1,647.12
Assets under lease										
Furniture and Fixtures	115.40	-	-	115.40	67.49	2.93	-	-	44.99	47.91
Assets under lease										
Vehicles	274.75	-	-	274.75	177.30	25.07	-	-	72.38	97.45
Assets under lease										
Office equipment	84.55	0.07	-	84.63	69.02	13.71	-	-	1.90	15.53
Assets under lease										
Others (specify nature)										
<b>Total</b>	<b>6,297.95</b>	<b>0.07</b>	<b>36.79</b>	<b>6,261.23</b>	<b>3,800.60</b>	<b>441.31</b>	<b>-</b>	<b>19.37</b>	<b>2,038.69</b>	<b>2,497.35</b>
b Intangible Assets										
Goodwill	14.63	-	-	14.63	-	-	-	-	14.63	14.63
Computer software										
<b>Total</b>	<b>14.63</b>	<b>-</b>	<b>-</b>	<b>14.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.63</b>	<b>14.63</b>
<b>Total</b>	<b>6,312.58</b>	<b>0.07</b>	<b>36.79</b>	<b>6,275.86</b>	<b>3,800.60</b>	<b>441.31</b>	<b>-</b>	<b>19.37</b>	<b>2,053.32</b>	<b>2,511.98</b>

**Note Disclosure pursuant to Note no.I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956**

Particulars	Year				
	2013-14	2012-13	2011-12	2010-11	2009-10
<b>Asset details:</b>					
Balance as at 1 April	<b>6,312.58</b>	6,173.72	5,991.43	5,839.53	4,805.90
Impairment/ Revaluation	-	-	-	-	-
Balance as at 31 March		6,312.58	6,173.72	5,991.43	5,839.53

Particulars	As at 31st March 2014		As at 31 March, 2013	
	Quoted	Unquoted	Quoted	Unquoted
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
<b>Note 12 Non-current investments</b>				
<b>Investments (At cost unless otherwise specified):</b>				
<b>A Trade investments</b>				
<b>i) Investment in Equity shares ( Others)</b>				
CONCAST JAWASA ROAD PROJECT PVT LTD 1042600 NOS EQUITY SHARE RS 10/-EACH		<b>104.26</b>		0.26
CONCAST AMBA ROAD PROJECT PVT LTD 6467000 NOS EQUITY SHARE RS 10/-EACH		<b>647.66</b>		0.26
CONCAST DAMOH ROAD PROJECT PVT LTD 5623800 NOS EQUITY SHARE RS 10/-EACH		<b>562.38</b>		0.26
CONCAST DHANETA ROAD PROJECT PVT LTD 5870098 NOS EQUITY SHARE RS 10/-EACH		<b>587.01</b>		0.26
CONCAST PATAN ROAD PROJECT PVT LTD 210600 NOS EQUITY SHARE RS 10/-EACH		<b>21.06</b>		0.26
CONCAST BADNAGAR ROAD PROJECT PVT LTD 2600 NOS EQUITY SHARE RS 10/-EACH		<b>0.26</b>		0.26
CONCAST JABALPUR ROAD PROJECT PVT LTD 2600 NOS EQUITY SHARE RS 10/-EACH		<b>0.26</b>		0
<b>ii) Investment in Joint Ventures</b>				
JOINT VENTURE				
KCEL BML-ROMAN TARMAT JV		-		74.98
CONCAST DHANETA ROAD PROJECT PVT LTD		<b>521.31</b>		-
TARMAT BEL JV		-		100.00
TARMAT JP ENTERPRISES JV		-		187.98
		<b>2,444.20</b>		364.52
Less : written off during the year		-		-362.96
		<b>2,444.20</b>		1.56
<b>Other investments (Non Trade)</b>				
<b>a) Quoted Investment</b>				
VIJAYA BANK LTD 19400 EQUITY SHARES OF RS.10/- EACH		<b>1.94</b>		1.94
		-		-
<b>Total</b>		<b>1.94</b>		<b>1.94</b>
		<b>2,444.20</b>		<b>1.56</b>
<b>Details</b>				
<b>Aggregate of Investments</b>	<b>Cost</b>	<b>Market Value</b>	<b>Cost</b>	<b>Market Value</b>
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
a) Quoted Investment	<b>1.94</b>	<b>7.74</b>	1.94	9.11
b) Unquoted Investment	<b>2,444.20</b>	-	1.56	-
<b>Total</b>	<b>2,446.14</b>	<b>7.74</b>	<b>3.50</b>	<b>9.11</b>

