



## TAL MANUFACTURING SOLUTIONS LIMITED

2014-15

**Registered Office & Works:**

PDO Building, TATA Motors Campus,  
Chinchwad, Pune - 411 033 (MH).

CIN: U29100PN2000PLC130290

Tel: 020 – 6613 5509

Fax: 020 – 6613 6318

Website: [www.tal.co.in](http://www.tal.co.in)

**Factory/ Works:**

Aerospace Division,  
Sector -3, MIHAN SEZ,  
Village Kalkuhi, Nagpur – 441 108

Tel: 07126 – 662802

## TAL MANUFACTURING SOLUTIONS LIMITED

### FIFTEENTH ANNUAL REPORT 2014–15

### INDEX

Sr. No.	Particulars	Page No.
1	Board's Report (Alongwith Secretarial Auditor's Report, Extract of Annual return and Particulars of Contracts with Related Parties).	01 – 32
2	Statutory Auditor's Report	33 – 38
3	Balance Sheet	39 – 39
4	Profit & Loss Account	40 – 40
5	Cash Flow Statement	41 – 41
6	Statement of Changes in Equity	42 – 42
7	Notes to Accounts	43 – 88

#### **Board of Directors:**

R.S. Thakur (Chairman), Non Executive Director,  
Dr. Raghunath Anant Mashelkar, Independent Director,  
(w.e.f. 31/03/2015)

Satish Pradhan, Non Executive Director,  
Padmini Khare Kaicker, Independent Director,  
(w.e.f. 31/03/2015)

N. S. Kulkarni, Non Executive Director,  
Satish Borwankar, Non Executive Director,  
Ravi Kant (upto 01/06/2014)  
Rajesh Khatri (Executive Director & CEO)

#### **Chief Operating Officer:**

Amit Bhingurde.

#### **Chief Financial Officer:**

Santanu Sil. (w.e.f. 01/01/2015)  
S. B Shirali. (upto 31/12/2014)

#### **Company Secretary:**

Jagdish Shirke. (w.e.f. 06/04/2015)  
Kavita Sethi Jain (upto 05/04/2015)

#### **Statutory Auditors:**

M/S Deloitte Haskins & Sells,  
Chartered Accountants,  
Pune.

#### **Secretarial Auditor:**

Mr. I.U Thakur  
Practicing Company Secretary,  
Pimpri, Pune.

#### **Internal Auditor:**

Mr. Dilip Parthe  
Pimpri, Pune.

# Board's Report

## To the Members of TAL MANUFACTURING SOLUTIONS LIMITED

The Directors present their Fifteenth Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2015.

### FINANCIAL RESULTS

(Figures in Rupees Lacs)

Particulars	FY 2014-15	FY 2013-14
(i) Total Income	13,443	13,136
(ii) Total Expenses	14,579	15,887
(iii) Profit/(Loss) before Interest & Depreciation	(1,136)	(2,751)
(iv) Depreciation	398	417
(v) Interest (Net after capitalization)	300	71
(vi) Profit/(Loss) Before Exceptional Item & Tax	(1833)	(3,239)
(a) Exceptional Items	0	0
(vii) Provision for Taxation/(Deferred Tax)	0	0
(viii) Profit/(Loss) After Tax	(1,833)	(3,239)
(ix) Balance brought forward	(1,272)	1,967
(x) Balance Carried to Balance Sheet	(3,105)	(1,272)

### DIVIDEND

Taking into consideration the losses during the year, your Directors do not recommend any dividend on equity shares for Financial Year 2014-15.

### OPERATION & PERFORMANCE

Your Company has achieved the total revenue of Rs. 13443 Lacs during the financial year 2014-15 as compared to Rs.13136 Lacs for the previous year. The Company has suffered a loss of Rs. 1833 Lacs as compared to previous year's loss of Rs. 3239 Lacs. During the Financial year, the Company was able to reduce the losses by around Rs.1406 Lacs.

### Industrial Business Unit (IBU)

The Indian economy finally saw a modest recovery from decadal lows seen for growth over the last two years. Government data shows that GDP had grown by 5.5% in the first two quarters of the Financial Year 2015. The Economy benefitted mostly from both a revival in sentiment.

The Index of Industrial Production (IIP) grew by a modest 2.8% with manufacturing output growing by a modest 2.2% in April14-Mar15 period (as against - 0.7% contraction in the previous year). Manufacturing growth on the other hand remained anemic @ 1.2% in the first nine months as compared to a contraction of 0.4% in the same period last year. The weakness has primarily emanated from the consumer durables segment that has contracted further by 15.2% (as compared to a contraction of 12.9% in the previous year). Investments have continued to remain weak as the volatile capital goods segment has shown a growth of just 4.8%. As such, there are two key points that are evident in the economy. Firstly, consumer demand remains low and is unlikely to see a rebound in a hurry. There is likely to be some lag for consumer demand to pick up as the lower fuel prices and optimism on the economic front is bolstered by real action. Secondly, the capex cycle has clearly not taken off and the corporate sector still awaits more policy action from the government before taking forward its investment plans.

Automobile industry and Capital Goods have seen a marginal growth during the year. While the Auto sector has grown by 8.7%, the passenger cars have grown by 3.9% and commercial vehicles have de-grown by (2.8%). Despite a large dependence on these sectors, the IBU could achieve an order booking (excluding excise duty) of Rs 137 Crs, an increase of 40% YoY for the Industrials division.

Difficult business environment coupled with poor opening order backlog has resulted in 17% lower YoY Sales at Rs 98 Crs and a loss before EE of Rs (23) Crs (against a PY Loss of Rs (33) Crs) for the Industrials BU.

The Company's thrust on cost reduction and improving operational efficiency resulted in 20% reduction of fixed cost YoY, driven mainly by lean initiatives. These efforts have helped the Company to restrict the loss, despite lower revenues.

With focused efforts, the Company was able to reduce its working capital levels, thereby minimizing its borrowing costs.

New 3R- Rigid, Reliable & Rapid Series of machines were launched in IMTEX 2015. More than 10-SPMs were delivered during the year. In the Fluid Power business, the offtake was limited due to slowdown in the mining and commercial vehicles segment.

In line with the strategic plan, the thrust in the projects business has been to deliver Integrated Manufacturing Solutions. Your company has consciously refrained from bidding for small, low margin standalone paint system business. Two first-time orders have been won for supplying automated storage and retrieval systems (ASRS). Organizational changes to achieve effective project management, initiatives for design optimization and out sourcing to reduce the procurement costs resulted in improvement in margins.

A large order for laying an assembly line for Tata – Ace and TVS 3-Wheeler in Ethiopia was received by your company against stiff competition. Apart from completing many other prestigious projects, Surface Missile (30-kg payload) Launcher was delivered to DRDO.

### **Aerospace Business Unit (ABU)**

The Aerospace dedicated facility at MIHAN–SEZ, Nagpur is at an inflexion point of an accelerated growth. The ABU clocked Sales of Rs 46 Crs for FY 15 – an increase of 191% YoY. With the successful completion of FPQ / FAI of all the composite beams, your company is the only one outside of USA to have qualified for the production of advanced composite beams for the 787-9 Dreamliner aircraft.

During the year under review, more than 450+ beams were supplied - with the end customers appreciating the quality of the beams. 32,000 (double of previous year) precision machined metallic parts were supplied. The company continued to maintain its 100% on-time delivery performance for the ACFB supplies.

With a passion to excel, the management has adopted global best practices in manufacturing to ensure risk free delivery model. The efforts were recognized by Boeing during their Production Readiness Assessment process. Other notable achievements included Nadcap certification with “merit status”, business processes integration through SAP and successful migration to SAP EHP.

Your company entered into two long term contracts for supply of aero-structure and aero-engine parts from the Generic facility – i) \$ 170M (over 10 years) with RUAG (Airbus Tier-1) and ii) \$ 18M (over 7 years) with Rolls Royce

The manpower is being augmented in line with the production ramp up activities in both the facilities in Nagpur. Training and development continue to be the focus areas.

Your company participated in the Aero - India Show 2015 and effectively demonstrated its capabilities as a cost effective and reliable supplier of parts & assemblies for aero-structures and aero-engines, tooling and ground support / ground handling equipment.

### **Robotic & New Developments**

Leveraging its mechatronics capabilities to provide low cost automation solutions, your company developed and manufactured a 10 kg-payload articulated Robot equipped with India-centric controller. The Robot was demonstrated in IMTEX 2015 and invoked a good response. The Robot is expected to go into commercial production in Q2 FY16.

Technology tie-up agreement was signed with M/s PROXYZ / Autofina for supply of the Controller/s.

To begin with, handling applications will be targeted – though application capabilities for welding, gluing, sealing, de-burring, etc. are being honed. With its flexibility, reliability and low cost, the Robot is expected to revolutionise automation in the MSME segment.

## **OUTLOOK**

It was expected that growth will benefit from recent policy reforms, a consequent pickup in investment and lower oil prices. Post-election recovery of confidence and lower oil prices offered an opportunity to the government to pursue structural reforms. It continues to remain a matter of concern that the industry is not seeing any real boost from Government policies. The bank interest rates have already seen some downward revisions. However, a below normal monsoon could prove to be spoil sport and act as a dampener.

In line with its Strategic Plan 2020, Robotics and Automation, Aerospace and Integrated Manufacturing Solutions continue to be the growth engines for your Company.

The Company is building a strong team to aggressively market the indigenously built Robots and automation solutions. The current density of Robots in India is 1 per 10,000 peoples as against 350 in Korea and China. With 40% demand in the handling segment, your company is well positioned to exploit the huge potential with cost effective robotic solutions.

With a projected 5% CAGR long-term growth in commercial aircrafts, the Aerospace segment continues to offer good growth opportunities. The OEM and Tier-1 companies are keen to source their requirements - parts, assemblies and tooling, from India to leverage low-cost advantage and fulfill offset obligations. Given the stringent quality demands and the associated high penalties and contractual obligations, not many companies in India seem to be ready.

Your company has taken proactive steps to exploit the growing opportunity in Aerospace. The revenues from the dedicated facility at Nagpur are expected to grow exponentially as the production rate gets ramped up.

Intensified business development efforts are being put to grow and leverage opportunities with major international customers (existing and potential) based on long term partnering. Collaborative efforts with other TATA Group companies are also likely to generate good business opportunities, especially for Tooling and Ground Support Equipment.

The Company continues its efforts to reduce its dependence on the cyclical Auto sector by increasing its offerings to other sectors like Railways, Construction Equipment and Pharmaceuticals and focusing on offering Integrated Manufacturing Solutions in place of discreet selling of equipment alone. ASRS offers an avenue for untapped growth in all the industry segments. New business development initiatives undertaken by the company are expected to yield results. There exists an opportunity to garner a higher share of business by collaborating with Group companies (in addition to TML).

With renewed investments in the defense sector, WHAP/MPV/Surface Launcher (for which the proto-types have been delivered) offer potential business opportunities. Continued thrust on cost reduction and lean measures will continue to be the guiding force to drive efficiencies.

## **HUMAN RESOURCES**

HR strategy at TAL is linked to business strategy and facilitates the organization to achieve the company objectives by building people capabilities. The company is focusing on acquiring right talent and capability development.

In continuation of its right-sizing activities in IBU, the employee strength reduced from 266 to 202 – however, 148 employees were added in ABU. The total strength of employees as on March 31, 2015 was 654 numbers. VRS scheme offered to Operatives at the Pune unit was not successful.

The Company continues to have cordial relations with its workmen Union. During the year, there was continuous engagement and communication between the management and the union on improving the operations of the Company. The ex-gratia settlement Agreement for 2012-13 and 2013-14 with bargain able workforce was concluded amicably.

## **SEGMENT REPORTING**

The Company is engaged, mainly in the business of the engineering products and manufacturing solutions. The new aerospace business has started operations during the period and have been reported as a separate segment for the year, which in the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, is considered to constitute a reportable segment.

## **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

The Information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo as required under the provisions of Section 134 (3) (a) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, are given as an **Annexure A** to this Report.

## **SHARE CAPITAL**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2015 is Rs. 100 Crores. During the Financial Year 2014-15, the Company has raised Rs.35,00,00,000/- (Rupees Thirty Five Crores Only), comprising of 3,50,00,000 Equity Shares @ Rs.10/- each, through right issue to the existing shareholder of the Company. As on 31<sup>st</sup> March, 2015, none of the Directors of the Company hold shares of the Company. The Company is planning to raise some additional funds by way of right issue during next financial year for which necessary approval / limit has been sanctioned by the Holding Company.

## **HOLDING COMPANY**

During the Financial year, your Company continues to remain a Wholly Subsidiary Company of TATA Motors Limited (A Listed Company) in terms of the provisions of the Companies Act, 2013.

## **FIXED DEPOSITS**

During the year under review, the Company has neither invited nor accepted/renewed any deposits from the Public within the meaning of Chapter V of the Companies Act, 2013; (2014-15: NIL).

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the Financial Year, your Company has not given any loan, guarantees & investments covered under Section 186 of the Companies Act, 2013.



## **STATUTORY AUDITORS & THEIR REPORT**

M/s. Deloitte Haskins & Sells ('DHS'), Registration No.117365W, the Statutory Auditors of the Company, hold the office until the conclusion of the Seventeenth Annual General Meeting ('AGM') to be held in the year 2017 (subject to the ratification of their Appointment at every AGM). It is proposed to ratify their appointment and to fix their remuneration for FY 2015-16.

The Statutory Auditors have given their Audit Report for the Financial year 2014-15 and the observations made by the Auditors together with relevant notes thereon are self-explanatory and do not call for any comments.

## **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. I U Thakur, Practising Company Secretary as a Secretarial Auditor to conduct the Secretarial Audit. The Secretarial Audit Report for FY 2014-15 is appended as **Annexure B** and the observations made by the Secretarial Auditors are self-explanatory and do not call for any comments.

## **COST AUDITOR**

The Ministry of Corporate Affairs has issued the notification on 31<sup>st</sup> December, 2014 under Section 148 of the Companies Act, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 which is applicable to the Company for Financial Year 2015-16. The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s Mani & Company, Cost Accountants (Regn No 00004) to audit the Cost Accounts of the Company for the financial year 2015-16 on remuneration of Rs 1,50,000/-. As mandated by the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, the Resolution seeking the Member's ratification for the remuneration payable to the Cost Auditor is included in the Agenda item of Notice convening the ensuing Annual General Meeting.

## **INTERNAL AUDITOR & INTERNAL FINANCIAL CONTROL**

Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, the Company has appointed an Internal Auditor to conduct Internal Audit of the functions & activities of the Company. The Internal Auditor submits its quarterly reports to the Audit Committee for its review. Based on the Internal Audit Report, the Audit Committee issues instructions to the process owners / departments to undertake corrective actions in their respective areas and thereby strengthen the control. Significant audit observations and corrective actions thereon are presented to the Audit Committee on quarterly basis.

During the year under review, the adequate internal control system was placed in relation to the Financial Statements and quarterly reporting to TML along with certifications from Executive Director and Chief Financial Officer affirming the authenticity of the Financial Statements was also submitted on time.



## **DIRECTORS**

During the Financial year 2014-15, the Board of Directors had appointed Dr. Raghunath Anant Mashelkar and Ms. Padmini Khare Kaicker as additional Independent Directors on the Board of the Company with effect from March 31, 2015 in terms of the provisions of the Companies Act, 2013 and also recommended their appointments to the Members at the ensuing Annual General Meeting of the Company. The Independent Directors have given their declarations under Section 149(6) of the Companies Act, 2013 that they meet the criteria of independence.

During the Financial year 2014-15, Mr. Ravi Kant, Chairman of the Company, vide his letter dated June 02, 2014, intimated the Company that consequent upon turning 70 years of age and as per the policy of the Company, he has stepped down from the Board of Directors w.e.f June 01, 2014. The Board members recalled the valuable contributions made by him as a Non-Executive Chairman of the Company and extended their warm and sincere appreciation of the services rendered by him during his tenure.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. N. S. Kulkarni and Mr. Satish Borwankar are liable to retire by rotation and are eligible for re-appointment as the ensuing Annual General Meeting of the Company. The composition of the Board is in compliance with the provisions of the Companies Act, 2013.

## **KEY MANAGERIAL PERSONNEL (KMP)**

During the Financial Year 2014-15, Mr. S.B Shirali, Chief Financial Officer (KMP) of the Company, superannuated from the Company on December 31, 2014 and Mr. Santanu Alok Sil has been appointed as a Chief Financial Officer (KMP) w.e.f January 01, 2015 in terms of Section 203 of the Companies Act, 2013.

During the Financial year 2014-15, Mrs. Kavita Sethi Jain, Company Secretary of the Company has resigned, the Board has approved her resignation in its meeting held on March 14, 2015 & relieved her as a Company Secretary & KMP of the Company with effect from 5<sup>th</sup> April, 2015. The Board has appointed Mr. Jagdish J. Shirke (FCS 6691) as a Company Secretary w.e.f April 06, 2015.

The Board has placed on record its appreciation for the contributions made by Mr. S. B. Shirali & Mrs. Kavita Sethi Jain during their respective tenures of office.

## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board is required to carry out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee by process of assessment feedback/questionnaire from individual Directors/Committee members for Board & Committees. The assessment reporting was placed before the Nomination & Remuneration Committee with final reporting & noting before the Board.

