



- AIRPORTS
- HIGHWAYS
- INFRASTRUCTURE
- RAILWAYS
- REAL ESTATE

Date: 28<sup>th</sup> November, 2018

NSE Script Symbol -TARMAT

BSE Script Code -532869

The Listing Department,  
National Stock Exchange of India Ltd  
Bandra Kurla Complex  
Mumbai -400050

The Compliance Department  
Bombay Stock Exchange  
PJ Tower, Dalal Street,  
Mumbai 400001

**Sub: Submission of Annual Report 2017-2018**

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith copy of the Annual report for the financial year 2017-2018 as approved and adopted by the shareholders of the company at the 33<sup>rd</sup> Annual general meeting held on 29<sup>th</sup> September, 2018.

Kindly take the above intimation on your record

Regards  
For **TARMAT LTD**

S. Chakraborty  
Company Secretary

**TARMAT LIMITED**

General A.K Vaidya Marg, Near Wageshwari Mandir, Off Film City Road, Goregaon East, Mumbai - 400 063  
Tel. 2840 2130 / 1180 • Fax 2840 0322 • Email : [contact@tarmatlimited.com](mailto:contact@tarmatlimited.com) • Website : [www.tarmatlimited.com](http://www.tarmatlimited.com)  
CIN : L45203MH1986PLC038535



33<sup>RD</sup> ANNUAL REPORT 2017-18

AIRPORTS

HIGHWAYS

INFRASTRUCTURE

RAILWAYS

REAL ESTATE

- ▶ Resurfacing/Extension of Runway at Air Force Station Maharajpur  
Military Engineering Services
- ▶ Resurfacing/Extension of Runway at Air Force Station Awantipur  
Military Engineering Services
- ▶ Future Apron with Automated lighting  
Bangalore International Airport Limited
- ▶ Runway Resurfacing at Air force station, Agra Military Engineering Services
- ▶ Runway Strengthening & Taxi Tracks upgradation work at Cochin International Airport  
Cochin International Airport Limited
- ▶ Resurfacing of main Runway including profile correction at CA Juhu Airports Authority of India, Mumbai
- ▶ Upgradation and widening of Main Runway at Nanded Airport Maharashtra  
Industrial Development Corporation
- ▶ Extension and strengthening of Runway, Taxi track & Apron at Trichy Airport  
Airports Authority of India
- ▶ Extension of Apron & Additional Parking Bays at Trivandrum Airport  
Airports Authority of India
- ▶ Upgrading of main Runway 09/27 including dismantling and re-doing of Runway CAT - II light installations at Mumbai Airport  
Airports Authority of India
- ▶ Construction of 4 No's remote parking bays on north of abandoned taxi track - B-3 at CSI Airport, Mumbai Airports Authority of India
- ▶ Re-strengthening of Runway and Taxi track, Laying Glass Grid at NAS Arakkonam. Tamil-Nadu  
Military Engineering Services



## COMPANY INFORMATION

### Board of Directors

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Mr. Jerry Varghese	Chairman and Executive Director
Mrs. Saramma Varghese	Executive Director
Mr. Dilip Varghese	Managing Director
Mr. Pratul Govind Dube	Independent Director
Mr. R. C. Gupta	Independent Director
Mr. Chandrakant Sanghavi	Independent Director

### Chief Financial Officer

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Mr. Shridhar Shetty

### Company Secretary

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Mr. S. Chakraborty

### Statutory Auditors

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M/s Mehta Kothari & Associates  
Chartered Accountants  
134, Great Western Building,  
Maharashtra Chambers of Commerce Lane,  
Fort, Mumbai 400 001.

### Bankers

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Vijaya Bank

### Registered Office

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Tank Road, Off Gen Vaidya Marg,  
Goregaon (East), Mumbai 400 063  
Tel: +91-22-2840 2130/ 1180  
Website: [www.tarmatlimited.com](http://www.tarmatlimited.com)

### Registrars & Transfer Agents

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Bigshare Services Private Limited  
(Unit : Tarmat Limited)  
1st Floor, Bharat Tin works building,  
Opp. Vasant Oasis Makwana Road,  
Marol, Andheri East,  
Mumbai-400059, Maharashtra.  
Tel: 022 62638200  
Fax: 022 62638299  
Email: [shubhangi@bigshareonline.com](mailto:shubhangi@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)  
Contact Name: Shubhangi Wanivadekar



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## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE** is hereby given that **33rd ANNUAL GENERAL MEETING** of the Members of TARMAT LIMITED will be held on Saturday 29th September 2018 at 03.00 p.m. at Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai-400049 to transact the following business:

### ORDINARY BUSINESS:

#### Item No. 1 - Adoption of Financial Statements

To receive, consider and adopt the audited Balance sheet as on 31st March 2018, the Statement of Profit and Loss Account for the year ended 31st March 2018 together with the Schedules and Notes attached thereto, along with Auditors Report and Director's report thereon.