	<b>31st March 2014</b>	31st March 2013
	<b>₹ in lacs</b>	₹ in lacs
<b>Note 13 Long Term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
a. Security and Other Deposits	<b>3,143.94</b>	2,924.63
b. Loans and Advances to Employees	<b>83.82</b>	83.65
<b>Total</b>	<b>3,227.76</b>	2,040.63
	<b>31st March 2014</b>	31st March 2013
	<b>₹ in lacs</b>	₹ in lacs
<b>Note 14 Long Term Trade Receivables</b>		
<b>Unsecured, Considered good</b>		
a) Trade Receivables	<b>603.06</b>	746.70
Less : Provision for Doubtful Debts	-	-
<b>Total</b>	<b>603.06</b>	746.70
	<b>31st March 2014</b>	31st March 2013
	<b>₹ in lacs</b>	₹ in lacs
<b>Note 15 : Inventories</b>		
(As technically valued and certified by the Management)		
a) Material At Site, At Cost	<b>1,015.27</b>	1,171.02
b) Work In Progress	<b>2,240.91</b>	3,361.10
<b>Total</b>	<b>3,256.18</b>	4,532.11
<b>Note 16 : Trade Receivables</b>		
<b>Unsecured and Considered Good</b>		
a) Trade Receivables outstanding for more than 6 months	<b>1,015.39</b>	1,017.80
Less : Provision for Doubtful Debts	-	-
	<b>1,015.39</b>	1,017.80
b) Other Trade receivables	<b>557.89</b>	1,626.36
<b>Total</b>	<b>1,573.28</b>	2,644.16
<b>Note 17 : Cash and Cash Equivalents</b>		
a) Cash on Hand	<b>80.26</b>	100.36
b) Balance with Banks		
i) In Current Accounts	<b>33.71</b>	21.56
ii) In earmarked Accounts		
1) Unpaid Dividend Accounts	<b>4.80</b>	4.80
2) Share Application money received for allotment of securities and due for refund	<b>1.77</b>	1.77
3) Balances held as Margin Money or security against borrowings, guarantess and other Commitments	<b>378.31</b>	317.85
<b>Total</b>	<b>498.85</b>	446.34

	<b>31st March 2014</b>	31st March 2013
	<b>₹ in lacs</b>	₹ in lacs
<b>Note 18 : Short term Loans and Advances</b>		
<b>Unsecured , Considered Good</b>		
a) Others		
i) Advances Recoverable in cash or in kind or for value to be received	<b>3,270.73</b>	2,977.66
ii) Advance payment of Taxes (Net of Provision)	<b>208.97</b>	45.36
iii) Earnest Money and Other Deposits	<b>1,994.48</b>	2,157.19
b) Loan to Employees	<b>23.56</b>	29.40
<b>Total</b>	<b>5,497.73</b>	5,148.04
	<b>31st March 2014</b>	31st March 2013
	<b>₹ in lacs</b>	₹ in lacs
<b>Note 19 Revenue from Operations</b>		
Work Bill Receipts - Gross	<b>11,652.14</b>	15,315.31
Add : Work in Progress, at close	<b>2,240.91</b>	3,361.10
	<b>13,893.05</b>	18,676.40
Less : Work in progress, at commencement	<b>3,361.10</b>	3,219.02
<b>Total</b>	<b>10,531.95</b>	15,457.38
<b>Note 20 Other Income</b>		
a) Hire, Rent and Royalty Charges received	<b>127.15</b>	157.72
b) Dividend	-	0.49
c) Interest from Banks	<b>32.92</b>	29.40
d) Sundry Credit balance written back	<b>4.84</b>	-
e) Other Non Operating Income		
i) Misc Receipts	<b>29.83</b>	93.58
<b>Total</b>	<b>194.74</b>	281.19
<b>Note 21 Cost of construction material consumed</b>		
Stock at Commencement	<b>1,171.02</b>	1,878.59
Add : Purchases	<b>594.24</b>	4,129.00
	<b>1,765.25</b>	6,007.59
Less : Scrap sold	-	0.62
	<b>1,765.25</b>	6,006.97
Less : Stock at Close	<b>1,015.27</b>	1,171.02
	<b>749.98</b>	4,835.96