## **MEETINGS OF BOARD & ITS COMMITTEES**

A yearly calendar of the Meetings is prepared & circulated in advance to the Directors. During the Financial year 2014-15, Eight (8) Board Meetings, Six (6) Audit Committee Meetings and one (1) meeting of Remuneration Committee were convened & held. The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013,

## **AUDIT COMMITTEE**

The Audit Committee of Directors comprised of three Non-executive Directors, viz. Mr. Satish Pradhan, Mr. Satish Borwankar and Mr. N. S. Kulkarni, during the FY 2014-15. The Audit Committee had 6 (Six) meetings during the year. These meetings were attended by the Executive Director & CEO, Chief Financial Officer, Chief Operating Officer, ABU Head, Internal Auditor and Statutory Auditors of the Company. The Secretary of the Company acted as a Secretary to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Audit Committee has been reconstituted on March 31, 2015 in accordance with the provisions of Section 177 of Companies Act, 2013. The Audit Committee now comprises of three non-executive Directors (including two Independent Directors), viz. Ms. Padmini Khare Kaicker (Chairperson), Dr. Raghunath Anant Mashelkar and Mr. N. S. Kulkarni.

## **NOMINATION & REMUNERATION COMMITTEE**

The earlier Remuneration Committee of Directors comprised of three non-executive Directors, viz. Mr. Ravi Kant, Mr. R.S Thakur and Mr. Satish Pradhan. The Committee had 1 (one) meeting during the financial year 2014-15. The Secretary of the Company acted as a Secretary to the Remuneration Committee.

In accordance with the provisions of Section 178 of Companies Act, 2013, the Committee was reconstituted as 'Nomination & Remuneration Committee' ('NRC') on March 31, 2015. The NRC now comprises of four non-executive Directors (Including two Independent Directors), viz. Mr. Satish Pradhan (Chairperson), Dr. Raghunath Anant Mashelkar, Mr. R.S Thakur and Ms. Padmini Khare Kaicker.

## **REMUNERATION POLICY**

The Board upon the recommendation of Remuneration Committee has adopted the policy pursuant to Section 178 of the Companies Act, 2013 during the Financial Year 2014-15. The key highlights of the policy are shared herewith for the reference of the members.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- (a) "the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals”.

**A) Remuneration for independent directors and non-independent non- executive directors**

- i) Independent directors (“ID”) and non-independent non-executive directors (“NED”) may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- ii) Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- iii) Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
- iv) Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company’s operations and the company’s capacity to pay the remuneration.
- v) Overall remuneration practices should be consistent with recognized best practices.
- vi) Quantum of sitting fees may be subject to review on a periodic basis, as required.
- vii) The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- viii) The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- ix) In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

**B) Remuneration for managing director (“MD”)/ executive directors (“ED”)/ KMP/ rest of the employees**

- i) The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
  - a) Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
  - b) Driven by the role played by the individual,

- c) Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
  - d) Consistent with recognized best practices and
  - e) Aligned to any regulatory requirements.
- ii) In terms of remuneration mix or composition,
- a) The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - b) Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
  - c) In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
  - d) The company provides retirement benefits as applicable.
  - e) In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
  - f) In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
    - i) Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
    - ii) Industry benchmarks of remuneration,
    - iii) Performance of the individual.]
  - g) The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

### **C) Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and

- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

#### D) Policy implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

### CORPORATE GOVERNANCE

Given herein below are relevant disclosures, as required under Section-II (B) of Part-II of Schedule V to the Companies Act, 2013:

#### Managerial Remuneration

- a) **Remuneration Committee (RC):** The Remuneration Committee in its meeting held on May 02, 2014, comprising of three non - executive Directors viz. Mr. Ravi Kant, Mr. R.S.Thakur and Mr. Satish Pradhan, considered, approved and recommended the remuneration payable to the Executive Director of the Company. During the year, one meeting of the Committee was held on the aforesaid date.
- b) **Remuneration Policy:** The NRC decides the remuneration payable to Managerial personnel based on criteria such as industry benchmarks, responsibilities shouldered, the Company's performance vis-à-vis the industry, performance / track record of the Managerial personnel and reports' to the Board of Directors. The Company pays remuneration to its Managerial personnel by way of salary, perquisites and allowances (fixed component) and commission and/or incentive remuneration (variable component).

Annual increments are recommended by the Nomination & Remuneration Committee and approved by the Board of Directors within the salary scale approved by the members and are effective from April 1, annually.

The Details of remuneration paid to Mr Rajesh Khatri, Executive Director is disclosed in Extract of Annual Return attached with this Report. The salient features of the agreement executed by the Company with the Executive Director are as under:

Period of Appointment	October 1 , 2012 to September 31, 2017
Salary	In the scale of Rs. 3,00,000/- per month upto a maximum of Rs.6,00,000/- per month (Basic Salary Rs.315000 pm commencing from April 1, 2013). The annual increments which will be effective 1st April each year, will be decided by the Board and will be merit-based and take into account the Company's performance as well.

Commission	In addition to the salary, perquisites and allowances payable, payment of commission, if any, will be paid as a percentage to the net profits of the Company in a particular financial year as per Section 349 and 350 of the earlier Companies Act, 1956, subject to the overall ceilings stipulated in Sections 198 and 309 of the 1956 Act. The commission payable to Mr. Khatri would be based on certain performance criteria, as may be laid down by the Board of Directors / Remuneration Committee, and payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the Members.														
Incentive Remuneration	Upto 200% of salary to be paid annually at the discretion of the Board / Remuneration Committee based on certain performance criteria.														
Perquisites & Allowances	<p>a. House Rent and House Maintenance Allowances aggregating 85% of the basic salary or Company leased accommodation in lieu thereof as per norms of the company.</p> <p>b. Medical benefits, Transport and other facilities:</p> <ul style="list-style-type: none"> <li>i. Medical benefits under the Medical Insurance Scheme in force in the Company.</li> <li>ii. A Company Car, as per the rules of Company.</li> <li>iii. Housing Loan Interest subsidy, as per the Rules of the Company.</li> </ul> <p>c. Other perquisites and allowances given below subject to a maximum of 55% of the Basic salary:-</p> <table border="0"> <tr> <td>i. Cash Allowances</td><td>33.34%</td></tr> <tr> <td>ii. Leave Travel Concession/ Allowance</td><td>8.33%</td></tr> <tr> <td>iii. Medical allowance</td><td>8.33%</td></tr> <tr> <td></td><td>50.00%</td></tr> <tr> <td>iv. Personal Accident Insurance ) @ actual subject to</td><td></td></tr> <tr> <td>v. Club Membership fees ) a cap of</td><td>5.00%</td></tr> <tr> <td></td><td>55.00%</td></tr> </table>	i. Cash Allowances	33.34%	ii. Leave Travel Concession/ Allowance	8.33%	iii. Medical allowance	8.33%		50.00%	iv. Personal Accident Insurance ) @ actual subject to		v. Club Membership fees ) a cap of	5.00%		55.00%
i. Cash Allowances	33.34%														
ii. Leave Travel Concession/ Allowance	8.33%														
iii. Medical allowance	8.33%														
	50.00%														
iv. Personal Accident Insurance ) @ actual subject to															
v. Club Membership fees ) a cap of	5.00%														
	55.00%														
Minimum Remuneration	Where in any financial year during the currency of the tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites and Allowances, and Performance Bonus as specified above for a period not exceeding 3 years.														
Notice period on either side	Six month notice or Company paying six month's salary in lieu of the notice.														
Stock option details	Not applicable														

The remuneration approved by the Remuneration Committee on 2<sup>nd</sup> May, 2014 was exceeding the limit specified under Schedule V of the Companies Act, 2013, the Company made an application to the Central Government (MCA) seeking its approval for paying the remuneration to Mr Rajesh



Khatri exceeding the limit of Section II of Schedule V of the Companies Act, 2013. The Central Government (MCA) granted its approval for Rs.84 Lacs per annum. Since the approval was much lower than the remuneration received by Mr Khatri in previous years, the Company made representations to the MCA vide letters dated 10.12.2014, 15.12.2014 & 30.01.2015 requesting the MCA to reconsider & grant an appropriate approval.

The MCA has issued Circular 07/2015 dated 10.04.2015 clarifying that the Managerial Personnel appointed as per Schedule XIII of the Companies Act, 1956 may continue to receive the remuneration under the Old Act. In line with this Circular, the letter is being issued to the MCA communicating that the Company would pay remuneration as per the provisions of Schedule XIII for his remaining tenure.

- c) **Remuneration to Non-Executive Directors** : A sitting fee of Rs. 10,000/- per meeting per Director is paid to each of the \*Non-executive Directors for attending the meetings of the Board of Directors, Audit Committee and Remuneration Committee attended by them. Sitting fees paid to the Non-Executive Directors for attending various Board/Committee meetings held during the financial year 2014 – 15 are furnished below:

(Figures in Rupees)

Name of the Director	Sitting fees paid				Total sitting fees paid during 2013 - 14
	Board	Audit Committee	Remuneration Committee	Any Other Committee	
Mr. Ravi Kant *	10,000	-	10,000	-	20,000
Mr. Satish Pradhan	80,000	60,000	10,000	-	1,50,000
Mr. R. S. Thakur	70,000	10,000	10,000	-	90,000
Mr. N. S. Kulkarni	80,000	60,000	-	-	1,40,000
Mr. Satish Borwankar #	Nil	Nil	Nil	-	Nil
Dr. Raghunath Anant Mashelkar \$	NA	NA	NA	-	NA
Ms. Padmini Khare Kaicker \$	NA	NA	NA	-	NA
Mr. Rajesh Khatri – Executive Director & C.E.O	Nil	Nil	Nil	-	Nil

\* Stepped down from the Board with effect from 01.06.2014.

# Except Executive Director of Holding Company.

\$ Appointed as an additional Independent Director on March 31, 2015.



## **DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2014-15 and of the profit & loss of the Company for Financial Year 2014-15.
- (iii) have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) have prepared the annual accounts on a "going concern basis";
- (v) have devised proper system to ensure compliance with the provisions of all applicable laws and the system is adequate and operating effectively.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The Policy has also been posted on the website of the Company.

## **RISK MANAGEMENT POLICY**

During the period under review, the Company has developed & adopted the Enterprise Risk Management Policy which is under process of implementation. In terms of the Policy, the Quarterly Report shall be submitted to the Audit Committee & Board on the risks identified by each Department of the Company.

## **DISCLOSURES ABOUT CSR POLICY**

The CSR provisions of the Companies Act, 2013 is not applicable to the Company and therefore no CSR Policy has been adopted by the Company during the year under review.

## **DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company has not received any complaint on sexual harassment during the financial year 2014-15.

## RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2014-15 were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Directors, key Managerial personnel or other senior management persons which may a potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee as also the Board for approval. The Statement giving the details of all related party transactions is placed before the Audit Committee & the Board on quarterly basis. The Statement is supported by certificate from the ED & CFO of the Company.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except remuneration paid to the Executive Director as per the Companies Act, 2013.

The particular of Contract with related parties in prescribed form under Section 134 of the Companies Act, 2013 has been attached with this Report as **Annexure C**.

## SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS

During the year, no significant & material order passed by any regulator, courts or any other tribunals to the Company which would impact the going concern status and company's operations in future.

## EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as on 31.03.2015 in MGT-9 pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure D**.

## ACKNOWLEDGEMENTS

The Directors wish to convey their sincere appreciation to all the Company's employees and employees' Union for their enormous personal efforts and their collective contribution to enable the Company to meet targets and overcome the challenges faced by the Company during the year. The Directors would also like to thank Company's shareholders, bankers, auditors, suppliers and all other business associates and stakeholders for the continuous support given by them to the company and for their confidence in its management.

**On behalf of the Board of Directors**

**Date: May 02, 2015**  
**Place: Pune**

**Sd/-**  
**R.S Thakur (DIN: 00020126)**  
**Chairman**

## **Annexure A**

(Attached with the Board's Report for the financial year ended March 31, 2015)

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo**

#### **A. Conservation of Energy**

The Company has always been conscious of the need for conservation of energy. Energy conservation measures have been implemented in all the plants and offices of the Company.

Particulars	FY 2014-2015	FY 2013-14
Electrical Energy (KWH in lacs)	75.87*	52.51

\* Increase in activity in Nagpur Plant

##### **(i) Steps taken or impact on conservation of energy:**

Energy Meters are fitted in respective area & Power consumption is closely monitored at BU / Function level. Machine Tool Division of the Company has taken major steps in reducing power consumption. This has reduced overall power consumption.

For Nagpur Plant, Company has adequate mechanism in place to analyze the power consumption factors while procuring equipments. The Plant Building has sufficient Day light Panel's due to which in Sun hours, the Plant doesn't need to switch on the lights, sufficient lux are available in the plant. Power consumption is monitored unit wise daily to identify the power consumption. Proper planning is done to maximize the utilization of the machines in Machine shop so that less no of machines will be used for the required production. Wind driven Turbine Ventilators have been installed at DG House & substations to take out the heat. Energy Saving lamps have been installed in offices to reduce the heat load.

##### **(ii) Steps taken by the company for utilising alternate sources of energy:**

Dialogue has been started with the TML for Roof Top solar systems in MTD & PDO. It is at very primitive stage.

Since the Nagpur Plant is in MIHAN SEZ, the power cost is low for the same and therefore alternate source of energy is not considered.

##### **(iii) Capital Investment on energy conservation equipments:**

The Company is contemplating the investment options/opportunities for conservation of energy through modern equipments and systems. However for Nagpur Plant, Company has invested Rs. 5 Crs on energy conservation equipments.

#### **B. Technology Absorption**

The Company has signed Technology tie-up agreement with M/s PROXYZ / Autofina for supply of the Controller/s. Leveraging its mechatronics capabilities to provide low cost automation solutions, your company developed and manufactured a 10 kg-payload articulated Robot equipped with India-centric controller. The Robot is expected to go into commercial production in Q2 FY16.

### C. Foreign Exchange Earnings & Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Particulars	FY 2014-15	FY 2013-14
Foreign Exchange Earnings and Outgo	<i>(Equivalent in Rs.lakhs)</i>	<i>(Equivalent in Rs. lakhs)</i>
i) Foreign Exchange Earnings	1491	1,423
ii) Foreign Exchange Outgo	11578	4,729

## **Annexure B**

(Attached with the Board's Report for the financial year ended March 31, 2015)

Form No. MR-3

### **SECRETARIAL AUDIT REPORT**

**FOR THE PERIOD 01.04.2014 TO 31.03.2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

**The Members,**

**TAL MANUFACTURING SOLUTIONS LIMITED**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TAL Manufacturing Solutions Limited (CIN: U29100PN2000PLC130290) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the TAL Manufacturing Solutions Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- (i) I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended on 31.03.2015 according to the provisions of the Companies Act, 2013 (the Act) and the rules made there under;
- (ii) I have also examined the provisions of the following Acts and found them in satisfactory conditions:

#### **A) ENVIRONMENTAL LAWS:**

- 1. Air (Prevention and Control of Pollution) Act, 1981 and Air (Prevention and Control of Pollution) Rules 1982.
- 2. The Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules 1975.
- 3. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

#### **B) LABOUR LAWS:**

- 1. Factories Act, 1948 and Maharashtra Factories Rules 1963.
- 2. Employees' Compensation Act, 1923 (Earlier known as Workmen's Compensation Act, 1923).

3. Employees State Insurance Act, 1948.
4. The Industrial Disputes Act, 1947.
5. The Minimum Wages Act, 1948.
6. The Payment of Wages Act, 1936.
7. Equal Remuneration Act, 1976.
8. The Apprentices Act, 1961.
9. The Child Labour (Prohibition and Regulation) Act, 1986.
10. The Contract Labour (Regulation and Abolition) Act, 1970.
11. The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
12. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.
13. The Industrial Employment (Standing Orders) Act, 1946.
14. The Maternity Benefit Act, 1961.
15. The Payment of Bonus Act, 1965.
16. The Payment of Gratuity Act, 1972

I have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations as follows:

As the Independent Directors were appointed on 31<sup>st</sup> March, 2015, no separate meeting of Independent Directors was held as required under Schedule IV i.e Code for Independent Directors.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The Company has properly re-constituted Nomination and Remuneration Committee as on 31.03.2015 as per the provisions u/s 178 of the Companies Act, 2013

The Company has properly re-constituted Audit Committee as on 31.03.2015 as per the provisions u/s 177 of the Companies Act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, for meaningful participation at the meeting. Majority decisions are carried through and recorded as part of the minutes and there were no dissenting members' views.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period:

- a) The Company has increased its authorized share capital as on 15<sup>th</sup> November, 2014. The Company has passed a Special resolution as on 15<sup>th</sup> November, 2014 for increasing the authorized capital and filed form MGT-14 as on 19<sup>th</sup> November, 2014 and Form Sh-7 as on 20<sup>th</sup> November, 2014. For the purpose of giving effect of increasing in Authorised Capital, the Company has altered the Memorandum of Association and Articles of Association. The Company has complied with all the provision of the Companies Act, 2013.
- b) The Company has increased its paid up capital by allotting shares as on 16<sup>th</sup> December, 2014 and has allotted 3,50,00,000 equity shares of Rs. 10/- each on right basis amounting to Rs. 35,00,00,000/-. The Company has filed Form PAS-3 as on 06<sup>th</sup> January, 2015. The Company has delivered duly stamped and executed Share certificates. The Company has complied with all the provision of the Companies Act, 2013.