#### Item No. 2 - Appointment of a Director

To Appoint a Director in place of Mrs. Saramma Jerry Varghese (DIN 00012892), who retires by rotation and being eligible, offers herself for reappointment.

#### Item No. 3 - Appointment of Auditors

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 140, 141, 142 and other applicable provisions of the Companies Act, 2013 and the rules made there under, , M/s. Mehta Kothari & associates, Chartered Accountants (FRN 106247W)) be appointed as the Auditors of the Company, to hold office from the conclusion of 33rd Annual General Meeting till the conclusion of 36th Annual General Meeting of the Company, subject to ratification of the appointment by the members at every AGM in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and that the Board of Directors be and is hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors and that such remuneration may be paid on a progressive billing basis to be agreed upon between the Board of Directors and the Auditors."

### SPECIAL BUSINESS:

#### Item No. 4 - Ratification of Cost Auditors' remuneration

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

**"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 75,000/- (Rupees Seventy five thousand only) plus GST and reimbursement of travelling and other incidental expenses payable to Mr. Satish R shah, Cost Accountants who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending 31st March, 2019."

#### Item No. 5:- Enhancement of Borrowing Powers

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**"RESOLVED THAT** in supersession of the earlier resolution passed at the general meeting held on Monday 19, June, 2006 and pursuant to Section 180(1)(c) and all other enabling provisions of the Companies Act, 2013, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may deem fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount of money/ moneys so borrowed shall not exceed Rupees 1000 Crore (One thousand Crore)Only."

**"RESOLVED FURTHER THAT** the Board or any of its duly constituted committee be and is hereby authorised to do and perform all such acts, deeds and things and to take all steps as may be considered necessary, proper and

expedient to carry on the purpose of this resolution.”

**Item No. 6:- Creation of Charge on Company's Properties**

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

**“RESOLVED THAT** in supersession to the resolution passed by the shareholders at the general meeting held on Monday 19, June, 2006, consent of the members of the Company be and is hereby accorded in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Company Act, 2013 read with rules made there under (including any statutory modifications or re-enactment(s) thereof for the time being in force) to sell, lease, create charge / provide security for the sums borrowed on such terms and conditions and in such form and manner and with such ranking as to priority, as the Board in its absolute discretion thinks fit, on the assets of the Company, as may be agreed to between the Company and the Lenders so as to secure the borrowings by the Company, together with interest, costs, charges, expenses and all other monies payable by the Company to the Lenders / institutions concerned for an amount not exceeding Rupees 1000 Crore (One thousand Crore) Only under the respective borrowing arrangements entered into / to be entered by the Company.”

**“RESOLVED FURTHER THAT** the security/(ies) to be created by the Company for its borrowings as aforesaid may rank with the security already created in the form of mortgage and / or charges already created or to be created in future by the Company as may be agreed to between the Company and concerned parties.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or any Committee or person(s) authorized by the Board, be and is / are hereby authorized to finalize, settle and execute such documents, deeds, writings, papers, agreements as may be required and to do all acts, deeds, matters and things as may in its / his / their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating security as aforesaid or otherwise considered to be in the best interest of the Company including filing of necessary forms with the Registrar of Companies.”

**Item No. 7:- Authority to make Investments under Section 186 of the Companies Act, 2013**

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

**“RESOLVED THAT** pursuant to the provisions of Section 186 and other applicable provisions of the Companies Act, 2013 ('Act') read with Rules made thereunder including any statutory modification(s), amendments or re-enactment thereof, the Articles of Association of the Company, other applicable laws, approvals, consents, sanctions and permissions, as may be necessary, consent and approval of the Members of the Company be and is hereby accorded to the Board of Directors ('the Board', which term shall be deemed to mean and include any Committee constituted by the Board) to grant loans and/or provide guarantees/securities and/or make investments for amounts exceeding 60% of the paid-up share capital, free reserves and securities premium account or 100% of free reserves and securities premium account but not exceeding Rs. 1000 Crore (Rupees One Thousand Crore), over and above the aggregate of free reserves and securities premium account of the Company at any point of time.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to negotiate and decide, from time to time, terms and conditions, to execute such documents, deeds, writings, papers and agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate and settle any questions, difficulty or doubt that may arise in this regard for the purpose of giving effect to this Resolution.”

By Order of the Board of Directors  
For Tarmat Limited

Sd/-

**S. Chakraborty**  
Company Secretary

Date: 11th August, 2018

Place: Mumbai

**NOTES:-**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING. A PERSON SHALL NOT ACT AS A PROXY FOR MORE THAN 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 pertaining to the business under Item No. 4, 5, 6 and 7 set out above Notice is annexed hereto.
3. Corporate Members are required to send a duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
4. Members are requested to bring their Attendance Slip along their copy of the Annual Report to the meeting.
5. Member who holds shares in dematerialized form requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
6. Members seeking any further information about the accounts are requested to send their queries to the Company to collect the relevant information.
7. Members are requested to notify immediately any change in their address /bank mandate to their respective Depository Participants (DP s) in respect of their electronic shares account and to the Registrar and Share Transfer Agent of the Company at Big share services private Limited 1st Floor, Bharat Tin works building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra.
8. The Register of Members and the Share Transfer Book of the Company will remain closed from 23.09.2018 to 29.09.2018 (both days inclusive).
9. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting the said resolutions will not be decided on a show of hands at the AGM.
10. The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the company as on the cut-off date i.e. 22.09.2018.
11. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by National Securities Depository Limited and Central Depository Services Limited. The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting as per details below:
  - (i) The voting period begins on 26.09.2018, 09.00 a.m. and ends on 28.09.2018, 05 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date (record date) of 22.09.2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com),
  - (iv) Click on Shareholders.
  - (v) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