**Note 22 Construction expenses**

Subcontract , Transportation, Hire etc	<b>9,214.76</b>	7,868.69
Labour Charges	<b>186.63</b>	321.15
Power & Fuel	<b>22.32</b>	43.21
Repairs to Machinery	<b>27.81</b>	54.56
Other repairs	<b>10.46</b>	23.73
Laboratory charges and Water charges	<b>5.84</b>	14.66
<b>Total</b>	<b>9,467.83</b>	8,325.99

**Note 23 Employee Benefit Expenses**

(a) Salaries and incentives	<b>225.64</b>	698.24
(b) Contributions to -		
(i) Provident fund	<b>0.94</b>	3.81
(ii) ESIC	<b>0.14</b>	0.03
(c) Gratuity fund contributions	<b>0.68</b>	4.47
(d) Staff welfare expenses	<b>69.96</b>	101.44
<b>Total</b>	<b>297.35</b>	807.99

**Note 24 Finance Cost**

a) Interest expense	<b>1,519.30</b>	784.61
b) Other borrowing costs	<b>38.07</b>	58.27
c) Applicable net gain/loss on foreign currency transactions and translation	<b>-</b>	-
<b>Total</b>	<b>1,557.37</b>	842.88

**Note 25 Other Expenses**

a) Stationery, Postage, Telephone & Advertisement	<b>13.42</b>	29.47
b) Travelling & Conveyance	<b>25.20</b>	30.72
c) Rent	<b>6.50</b>	24.36
d) Rates & Taxes - excluding taxes on income	<b>12.70</b>	16.71
e) Insurance	<b>8.40</b>	18.12
f) Repairs to building	<b>-</b>	0.64
g) Legal & Professional Fees	<b>66.23</b>	31.67
h) Office Maintenance	<b>3.76</b>	8.65
i) Security charges	<b>7.94</b>	19.76
j) Donations	<b>-</b>	0.07
k) Business Promotion	<b>11.84</b>	7.23
l) Vehicle Tax	<b>11.62</b>	17.44
m) Works Contract Tax/ VAT	<b>270.37</b>	295.94
n) Director's remuneration	<b>44.40</b>	47.55
o) Payment to Auditors as		
i) Audit Fees	<b>2.50</b>	2.50
ii) for taxation matters,	<b>0.25</b>	0.25
iii) for management services,	<b>0.35</b>	0.35
iv) for reimbursement of expenses;	<b>0.38</b>	0.38
p) Loss on sale of fixed assets	<b>0.42</b>	10.08
q) Bad Debts	<b>-</b>	775.57
r) Miscellaneous Expense	<b>12.23</b>	28.33
<b>Total</b>	<b>498.52</b>	1,365.78

**Note No. 26 Extra Ordinary Item**

There are no extra ordinary items during the current year. During the previous year ended 31st March,2013 the company had provided a sum of Rs. 1044.15 lacs towards performance bank guarantee invoked by client at Chennai. The management is of the opinion that the amount is fraudulently invoked and is contestable and a case has been filed in the Chennai High Court. Since the bank has already made the payment to the client, the company has written off the same as extraordinary items as the recovery of the same is subject to outcome of litigation.