**Place: Pune**

**Date: 27.04.2015**

**Signature: Sd/-**

**Name of Company Secretary in practice: I U Thakur**

**C.P No. : 1402**



## **Annexure C**

(Attached with the Board's Report for the financial year ended March 31, 2015)

### **Form AOC -2**

#### **Particulars of Contracts / Arrangements with Related Parties**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: **N.A**

(a) Name(s) of the related party and nature of relationship: **N.A**

(b) Nature of contracts/arrangements/transactions: **N.A**

(c) Duration of the contracts / arrangements/transactions: **N.A**

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A**

(e) Justification for entering into such contracts or arrangements or transactions: **N.A**

(f) date(s) of approval by the Board: **N.A**

(g) Amount paid as advances, if any: **N.A**

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A**

**2. Details of material contracts or arrangement or transactions at arm's length basis**

----- Attached herewith -----

## **Annexure D**

(Attached with the Board's Report for the financial year ended March 31, 2015)

**Form No. MGT-9**

### **EXTRACT OF ANNUAL RETURN as on the Financial Year ended on March 31, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### **I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:	<b>U29100PN2000PLC130290</b>
ii)	Registration Date:	<b>13/03/2000</b>
iii)	Name of the Company:	<b>TAL Manufacturing Solutions Limited</b>
iv)	Category / Sub-Category of the Company:	<b>Public Limited</b>
v)	Address of the Registered office and contact details:	<b>PDO Building, TATA Motors Campus, Chinchwad, Pune - 411 033, Maharashtra, India Tel. +91 20 – 6613 5509 Fax: +91 20 – 6613 5578 Website: <a href="http://www.tal.co.in">www.tal.co.in</a></b>
vi)	Whether listed company:	<b>No</b>
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	<b>N.A.</b>

#### **II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

<b>Sl. No.</b>	<b>Name and Description of main products /</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the Company</b>
1.	Other parts of Aeroplanes	88033000 (NIC 74210)	24%
2.	Sale of CNC Machining Center	84571020 (NIC – 29199)	35%
3.	Fluid Power Solutions	84138190, 84122100 (NIC – 29121)	14%
4.	Erection & Commissioning	Service (NIC 74210)	1.24%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.	Tata Motors Ltd Bombay House, 24, Homi Mody Street, Hutatma Chowk, Mumbai. PIN - 400 001	L28920MH1945PLC004620	Holding	100%	2(46)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
a) Individual / HUF	NIL	NIL	NIL	NA	NIL	NIL	NIL	NIL	NA
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	NIL	6,50,00,000	6,50,00,000	100	NIL	10,00,00,000	10,00,00,000	100	NIL
e) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-Total</b>									
<b>(A)(1) :-</b>	NIL	6,50,00,000	6,50,00,000	100	NIL	10,00,00,000	10,00,00,000	100	NIL
<b>(2) Foreign</b>									
a) NRIs Ind	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other Ind	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub – Total (A)(2)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total Shareholding of promoter (A) = (A)(1) + (A)(2)</b>	NIL	6,50,00,000	6,50,00,000	100	NIL	10,00,00,000	10,00,00,000	100	NIL

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutional</b>									
a) Mutual Funds	NIL	NIL	NIL	NA	NIL	NIL	NIL	NIL	NA
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Fund	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-Total (B)(1)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>2. Non Institutions</b>									
a) Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Individual shareholders holding nominal share capital upto Rs. 1 Lac	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Individual shareholders holding nominal capital in excess of Rs. 1 Lac	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) Others	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-Total (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>C. Shares held by Custodian for GDR &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A + B + C)</b>	NIL	6,50,00,000	6,50,00,000	100	NIL	10,00,00,000	10,00,00,000	100	NIL

**(ii) Shareholding of Promoters**

Sr. No.	Shareholders name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No of Shares	% of shares total of the Company	% of shares pledged / encumbered to total shares	No of Shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	
1.	TATA Motors Limited ('TML')	6,49,99,930	99.99	NIL	9,99,99,930	99.99	NIL	NIL
2.	TML jointly with Mr Ravi Kant	10	0.0015	NIL	10	0.00001	NIL	NIL
3.	TML jointly with Mr. Hoshang K Sethna	10	0.001538	NIL	10	0.00001	NIL	NIL
4	TML jointly with Mr. A. P. Arya*	20	0.001538	NIL	20	0.00002	NIL	NIL
5	TML jointly with Mr. C. Ramkrishnan	10	0.003076	NIL	10	0.00001	NIL	NIL
6	TML jointly with Mr. Vispi Patel	10	0.001538	NIL	10	0.00001	NIL	NIL
7	TML jointly with Mr. Ravindra Pisharody	10	0.001538	NIL	10	0.00001	NIL	NIL
	<b>Total</b>	<b>6,50,00,000</b>	<b>100</b>		<b>10,00,00,000</b>	<b>100</b>		

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	6,50,00,000	100		

	<p>Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat</p>	<p>Increase in Promoters Share holding on 16/12/2014 by the allotment of 3,50,00,000 equity right shares at Rs. 10 each.</p> <p>The Company intends to utilize the proceeds from the Issue of Equity Rights shares aggregating Rs. 35 Crores towards funding the following objects:</p> <ul style="list-style-type: none"> <li>◆ capital expenditure of Aerospace and Robotics &amp; Automation, businesses</li> <li>◆ augment the Bank requirement for term loan</li> <li>◆ general corporate purposes.</li> </ul>			
	At the End of the year	10,00,00,000	100	10,00,00,000	100

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1.	At the beginning of the year	NIL	NIL	NIL	NIL
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc).	NIL	NIL	NIL	NIL
3.	At the End of the year ( or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Directors and KMP</b>				
1.	At the beginning of the year	NIL	NIL	NIL	NIL
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc).	NIL	NIL	NIL	NIL
3.	At the End of the year	NIL	NIL	NIL	NIL



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6,349,174	--	--	6,349,174
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>6,349,174</b>	<b>--</b>	<b>--</b>	<b>6,349,174</b>
<b>Change in Indebtedness during the financial year</b>				
♦ Addition	334,342,003	140,000,000	--	474,342,003
♦ Reduction	--	--	--	--
<b>Net Change</b>	<b>334,342,003</b>	<b>140,000,000</b>		<b>474,342,003</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	338,884,533	140,000,000	--	478,884,533
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	1,806,644	--	--	--
<b>Total (i+ii+iii)</b>	<b>340,691,177</b>	<b>140,000,000</b>	<b>--</b>	<b>480,691,177</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rs.)

Sl. no.	Particulars of Remuneration	Name of WTD					Total Amount
		Mr. Rajesh Khatri, Executive Director & CEO	-	-	-	-	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31,50,000					31,50,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	40,17,750	-	-	-	-	40,17,750
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL					NIL
2.	Stock Option	NIL	-	-	-	-	NIL
3.	Sweat Equity	NIL	-	-	-	-	NIL
4.	Commission - as % of profit - Others, specify...	NIL	-	-	-	-	NIL
5.	Others, Retiral Benefits	10,02,015	-	-	-	-	10,02,015
	Total (A)	81,69,765	-	-	-	-	81,69,765
	Ceiling as per the Act	84,00,000*	-	-	-	-	84,00,000*

\* The MCA vide its circular No 07/2015 dated 10.04.2015 has clarified the payment of remuneration to the Managerial personnel who have been appointed under earlier act read with Schedule XIII for their remaining tenure. Accordingly the Company is entitled to pay excess remuneration over & above the ceiling in schedule and the excess pay has already been approved by the members in general Meeting. In view of the aforesaid Circular, the Board of Directors, on approval/recommendation of Nomination & Remuneration Committee, vide meeting held on 02.05.2015 has approved the payment of incremental remuneration for FY 2014-15 and also approved the incremental remuneration for FY 2015-16 within overall limits as approved by the Members of the Company. Accordingly, the communication is being issued to the MCA for payment of incremental remuneration to ED & CEO considering the circular.

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration			Name of Directors				Total Amt.
			----	----	----		---	
	1. Independent Directors							
	- Fee for attending board committee meetings	NIL	NA	NA	NA	NA	NA	NIL
	- Commission	NIL						
	- Others, please specify	NIL						
	Total (1)		NIL	NIL	NIL	NIL	NIL	NIL
	2. Other Non-Executive Directors		Mr. RaviKant	Mr. Thakur	Mr. Pradhan	Mr. Borwankar	Mr. Kulkarni	
	- Fee for attending board committee meetings		20,000	90,000	1,50,000	Nil	1,40,000	4,00,000
	- Commission		Nil	Nil	Nil	Nil	Nil	Nil
	- Others, please specify		NA	NA	NA	NA	NA	NA
	Total (2)		20,000	90,000	1,50,000	Nil	1,40,000	4,00,000
	Total (B)=(1+2)		20,000	90,000	1,50,000	Nil	1,40,000	4,00,000
	Total Managerial Remuneration		81,69,765	NA	NA	NA	NA	81,69,765
	Overall Ceiling as per the Act*		84,00,000	NA	NA	NA	NA	84,00,000

\* Please refer note given at previous page.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO*	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	*Already given in WTD Column as ED is appointed as CEO	4,53,000 12,95,038 --	10,95,282 25,62,684 --	15,48,282 38,57,722 --
2.	Stock Option		--	--	--
3.	Sweat Equity		--	--	--
4.	Commission - as % of profit - Others, specify...		--	--	--
5.	Others, Retiral Benefits		76,149	3,48,409	4,24,558
	Total		<b>18,24,187</b>	<b>40,06,375</b>	<b>58,30,562</b>

\* During the financial year 2014-15, Mr. S. B. Shirali, CFO has been superannuated with effect from 31.12.2014 and Mr Shantanu Sil has been appointed as a CFO of the Company w.e.f. 01.01.2015. Accordingly, the total remuneration paid to the CFOs for their respective tenure have been clubbed & mentioned herein.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY:</b>					
Penalty	NIL	NA	NA	NA	NA
Punishment	NIL	NA	NA	NA	NA
Compounding	NIL	NA	NA	NA	NA
<b>B. DIRECTORS:</b>					
Penalty	NIL	NA	NA	NA	NA
Punishment	NIL	NA	NA	NA	NA
Compounding	NIL	NA	NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT:</b>					
Penalty	NIL	NA	NA	NA	NA
Punishment	NIL	NA	NA	NA	NA
Compounding	NIL	NA	NA	NA	NA

**Form No. AOC 2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Date of Contract	Name of the Related Party	Name of the Director's Interested	Nature of Relation with the Company	Nature of Contracts/ arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Dates of Approval by the Board, if any	Value of Total Transaction During F.Y. 2014-15 (In ₹)	Amount paid as advances, if any During F.Y. 2014-15 (In ₹)
On Going Contracts	Tata Motors Ltd	Mr. Satish Borwankar	TML Executive Director/ Holding Company	Sale of goods	As per PO Terms	02-May-14	17,86,90,330	1,04,79,100
				Purchase of goods	As per PO Terms		30,87,113	
				leasing of property of any kind	As per PO Terms		2,02,24,800	
				availing or rendering of services of any kind	As per PO Terms		4,28,39,098	
				rendering of services of any kind	As per PO Terms		1,40,90,043	
				appointment of any agent for purchase or sale of goods, materials, services or property	As per PO Terms		NA	
On Going Contracts	Tata Marcopolo Motors Ltd	Mr. Satish Borwankar	Common Director/ Fellow Subsidiary			02-May-14		
				rendering of services of any kind	As per PO Terms		5,39,328	
				appointment of any agent for purchase or sale of goods, materials, services or property	As per PO Terms		NA	
On Going Contracts	TML Drivelines Ltd	Mr. Satish Borwankar	Common Director/ Fellow Subsidiary			02-May-14		
				Sale of goods	As per PO Terms		5,63,56,115	9,90,000
				rendering of services of any kind	As per PO Terms		0	
				appointment of any agent for purchase or sale of goods, materials, services or property	As per PO Terms		NA	
On Going Contracts	Tata Technologies Ltd (TTL)	-	Fellow Subsidiary	Sale of goods	As per PO Terms	02-May-14	64,150	
				availing or rendering of services of any kind	As per PO Terms		50,61,820	
				appointment of any agent for purchase or sale of goods, materials, services or property	As per PO Terms		NA	

It is hereby declared that the above transactions are on-going transactions with the Related Parties and there is no change in the terms & conditions in the FY 2014 - 15. Further these transactions are in the ordinary course of business and are at Arm's Length Basis.

Sd/-  
Mr. Santanu Sil  
CFO

Sd/-  
Mr. R.S Thakur  
Chairman.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
TAL MANUFACTURING SOLUTIONS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **TAL MANUFACTURING SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its loss and cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.



- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21(b) to the financial statements.
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm Registration No. 117365W)

Amol A. Apte  
(Partner)  
(Membership No. 76289)

**Pune, 2<sup>nd</sup> May, 2015**

**ANNEXURE REFERRED TO IN THE AUDITORS' REPORT (Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)**

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(ii) In respect of its inventories:

- (a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals. In case of inventories lying with third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held as at 31<sup>st</sup> March, 2015.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on the physical verification.

- (iii) According to the information and explanations given to us, the company has not granted any loans, secured and unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that most of the items purchased/sold are of a special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal controls system.

- (v) According to the information and explanations given to us, the company has not accepted any deposit as per directives issued by Reserve Bank of India and in terms of the provisions of section 73 to 76 of the Companies Act, 2013.

- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
  - Details of dues of Income-tax, Sales Tax/Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

<b>Name of statute</b>	<b>Nature of dues</b>	<b>Amount (Rs.)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Income Tax	11,868,800	A.Y. 2010-11	Income-Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	17,426,970	A.Y. 2011-12	Commissioner of Income-Tax (Appeals)
Income Tax Act, 1961	Income Tax	8,411,000	A.Y. 2012-13	Commissioner of Income-Tax (Appeals)

- There are no amounts that are due to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has incurred cash losses during the current financial year covered by our audit and immediately preceding financial year.

- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not borrowed any funds from financial institutions or debenture holders during the year under audit.
- (x) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks and financial institutions.
- (xi) According to the information and explanations given to us, the company has not raised any term loans during the year and thereafter the question of application of such loans does not arise.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm Registration No. 117365W)

Amol A. Apte  
(Partner)  
(Membership No. 76289)

**Pune, 2<sup>nd</sup> May, 2015**

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Balance Sheet as at March 31, 2015**

			As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
	Note No.	Rupees		
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholder's Funds</b>				
(a) Share Capital	1	1,000,000,000		650,000,000
(b) Reserves and Surplus	2	(310,488,714)		(127,158,828)
			689,511,286	522,841,172
<b>(2) Non-Current Liabilities</b>				
(a) Deferred Tax Liabilities (Net)	3	-		-
(b) Other Long-term Liabilities	4	9,215,355		12,892,000
(c) Long-term Provisions	5	114,815,975		99,253,817
			124,031,330	112,145,817
<b>(3) Current Liabilities</b>				
(a) Short-term Borrowings	6	478,884,533		6,349,174
(b) Trade Payables	7	612,334,557		419,273,326
(c) Other Current Liabilities	8	448,365,675		1,038,939,312
(d) Short-term Provisions	9	24,928,999		20,041,528
			1,564,513,764	1,484,603,340
<b>TOTAL</b>			<b>2,378,056,380</b>	<b>2,119,590,329</b>
<b>II. ASSETS</b>				
<b>(1) Non-current Assets</b>				
(a) Fixed Assets				
(i) Tangible Assets	10	485,561,338		426,922,664
(ii) Intangible Assets	11	8,433,104		14,112,384
(iii) Capital Work-in-progress		347,444,113		279,761,847
(iv) Intangible Assets under Development		-		1,151,395
		841,438,555		721,948,290
(b) Long-term loans and advances	12	146,701,648		154,523,495
(c) Other Non-current Assets	13	3,500,000		3,500,000
			991,640,203	879,971,785
<b>(2) Current Assets</b>				
(a) Inventories	14	752,439,422		454,187,951
(b) Trade Receivables	15	378,595,632		412,575,678
(c) Cash and Cash Equivalents	16	3,411,357		25,530,859
(d) Short-term loans and advances	17	72,892,516		207,838,324
(e) Other Current Assets	18	179,077,250		139,485,732
			1,386,416,177	1,239,618,544
<b>TOTAL</b>			<b>2,378,056,380</b>	<b>2,119,590,329</b>

**SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS**

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

Sd/-

**Amol A. Apte**

Partner

Sd/-

SANTANU SIL, Chief Financial Officer

Sd/-

JAGDISH SHIRKE, Company Secretary

**For and on behalf of the Board**

Sd/-

R.S.THAKUR, Chairman

Sd/-

RAGHUNATH MASHELKAR, Director

Sd/-

PADMINI KHARE KAICHER, Director

Sd/-

SATISH PRADHAN, Director

Sd/-

N.S.KULKARNI, Director

Sd/-

SATISH BORWANKAR, Director

Sd/-

RAJESH KHATRI, Executive Director

Place: Pune

Date: 02/05/2015

**TAL MANUFACTURING SOLUTIONS LIMITED**  
**Statement of Profit and Loss for the period ended March 31, 2015**

Particulars	Note No.	For the year ended	For the year ended
		March 31, 2015	March 31, 2014
		Rupees	Rupees
I. Revenue from Operations - Gross		1,329,918,446	1,370,145,896
Less: Excise duty		93,513,335	121,858,676
Revenue from Operations - Net	A(1)	1,236,405,111	1,248,287,220
II. Other Income	A(2)	105,560,148	65,319,713
III. <b>Total Revenue (I + II)</b>		<b>1,341,965,259</b>	<b>1,313,606,933</b>
IV. Expenses :			
Cost of Materials Consumed	B (1)	1,029,764,465	870,758,979
Changes in Inventories of finished goods and work-in-progress	B (2)	(66,312,030)	31,107,208
Employee Benefits Expense	B (3)	440,755,625	449,898,153
Finance Costs	B (4)	29,958,600	7,062,525
Depreciation and Amortisation Expense	B (5)	39,813,397	41,700,367
Other Expenses	B (6)	428,673,509	377,258,650
Expenditure transferred to capital and other accounts		(377,358,421)	(140,284,664)
V. <b>Total Expenses</b>		<b>1,525,295,145</b>	<b>1,637,501,218</b>
VI. <b>Profit / (Loss) Before Tax (III - V)</b>		<b>(183,329,886)</b>	<b>(323,894,285)</b>
VII. Tax Expense :			
- Current Tax		-	-
- Deferred Tax		-	-
		-	-
VIII. <b>Profit / (Loss) After Tax (VI - VII)</b>		<b>(183,329,886)</b>	<b>(323,894,285)</b>
IX. <b>Earnings Per Equity Share: (Not Annualised)</b>			
Ordinary Share			
- Basic (Nominal Value per share Rs. 10)		(2.44)	(4.98)
- Diluted (Nominal Value per share Rs. 10)		(2.44)	(4.98)

**SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS**

In terms of our report attached to the Balance Sheet

**For Deloitte Haskins & Sells**

Chartered Accountants

Sd/-

SANTANU SIL, Chief Financial Officer

Sd/-

**Amol A. Apte**

Partner

Sd/-

JAGDISH SHIRKE, Company Secretary

**For and on behalf of the Board**

Sd/-

R.S.THAKUR, Chairman

Sd/-

RAGHUNATH MASHELKAR, Director

Sd/-

PADMINI KHARE KAICHER, Director

Sd/-

SATISH PRADHAN, Director

Sd/-

N.S.KULKARNI, Director

Sd/-

SATISH BORWANKAR, Director

Sd/-

RAJESH KHATRI, Executive Director

Place: Pune

Date: 02/05/2015

**TAL MANUFACTURING SOLUTIONS LIMITED**  
**Cash Flow Statement for the period April 01, 2014 to March 31, 2015**

	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Rupees		Rupees	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax		(183,329,886)		(323,894,285)
Adjustments for:				
Depreciation / amortisation	39,813,397		41,700,367	
(Profit)/ Loss on sale of assets (net)	(7,748,000)		(3,133,162)	
Finance Costs	29,958,600		7,062,525	
Interest received	(1,290,274)		(31,938,835)	
Compensation received from a customer	(68,275,639)		(14,000,000)	
		(7,541,916)		(309,105)
Operating Profit before Working Capital changes		(190,871,802)		(324,203,390)
Adjustments for:				
Inventories	(298,251,471)		(26,127,499)	
Trade receivables	33,980,046		40,463,589	
Long term and Short term Loans and Advances, Other Current and Non-Current assets	(25,715,282)		267,224,470	
Trade Payables	193,061,231		44,364,382	
Other Current and Long term Liabilities	(604,772,309)		(140,817,713)	
Short-term and Long-term Provisions	20,449,629		(6,341,066)	
		(681,248,156)		178,766,163
Cash generated from operations		(872,119,958)		(145,437,227)
Income taxes paid (net)		(2,913,189)		(6,104,168)
Net Cash from / (used in) Operating Activities		(875,033,147)		(151,541,395)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets (net of compensation received from a customer)	(118,783,671)		(250,805,705)	
Sale of fixed assets	7,748,000		4,244,263	
Compensation received towards validation support, wear & tear and warranty cost	68,275,639		14,000,000	
Inter Corporate Deposit matured / (placed) (net)	100,000,000		330,000,000	
Interest received	1,290,274		31,938,835	
Net Cash from/ (used in) Investing Activities		58,530,242		129,377,393
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds / (Repayment) of short term borrowings from Banks (net)	332,535,359		6,349,174	
Proceeds / (Repayment) of Inter Corporate Deposit (net)	140,000,000		-	
Interest paid	(28,151,956)		(7,062,525)	
Proceeds / (Repayment) of Equity Share Capital (net)	350,000,000		-	
Net Cash from/(used in) Financing Activities		794,383,403		(713,351)
<b>D. NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		(22,119,502)		(22,877,353)
Cash and cash equivalents (Opening Balance)		25,530,859		48,408,212
Cash and cash equivalents (Closing Balance)		3,411,357		25,530,859

Note:

- Figures in the brackets represents outflow of Cash and cash equivalents.
- Cash and Cash equivalents comprises of :

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Cash on hand	114,218	179,842	54,325
Cheques, drafts on hand and Remittances in transit	-	22,413,810	13,043,376
Balances with Bank	3,297,139	2,937,207	35,310,511
	3,411,357	25,530,859	48,408,212

In terms of our report attached to the Balance Sheet

**For Deloitte Haskins & Sells**

Chartered Accountants

Sd/-

**Amol A. Apte**  
Partner

Sd/-

SANTANU SIL, Chief Financial Officer

Sd/-

JAGDISH SHIRKE, Company Secretary

**For and on behalf of the Board**

Sd/-

R.S.THAKUR, Chairman

Sd/-

PADMINI KHARE KAICHER, Director

Sd/-

RAGHUNATH MASHELKAR, Director

Sd/-

SATISH PRADHAN, Director

Sd/-

N.S.KULKARNI, Director

Sd/-

SATISH BORWANKAR, Director

Sd/-

RAJESH KHATRI, Executive Director

Place: Pune  
Date: 02/05/2015

Place: Pune  
Date: 02/05/2015

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 1 - SHARE CAPITAL**

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>Authorised :</b>		
120,000,000 (31st March, 2014- 90,000,000) equity shares of Rs.10/- each	<b>1,200,000,000</b>	900,000,000
<b>Issued, subscribed and paid up :</b>		
100,000,000 (31st March, 2014- 65,000,000) equity shares of Rs.10/- each fully paid up	<b>1,000,000,000</b>	650,000,000

Reconciliation of number of shares outstanding at the beginning and the end of the period :	As at March 31, 2015 No. of shares	As at March 31, 2015 Rupees	As at March 31, 2014 No. of shares	As at March 31, 2014 Rupees
No. of shares outstanding at the beginning of the period				
-Equity Shares	65,000,000	650,000,000	65,000,000	650,000,000
Add: Additional shares issued during the period				
-Equity Shares	35,000,000	350,000,000	-	-
Less: Shares forfeited/ Bought back during the period				
-Equity Shares	-	-	-	-
No. of equity shares outstanding at the end of the period				
-Equity Shares	100,000,000	1,000,000,000	65,000,000	650,000,000

	No. of shares as at March 31, 2015	No. of shares as at March 31, 2014
<b>1 Number of Shares held by each shareholder holding more than 5 percent shares in the Company are as follows :</b>		
Equity Shares :		
Tata Motors Ltd., The Holding Company	<b>99,999,930</b>	64,999,930

- 2 100,000,000 (Previous year 31st March, 2014 - 65,000,000) equity shares are held by the holding company and its nominees.
- 3 The Share Capital as above is after reduction of Equity Share Capital, under sections 100 to 105 of the Companies Act, 1956, amounting to Rs. 850,000,000 which was registered on 24th November, 2004.
- 4 The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remanant assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.



**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 2 - RESERVES AND SURPLUS**

	As at March 31, 2014 Rupees	Additions Profit / (Loss) for the year Rupees	Deductions Rupees	Appropriations Rupees	As at March 31 2015 Rupees
Surplus/(Deficit) i.e. Balance in Profit and Loss Statement	(127,158,828)	(183,329,886)	-	-	(310,488,714)
As at March 31, 2014	196,735,457	(323,894,285)	-	-	(127,158,828)

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

	<b>As at March 31, 2015 Rupees</b>	<b>As at March 31, 2014 Rupees</b>
<b>NOTE 3 - DEFERRED TAX LIABILITY (NET)</b>		
<b>(i) Break up of deferred tax liability as at period end:</b>		
<b>Nature of timing difference</b>		
Provision for Depreciation	<b>31,589,000</b>	23,132,000
<b>(ii) Break up of deferred tax asset as at period end:</b>		
<b>Nature of timing difference</b>		
Provision for Doubtful Trade Receivables, Security deposits and other advances	<b>31,589,000</b>	23,132,000
<b>Total Deferred Tax Liability</b>	<b>31,589,000</b>	23,132,000
<b>Deferred tax liability :</b>	<b>-</b>	<b>-</b>

**Note :**

Deferred tax asset on carried forward tax losses has been recognised to the extent of the existing deferred tax liability in the absence of virtual certainty.

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 4 - OTHER LONG TERM LIABILITIES**

	<b>As at March 31, 2015 Rupees</b>	<b>As at March 31, 2014 Rupees</b>
Other than Trade Payable- Others	<b>9,215,355</b>	12,892,000

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 5 - LONG TERM PROVISIONS**

	<b>As at March 31, 2015 Rupees</b>	<b>As at March 31, 2014 Rupees</b>
Provision for employee benefits	<b>109,451,600</b>	91,864,583
Provision for product warranty (See note 32)	<b>5,364,375</b>	7,389,234
	<b>114,815,975</b>	<b>99,253,817</b>

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 6 - SHORT TERM BORROWINGS**

	<b>As at March 31, 2015 Rupees</b>	<b>As at March 31, 2014 Rupees</b>
<b>(A) Loans repayable on demand from Banks (Secured):</b>		
Cash Credit and Working Capital Demand Loan	<b>338,884,533</b>	6,349,174
<b>(B) Loans and advances from related parties (Unsecured) :</b>		
Inter-Corporate deposits from		
- Sheba Properties Limited (Fellow Subsidiary)	<b>40,000,000</b>	-
- Tata Motors Limited (Holding Company)	<b>100,000,000</b>	-
	<b>140,000,000</b>	
	<b>478,884,533</b>	6,349,174

**Note:** Cash credit from banks are secured by hypothecation by way of first charge on stock of raw material, work-in-progress, stores, spares, finished goods and book debts.

TAL MANUFACTURING SOLUTIONS LIMITED

Notes forming part of the Financial Statements

NOTE 7 - TRADE PAYABLES

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Trade Payables	612,334,557	419,273,326

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 8 - OTHER CURRENT LIABILITIES**

		<b>As at</b>	<b>As at</b>
		<b>March 31, 2015</b>	<b>March 31, 2014</b>
		<b>Rupees</b>	<b>Rupees</b>
(a) Interest Accrued but not due on Borrowings		<b>1,806,644</b>	-
(b) Compensation received from customer pending adjustments against future cost to be incurred and future period costs (See note 39)		<b>240,485,218</b>	767,267,454
(c) Amount Due to Customer in respect of Contract work		<b>2,385,000</b>	2,946,000
(d) Other Payables			
- Advance from Customer	<b>134,964,406</b>		194,030,393
- Payables for purchase of fixed assets	<b>33,580,204</b>		24,864,821
- Withholding taxes, employee related dues and other statutory obligations	<b>35,144,203</b>		49,830,644
		<b>203,688,813</b>	268,725,858
		<b>448,365,675</b>	1,038,939,312

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 9 - SHORT TERM PROVISIONS**

	<b>As at March 31, 2015 Rupees</b>	<b>As at March 31, 2014 Rupees</b>
(a) Provision for Employee benefits	<b>10,459,908</b>	9,358,417
(b) Provision - Others		
- Provision for Tax - Current	<b>2,900,422</b>	2,900,422
- Provision for product warranty (See note 32)	<b>11,568,669</b>	7,782,689
	<b>14,469,091</b>	10,683,111
	<b>24,928,999</b>	20,041,528



**TAL MANUFACTURING SOLUTIONS LIMITED**
**Notes forming part of the Financial Statements**
**NOTE 10 - TANGIBLE ASSETS**
**(Amount in Rupees)**

Particulars	Cost				Depreciation / Amortisation				Net Book Value	
	As at March 31, 2014	Additions during the year	Disposals during the year	As at March 31, 2015	Up to March 31, 2014	For the year	On Disposals	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>Tangible Assets</b>										
(a) Leasehold Land	64,828,136 (64,828,136)	- (-)	- (-)	<b>64,828,136</b> (64,828,136)	4,298,469 (3,643,740)	671,742 (654,729)	- (-)	<b>4,970,211</b> (4,298,469)	<b>59,857,925</b> (60,529,667)	60,529,667
(b) Buildings (See note 39)	143,230,684 (1)	2,824,522 (143,230,683)	- (-)	<b>146,055,206</b> (143,230,684)	909,526 (-)	4,906,544 (909,526)	- (-)	<b>5,816,070</b> (909,526)	<b>140,239,136</b> (142,321,158)	142,321,158
(c) Improvement to leased premises	1,493,386 (1,493,386)	- (-)	- (-)	<b>1,493,386</b> (1,493,386)	1,493,386 (1,493,386)	- (-)	- (-)	<b>1,493,386</b> (1,493,386)	- (-)	-
(d) Plant & Equipment (See Note 39)	498,853,871 (482,554,344)	88,029,025 (28,838,567)	16,776,891 (12,539,040)	<b>570,106,005</b> (498,853,871)	297,474,882 (281,405,462)	21,518,005 (27,528,212)	16,776,891 (11,458,792)	<b>302,215,996</b> (297,474,882)	<b>267,890,009</b> (201,378,989)	201,378,989
(e) Furniture and Fixtures	15,348,663 (15,185,599)	288,256 (163,064)	- (-)	<b>15,636,919</b> (15,348,663)	8,449,415 (7,761,293)	672,421 (688,122)	- (-)	<b>9,121,836</b> (8,449,415)	<b>6,515,083</b> (6,899,248)	6,899,248
(f) Vehicles	4,299,045 (5,080,413)	- (168,303)	453,328 (949,671)	<b>3,845,717</b> (4,299,045)	1,930,738 (2,309,288)	571,121 (571,121)	453,328 (949,671)	<b>2,048,531</b> (1,930,738)	<b>1,797,186</b> (2,368,307)	2,368,307
(g) Office Equipment	48,804,240 (47,793,881)	1,630,988 (1,105,668)	- (95,309)	<b>50,435,228</b> (48,804,240)	35,378,945 (30,714,704)	5,794,284 (4,728,697)	- (64,456)	<b>41,173,229</b> (35,378,945)	<b>9,261,999</b> (13,425,295)	13,425,295
<b>Total</b>	<b>776,858,025</b>	<b>92,772,791</b>	<b>17,230,219</b>	<b>852,400,597</b>	<b>349,935,361</b>	<b>34,134,117</b>	<b>17,230,219</b>	<b>366,839,259</b>	<b>485,561,338</b>	<b>426,922,664</b>
As at March 31, 2014	(616,935,760)	(173,506,285)	(13,584,020)	(776,858,025)	(327,327,873)	(35,080,407)	(12,472,919)	(349,935,361)		

Figures in bracket are in respect of previous year

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 11 - INTANGIBLE ASSETS**

(Amount in Rupees)

Particulars	Cost				Amortisation				Net Book Value	
	As at March 31, 2014	Additions during the year	Disposals during the year	As at March 31, 2015	Up to March 31, 2014	For the year	On Disposals	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>Intangible Assets (Other than internally generated)</b>										
(a) Computer Software	33,952,305 (32,738,079)	- (1,214,226)	- (-)	33,952,305 (33,952,305)	28,685,573 (25,144,688)	2,630,637 (3,540,885)	- (-)	31,316,210 (28,685,573)	2,636,095 (5,266,732)	5,266,732
(b) Technical know how	34,255,079 (34,255,079)	- (-)	- (-)	34,255,079 (34,255,079)	25,409,427 (22,330,352)	3,048,643 (3,079,075)	- (-)	28,458,070 (25,409,427)	5,797,009 (8,845,652)	8,845,652
<b>Total</b>	<b>68,207,384</b>	<b>-</b>	<b>-</b>	<b>68,207,384</b>	<b>54,095,000</b>	<b>5,679,280</b>	<b>-</b>	<b>59,774,280</b>	<b>8,433,104</b>	<b>14,112,384</b>
As at March 31, 2014	(66,993,158)	(1,214,226)	(-)	(68,207,384)	(47,475,040)	(6,619,960)	(-)	(54,095,000)		

Figures in bracket are in respect of previous year

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 12 - LONG TERM LOANS AND ADVANCES**