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

PAN	For Members holding shares in Demat Form and Physical Form
	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/ mail) in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to

log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

#### **IN CASE OF MEMBERS RECEIVING THE PHYSICAL COPY:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) Above to cast vote.
- (B) The voting period begins on 26.09.2018 to 28.09.2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.09.2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **SPECIAL BUSINESS:**

##### **Item No. 4**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company.

On the recommendation of the Audit Committee at its meeting held on 30th May 2018, the Board has, considered and approved the appointment of Mr. Satish R shah, Cost Accountants as the cost auditor for the financial year 2018-2019 at a remuneration of Rs 75,000 (Rupees Seventy five thousand Only) plus GST and reimbursement of travelling and other incidental expenses.

The Board recommends this resolution for approval of the Members.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

##### **Item No. 5**

The members of the Company at their Extra Ordinary General Meeting held on Monday 19th June, 2006, approved by way of an Ordinary Resolution under Section 293 (1) (a) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 300 Crores (Rupees Three Hundred Crores only).

Keeping in view the future capex requirements of the Company, it is considered desirable to obtain the members approval up to an amount not exceeding Rs. 1000 Crore (One thousand Crore) at any point of time.

The Board recommends this resolution for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**Item No. 6**

The members of the Company at their Extra Ordinary General Meeting held on Monday 19th June, 2006 approved by way of an Ordinary Resolution under Section 293 (1) (d) of the Companies Act, 1956, Company to create mortgage, hypothecation, pledge and/or charge the movable and/or immovable properties of the Company towards the borrowings availed or to be availed by the Company under said provisions for an amount up to Rs. 300 Crores (Rupees Three Hundred Crores only). Moreover validity of the resolution passed by member of the Company on this approval is not sufficient to secure the further borrowings Rs. 1000 Crore (One thousand Crore). Therefore, the additional borrowings are required to be secured by way of mortgage, hypothecation, pledge and/ or charge on all or any of the movable and/ or immovable properties of the Company (both present and future) and/or any other assets or properties, either tangible or intangible, of the Company and/ or the whole or part of any of the undertaking of the Company, in favor of lender(s) from time to time.

The Board recommends this resolution for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**Item No. 7**

Pursuant to the provisions of Section 186 of the Companies Act, 2013, a company can give any loan, guarantee, provide security or make investment in shares, debentures etc. up to an amount of 60% of its paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account, whichever is higher.

A company may give loan, guarantee, provide security or make investment in shares, debentures etc. exceeding the above limits with the prior approval of shareholders by means of a special resolution.

Accordingly, the Board of Directors of the Company proposes to seek approval of shareholders by way of special resolution to authorize the Board to exercise powers for an amount not exceeding Rs. 1000 crore (Rupees One Thousand Crore Only).

The Board recommends this resolution for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