**Note No.27 : CONTINGENT LIABILITIES**

Particulars	2013 - 2014	2012 - 2013
Estimated amount of claims against the Company not acknowledged as debts:	-	-
Bank Guarantee	<b>3628.77</b>	3797.94
Property Tax	<b>55.71</b>	-
<b>Total</b>	<b>3684.48</b>	3797.94

**Note No. 28 Earning per share**

1) Disclosures as required by Accounting Standard (AS) 20 Earning per Share (EPS) –

SR. No.	Particulars	2013 - 2014	2012 - 2013
i)	Profit attributable to Equity Shareholders for Basic Earning per Share	<b>(2242.42)</b>	(2627.33)
ii)	Weighted average number of equity shares	<b>109.61</b>	109.61
iii)	Face Value of equity share	<b>₹ 10/-</b>	₹ 10/-
iv)	Earnings per share (Basic and diluted)	<b>(20.46)</b>	₹(23.97)

**Note No. 29 Related Party Transactions**

Information on Related Party Disclosures as per Accounting Standard 18 (AS-18) on Related Party Disclosures is given below:

**For the year ended 31st March 2014****a) List of related parties with whom the company entered into transactions -**

S. No.	Name of Related Party	Nature of Relationship
<b>A) Key Management personnel and their relatives -</b>		
1	Mr. Jerry Varghese	Managing Director
2	Mrs. Saramma Varghese	Executive Director
3	Mr. Dilip Varghese	Executive Director
<b>B) Enterprise owned/controlled by key management personnel or their relatives -</b>		
1	M/s Tarmat Construction Pvt. Ltd.	Company controlled by Mr. Jerry Varghese
2	M/s Tarmat Holding Pvt. Ltd.	Company controlled by Mr. Jerry Varghese
3	M/s Tarmat Quarries Pvt. Ltd.	Company controlled by Mr. Jerry Varghese
4	M/s Tarmat Motels Pvt. Ltd.	Company controlled by Mr. Jerry Varghese

**b) Nature of Transactions -**

Nature of Transaction	Amount	Nature of Relationship
Managerial Remuneration	Rs. 43.20lacs	Key Management personnel
Directors sitting fees	Rs.1.20lacs	Non Executive Directors
Unsecured Loans Taken	Rs Nil	Director
Professional charges	Rs. 1.20 lacs	Independent Director

**c) Year End Balances**

Nature of Transaction	Nature of Relationship	31st March 2014	31st March 2013
Unsecured Loan	Director	Rs Nil	Rs 100 Lacs

**Note No.30 Disclosure in accordance with Accounting Standard -7 (Revised)- Construction Contracts**

Particulars	₹ In lacs	
	2013 – 2014	2012 – 2013
Amount of Contract revenue recognized as revenue in the period	<b>11652.14</b>	15315.31
Contract cost incurred and recognized profits (less recognized losses) upto the reporting date	<b>12568.86</b>	14867.68
Recognised Profit	<b>(916.72)</b>	447.63
Advances received from customers for contract work	<b>2.18</b>	162.30
Retention money	<b>3011.41</b>	1767.15
Gross amount due from customer for contract work	<b>3686.73</b>	4441.11
Gross amount due to customer for contract work	<b>589.73</b>	90.21

**Note No. 31 Segment information –****a) Primary Segment**

The business segment has been considered as the primary segment. The company is engaged in only one reportable segments viz Construction.

**b) Secondary Segment**

The company operates in India and hence there are no geographical segments.

- 2) Since the principal business of the company is construction activities, quantitative data as required by part II Para ii, 4c, 4d of Schedule VI to the Companies Act, 1956 is not furnished.
- 3) Additional information pursuant to the provision of part II of Schedule VI to the Companies Act, 1956 (wherever applicable)

Sr. No	Particulars	2013-14	2012-13
A	Amount received in Foreign Currency		
	1) Rent Received	<b>Rs. 56.70 lacs</b>	Rs. 27.14 lacs