		As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>Loans and Advances to other than related parties:</b>			
(Unsecured, considered good unless otherwise stated)			
(a) Capital Advances	35,581,742		
Less: Provision for doubtful Advances	<u>2,309,700</u>	33,272,042	65,076,650
 (b) Security Deposits			
Considered good	5,269,061		7,496,251
Considered doubtful	<u>610,373</u>		<u>610,373</u>
	5,879,434		8,106,624
Less: Provision for doubtful Security Deposits	<u>610,373</u>		<u>610,373</u>
		5,269,061	7,496,251
 (c) VAT, other taxes recoverable and dues from Government			
Considered good	56,796,205		36,371,262
Considered doubtful	<u>5,638,543</u>		<u>-</u>
	62,434,748		36,371,262
Less: Provision for doubtful VAT, other taxes recoverable and dues from Government	<u>5,638,543</u>		<u>-</u>
		56,796,205	36,371,262
 (d) Advance income tax (net of provisions of Rs. 89,675,684/- (31st March 2014 - Rs. 89,675,684/-) unsecured, considered good			
		25,173,194	22,260,005
 (e) Advance paid under protest to Government Authorities			
		828,332	-
 (f) Other Loans and Advances			
- Claims Receivable	14,582,030		14,582,030
- Prepaid Expenses	3,241,157		168,564
- Loans to Employees	<u>7,912,710</u>		<u>8,568,733</u>
	25,735,897		23,319,327
Less : Provision for Doubtful claims recoverable	<u>373,083</u>		<u>-</u>
		25,362,814	23,319,327
		<u>146,701,648</u>	<u>154,523,495</u>

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 13 - OTHER NON- CURRENT ASSETS**

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<hr/>		
(Unsecured, considered good unless otherwise stated)		
(a) Long term Trade Receivables		
Considered Good	3,500,000	3,500,000
Considered Doubtful	3,523,857	3,956,743
	<hr/>	<hr/>
	7,023,857	7,456,743
Less : Allowances for Doubtful Receivables	3,523,857	3,956,743
	<hr/>	<hr/>
	3,500,000	3,500,000
	<hr/>	<hr/>
	3,500,000	3,500,000
	<hr/>	<hr/>

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 14 - INVENTORIES**

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
(a) Stores and spares	66,047,064	22,496,318
(b) Raw materials	406,998,041	304,284,626
(c) Work-in-progress	132,754,441	103,632,209
(d) Finished goods	60,964,596	23,774,798
(e) Pre - Operative inventory - Finished Goods	85,675,280	-
	<b>752,439,422</b>	<b>454,187,951</b>

Notes:

1 Above includes Goods-in-transit :		
(i) Raw materials and components	31,105,238	4,443,933
(ii) Finished goods	10,100,975	6,175,316
	<b>41,206,213</b>	<b>10,619,249</b>
2 The above items are valued at lower of cost and net realisable value.		

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 15 - TRADE RECEIVABLES**

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
(Unsecured, considered good unless otherwise stated)		
(a) Trade Receivables due for a period exceeding six months:		
Considered Good	40,705,140	121,037,763
Considered Doubtful	62,703,800	47,059,053
	<u>103,408,940</u>	<u>168,096,816</u>
(b) Others Trade Receivables		
Considered Good	337,890,492	291,537,915
	<u>441,299,432</u>	<u>459,634,731</u>
Less : Allowances for Doubtful Receivables	62,703,800	47,059,053
	<u><u>378,595,632</u></u>	<u><u>412,575,678</u></u>

**TAL MANUFACTURING SOLUTIONS LIMITED****Notes forming part of the Financial Statements****NOTE 16 - CASH AND CASH EQUIVALENTS**

	<b>As at March 31, 2015 Rupees</b>	<b>As at March 31, 2014 Rupees</b>
(a) Cash on hand	<b>114,218</b>	179,842
(b) Cheques, drafts on hand	-	22,413,810
(c) Balances with Banks		
(i) In Current accounts	<b>3,195,745</b>	2,937,207
(ii) In Cash credit accounts	<b>101,394</b>	-
	<b>3,411,357</b>	25,530,859

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 17 -SHORT TERM LOANS AND ADVANCES**

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
(Unsecured, considered good unless otherwise stated)		
(a) Loans & Advances to related parties :		
- Inter corporate deposits	-	100,000,000
- Other advance	21,155,509	-
(b) Loans & Advances to other than related parties :		
- VAT, other taxes recoverable and dues from Government		
Considered good	14,715,581	60,998,335
Considered doubtful	-	5,638,543
	14,715,581	66,636,878
Less: Provision for doubtful VAT, other taxes recoverable and dues from Government	-	5,638,543
	14,715,581	60,998,335
- Advances to suppliers	17,636,765	
Less: Provision for doubtful advances	1,500,000	
	16,136,765	35,753,115
- Other Loans and Advances		
- Claims Recoverable	11,224,904	4,376,078
- Prepaid Expenses	7,675,150	1,922,606
- Loans to Employees	2,516,646	4,788,190
	21,416,700	11,086,874
Less : Provision for Doubtful claims recoverable	532,039	-
	20,884,661	11,086,874
	72,892,516	207,838,324



**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE 18: OTHER CURRENT ASSETS**

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
(a) Amount due from Customer in respect of contract work		
Considered Good	179,077,250	138,354,000
Considered Doubtful	83,840,000	83,840,000
	<u>262,917,250</u>	<u>222,194,000</u>
Less: Provision for doubtful Construction In Progress	<u>83,840,000</u>	<u>83,840,000</u>
	179,077,250	138,354,000
(b) Claims receivable		
Considered Good	-	
Considered Doubtful	<u>1,181,156</u>	
	1,181,156	
Less: Provision for claims receivable	<u>1,181,156</u>	1,131,732
	<u>179,077,250</u>	<u>139,485,732</u>

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE A(1) - REVENUE FROM OPERATIONS - NET**

	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Rupees	Rupees
Sale of Products (including Revenue from Construction contracts)	<b>1,278,623,257</b>	1,297,195,330
Sale of Services (including Revenue from Construction contracts)	<b>33,966,201</b>	56,219,142
Other operating revenues - Scrap Sales	<b><u>17,328,988</u></b>	<u>16,731,424</u>
	<b>1,329,918,446</b>	1,370,145,896
Less: Excise duty	<b>93,513,335</b>	121,858,676
	<b><u>1,236,405,111</u></b>	<u>1,248,287,220</u>

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE A(2) - OTHER INCOME**

	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Rupees	Rupees
(a) Interest income		
On Bank deposits, employee loans, customer dues, Inter Corporate deposit etc	1,290,274	31,938,835
Interest Income on VAT	-	2,423,794
(b) Other Non-operating Income		
Profit on Sale/write off of Fixed Assets (Net)	7,748,000	3,133,162
Compensation received from customer (See Note 39)	68,275,639	14,000,000
Net gain on foreign currency (Refer Note (ii) below)	10,577,970	-
Provisions and advances received from customers no longer required written back ( Net )	15,635,294	12,868,286
Lease Rental (see note below)	1,788,000	-
Miscellaneous Income	244,971	955,636
	<b>105,560,148</b>	<b>65,319,713</b>

Notes:

- (i) Lease rental income recognised represents assets given on operating lease to customers on short term basis.
- (ii) Includes amortisation of premium on forward contracts Rs. 2,330,938 (March 31, 2014: Rs. 1,058,931)

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE B (1) - COST OF MATERIALS CONSUMED**

	<b>For the year ended March 31, 2015 Rupees</b>	<b>For the year ended March 31, 2014 Rupees</b>
Raw Material consumed	<b>1,029,764,465</b>	870,758,979
- Including processing charges for year ended March 31,2015 Rs. 52,166,622 (March 31, 2014 - Rs. 42,066,758)		
	<b>1,029,764,465</b>	<b>870,758,979</b>

**NOTE B (2) - CHANGES IN INVENTORIES OF FINISHED GOODS  
AND WORK-IN-PROGRESS**

	<b>For the year ended March 31, 2015 Rupees</b>	<b>For the year ended March 31, 2014 Rupees</b>
Opening Stocks:		
Finished Goods	<b>23,774,798</b>	23,957,625
Work-in-progress	<b>103,632,209</b>	134,556,590
	<b>127,407,007</b>	<b>158,514,215</b>
Less: Closing Stock:		
Finished Goods	<b>60,964,596</b>	23,774,798
Work-in-progress	<b>132,754,441</b>	103,632,209
	<b>193,719,037</b>	<b>127,407,007</b>
	<b>(66,312,030)</b>	<b>31,107,208</b>
	-	

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE B (3)- EMPLOYEE BENEFITS EXPENSE**

	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Rupees	Rupees
Salaries & Wages	<b>388,506,858</b>	393,418,077
Contribution to provident and other funds	<b>21,684,180</b>	32,118,800
Staff welfare expenses	<b>30,564,587</b>	24,361,276
	<b>440,755,625</b>	449,898,153

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE B(4) - FINANCE COST**

	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Rupees	Rupees
Interest expense on:		
a) Borrowings	26,027,730	1,177,102
b) Interest on delayed payment of Octroi	2,305,056	5,336,226
Other Borrowing Cost	1,625,814	549,197
	29,958,600	7,062,525

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE B (5) - DEPRECIATION AND  
AMORTISATION EXPENSES**

	<b>For the year ended</b>	<b>For the year ended</b>
	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Rupees</b>	<b>Rupees</b>
Depreciation on Tangible assets (see note 10)	<b>34,134,117</b>	35,080,407
Amortisation of Intangible assets (see note 11)	<b>5,679,280</b>	6,619,960
	<b>39,813,397</b>	41,700,367

**TAL MANUFACTURING SOLUTIONS LIMITED**

**Notes forming part of the Financial Statements**

**NOTE B (6) - OTHER EXPENSES**

		For the year ended	For the year ended
		March 31, 2015	March 31, 2014
		Rupees	Rupees
Consumption of stores and spare parts		116,763,872	51,115,960
Excise Duty :			
- Relating to Increase / (Decrease) in Closing Stocks	862,107		(192,301)
- Others	490,927		3,070,689
		1,353,034	2,878,388
Contract labour		8,774,086	8,844,544
Power and fuel		50,665,478	35,765,814
Rent		18,351,000	18,454,951
Repairs and maintenance to Buildings		886,534	7,500
Repairs and maintenance to Plant and Equipments		3,782,323	6,950,896
Repairs and maintenance to Others		1,913,167	6,418,611
Insurance		3,733,616	4,180,313
Rates and taxes		57,661	258,298
Travelling & Conveyance		41,526,560	47,342,835
Freight outward (Net of recoveries of Rs. 4,422,822) (31st March 2014 - Rs. 1,812,899)		10,507,886	27,787,524
Commission on sales		2,144,018	3,280,450
Auditors remuneration			
a. To Statutory Auditors			
- For Audit	2,200,000		2,200,000
- For Tax Audit	150,000		150,000
- For Other services	188,950		-
- Rembursement of Expenses	63,385		-
		2,602,335	2,350,000
b. To Cost Auditors for Cost Audit		168,540	150,000
Bad debts written off		6,166,690	13,249,890
Net loss on Foreign Currency transaction and translation (other than considered as Finance Cost)		-	1,080,056 #
Provision for doubtful debts and advances (net)		20,039,729	(3,304,968)
Provision for doubtful Construction In Progress		-	800,000
Product warranty		8,535,707	8,140,159
Cost of Services Procured		33,059,231	38,014,714
Late Delivery Charges		3,343,362	2,314,442
Director's Sitting Fees		400,000	520,000
Erection and Commissioning charges		41,990,099	55,982,623
Stamp duty and registration charges for increase in authorised share capital		2,850,000	-
Miscellaneous Expenses		49,058,581	44,675,650
		428,673,509	377,258,650

# Includes amortisation of premium on forward contracts - Rs 1,058,931



## TAL Manufacturing Solutions Limited

### Notes forming part of the Financial Statements

#### 19. Statement of Significant Accounting Policies

##### Note 1:

##### Corporate Information

TAL Manufacturing Solutions Limited ('the Company') was incorporated on March 13, 2000 and is engaged in the business of designing and building machine tools, material handling systems, test rigs, painting systems, assembly & process lines, robotic welding solutions, fixtures & tooling, fluid power solutions and aerospace solutions.

##### Note 2:

##### Significant Accounting Policies

##### A Basis of preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

##### B Significant Accounting Policies

##### (a) Sales

Sale of products is recognized when all significant risks and rewards of ownership have been transferred to the buyers. Sales include excise duty but exclude sales tax and value added tax.

Income from services is recognized as and when services are rendered.

Commission is recognized based on terms of arrangement with parties.

Interest income is accounted for on accrual basis.

##### (b) Accounting of Construction Contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the balance sheet date, determined with reference to the proportion that contract costs incurred on contracts for work performed up to the reporting date bear to the estimated total contract costs. For construction contracts entered into with effect from 1 June 2013 the stage of completion is determined based on technical estimates of completion of physical proportion of contract work.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately as allowance for foreseeable loss.

When costs incurred on construction contracts plus recognized profits (less recognized losses) exceeds billings to contract customers, the balance is shown as amount due from contract customers. When billings to contract customers exceed costs incurred plus recognized profits (less recognized losses), the balance is shown as amount due to contract customers.

##### (c) Fixed Assets

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

##### Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Notes forming part of the Financial Statements

(d) **Depreciation/ Amortization**

Depreciation on tangible fixed assets is provided using the Straight Line method over their estimated useful lives as follows:

Nature of Assets	Useful Life
Building	30 Years
Plant & Machinery	13 Years
Office Equipment	5 Years
Furniture & Fixtures	15 Years
Vehicles	5 Years
Leasehold Land	Over Leasehold period

The useful lives indicated above are different from the useful lives indicated in schedule II of the Companies Act, 2013.

The economic useful life of assets has been assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc.

Improvements to leased premises is amortized over the period of 24 months.

Depreciation on assets acquired/purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/discard.

Intangible assets are amortized on a straight line basis over their estimated useful life as follows which reflects the pattern in which the asset's economic benefits are consumed :

Nature of Assets	Useful Life
Software	3 Years
Technical Knowhow	5 Years

(e) **Transactions in Foreign Currency**

Transactions in foreign currency are initially recorded at the exchange rate prevailing on the date of the

Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary foreign currency items are carried at their historical costs and not retranslated. Gains and losses arising on translation and settlement of foreign currency monetary assets and liabilities are recognised in the Statement of Profit and Loss.

The premium or discount at the inception of a forward contract is amortised over the life of a contract. Exchange differences on forward exchange contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognised in the Statement of Profit and Loss.

Pursuant to the announcement on accounting for derivative issued by the Institute of Chartered Accountants of India (ICAI), the Company in accordance with the principle of prudence as enunciated in Accounting Standard 1, 'Disclosure of Accounting Policies', provides for losses in respect of all outstanding derivative contracts at the Balance Sheet by marking them to market. Any net unrealised gains arising on such mark to market are not recognised.

**Notes forming part of the Financial Statements**

**(f) Inventories**

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses where considered necessary. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased materials is ascertained on a moving weighted average basis. Work in progress and finished goods are valued on full absorption cost basis. Value of finished goods includes excise duty where ever applicable.

**(g) Employee Benefits**

**(i) Short-term Employee Benefits:**

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by the employees is recognized during the year when the employees render the service.

**(ii) Post-Employment Benefits:**

Defined Contribution Plans:

Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognized as an expense when the employees have rendered the service entitling them to the contribution.

Defined Benefit plans:

Gratuity:

The Company has an obligation towards gratuity, plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in an amount equivalent to 15 to 30 days salary depending upon the number of completed year of service payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for future gratuity benefits ascertained based on an independent actuarial valuation as at the end of the year.

Superannuation:

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and last salary drawn by employees. The monthly pension benefits after retirement range from 0.75 percent to 2 percent of the annual basic salary for each year of service. The Company accounts for the liability for future benefits under the plan based on an independent actuarial valuation carried out at the end of the year.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15 percent of salary, and therefore, defined contribution plan.

**(iii) Other Long-term Employee Benefits:**

Compensated absences:

The Company's liability towards compensated absences which are not expected to accrue within twelve months after the end of the period in which the employee renders the related service is determined by using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

Post-retirement Medicare Scheme:

Under this Scheme, employees are entitled medical benefits for ten to twenty years from the date of retirement depending on their grade at the time of retirement. Employees separated from the Company as part of an early separation scheme, on medical grounds, or due to permanent disablement are also covered. The liability for this scheme is determined based on independent actuarial valuation.

Bhavishya Kalyan Yojana (BKY):

The benefits of the plan accrue to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the Company's Medical Board. The monthly payment to dependents of the deceased/disabled employee under the plan equals 50 percent of the salary drawn at the time of death or accident or a specified amount, whichever is more. The Company accounts for the liability for future benefits determined based on an independent actuarial valuation carried out at the year end.

**(h) Use of Estimates**

The preparation of the financial statements, in conformity with the Indian GAAP, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liability) at the date of the financial statements and the reported amounts of revenues and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

Notes forming part of the Financial Statements

(i) **Product Warranty Expenses**

Provision for product warranty is recognized for the best estimates of the average cost involved for replacement/repair etc. of the product sold before the balance sheet date. These estimates are determined using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on corrective actions on product failures. The estimates for accounting of warranties are reviewed and revisions are made as required.