By Order of the Board of Directors  
For Tarmat Limited

Sd/-

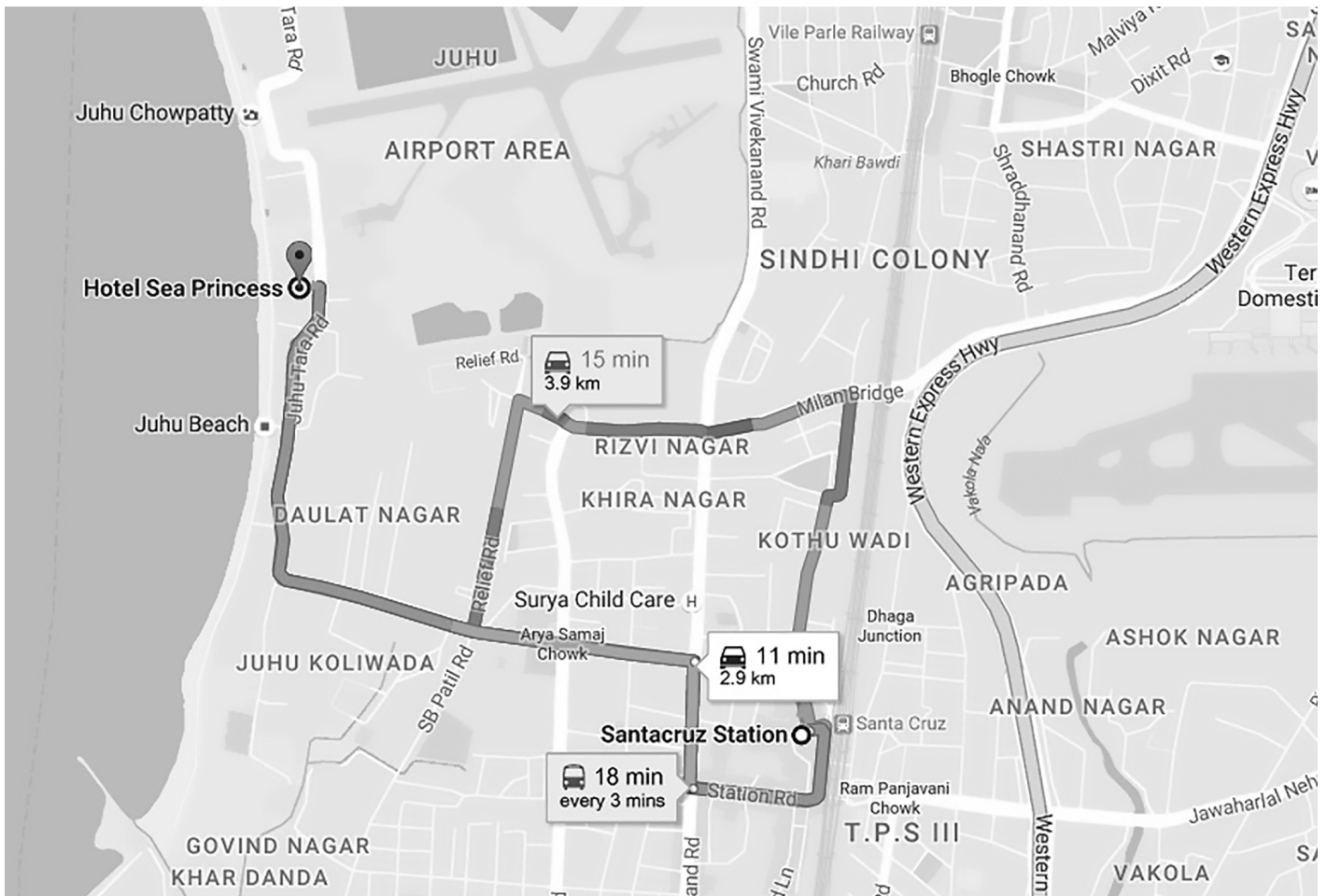
**S. Chakraborty**  
Company Secretary

Date: 11th August, 2018  
Place: Mumbai

### PROFILE OF DIRECTORS

Particulars	Mrs. Saramma Varghese
Date of Birth	01/12/1955
Date of Appointment	03/01/1986
Qualification and Experience	Bachelor of Science (Management) & Bachelor of Science (Marketing). SAP Certification Exp. 6 Years
Directorship in other public companies	NIL
Director's shareholdings	1051161 shares
Relationship with Directors	Mrs. Saramma Varghese is the wife of Mr. Jerry Varghese Chairman & Executive Director & mother of Mr. Dilip Varghese, Managing director of the company.
No. of Board meetings attended out of 05 meetings held during the year	04

### ROUTE MAP TO THE AGM VENUE



## DIRECTORS REPORT

To,  
The Members,  
Your Directors have pleasure in presenting their 33rd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

**1. Financial Result:**

The Board's Report shall be prepared based on the stand alone and consolidated financial statements of the company.

(₹ In Lakh)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	6168.40	6026.82	20535.73	7940.39
Other Income	1904.71	86.95	1150.98	76.03
<b>Total Income</b>	<b>8073.11</b>	<b>6113.77</b>	<b>21686.71</b>	<b>8016.42</b>
Less: Expenses	8062.92	6092.51	21676.52	7995.16
<b>Profit / Loss before tax and Extraordinary / exceptional items</b>	<b>10.19</b>	<b>21.26</b>	<b>10.19</b>	<b>21.26</b>
Less: Extraordinary / exceptional items	0.00	0.00	0.00	0.00
<b>Profit before tax</b>	<b>10.19</b>	<b>21.26</b>	<b>10.19</b>	<b>21.26</b>
Less: Current Income Tax	0.00	0.00	0.00	0.00
Less: Current tax relating to prior years	(119.54)	(30.11)	(119.54)	(30.11)
Less Deferred Tax	5.01	47.92	5.77	47.92
<b>Net Profit after Tax</b>	<b>124.72</b>	<b>3.45</b>	<b>123.96</b>	<b>3.45</b>
Earnings per share (Basic)	1.14	0.03	1.13	0.03
Earnings per Share(Diluted)	1.14	0.03	1.13	0.03

**2. Performance of the company:**

The profit (after tax) during the year ending 31st March 2018 on Standalone basis was Rs.123.96 lakh against Profit of Rs. 3.45 lakh for the previous year ended 31st March 2017. The company is in the process of securing some projects.