**Note No.32 Disclosure relating to Employee Benefits – As per AS- 15**

A	Expenses recognized in the Statement of Profit & Loss Account for the year ended	31.3.2014	31.3.2013
1	Current Service Cost	-	-
2	Interest Cost	-	-
3	Actuarial (Gain)/Loss	<b>0.68</b>	4.47
4	Past Service Cost-Vested Benefit recognized during the Period	-	-
5	Transitional Liability Recognized during the Period	-	-
6	Expenses Recognized in P & L	<b>7.10</b>	4.47
B	Net Asset/(Liability) recognized in the Balance Sheet		
1	Fair Value of Plan Assets At the End of the Period	-	-
2	Present Value of Benefit Obligation at the end of the Period	<b>39.13</b>	46.91
3	Difference	<b>(39.13)</b>	(46.91)
4	Unrecognized Past Service Cost at the end of the Period	-	-
5	Unrecognized Transitional Liability at the end of the Period	-	-
	<b>(Net Liability Recognized in the Balance sheet)</b>	<b>(39.13)</b>	(46.91)

**C Change in Present Value of Obligation**

1	Present Value of Benefit Obligation at the beginning of the current Period	<b>46.91</b>	43.91
2	Interest Cost	-	-
3	Current Service Cost	-	-
4	Past Service cost-Non Vested Benefit	-	-
5	Past Service Cost-Vested Benefit	-	-
6	Liability Transferred in	-	-
7	(Liability Transferred Out)	-	-
8	(Benefit Paid)	<b>(0.68)</b>	(1.47)
9	Actuarial (Gain)/Loss on Obligations	<b>7.10</b>	4.47
10	Present value of benefit obligation at the end of the Current Period	<b>39.13</b>	46.91

**D. Actuarial Assumptions:-**

1	Discount Rate-Previous	<b>8.25%</b>	8.25%
2	Salary Escalation-Previous	<b>6.00%</b>	6.00%
3	Attrition Rate-Previous	<b>2.00%</b>	2.00%
4	Discount Rate-Current	<b>8.25%</b>	8.00%
5	Salary Escalation-Current	<b>6.00%</b>	6.00%
6	Attrition Rate-Current	<b>2.00%</b>	8.50%

**Note No.33 Additional Comments**

- 1) On assessment of the impairment of fixed assets of the company as at the Balance Sheet date as required by Accounting Standard 28 "Impairment of Assets" issued by the ICAI, the company is of the view that no provision for impairment of fixed assets is required.
- 2) In accordance with Accounting Standard 11 (revised), the net exchange gain credited to profit & Loss account is ₹Nil/- (Previous year debit ₹ Nil)
- 3) In the opinion of the Board the current assets and advances if realized in the ordinary course of business have value on realization at least to the amount at which these are stated in the Balance Sheet. The provision for all known liabilities are adequate and not in excess of the amount reasonable necessary.
- 4) The previous year's figure have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date

**For HEGDE & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Registration No. 103610W

Sd/-  
**MANOJ V SHETTY**  
(PARTNER)  
Membership No.138593Dated:31.05.2014  
Place: MUMBAI**For and on behalf of the Board of Directors of Tarmat Ltd.**Sd/-  
**JERRY VARGHESE**  
MANAGING DIRECTORSd/-  
**SREEKUMAR K**  
COMPANY SECRETARYSd/-  
**DILIP VARGHESE**  
EXECUTIVE DIRECTORSd/-  
**ANINDYA MITRA**  
(CHIEF FINANCIAL OFFICER)



**ATTENDANCE SLIP**  
**TARMAT LIMITED**

Regd Off: - P B NO 9042, Goregaon (East), Mumbai - 400063

CIN: L45203MH1986PLC038535

Website: - www.tarmatlimited.com • email id: cs@tarmatlimited.com

I hereby record my presence at the 29<sup>th</sup> Annual General Meeting of the Company held on Tuesday, 30<sup>th</sup> September, 2014 at 2:30 p.m. at the Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai – 400 049.

Full name of the Shareholder .....  
(in block letters)

Ledger Folio No. .... DP ID ..... Client ID.....

Number of Shares held.....

Full name of Proxy.....  
(in block letters)

**Signature of Shareholder or Proxy attending**

Please provide full name of the 1<sup>st</sup> Joint Holder.

.....

Notes:

- (1) Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.
- (2) Members are requested to bring their copy of Annual Report for reference at the Meeting.