(II) Cost of product warranties is included/ disclosed under the head

- a) 'raw material consumed' as consists of free replacement of spares and components.
- b) 'employee benefit expenses' as consists of the cost of manpower spent on the warranty jobs.
- c) 'other expenses' which includes provision for warranties (net) and debits received from customers.

(j) **Borrowing Costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(k) **Taxes on Income**

Tax expense comprises of current tax and deferred tax.

Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable tax rates and tax laws.

Deferred tax is recognized on timing differences between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognized for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future income will be available against which these can be realized. Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realize the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

(l) **Earning per share**

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the profit or loss after tax for the period attributable to equity shareholder by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss attributable to equity shareholders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

(m) **Cash Flow Statement**

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

Cash and cash equivalents presented in cash flow statement consists of cash in hand and unencumbered, highly liquid bank and other balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(n) **Segment reporting**

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

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

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

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

**Notes forming part of the Financial Statements**

**(o) Provisions and Contingent liabilities:**

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimates required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed in the financial statements unless the probability of outflow of resources is remote. A contingent asset is neither recognised nor disclosed in the financial statements.

## TAL Manufacturing Solutions Limited

### Notes forming part of the Financial Statements

20. As per the provisions of Special Business Purpose agreement dated September 19, 2011, the Company is liable to compensate Boeing for damages (permitted by law) by reasons attributable to Company's acts or omissions. The damages will be determined as follows:

- (a) damages occur during the period beginning on scheduled delivery date of the first Product and ending on 24 months thereafter, an amount not exceeding US \$ 1,300,000 for each event upto maximum cumulative amount of US \$
- (b) damages occur after expiration of 24 months period and through the date of the final scheduled delivery of the products upto maximum cumulative amount of US \$ 25,000,000. To cover for such damages, the Company has taken product liability insurance of US \$ 25,000,000.

#### 21. Contingent Liabilities:

- (a) Bill discounted with bank outstanding as on 31st March, 2015 Rs. 4,983,987 (31st March, 2014 - Rs.47,247,840)
- (b) Claims against the Company not acknowledged as debts as on March 31, 2015:
  - Claim from a customer (Boeing Company) of Rs. 121,463,373 (equivalent US \$ 1,943,725)
  - Income Tax Demand - Rs.37,996,540 (31st March, 2014 - Rs. 29,585,540).
  - Fringe Benefit Tax Demand - Rs.601,140 (31st March, 2014 - Rs. 601,140).
  - Sales Tax Matters - Rs. 12,566,455 (31st March, 2014 - Rs. 6,280,000)
  - Other Matters - Rs. 43,780,261 (31st March, 2014 - Rs. 37,302,017)

Future cash outflows in respect of above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities. The management is of the opinion that the matters would be resolved in favor of the Company.

22. (a) Estimated amount of contracts remaining to be executed on capital account and not provided for:
- i) Tangible assets Rs. 88,128,208 (31st March, 2014 – Rs. 413,798,888).
  - ii) Intangible assets Rs. NIL (31st March, 2014 – Rs. 2,426,176).

## 23. (i) Details of Gross Sales and Finished Goods stock under broad heads :

	Particulars	Finished Goods -Opening Stock		Finished Goods - Closing Stock		Sales (Gross)	
		As at 1st April, 2014	As at 1st April, 2013	As at 31st March, 2015	As at 31st March, 2014	For the year ended 31st March, 2015	For the year ended 31st March, 2014
		(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
1	Metal Cutting & Grinding Machines (including Machining Centers)	12,414,891	9,794,396	19,771,576	12,414,891	488,959,991	504,282,369
2	Jigs & Fixtures	-	-	-	-	132,926,254	161,338,257
3	Material Handling Equipments & Parts thereof	-	-	-	-	71,031,131	174,687,710
4	Paint shop & Parts thereof	-	-	-	-	29,018,661	61,089,239
5	Car Parking System	-	-	-	-	2,989,588	12,945,474
6	Brake Dynamometer	-	-	-	-	-	36,091,920
7	Fluid Power Solutions - Hydraulic Pumps & Telescopic Cylinders	8,938,245	14,163,229	14,482,660	8,938,245	196,755,948	198,614,412
8	Aerospace components	2,421,662	-	26,710,361	2,421,662	292,450,669	146,021,793
9	Other Products (including parts of machines & equipment etc.)	-	-	-	-	23,206,765	74,939,156
10	Increase/(Decrease) in Contracts in Progress	-	-	-	-	41,284,250	(72,815,000)
	<b>TOTAL</b>	<b>23,774,798</b>	<b>23,957,625</b>	<b>60,964,596</b>	<b>23,774,798</b>	<b>1,278,623,257</b>	<b>1,297,195,330</b>

## Notes forming part of the Financial Statements

## (ii) Details of income derived from Services rendered (Net) under broad heads :

	Particulars	Sale of Services	
		For the year ended 31st March, 2015	For the year ended 31st March, 2014
		(Rupees)	(Rupees)
1	Income from Services rendered - Other (includes reconditioning of machines, processing charges, deployment of company personnel to others etc.)	33,966,201	56,219,142
	<b>Total</b>	<b>33,966,201</b>	<b>56,219,142</b>

## (iii) Details of Work-in-Progress stock under broad heads :

	Particulars	WIP - Opening Stock		WIP - Closing Stock	
		As at 1st April, 2014	As at 1st April, 2013	As at 31st March, 2015	As at 31st March, 2014
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
1	Metal Cutting & Grinding Machines (including Machining Centres)	83,580,983	115,388,522	75,209,222	83,580,983
2	Material Handling equipments and parts thereof	11,683,038	3,121,414	7,020,325	11,683,038
3	Jigs & Fixtures	5,505,803	10,367,300	17,328,368	5,505,803
4	Car Parking System	2,862,385	5,679,354	6,607,646	2,862,385
5	Aerospace Components	-	-	26,588,880	-
	<b>Total</b>	<b>103,632,209</b>	<b>134,556,590</b>	<b>132,754,441</b>	<b>103,632,209</b>



## Notes forming part of the Financial Statements

	For the Year ended March 31, 2015 Rupees	For the Year ended March 31, 2014 Rupees
<b>24. CIF Value of Imports</b>		
Raw materials	548,662,115	252,920,035
Capital goods	458,908,760	181,382,948
Others	142,320,659	20,132,679
<b>25. Earnings in foreign exchange</b>		
FOB Value of Exports	148,906,536	140,018,478
*[excluding exports of Rs.154,063,077/- (31st March, 2014 - Rs. 52,658,168/-) where payment is receivable in Rupees]		
Interest Income	-	2,244,458
<b>26. Expenditure in foreign currency</b>		
Professional and Consultation fees	6,125	548,160
Commission on sales	49,814	-
Inspection, Supervision and installation charges (Debited to CWIP Rs. NIL (31st March, 2014 - Rs. 292,191))	966,611	398,632
Travelling Expenses (Debited to CWIP Rs. NIL (31st March, 2014 - Rs. 211,355))	2,215,388	1,875,068
Hiring Services (Debited to CWIP Rs. NIL (31st March, 2014 - Rs. 1,015,527))	1,626,131	1,103,485
CWIP Rs. 1,045,200 (31st March, 2014 - Rs. NIL))	1,391,195	7,013,789
Warranty Expenses	5,451,537	7,389,234
Other expenses (Debited to CWIP Rs. 1,657,871 (31st March, 2014 - Rs. 170,970))	3,905,888	170,970

**27. Value and Percentage of Imported and Indigenous Raw material consumed**

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	Rs.	Percentage %	Rs.	Percentage %
(a) Imported	476,186,729	46.24	167,211,089	19.20
(b) Indigenously obtained	553,577,736	53.76	703,547,890	80.80
<b>Total</b>	<b>1,029,764,465</b>	<b>100.00</b>	<b>870,758,979</b>	<b>100.00</b>

## Notes forming part of the Financial Statements

## 28. Details of Raw Material Consumption under broad heads :

Particulars	For the Year Ended	For the Year Ended
	March 31, 2015	March 31, 2014
	Rupees	Rupees
Steel	44,367,428	36,314,085
CNC Systems	79,568,937	66,379,610
Castings	168,650,531	153,864,290
Titanium	126,314,703	60,420,925
Composite	143,064,802	-
Others	467,798,064	553,780,069
	<b>1,029,764,465</b>	<b>870,758,979</b>

**Notes:**

The consumption figures shown above are after adjusting excesses and shortages ascertained on physical verification. The figures of "Others" is a balancing figure based on total consumption shown in the Statement of Profit and Loss.

Notes forming part of the Financial Statements

29. Related Party Disclosures

a) Name of related party and nature of relationship where control exists:

Nature of relationship	Name of the related party
Holding Company	Tata Motors Limited
Fellow Subsidiaries where transactions exists	TML Drivelines Ltd
	Tata Marcopolo Motors Ltd.
	Tata Technologies Ltd.
	Sheba Properties Ltd.
Key Management Personnel	Mr. R.K. Khatri (Executive Director & CEO)
	Mr. S.B.Shirali (Chief Finance Officer) - upto 31st December, 2014
	Mr. Santanu A. Sil (Chief Finance Officer)
	Ms. Kavita Jain (Company Secretary)

b) Related Party Transactions:

Nature of Transactions	Holding Company	Companies under common control with the Company (Fellow Subsidiaries)	Key Management Personnel
	Rs.	Rs.	Rs.
Purchases of Goods	3,087,113 (3,989,441)	- (-)	- (-)
Services received #	42,839,098 (51,100,464)	5,061,820 (1,733,781)	- (-)
Purchase of Fixed Asset	- (-)	- (2,586,247)	0 (-)
Late Delivery Charges	3,140,234 (472,642)	385,000 (-)	- (-)
Sale of Goods – Gross (Refer Footnote iii)	178,690,330 (230,895,694)	56,420,264 (59,267,990)	- (-)
License fees for premises	20,224,800 (20,224,800)	- (-)	- (-)
Services rendered #	14,090,043 (13,710,965)	539,328 (224,720)	- (-)
Advance received in respect of contract work/sale of products	4,923,750 (16,988,261)	578,664 (8,264,912)	- (-)
Inter Corporate deposit Taken	100,000,000 (-)	170,000,000 (-)	- (-)
Inter Corporate deposit Repaid	- (-)	130,000,000 (-)	- (-)
Inter Corporate deposit Given	- (220,000,000)	- (-)	- (-)
Inter Corporate deposit recovered	100,000,000 (550,000,000)	- (-)	- (-)
Interest paid	244,520 (-)	4,884,658 (-)	- (-)
Interest Received	1,179,041 (28,847,945)	- (-)	- (-)
Remuneration *	- (-)	- (-)	19,838,420 (12,643,200)
Amount received towards Equity subscription	350,000,000 (-)	- (-)	- (-)
Amount outstanding as at the end of the year			
- Receivable	51,767,078 (78,432,202)	17,477,315 (13,565,088)	- (-)
- Payable	1,132,314 (2,240,697)	825,773 (578,845)	- (-)
- Customer Advance	10,526,365 (-)	990,000 (-)	- (-)
- Receivable (in respect of loans)	- (100,000,000)	- (-)	- (-)
- Payable (in respect of loans)	100,000,000 (-)	40,000,000 (-)	- (-)
- Other Advance	21,155,510 (-)	- (-)	- (-)

# Including reimbursement of expenses

\* Remuneration of Executive Director includes incentive provision of Rs. 2,800,000 which is subject to approval of tl Board of Directors.

## Notes forming part of the Financial Statements

c) Details of Material Related Party Transactions with companies under common control (Fellow Subsidiaries) with the Company:

Nature of Transactions	TML Drivelines Ltd	Tata Marcopolo Motors Ltd.	Tata Technologies Ltd.	Sheba Properties Ltd.
Services received	- (-)	- (-)	5,061,820 (1,733,781)	- (-)
Sale of Goods – Gross (Refer Footnote ii)	56,356,115 (57,732,283)	- (1,535,707)	64,150 (-)	- (-)
Services rendered (Refer Footnote ii)	- (224,720)	539,328 (-)	- (-)	- (-)
Advance received in respect of contract work /sale of products	578,664 (6,325,269)	- (1,939,643)	- (-)	- (-)
Purchase of Fixed Asset	- (-)	- (-)	- (2,586,247)	- (-)
Interest Paid	- (-)	- (-)	- (-)	4,884,658 (-)
Late delivery charges	385,000 (-)	- (-)	- (-)	- (-)

Footnotes:

- i Figures in brackets are in respect of the previous year ended 31st March, 2014.
- ii Sale of Goods- Gross and Services rendered includes billing done in respect of construction contracts for which revenue is recognized in the Statement of Profit & Loss on percentage completion method.
- iii Rs. 5,799,496 has been provided for doubtful debts in respect of debts due from related parties as at March 31, 2015 (Rs. 12,084,162 as at March 31, 2014). No amount has been written off or written back in respect of debts due from or to related parties.
- iv The remuneration excludes gratuity contribution and leave encashment for the key managerial personnel, as the contribution / provision is made for the Company as a whole. The above remuneration also excludes pension payable to Ex - Managing Director which was approved after his retirement.

30. Earnings per Share (EPS):

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
a) Loss attributable to share holders	(183,329,886)	(323,894,285)
b) Weighted average number of Equity Shares		
- Basic	75,068,493	65,000,000
- Diluted	75,068,493	65,000,000
Nominal value of equity share (In Rs.)	10	10
Earnings per share (In Rs.)		
- Basic	(2.44)	(4.98)
- Diluted	(2.44)	(4.98)

Note : There is no dilution to basic EPS since there is no outstanding potentially dilutive equity shares.

**Notes forming part of the Financial Statements**

31. Disclosures under Accounting Standard – 7 (Revised) “Construction Contracts”

- a) i) Contract Revenue recognized for the year ended 31st March, 2015 Rs. 138,132,489 (31st March, 2014 - Rs. 494,612,245)
- ii) Method used to determine the contract revenue recognized and the stage of completion of contracts in progress [Refer Note: 2(B)(b) of Note 19]
- b) Disclosure in respect of contracts in progress as at the year end:
  - i) Aggregate amount of costs incurred and recognized profits (less recognized losses) – Rs. 1,614,915,000 (31st March, 2014 – Rs. 2,354,868,761)
  - ii) Advances received are Rs. 57,904,534 (31st March, 2014 - Rs. 77,538,661)
  - iii) Retention money is Rs. 60,719,476 (31st March, 2014 - Rs. 87,901,784)

32. Details of provisions and movements in each class of provisions as required by the Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets (Accounting Standard – 29): -

Particulars	Product Warranty
	(Rs.)
Carrying Amount as at the beginning of the year	15,171,923
	(8,911,989)
Additional Provision made during the year (Refer note below)	12,433,881
	(17,142,490)
Amounts Used during the year	10,672,760
	(10,882,556)
Unused amount reversed during the year	-
	(-)
Carrying Amount as at the end of the year (Refer note below)	16,933,044
	(15,171,923)

Note: Includes long - term warranty provision of Rs. 5,364,375/- (31st March 2014 - Rs. 7,389,234)

Figures in bracket are in respect of the previous year ended 31<sup>st</sup> March, 2014.

**Product warranty**

Provision for product warranties has been made based on past experience and estimates to meet expected warranty claims. The closing balance of the provision represents the provision made during the period in respect of products supplied for which product warranty period has not elapsed. The provision would be utilized towards expenditure to be incurred in the following year (except provision that is considered long term) and the provision required as at the end of the following period would be reassessed. The Company makes a provision of 1 percent of sales of aerospace components to Boeing which the management believes is adequate to cover expected warranty claims.

- 33 The Company has revised the estimated useful life of office equipments and accordingly, the carrying amount of the fixed assets as on April 1, 2014 are depreciated over the revised remaining useful life of Consequently, the depreciation charge and loss for the period is higher and net book value of office equipments as at March 31, 2014 is lower by Rs. 1,814,898.

## **TAL Manufacturing Solutions Limited**

### **Notes forming part of the Financial Statements**

34. a. Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information and relied upon by Auditors) as at 31st March, 2015 is Rs.1,444,318 (31st March, 2014 - Rs.965,305) including unpaid amounts of Rs.228,139 (31st March, 2014 - Rs.458,966) outstanding for more than 30/45 days. Estimated interest due thereon is Rs. 3,724 (31st March, 2014 - Rs. 5,202).
- b. Amount of payments made to suppliers beyond 30/45 days during the year is Rs. 3,881,837 (31st March, 2014 - Rs.6,117,317). Interest paid thereon is Rs. Nil (31st March, 2014 - Rs. Nil) and the estimated interest due and payable thereon is Rs. 171,215 (31st March, 2014 – Rs. 139,535).
- c. Amount of estimated interest accrued and remaining unpaid as at 31st March, 2015 is Rs.174,939 (31st March, 2014 - Rs. 1,375,050).
- d. The amount of estimated interest due and payable for the period from 1st April, 2015 to actual date of payment or 15th April, 2015 (whichever is earlier) is Rs.2,391.