**Future prospects**

As per report, India is the fastest developing country in the world. GDP growth in the year 2017-18 was at 6.5 %. India will be the third largest economy in the world 2050. In the infrastructure sector also India can be rated as the fastest growing economy in the world. The planning Commission in India has planned extensive expansion in roads, highways, ports, airports, powers etc. In Union budget 2018-19, massive push to infrastructure sector by allocating 5.97 lakhs crores for the sector.

During the year under review, your Company has completed about 6 projects in various sector involving a total outlays of Rs.62.00 crores. At the end of the year the Company has in hand project worth value of about Rs.1000.00 crores to be completed in next 3 to 5 years. The Company has also bid for various projects which would mature into confirmed project during the next financial year.

**Capital and Finance:**

The Company has managed to reduce its debt by repayment of its loans, as a result from the current financial year the interest liability of the company will be negligible.

The company is in the process of applying for facilities with regards to Working Capital and Bank Guarantees, to enable the company improve its bidding Capacity.

**3. Dividend**

Due to inadequate profit during the year your Directors have not recommended any dividend for the Financial Year ended March 31, 2018.

**4. Reserves**

There are no transfers to Reserves during the current financial year.

**5. Directors and Key Managerial Personnel**

Mrs. Saramma Jerry Varghese (DIN 00012892), Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for reappointment.

**6. Material changes affecting the Nature of Business and Financial position of the Company:**

There were no material changes affecting the nature of business and financial position of the Company during the year under review except repayment of all dues to Vijay Bank.

**7. Particulars of Employees**

The table containing the names and other particulars of employees in accordance with the provisions of Section 197 (12) of the Companies act, 2013, with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **ANNEXURE -III**.

There are no employees in the company during the year under review who is in receipt of remuneration of Rs. 60,00,000 p.a. or Rs. 5,00,000 p.m. if employed during the part of the year.

**8. Meetings**

During the year, five board meeting, four Audit Committee meeting, four Stakeholder relationship committee meeting and one independent director meeting were convened and held. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

**9. Declaration by an Independent Director(s) and re-appointment, if any**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**10. Familiarisation programme for Independent Directors:**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operation and provides an overall industry perspective as well as issues being faced by the industry. The details of various familiarisation programmes provided to the Directors of the Company is available on the Company's website [www.tarmatlimited.com](http://www.tarmatlimited.com).

**11. Policy on directors' appointment and remuneration and other details**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report.

**12. Audit Committee**

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

**13. Internal Financial Control**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

**14. Auditors**

The Company's auditors M/s. Hegde & Associates, Chartered Accountants have already completed more than ten years as Statutory Auditors of the Company. In accordance with provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company had appointed them for a period of three years from conclusion of 30th Annual General Meeting till the conclusion of 32th Annual General Meeting. A proposal for ratifying their appointment from the conclusion of the 31st AGM till the conclusion of the 32nd AGM has been included in the Notice of the ensuing AGM. In view of the mandatory rotation of auditor requirement and to ensure smooth transition during this period, M/s. Agarwal & Mangal, Chartered Accountants (FRN 100061W), was appointed as Statutory Auditors for a period of 5 continuous years from the conclusion of 32nd Annual General Meeting till the conclusion of 36th Annual General Meeting of the Company. However, in view of their own reason they declined to resume audit of the Company and thus created a casual vacancy

without submitting resignation to the Company. Therefore the Board of Directors of the Company in terms of Section 139 (8) of the Companies Act, 2013 on recommendation of the Audit Committee appointed M/s. Mehta Kothari & Associates, FRN 106247W as Auditors of the Company for a period of one year. A proposal for ratifying their appointment for one year i.e upto conclusion of next AGM and appointment for remaining 4 years from the conclusion of the 33 AGM till the conclusion of the 36th AGM has been included in the Notice of the ensuing AGM.

#### 15. Statutory Auditors' Report:

During the year under review, the Statutory Auditors has no observation or qualification on the Accounts of the Company.

#### 16. Secretarial Audit Report:

In terms of Section 204 of the Act and Rules made there under, M/s. Prashant Diwan, Practicing Company Secretary was appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **ANNEXURE-IV** to this report. The Company has received the Secretarial Audit report with few observations on which the management replies are as below.

1. The Company is in the process of reconciliation of the share application and no sooner the reconciliation is completed the amount will be transferred to Investors Education and Protection Fund as required under the law.
2. As required under Section 203 of the Companies Act, 2013 the Chief Financial Officer was duly appointed. However required return was not filed inadvertently. This will be filed soon.
3. A small fraction of shares is required to be dematerialized which will be done soon.
4. As required under 124(6) of the Companies Act, 2013 amount will be transferred to Investors Education and Protection Fund as required under the law during the financial year 2018-19.

#### 17. Disclosure about Cost Audit:

As per the Cost Audit Orders, Cost Audit is applicable to the Company for the FY 2018-19.

In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Mr. Satish Ramanlal Shah, Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2018-19. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

#### 18. Details of Subsidiary/Joint Ventures/Associate Companies

As on 31st March, 2018, Company has Five Joint venture company. Accordance with Section 129(3) of the Companies Act, 2013 prepared consolidated financial statements of the Company, which form part of the Annual Report. **ANNEXURE-I**

#### 19. Vigil Mechanism:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The policy of Vigil Mechanism and Whistle Blower can be accessed at [www.tarmatlimited.com](http://www.tarmatlimited.com).