----- Tear Here -----

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**TARMAT LIMITED**

Regd Off: - P B NO 9042, Goregaon (East), Mumbai - 400063

CIN: L45203MH1986PLC038535

Website: - www.tarmatlimited.com • email id: cs@tarmatlimited.com

Name of the member(s)

Registered address

E-mail id

Folio No. / Client Id

DP ID

I/We, being the member(s) of ..... Equity shares of **Tarmat Limited**, hereby appoint

1. Name:..... Email Id: .....  
Address: ..... Signature: .....  
*or failing him/her*
2. Name:..... Email Id: .....  
Address: ..... Signature: .....  
*or failing him/her*
3. Name:..... Email Id: .....  
Address: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 30<sup>th</sup> September, 2014 at 2:30 p.m. at the Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai – 400 049 and at any adjournment thereof in respect of such resolutions as are indicated below

Sr No	Resolution
1	Adoption of the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss Account for the year ended on that date and the reports of the Auditors and Directors thereon
2	Appointment of director in place of Mr. Dilip Varghese (DIN 01424196) who retires by rotation and being eligible offers himself for reappointment.
3	Appointment of Auditor
4	Re-appointment of Mr. Dilip Varghese (DIN 01424196) as an Executive Director of the Company
5	Appointment of Mr. Anil Joshi (DIN 00019927) as an Independent Director of the Company
6	Appointment of Mr. Ramesh Gupta (DIN 00554094) as an Independent Director of the Company
7	Appointment of Mr. Chandrakant Sanghavi (DIN 00039015) as an Independent Director of the Company

Signed this ..... day of ..... 2014.

Signature of Shareholder

Signature of proxy holder (s)

Please affix Re.1/- revenue stamp and sign across

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



## Our Clients

### DEPARMENT

PIU, KSHIP, Bangalore (W B)  
PIU, PWD, Mizoram (World Bank)

MES (Navy), Vishakhapatnam

AAI, Mumbai

AAI, Chennai

Jet Airways, Mumbai

MCGM, Mumbai

MMRDA, Mumbai

KSTP, Kerala

Mitusui & Co Ltd, Navi Mumbai

Hyundai Corpn. Vashi, N. Mumbai

PWD Mumbai NH Div, Pen.Raigad

PWD- Mumbai Multi. Bldg. Cosnt.

PWD Mumbai RDD III Panvel

CIDCOCBD, Navi Mumbai.

MES, Colaba, Mumbai

National Airport Authr.,New Delhi

NBCC, Lodhi Road, New Delhi

PWD, Mumbai TCB, Chembur

AAI, Sahar, Mumbai

MCGM, Mumbai

MIDC, Chiplun

MES (Airlorce) Ahmedabad

AAI, New Delhi

GSHP- Vadodara, Gujarat

Engineer in Chief (R&B), Hyderabad

M/s Ennore Foundries Ltd , Chennai

Hiranandani Realtors Pvt Ltd, Chennai

Sri Sivasubramaniya Nadar College of Engineering,  
kelavakkam

Ashok Leyland Ltd, Ennore, Chennai

Unitech Ltd, Chennai

M/s Hitech Carbon, Chennai

M/s SRF Ltd, Chennai

Ahmedabad Municipal Corp. BRTS

MIDC, Nanded

New Mangalore Port Trust

Cochin International Airport Ltd

Mumbai International Airport Ltd

TNRIDC, Chennai - 2

Mahindra & Mahindra, Mumbai

Chief Engineer (H) Metro, Alandur, Chennai - 16

Maharashtra Airport Development Company Ltd.

Bangalore International Airport

Shri Saibaba SansthanTrust, Shirdi

### NAME OF WORK

Rehab. & Up-grade in State Highways Road Proj M3 & U6

State Highways Project M-9, M -4, M -5 Total 125 KM

Special Repairs to Runway & Taxi Tack at NAS Arakkonam

Construction of Link Taxi Track & 8 domestic/remote parking bays

Construction Shoulders & Turn Pad & 4 Bays.