**TAL Manufacturing Solutions Limited**

**Notes forming part of the Financial Statements**

**35. a) Details of Derivative Instruments (For Hedging)**

Name of the Instrument: Forward Contracts

Particulars	Amount in Foreign Currency		Equivalent amount in Rs.
	Currency	Amount	
Other Payables	USD	27,655 (22,820)	1,736,956 (1,366,918)
	JPY	10,790,000 (-)	5,643,170 (-)

**b) Details of Foreign Currency exposures that are not hedged by derivative instrument or otherwise:**

Particulars	Amount in Foreign Currency		Equivalent amount in Rs.
	Currency	Amount	
Trade and Other Payables	USD	2,760,372 (1,085,586)	172,523,278 (65,026,600)
	EUR	237,064 (73,013)	15,933,575 (6,010,431)
	JPY	890,882 (1,043,391)	464,506 (607,880)
	GBP	20,117 (151)	1,859,893 (15,025)
Trade Receivables	USD	1,356,038 (587,070)	84,745,616 (35,153,760)
Other Current Asset	USD	18,900 (18,900)	1,181,156 (1,131,732)

Note: Figures in bracket are in respect of previous year 31st March, 2014

## TAL Manufacturing Solutions Limited

### Notes forming part of the Financial Statements

36. Details of Employee Benefits as required by the Accounting Standard on Employee Benefits (Accounting Standard 15 (Revised 2005)) are as follows:-

**A) Defined contribution Plans**

The amount recognised as an expense, in the Statement of Profit and Loss in respect of Defined Contribution Plans is Rs. 18,957,333.00- (31<sup>st</sup> March, 2014 Rs. 25,496,716)

**B) A general description of the Employee Benefit Plans:-**

**Funded Benefit Plans**

**a. Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in an amount equivalent to 15 to 30 days salary depending upon the number of completed year of service payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for future gratuity benefits ascertained based on an independent actuarial valuation as at the end of the year.

**b. Superannuation**

The Company has two superannuation plans, a defined benefit plan and a defined contribution plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company accounts for the liability for future benefits under the plan based on an independent actuarial valuation carried out at the year end.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary, and therefore, has become a defined contribution plan.

**Unfunded Benefit Plans**

**a. Post-retirement Medicare Scheme**

Under this Scheme, employees get medical benefits for ten to twenty years from the date of retirement depending on their grade at the time of retirement. Employees separated from the Company as part of an early separation scheme, on medical grounds, or due to permanent disablement are also covered. The liability for this scheme is based on independent actuarial valuation.

**b. Bhavishya Kalyan Yojana (BKY)**

Bhavishya Kalyan Yojana is an unfunded defined benefit plan. The benefits of the plan accrue to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the Company's Medical Board. The monthly payment to dependents of the deceased/disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is more. The Company accounts for the liability for future benefits based on an independent actuarial valuation carried out at the year end.



## Notes forming part of the Financial Statements

C] (i) Defined Benefit Plan

Amount in Rs.

	Particulars	Gratuity		DBS Superannuation	
	I <b>Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :</b>	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
1	Present Value of Defined Benefit Obligation at the beginning of the year	93,575,000	106,194,000	75,000	3,414,000
2	Current Service cost	5,467,000	7,006,000	0	0
3	Interest Cost	7,970,000	7,963,000	5,000	79,000
4	Losses (gains) on Curtailment	-	-	-	-
5	Liabilities extinguished on settlements	-	-	-	-
6	Plan ammendments	-	-	-	-
7	Past Service cost	-	-	-	-
8	Actuarial (gains) / losses	(1,382,000)	(5,931,000)	1,000	1,055,000
9	Benefits paid	(13,885,000)	(21,657,000)	-	(4,473,000)
10	Present value of Defined Benefit Obligation as on Balance Sheet date.	91,745,000	93,575,000	81,000	75,000

II	<b>Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :</b>				
1	Fair value of Plan assets as at the beginning of the year	89,169,000	106,886,000	-	10,621,000
2	Expected return on plan assets	6,578,000	7,685,000	-	437,000
3	Actuarial gains and (losses)	2,756,000	(3,745,000)	-	(740,000)
4	Actual contributions by employers	-	-	-	1,362,000
5	Other Adjustments	-	-	-	(7,207,000)
6	Benefits paid	(13,885,000)	(21,657,000)	-	(4,473,000)
7	Plan assets as on Balance Sheet Date	84,618,000	89,169,000	-	0

III	<b>Analysis of Defined Benefit Obligation :</b>				
1	Defined Benefit Obligation as at 31st March	91,745,000	93,575,000	81,000	75,000
2	Fair Value of Plan assets at the end of the year	84,618,000	89,169,000	-	-
3	Net (Asset)/Liability recognized in the Balance Sheet as on Balance Sheet Date	7,127,000	4,406,000	81,000	75,000

IV	<b>Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :</b>				
1	Present value of Defined Benefit Obligation	91,745,000	93,575,000	81,000	75,000
2	Fair value of plan assets	84,618,000	89,169,000	-	0
3	Funded status [Surplus/(Deficit)]	(7,127,000)	(4,406,000)	(81,000)	(75,000)
4	Unrecognized Past Service Costs	-	-	-	-
5	<b>Net Asset/(Liability) recognized in Balance Sheet</b>	<b>(7,127,000)</b>	<b>(4,406,000)</b>	<b>(81,000)</b>	<b>(75,000)</b>

V	<b>Components of employer expenses recognized in the statement of profit and</b>				
1	Current Service cost	5,467,000	7,006,000	-	-
2	Interest cost	7,970,000	7,963,000	5,000	79,000
3	Expected return on plan assets	(6,578,000)	(7,685,000)	-	(437,000)
4	Curtailment cost/(credit)	-	-	-	-
5	Settlement cost/(credit)	-	-	-	-
6	Past Service cost	-	-	-	-
7	Actuarial Losses/(Gains)	(4,138,000)	(2,186,000)	1,000	1,795,000
8	Total expense recognised in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds	2,721,000	5,098,000	6,000	1,437,000

VI	<b>Principal Actuarial Assumptions :</b>				
1	Discount Rate (%)	8.00	9.20	6.75	6.75
2	Expected Return on plan assets (%)	N/A	N/A	8.00	8.00
3	Salary escalation (EG & TM / S & OP) (%)	2.00 / 5.00	4.00 / 5.00	N/A	N/A
4	Medical cost inflation	N/A	N/A	N/A	N/A

VII	<b>The major categories of plan assets as percentage to total plan</b>				
	Debt securities	100%	100%	0%	100%
	Balances with banks	0%	0%	0%	0%

The expected rate of return on plan assets is based on market expectation, at the beginning of the period, for returns on major categories of plan assets over the entire life of the related obligation.

VIII **The major categories of plan assets as a percentage of total plan assets:**

The investment pattern given below is of the Trust which is a common trust for the Company and its Holding Company and other subsidiaries of the Holding Company:

1	Central Govt Securities	17%	15%	0%	19%
2	PSU Bonds	41%	43%	0%	47%
3	Private Sector Bonds	21%	22%	0%	17%
4	State Loans (RBI Guaranteed)	-	-	-	-
5	Mutual Funds (G Sec based)	-	-	-	-
6	Special Deposit with Banks	0%	0%	-	-
7	Balances with Banks & Others	0%	0%	-	-
8	SAIL Cent Guaranteed Bonds	-	-	-	-
9	State Government Bonds	20%	20%	0%	17%

IX	Contributions expected to be paid to the plan during the next financial year	Nil	Nil	Nil	Nil
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- a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.
- b) Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.
- c) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors

## Notes forming part of the Financial Statements

## C (ii) Defined Benefit Plan

Amount in Rs.

	Particulars	Bhavishya Kalyan Yojana		Post Employment Medical Benefits	
		31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
I	<b>Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :</b>				
1	Present Value of Defined Benefit Obligation at the beginning of the year	6,919,000	8,066,000	17,393,000	19,598,000
2	Current Service cost	906,000	1,160,000	188,000	245,000
3	Interest Cost	607,000	657,000	1,568,000	1,614,000
4	Losses (gains) on Curtailment	-	-	-	-
5	Liabilities extinguished on settlements	-	-	-	-
6	Plan ammendments	-	-	-	-
7	Actuarial (gains) / losses	(969,000)	(2,564,000)	1,302,000	(3,521,000)
8	Benefits paid	(641,000)	(400,000)	(704,000)	(543,000)
9	Present value of Defined Benefit Obligation as on Balance Sheet date * Total obligation - Rs.19,747,000 (31st March, 2014 - Rs.17,393,000) Less: Obligation in respect of services rendered in holding company borne by holding company - Rs.8,569,000 (31st March, 2014 - Rs.8,689,000/-) Net Obligation accounted by the company - Rs.11,178,000/- (31st March, 2014 - Rs.8,704,000/-)	6,822,000	6,919,000	19,747,000 *	17,393,000

II	<b>Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :</b>				
1	Fair value of Plan assets as at the beginning of the year	-	-	-	-
2	Expected return on plan assets	-	-	-	-
3	Actuarial gains and losses	-	-	-	-
4	Actual contributions by employers	641,000	400,000	-	-
5	Benefits paid	(641,000)	(400,000)	-	-
6	Plan assets as on Balance Sheet Date	-	-	-	-

III	<b>Analysis of Defined Benefit Obligation :</b>				
1	Defined Benefit Obligation as at 31st March	6,822,000	6,919,000	19,747,000	17,393,000
2	Fair Value of Plan assets at the end of the year	-	-	-	-
3	Net (Asset)/Liability recognized in the Balance Sheet as on Balance Sheet Date	6,822,000	6,919,000	19,747,000 *	17,393,000

IV	<b>Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :</b>				
1	Present value of Defined Benefit Obligation	6,822,000	6,919,000	19,747,000	17,393,000
2	Fair value of plan assets	-	-	-	-
3	Funded status [Surplus/(Deficit)]	6,822,000	(6,919,000)	(19,747,000)	(17,393,000)
4	Unrecognized Past Service Costs	-	-	-	-
5	<b>Net Asset/(Liability) recognized in Balance Sheet</b>	(6,822,000)	(8,066,000)	(19,747,000) *	(17,393,000)

V	<b>Components of employer expenses recognized in the statement of profit and loss</b>				
1	Current Service cost	906,000	1,160,000	188,000	245,000
2	Interest cost	607,000	657,000	1,568,000	1,614,000
3	Expected return on plan assets	-	-	-	-
4	Curtailment cost/(credit)	-	-	-	-
5	Settlement cost/(credit)	-	-	-	-
6	Past Service cost	-	-	-	-
7	Actuarial Losses/(Gains)	(969,000)	(2,564,000)	1,302,000	(3,521,000)
8	<b>Total expense recognised in the Statement of Profit &amp; Loss under Staff Welfare Expenses</b>	544,000	(747,000)	3,058,000	(1,662,000)

VI	<b>Principal Actuarial Assumptions :</b>				
1	Discount Rate (%)	8.00	9.20	8.00	9.20
2	Expected Return on plan assets (%)	N/A	N/A	N/A	N/A
3	Salary escalation (EG & TM / S & OP) (%)	2.00 / 5.00	4 - 4.00 / 5.00	2.00 / 5.00	4 - 4.00 / 5.00
4	Medical cost inflation	N/A	N/A	N/A	6.00

VII	<b>Effect of one percentage point change in assumed Medical inflation rate</b>	<b>One percentage point increase in Medical inflation rate</b>		<b>One percentage point decrease in Medical inflation rate</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	Revised Defined Benefit Obligation at the year end	1,624,000	8,241,000	1,424,000	5,751,000
	Revised service cost & Interest Cost for the year	NA	NA	NA	NA

a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.

b) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

## C (iii) Other disclosure

A Funded Schemes		Gratuity					DBS Superannuation				
		31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011
1	Experience Gain / (loss) adjustments on plan liabilities	(5,935,000)	(4,366,000)	(11,427,000)	3,396,000	(2,401,000)	1,000	1,055,000	(156,000)	(441,000)	(103,000)
2	Experience Gain / (loss) adjustments on plan assets	(2,756,000)	3,745,000	1,977,000	59,000	(842,000)	0	(740,000)	(441,000)	2,358,000	6,433,000
3	Defined Benefit Obligation at the end of the period	(91,745,000)	(93,575,000)	(106,194,000)	(96,746,000)	(95,363,000)	(81,000)	(75,000)	(3,414,000)	(9,816,000)	(10,027,000)
4	Plan Assets at the end of the period	84,618,000	89,169,000	(106,886,000)	95,546,000	99,048,000	-	-	10,621,000	16,675,000	14,487,000
5	Funded Status	(7,127,000)	(4,406,000)	692,000	(1,200,000)	3,685,000	(81,000)	(75,000)	7,207,000	6,859,000	4,460,000

B Unfunded Schemes		Bhavishya Kalyan Yojana					Post Employment Medical Benefits				
		31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011
1	Experience Gain / (loss) adjustments on plan liabilities	(1,448,000)	(1,866,000)	936,000	1,192,000	(572,000)	(339,000)	(3,305,000)	1,845,000	1,956,000	3,464,000
2	Experience Gain / (loss) adjustments on plan assets	-	-	-	-	-	-	-	-	-	-
3	Defined Benefit Obligation at the end of the period	6,822,000	6,919,000	8,066,000	7,944,000	9,020,000	19,747,000	17,393,000	19,598,000	15,290,000	16,781,000
4	Plan Assets at the end of the period	-	-	-	-	-	-	-	-	-	-
5	Funded Status	(6,822,000)	(6,919,000)	(8,066,000)	(7,944,000)	(9,020,000)	(19,747,000)	(17,393,000)	(19,598,000)	(15,290,000)	(16,781,000)

## C (iv)

Actual Return on plan assets		Gratuity		DBS Superannuation	
	Particulars	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
1	Expected return on plan assets	6,578,000	7,685,000	0	437,000
2	Acturial Gains and (Losses)	2,756,000	(3,745,000)	0	(740,000)
3	Actual return on plan assets	9,334,000	3,940,000	0	(303,000)

37. Segment information

The Company has identified business segments as its primary segment and geographical segments as its secondary segment. Business segments are primarily Aerospace Business Segment and Industrials Division Segment. Aerospace Business Segment caters to the needs of Aerospace Industry. Industrials Division Segment caters to various products of capital goods industry. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment, manpower efforts and other factors. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Geographical revenues are allocated based on the location of the customer. Geographical segments of the Company are United State of America (USA), India and Others.

Primary Segment	For the year ended 31st March, 2015				
	Business segments		Total	Inter Segment Eliminations	Total
	Aerospace	Industrials Division			
<b>Revenue</b>					
External Revenue	<b>303,848,782</b> <i>156,512,629</i>	<b>932,556,329</b> <i>1,091,774,591</i>	<b>1,236,405,111</b> <i>1,248,287,220</i>	- -	<b>1,236,405,111</b> <i>1,248,287,220</i>
Inter-segment revenue	- -	<b>53,750,981</b> <i>42,306,592</i>	<b>53,750,981</b> <i>42,306,592</i>	<b>(53,750,981)</b> <i>(42,306,592)</i>	- -
Other Income	<b>68,275,639</b> <i>14,000,000</i>	<b>25,416,265</b> <i>16,957,084</i>	<b>93,691,904</b> <i>30,957,084</i>	- -	<b>93,691,904</b> <i>30,957,084</i>
Total Revenue	<b>372,124,421</b> <i>170,512,629</i>	<b>1,011,723,575</b> <i>1,151,038,267</i>	<b>1,383,847,996</b> <i>1,321,550,896</i>	<b>(53,750,981)</b> <i>(42,306,592)</i>	<b>1,330,097,015</b> <i>1,279,244,304</i>
Segment results before other income, finance cost, tax	<b>82,462,208</b> <i>459,703</i>	<b>(247,701,738)</b> <i>(351,654,092)</i>	<b>(165,239,530)</b> <i>(351,194,389)</i>	- -	<b>(165,239,530)</b> <i>(351,194,389)</i>
Other income (unallocable)					<b>11,868,244</b> <i>34,362,629</i>
Finance Costs					<b>29,958,600</b> <i>7,062,525</i>
Loss before tax					<b>(183,329,886)</b> <i>(323,894,285)</i>
Tax expense					- -
Loss after tax					<b>(183,329,886)</b> <i>(323,894,285)</i>

Figures in *italics* are in respect of the previous year ended 31st March, 2014.