#### 20. Extract of Annual Return:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as **ANNEXURE-II**.

#### 21. Deposits:

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

#### 22. Particulars of loans, guarantees or investments under section 186

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

**23. Particulars of contracts or arrangements with related parties:**

The Company has not entered into any contracts or arrangements with related parties referred to in Section 188(3) of the Companies Act, 2013.

**24. Certificate on Corporate Governance**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate on corporate governance shall be annexed with the Board's report. The auditors' certificate for fiscal 2018 does not contain any qualification, reservation or adverse remark.

**25. Management discussion and analysis**

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March, 2018.

**26. Corporate Governance:**

As required by SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 the Corporate Governance Report forms part of the Annual Report.

**27. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The information as required under Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings is given below:

## i. Conservation of energy:-

- a) Improvisation and continuous monitoring of Power Factor and replacement of weak capacitors by conducting periodical checking of capacitors.
- b) The Company has endeavored to optimize the use of energy resources and taken adequate steps to avoid wastage and use latest production technology and equipment.
- c) Though the Company is making adequate use of energy resources it is looking forward to setup necessary energy conservation equipments in near future.

## ii. Technology Absorption:-

- a) The Company continues to use the latest technologies for improving the productivity and quality of its services and products.
- b) The Company's operations do not require significant import of technology.

## iii. Foreign exchange earnings and 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 is NIL

**28. Directors' Responsibility Statement**

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors state 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) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis;
- (v) the directors, further state that they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**29. Secretarial standards**

The applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meetings of Board of Directors' and 'General Meeting' respectively, as issued by the Institute of Company Secretaries of India (ICSI), have been duly complied by your Company.

**30. Orders passed by the Regulators or Courts or Tribunals:-**

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company's operation in future

**31. Acknowledgements**

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

**For and on behalf of the board of directors**

Sd/-  
Jerry Varghese  
Chairman  
Din No. 00012905

Date: 11th august, 2018  
Place: Mumbai

**Annexure I****Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

**Part A Subsidiaries (Not Applicable)**

**Part B Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Name of Associates or Joint Ventures</b>	<b>NG &amp; TARMAT JV GUJARAT</b>	<b>NG TARMAT GOA JV</b>	<b>TARMAT - MSKEL JV</b>	<b>BACKBONE-TARMAT- AL FARAA JV</b>	<b>MSKEL-TARMAT JV</b>
1. Latest audited Balance Sheet Date	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
2. Date on which the Associate or Joint Venture was associated or acquired					
3. Shares of Associate or Joint Ventures held by the company on the year end No.	Nil	Nil	Nil	Nil	Nil
Amount of Investment in Associates or Joint Venture	Nil	Nil	Nil	Nil	Nil
Extent of Holding (in percentage)	51%	51%	49%	30%	60%
4. Description of how there is significant influence	Based on holding	Based on holding	Based on holding	Based on holding	Based on holding
5. Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA
6. Net worth attributable to shareholding as per latest audited Balance Sheet					
7. Profit or Loss for the year					
i. Considered in Consolidation	Yes	Yes	Yes	Yes	Yes
ii. Not Considered in Consolidation	NA	NA	NA	NA	NA

Names of associates or joint ventures which are yet to commence operations: NONE

Names of associates' or joint ventures which have been liquidated or sold during the year: NONE

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified".

**For and on behalf of the board of directors**

Sd/-  
Jerry Varghese  
Chairman  
Din No. 00012905

Date: 11th august, 2018  
Place: Mumbai

**ANNEXURE-II**  
**FORM NO. MGT 9**

**Extract of annual return as on the financial year ended on 31.03.2018**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L45203MH1986PLC038535
2.	Registration Date	03/01/1986
3.	Name of the Company	Tarmat Limited
4.	Category/Sub-category of the Company	Company Limited by share/Indian Non-Government company
5.	Address of the Registered office & contact details	P B No 9042, Goregaon East, Mumbai – 400 063. Tel: +91-22-2840 2130/ 1180 Website: www.tarmatlimited.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited (Unit : Tarmat Limited) 1st Floor, Bharat Tin works building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai-400059, Maharashtra. Tel: 022 62638200 Fax: 022 62638299 Email: shubhangi@bigshareonline.com Website: www.bigshareonline.com Contact Name: Shubhangi Wanivadekar

**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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Construction and maintenance of roads, rail beds, bridges, tunnels, pipeline	421	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	Nil	Nil	Nil	Nil	Nil