Construction of Taxi Track Apron for Hi-Tech Hanger

Improvement of Goregaon-Mulund Link Road & A KVaidya Marg

Widening & improvement of Western Exp Highway

Maintenance work of various roads total 70 KM

Const. of roads Bituminous pavement at JNPT, Nhava Sheva

Const. Container Yard, laying sub-base & rigid pavement at JNPT

Widening & strengthening of PMP Road NH 17

Widening of Sion Panvel Road Sec V.

Rehab. Of Mumbai-Pune Rd. NH 4 15.20 Km

Const bituminous road at Khankdeswar, & Road connector to  
Vashi Rly station & Pavement in forecourt area of Vashi Rly Stn.

Resurfacing of Runway at Vadodara Airport.

Recarpeting Runway, Taxiway & Apron at CA Belgaum

Resurfacing of Runway at Vadodara Airport.

Const.of approach to Bridge across Thane Creek on Sion-Panvel Rd

Cosnt of Taxi track & Taxi link along with the main runway.

Up-gradation of main Runway at Mumbai Airport. Concreting of  
TT Parallel to Main Runway

Concreting of B D Sawant Marg, Cardinal Gracious Marg upto Chakala

D C Work(Sec I) Improvement to Chiplun-Shringartali Rd.

Resurfacing of Runway at Air-force station, Jamnagar

Strengthening of Runway & Parallel Taxi way at Indira Gandhi Int. Airport

Periodical renewal of Borsad-Padra-Jambusar Road 27 KM

Widen. & Strength, of Anantpur- Tardipatri-Bhogasamudrum Rd 272Km

Land development, Road work, compound wall & fencing.

Filling, Retaining wall, Construction and Laying of concrete road.

Land development, Formation of new roads, repairs & resurfacing of  
existing Kelavakkamroads and road to bus park area.

Strom water drain, road work, spare parts warehouse

Improvement of Existing Melkottaiur Nallambakkam Road.

New Road and Old Road Patch work at Sipcot Industrial Complex

New Formation of Approach Road

From RTO to Pirana complete Road construction

Upgradation of Airstrip at Nanded Airport Includ. Apron & Allied works

Concretisation of existing Road Part 1

Construction of additional concrete parking base for Aircrafts

Development of plot near Jet Airways & taxi track bituminous & Roads etc

Improvements singaperumalkoil to sriperumbudur road 4 lane Package I

Improvements Vandalur to walajabad road 4 lane Package IV

Const. of box culvert& Asphaltng at yellow gate, Kandivali

Widening to six lanes and strenghtening of Taramani Link road Km 0/0-3/650  
(six lane)

Design and Construction of Apron adjoining to existing apron on Airside to  
new Terminal Building at existing Airport at Nagpur

Design and Construction of Apron adjoining to existing apron on Airside to  
new Terminal Building at existing Airport at Bangalore

Construction of flexible and rigid payment on DP & Ring Road

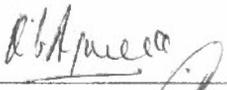


Tarmat Limited  
General A. K. Vaidya Marg  
Near Wageshwari Mandir Stop  
Off Film City Road  
Goregaon (E)  
Mumbai-400063  
Tel.: +91-22-2840 2130 / 1180 Fax : +91-22-2840 0322  
Website : [www.tarmatlimited.com](http://www.tarmatlimited.com)  
Email : [contact@tarmatlimited.com](mailto:contact@tarmatlimited.com)

## TARMAT LIMITED

Formerly known as Roman Tarmat Limited.

### Form B as per 31(a) of the Listing Agreement

1	Name of Company	TARMAT LIMITED
2	Annual Financial Statement for the year ended	31 <sup>st</sup> March 2014
3	Type of audit qualification	Item 9 -- .Non payment and delay in payment of TDS,VAT and Professional Tax.
4	Frequency of qualification	Item 9 –continued
5	Relevant notes and Management response to the qualification in the Directors Report.	Item 9. -- The dues of Professional Tax, TDS and VAT are being paid.
6	Additional Comments from the Board/Audit committee Chairman	
	Signed by	
	Managing Director	
	CFO	
	Auditor	
	Audit Committee Chairman	