Primary Segment	For the year ended 31 March, 2015		
	Business segments		Total
	Aerospace	Industrials Division	
Segment assets	<b>1,280,761,030</b> <i>763,533,417</i>	<b>963,390,126</b> <i>1,093,088,251</i>	<b>2,244,151,156</b> <i>1,856,621,668</i>
Unallocable assets			<b>133,905,224</b> <i>262,968,661</i>
Total assets			<b>2,378,056,380</b> <i>2,119,590,329</i>
Segment liabilities	<b>583,511,987</b> <i>922,278,264</i>	<b>545,107,072</b> <i>578,819,598</i>	<b>1,128,619,059</b> <i>1,501,097,862</i>
Unallocable liabilities			<b>559,926,035</b> <i>95,651,295</i>
Total liabilities			<b>1,688,545,094</b> <i>1,596,749,157</i>
<u>Other information</u>			
Capital expenditure	<b>88,331,638</b> <i>160,947,084</i>	<b>3,520,116</b> <i>13,605,124</i>	<b>91,851,754</b> <i>174,552,208</i>
Capital expenditure (unallocable)			<b>921,037</b> <i>168,303</i>
Depreciation and amortisation	<b>11,985,717</b> <i>6,062,710</i>	<b>26,415,544</b> <i>35,637,657</i>	<b>38,401,261</b> <i>41,700,367</i>
Depreciation and amortisation (unallocable)			<b>1,412,136</b> <i>-</i>

Figures in *italics* are in respect of the previous year ended 31st March, 2014

The geographical segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

Secondary Segment	Revenues for the year ended 31 March, 2015	Segment assets as at 31 March, 2015	Capital expenditure incurred during the year ended 31 March, 2015
USA	<b>372,124,421</b> <i>161,926,679</i>	<b>156,529,976</b> <i>97,411,197</i>	- -
India	<b>947,435,089</b> <i>1,075,196,669</i>	<b>2,052,967,830</b> <i>1,735,424,493</i>	<b>92,772,791</b> <i>23,610,878</i>
Others	<b>10,537,505</b> <i>42,120,956</i>	<b>34,653,350</b> <i>23,785,978</i>	- -

Figures in *italics* are in respect of the previous year ended 31st March, 2014.

**TAL Manufacturing Solutions Limited**

**Notes forming part of the Financial Statements**

38. Cost of materials consumed Rs. 1,652,900 in respect of prior year (31 March, 2014 - Rs.Nil)

39. (a) The Company commenced commercial production of floor beams at Nagpur ("the project") with the effect from 29 March, 2015.

Accordingly, the balance of compensation received from Boeing, in an earlier year, of Rs. 34,277,275 towards validation support expenses, warranty, restating etc. and Rs. 33,998,364 for modification etc. are credited to the Statement of Profit and Loss.

(b) Boeing has also compensated the Company for the cost of fixed assets used in the project, subject to final determination on commercial production. Accordingly the cost of fixed assets and capital work-in-progress is net off compensation received from Boeing Rs. 2,079,535,302 [31 March, 2014: Rs.1,651,889,180]. Individual fixed assets are being carried at a nominal value of Rs.1 each.

(c) In accordance with the amended Special Business Provisions dated 25 March,2015, Boeing has agreed to pay US \$5,890,000(equivalent to Rs. 368,066,100) as an equitable adjustment for any and all pre-operative expenses that the Company has incurred or may incur till the date of commercial production subject to execution of a guarantee agreement by Tata Motors Limited in favour of Boeing. Pending the execution of the said guarantee by Tata Motors Limited, the proposed payment has not been recognized in the financial statements for the year ended 31 March 2015.The balance compensation of Rs. 240,485,218 is being carried forward pending incurrence/ reconciliation.

40. Previous year's/period's figures have been regrouped/ restated wherever necessary to conform with this period's

Sd/-  
Executive Director

Sd/-  
Director

Date: 02/05/2015  
Place: Pune

## **NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING OF TAL MANUFACTURING SOLUTIONS LIMITED** will be held on Saturday, 25<sup>th</sup> July, 2015 at 11:00 a.m. at the Company's Registered Office at PDO Building, TATA Motors Campus, Chinchwad, Pune 411 033 to transact the following business:-

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2015 and Balance Sheet as at that date, together with the Boards' Report and the Report of the Auditors' thereon.
2. To appoint a Director in place of Mr. N. S. Kulkarni who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Satish Borwankar who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors' for FY 2015-16 and to fix their remuneration.

### **Special Business:**

5. **Appointment of Dr Raghunath Anant Mashelkar (DIN: 00074119) as an Independent Director:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Dr Raghunath Anant Mashelkar (DIN: 00074119), who has been appointed as an Additional Director (Independent) on 31.03.2015 & 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 at the AGM, be and is hereby appointed as a Director (Independent) of the Company for a period upto December 31, 2017.”

6. **Appointment of Ms Padmini Khare Kaicker (DIN: 00296388) as an Independent Director:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Ms Padmini Khare Kaicker (DIN: 00296388), who has been appointed as an Additional Director (Independent) on 31.03.2015

**TAL MANUFACTURING SOLUTIONS LIMITED**

& has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and eligible for appointment at the AGM, be and is hereby appointed as a Director (Independent) of the Company for a period upto March 30, 2018.”

**7. Remuneration to the Cost Auditor for the Financial Year ending March 31, 2016:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and Rules framed thereunder, as amended from time to time and such other permissions as may be necessary, the remuneration of Rs.1,50,000/- plus service tax, out-of- pocket, travelling and lodging expenses/other misc. expenses payable to M/s Mani & Co., Cost Accountants, who are appointed by the Board of Directors of the Company to conduct audit of the Cost records pertaining to the relevant product groups maintained by the Company, as per the applicable provisions, for the Financial Year ending March 31, 2016 be and is hereby ratified.

**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

**NOTES:**

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013, in respect of the Special Business under item 5, 6 and 7 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member.

By Order of the Board of Directors

**For TAL Manufacturing Solutions Limited**

**Sd/-**  
**Jagdish Shirke**  
Company Secretary  
Membership No - FCS 6691  
Pune, 15.06.2015

**TAL MANUFACTURING SOLUTIONS LIMITED**



## EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (the Act), sets out all material facts relating to the business mentioned at Item No.5,6 and 7 of the accompanying Notice.

### Item No.5 & 6

The Company had, pursuant to the provisions of Section 149 of the Act and Rule 3 & 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, appointed Dr Raghunath Anant Mashelkar and Ms. Padmini Khare Kaicker as Independent Directors w.e.f March 31, 2015, in compliance with the requirements of the said provisions.

As per the provisions of Section 149 of the Act and Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, specific class of public limited company is required to have at least two Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Nomination & Remuneration Committee has recommended the appointments of Ms. Padmini Khare Kaicker as Independent Director from March 31, 2015 upto March 30, 2018 except for Dr. Raghunath Anant Mashelkar who would be retiring on December 31, 2017 on attaining the age of 75 years in accordance with the retirement age policy for Directors.

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval. The Company has also received the amount of Rs. 2 Lacs from the member of the Company proposing the candidature of Mr Raghunath Anant Mashelkar and Ms Padmini Khare Kaicker under Section 160 of the Companies Act, 2013.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Meeting.

The brief profile of the Independent Directors to be appointed is given below:

### **Dr. R.A. MASHELKAR -**

Dr. R.A. Mashelkar (Ph.D.), National Research Professor is presently also the President of Global Research Alliance, a network of publicly funded R&D institutes from Asia-Pacific, Europe and USA with over 60,000 scientists.

## **TAL MANUFACTURING SOLUTIONS LIMITED**

Dr. Mashelkar served as the Director General of Council of Scientific and Industrial Research (CSIR), with thirty-eight laboratories and about 20,000 employees for over eleven years. He was also the President of Indian National Science Academy and President of Institution of Chemical Engineers (UK).

Dr. Mashelkar is on the Board of Directors of several reputed companies such as Reliance Industries Ltd., Tata Motors, Thermax Ltd., Piramal Enterprises Ltd., KPIT Technologies Ltd. etc. He chairs the Boards of Reliance GeneMedix and Vyome Biosciences.

Dr. Mashelkar is only the third Indian engineer to have been elected (1998) as Fellow of Royal Society (FRS), London in the twentieth century. He was elected Foreign Associate of National Academy of Science (USA) in 2005, Associate Foreign Member, American Academy of Arts & Sciences (2011); Foreign Fellow of US National Academy of Engineering (2003); Fellow of Royal Academy of Engineering, U.K. (1996), Foreign Fellow of Australian Technological Science and Engineering Academy (2008) and Fellow of World Academy of Art & Science, USA (2000).

In August 1997, Business India named Dr. Mashelkar as being among the 50 path-breakers in the post- Independent India. In 1998, Dr. Mashelkar won the JRD Tata Corporate Leadership Award, the first scientist to win it. In June, 1999, Business India did a cover story on Dr. Mashelkar as "CEO OF CSIR Inc.", a dream that he himself had articulated, when he took over as DG, CSIR in July 1995. On 16 November 2005, he received the Business Week (USA) award of 'Stars of Asia' at the hands of George Bush (Sr.), the former President of USA. He was the first Asian Scientist to receive it.

Deeply connected with the innovation movement in India, Dr. Mashelkar is currently the Chairman of India's National Innovation Foundation, Reliance Innovation Council, Thermax Innovation Council, KPIT Technologies Innovation Council and Marico Innovation Foundation.

Thirty two universities have honoured him with honorary doctorates, which include Universities of London, Salford, Pretoria, Wisconsin and Delhi.

The President of India honoured Dr. Mashelkar with Padmashri (1991) and with Padmabhushan (2000), which are two of the highest civilian honours in recognition of his contribution to nation building.

When Dr. Mashelkar took over as the Director General of CSIR, he enunciated "CSIR 2001: Vision & Strategy". This was a bold attempt to draw out a corporate like R&D and business plan for a publicly funded R&D institution. This initiative has transformed CSIR into a user focused, performance driven and accountable organization. This process of transformation has been recently heralded as one of the ten most significant achievements of Indian Science and Technology in the twentieth century.

Dr. Mashelkar has been propagating a culture of innovation and balanced intellectual property rights regime for over a decade. It was through his sustained and visionary campaign that growing awareness of Intellectual Property Rights (IPR) has dawned on Indian academics, researches and corporates. He spearheaded the successful challenge to the US patent on the use of turmeric for wound healing and also the patent on Basmati rice. These landmark cases have set up new paradigms in the protection of India's traditional knowledge base, besides

#### **TAL MANUFACTURING SOLUTIONS LIMITED**

leading to the setting up of India's first Traditional Knowledge Digital Library. In turn, at an international level, this has led to the initiation of the change of the International Patent Classification System to give traditional knowledge its rightful place. As Chairman of the Standing Committee on Information Technology of World Intellectual Property Organization (WIPO), as a member of the International Intellectual Property Rights Commission of UK Government and as Vice Chairman on Commission in Intellectual Property Rights, Innovation and Public Health (CIPRH) set up by World Health Organization (WHO), he brought new perspectives on the issue of IPR and the developing world concerns.

In the post-liberalized India, Dr. Mashelkar has played a critical role in shaping India's S&T policies. He was a member of the Scientific Advisory Council to the Prime Minister and also of the Scientific Advisory Committee to the Cabinet set up by successive governments. He has chaired twelve high powered committees set up to look into diverse issues of higher education, national auto fuel policy, overhauling the Indian drug regulatory system, dealing with the menace of spurious drugs, reforming Indian agriculture research system, etc. He has been a much sought after consultant for restructuring the publicly funded R&D institutions around the world; his contributions in South Africa, Indonesia and Croatia have been particularly notable.

Dr. Mashelkar has won over 50 awards and medals, which include S.S. Bhatnagar Prize (1982), Pandit Jawaharlal Nehru Technology Award (1991), G.D. Birla Scientific Research Award (1993), Material Scientist of Year Award (2000), IMC Juran Quality Medal (2002), HRD Excellence Award (2002), Lal Bahadur Shastri National Award for Excellence in Public Administration and Management Sciences (2002), World Federation of Engineering Organizations (WFEO) Medal of Engineering Excellence by WFEO, Paris (2003), Lifetime Achievement Award by Indian Science Congress (2004), the Science medal by the Academy of Science for the Developing World (2005), Ashutosh Mookherjee Memorial Award by Indian Science Congress (2005), etc.

### **Ms. Padmini Khare Kaicker**

Ms Padmini Khare Kaicker is the Managing Partner of B. K. Khare & Co. (the Firm) one of the largest and reputed Indian Accounting Firms serving the profession for almost five decades.

Ms Khare joined the accountancy profession in 1990 after completing her BSc in Mathematics. She is also a Certified Public Accountant (USA) and a Diploma in Business Finance from Institute of Chartered Financial Analysts of India.

She has over 24 years of wide and varied experience serving large and mid-sized clients in the Oil and Gas, Banking and Financial services, Insurance, Manufacturing, IT, Hospitality, Real estate and Retail sectors. She has been involved in Corporate advisory, M&A, Restructuring initiatives in one of the largest/reputed Groups.

Her principal areas of expertise include Audit, Taxation, Corporate finance, Corporate Advisory, Risk Management and Corporate Governance.

Under her leadership the firm has grown to be a full service firm with presence across geographies in India. She has been spearheading several initiatives of the firm in various spheres of Practice space to strengthen its position as one of the largest Indian accounting firms providing services to large listed public companies.

## **TAL MANUFACTURING SOLUTIONS LIMITED**

Her tenure has seen B.K. Khare & Co. tying up as an independent member of Morison International, 10th largest association of accounting firms with representation in over 60 countries across the world. The firm enjoys a unique position amongst peers in that its practice is well balanced across service verticals and across business sectors.

It is her firm belief that a culture of strong ethics and professional integrity coupled with expertise drives excellence and creates value for the clients and for society at large. This approach has fostered trusted long-term relationships with clients many of whom are large business houses of repute and leaders in the markets they represent in the country.

She has been member of Shield Panel for technical review of Annual Accounts for 'ICAI awards for excellence in financial reporting'

She is a strong votary of effective corporate Governance. Her experience as an auditor of a cross section of reputed companies enables her to have holistic/360 degree view of an Organisation and render appropriate advice not only on Risks and Governance but also on business/organisational matters.

Ms Khare has been on Boards, as an Independent Director, in reputed companies also in capacity of audit committee member/chairperson.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except the Directors being appointed, are, in any way, concerned or interested, in the resolution set out at Item No. 6 of the Notice.

#### **Item No.7**

The Board had on May 02, 2015 on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Mani & Co., the Cost Auditors to conduct the audit of the Cost records pertaining to the relevant product groups maintained by the Company, as per the applicable provisions, for the Financial Year ending March 31, 2016 and remuneration of Rs.1,50,000/- plus service tax, out-of-pocket, travelling and living expenses have been fixed for this purpose.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2015-16 by way of an Ordinary Resolution is being sought from the members as set out at Item No.7 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the resolution set out at Item No.7 of the Notice.

**For TAL Manufacturing Solutions Limited**

**Sd/-**  
**Jagdish Shirke**  
Company Secretary  
Membership No - FCS 6691

Pune, 15.06.2015

#### **TAL MANUFACTURING SOLUTIONS LIMITED**



## **TAL MANUFACTURING SOLUTIONS LIMITED**

(CIN: U29100PN2000PLC130290)

Regd. Office: PDO Building, TATA Motors Campus, Chinchwad Pune 411 033 Tel: 91 20 6613 5509,  
Fax: 91 20 6613 6318, CIN: U29100PN2000PLC130290. [www.tal.co.in](http://www.tal.co.in)

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### **Attendance Slip**

I \_\_\_\_\_, Authorised Representative, For & on behalf of  
\_\_\_\_\_ Folio No \_\_\_\_\_ record my presence at \_\_\_\_ Annual General Meeting of the  
Company held on 25<sup>th</sup> July, 2015 at 11 AM at the registered office of the Company at PDO  
Building, Tata Motors Campus, Chinchwad, Pune – 411033 (Maharashtra).

Signature of the Member/Representative/Proxy

## **TAL MANUFACTURING SOLUTIONS LIMITED**

Registered office: PDO Building, TATA Motors Campus, Chinchwad Pune 411 033  
Tel: 91 20 6613 5509, Fax: 91 20 6613 6318, CIN: U29100PN2000PLC130290. [www.tal.co.in](http://www.tal.co.in)

**FORM NO. MGT – 11**

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

Name of the Member (s)	:
Registered Address	:
E-mail Id	:
Folio/ DP ID- Client ID No.	:

I/We being the member(s) of ..... shares of the above named Company, hereby appoint

1. Name : .....

Address .....

E-mail Id .....

Signature .....

or Failing him

2. Name : .....

Address .....

E-mail Id .....

Signature .....

or Failing him

3. Name : .....

Address .....

E-mail Id .....

Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the \_\_\_\_<sup>rd</sup> Annual General Meeting of the Company, to be held on the ..... day of ..... at ..... (place) and at any adjournment thereof in respect of such resolutions as are indicated below :

**TAL MANUFACTURING SOLUTIONS LIMITED**

Resolution No.	Resolutions		
<b>ORDINARY BUSINESS - ORDINARY RESOLUTION :</b>			
1.	To receive, consider and adopt the Profit and Loss Account for the year ended 31 <sup>st</sup> March, 2015 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon.		
2.	To appoint a Director in place of Mr. N. S. Kulkarni who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint a Director in place of Mr. Satish Borwankar who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To ratify the appointment of Statutory Auditors' for FY 2015-16 and to fix their remuneration.		
<b>SPECIAL BUSINESS - ORDINARY RESOLUTION :</b>			
5	Appointment of Dr Raghunath Anant Mashelkar (DIN: 00074119) as an Independent Director.		
6.	Appointment of Ms Padmini Khare Kaicker (DIN: 00296388) as an Independent Director.		
7.	Remuneration to the Cost Auditor for the Financial Year ending March 31, 2016.		

Affix 1 Re. Revenue Stamp

Signed this ..... Day of .....2015

Signature of Member .....

Signature of Proxy holder (s).....

**Note:**

1. 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.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 15<sup>th</sup> Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.

**TAL MANUFACTURING SOLUTIONS LIMITED**