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

S. No.	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2017 00:0				No. of Shares held at the end of the year :31/03/2018				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(a)	INDIVIDUAL / HUF	5569471	0	5569471	50.81	5250922	0	5250922	47.91	(2.91)
(b)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)									
(i)	GROUP COMPANIES	1361328	120	1361448	12.42	1361328	120	1361448	12.42	0.00
(ii)	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(iii)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL (A)(1) :</b>	<b>6930799</b>	<b>120</b>	<b>6930919</b>	<b>63.23</b>	<b>6612250</b>	<b>120</b>	<b>6612370</b>	<b>60.33</b>	<b>(2.91)</b>
<b>Foreign</b>										
(a)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
(b)	INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
(c)	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL (A)(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total holding for promoters</b>									
	<b>(A)=(A)(1) + (A)(2)</b>	<b>6930799</b>	<b>120</b>	<b>6930919</b>	<b>63.23</b>	<b>6612250</b>	<b>120</b>	<b>6612370</b>	<b>60.33</b>	<b>(2.91)</b>
<b>(B) Public shareholding</b>										
<b>Institutions</b>										
(a)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
(c)	MUTUAL FUNDS / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
(e)	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
(f)	FII'S	0	0	0	0.00	0	0	0	0.00	0.00
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
(h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(i)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(j)	FOREIGN PORTFOLIO INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(k)	ALTERNATE INVESTMENT FUND	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL (B)(1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

<b>Non-institutions</b>											
(a)	BODIES CORPORATE	1127802	0	1127802	10.29	714196	0	714196	6.52	(3.77)	
(b)	INDIVIDUAL										
(i)	(CAPITAL UPTO TO Rs. 1 Lakh)	1944785	199	1944984	17.75	2841281	199	2841480	25.92	8.18	
(ii)	(CAPITAL GREATER THAN Rs. 1 Lakh)	737879	0	737879	6.73	574162	0	574162	5.24	(1.49)	
(c)	ANY OTHERS (Specify)										
(i)	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00	
(ii)	CLEARING MEMBER	53711	0	53711	0.49	66339	0	66339	0.61	0.12	
(iii)	NON RESIDENT INDIANS (NRI)	87279	0	87279	0.80	5652	0	5652	0.05	(0.74)	
(iv)	NON RESIDENT INDIANS (REPAT)	33661	0	33661	0.31	85802	0	85802	0.78	0.48	
(v)	NON RESIDENT INDIANS (NON REPAT)	3412	0	3412	0.03	10706	0	10706	0.10	0.07	
(vi)	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00	
(vii)	EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00	
(viii)	OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00	
(ix)	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00	
(x)	IEPF	0	0	0	0.00	0	0	0	0.00	0.00	
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00	
	NBFCs registered with RBI	41060	0	41060	0.37	50000	0	50000	0.46	0.08	
	<b>SUB TOTAL (B)(2) :</b>	<b>4029589</b>	<b>199</b>	<b>4029788</b>	<b>36.77</b>	<b>4348138</b>	<b>199</b>	<b>4348337</b>	<b>39.67</b>	<b>2.91</b>	
	<b>Total Public Shareholding</b>										
	<b>(B)=(B)(1) + (B)(2)</b>	<b>4029589</b>	<b>199</b>	<b>4029788</b>	<b>36.77</b>	<b>4348138</b>	<b>199</b>	<b>4348337</b>	<b>39.67</b>	<b>2.91</b>	
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>											
(a)	SHARES HELD BY CUSTODIANS										
(i)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00	
(ii)	Public	0	0	0	0.00	0	0	0	0.00	0.00	
	<b>SUB TOTAL (C)(1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
	<b>(C)=(C)(1)</b>		<b>0</b>		<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
	<b>Grand Total (A) + (B) + (C)</b>	<b>10960388</b>	<b>319</b>	<b>10960707</b>	<b>100.00</b>	<b>10960388</b>	<b>319</b>	<b>10960707</b>	<b>100.00</b>	<b>(0.00)</b>	

NOTES :

- 1) NAME, NUMBER OF SHARES HELD & PERCENTAGE OF ENTITIES / PERSONS HOLDING MORE THAN 1% OF THE TOTAL SHARES OF THE COMPANY IS AS PER ANNEXURE

## (ii) Shareholding of Promoter-

S. No.	Category of Shareholder	Shareholding at the beginning of the year 01/04/2017			Shareholding at the end of the year 31/03/2018			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	M/S TARMAT CONSTRUCTION PVT. LTD.	120	0.0011	0.0000	120	0.0011	0.0000	0.0000
2	NEHA DILIP VARGHESE	36627	0.3342	0.0000	36627	0.3342	0.0000	0.0000
3	SNEHA VARGHESE	176400	1.6094	0.0000	176400	1.6094	0.0000	0.0000
4	SARAMMA JERRY VARGHESE	1051161	9.5903	0.0000	1051161	9.5903	0.0000	0.0000
5	DILIP VARGHESE	1063463	9.7025	0.0000	744914	6.7962	0.0000	-2.9063
6	TARMAT HOLDINGS PVT LTD	1361328	12.4201	0.0000	1361328	12.4201	0.0000	0.0000
7	JERRY VARGHESE	3241820	29.5767	0.0000	3241820	29.5767	0.0000	0.0000
		6930919	63.2343	0.0000	6612370	60.3280	0.0000	-2.9063

## (iii) Change in Promoters' Shareholding

S. No.	Name	Shareholding		% Shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	Percentage of total shares of the company
		No. of Shares at the beginning (01.04.2017) / End of the year (31.03.2018)						Number of Shares	
1	M/S TARMAT CONSTRUCTION PVT. LTD.	120		0.0011	1/4/2017				
					31/03/2018	0		120	0.0011
2	NEHA DILIP VARGHESE	36627		0.3342	1/4/2017				
					31/03/2018	0		36627	0.3342
3	SNEHA VARGHESE	176400		1.6094	1/4/2017				
					31/03/2018	0		176400	1.6094
4	SARAMMA JERRY VARGHESE	1051161		9.5903	1/4/2017				
					31/03/2018	0		1051161	9.5903
5	DILIP VARGHESE	1063463		9.7025	1/4/2017				
					12/01/2018	269549	sold	793914	7.2433
					30/03/2018	49000	sold	744914	6.7962
					31/03/2018	0		744914	6.7962
6	TARMAT HOLDINGS PVT LTD	1361328		12.4201	1/4/2017				
					31/03/2018	0		1361328	12.4201
7	JERRY VARGHESE	3241820		29.5767	1/4/2017				
					31/03/2018	0		3241820	29.5767

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

Sr. No.	NAME	No. of Shares at the begining/ End of the year	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
1	PRITHVI FINMART PRIVATE LIMITED	4,05,627	1-Apr-17	0	Transfer	4,05,627	3.70
			7-Apr-17	-25000	Transfer	3,80,627	3.47
			14-Apr-17	6750	Transfer	3,87,377	3.53
			21-Apr-17	-6750	Transfer	3,80,627	3.47
			18-Aug-17	78	Transfer	3,80,705	3.47
			25-Aug-17	-78	Transfer	3,80,627	3.47
			22-Sep-17	3150	Transfer	3,83,777	3.50
			29-Sep-17	-3150	Transfer	3,80,627	3.47
			20-Oct-17	4000	Transfer	3,84,627	3.51
			27-Oct-17	10850	Transfer	3,95,477	3.61
			15-Dec-17	31920	Transfer	4,27,397	3.90
			22-Dec-17	-31920	Transfer	3,95,477	3.61
			29-Dec-17	-2100	Transfer	3,93,377	3.59
			5-Jan-18	-198417	Transfer	1,94,960	1.78
			12-Jan-18	-101993	Transfer	92,967	0.85
			19-Jan-18	-14375	Transfer	78,592	0.72
			26-Jan-18	-590	Transfer	78,002	0.71
			9-Feb-18	200	Transfer	78,202	0.71
			2-Mar-18	500	Transfer	78,702	0.72
			9-Mar-18	-202	Transfer	78,500	0.72
			16-Mar-18	-78300	Transfer	200	0.00
			23-Mar-18	1000	Transfer	1,200	0.01
			30-Mar-18	-1000	Transfer	200	0.00
		200	31-Mar-18	0	Transfer	200	0.00
2	PINE TREE CAPITAL MARKETS PVT LIMITED	1,43,000	1-Apr-17	0	Transfer	1,43,000	1.30
			14-Apr-17	-6000	Transfer	1,37,000	1.25
			21-Apr-17	-2000	Transfer	1,35,000	1.23
			30-Jun-17	5000	Transfer	1,40,000	1.28
			22-Sep-17	-5000	Transfer	1,35,000	1.23
			6-Oct-17	-15000	Transfer	1,20,000	1.09
			8-Dec-17	-17097	Transfer	1,02,903	0.94
			15-Dec-17	-3009	Transfer	99,894	0.91
			22-Dec-17	-9329	Transfer	90,565	0.83
			5-Jan-18	2305	Transfer	92,870	0.85
			12-Jan-18	-17870	Transfer	75,000	0.68
			16-Feb-18	2500	Transfer	77,500	0.71

			23-Mar-18	3500	Transfer	81,000	0.74
			30-Mar-18	29000	Transfer	1,10,000	1.00
		1,10,000	31-Mar-18	0	Transfer	1,10,000	1.00
3	RASILA KIRTI KOTHARI	1,05,967	1-Apr-17	0	Transfer	1,05,967	0.97
			29-Dec-17	-8114	Transfer	97,853	0.89
		97,853	31-Mar-18	0	Transfer	97,853	0.89
4	SAPPHIRE BIZFORECASTING AND CONSULTING PVT LTD	1,00,000	1-Apr-17	0	Transfer	1,00,000	0.91
		1,00,000	31-Mar-18	0	Transfer	1,00,000	0.91
5	PRAKASH JAIKISHIN BHOJWANI	80,861	1-Apr-17	0	Transfer	80,861	0.74
			23-Mar-18	-80861	Transfer	0	0.00
			31-Mar-18	0	Transfer	0	0.00
6	ELLIS EQUITY ADVISORS PVT LTD	77,048	1-Apr-17	0	Transfer	77,048	0.70
			14-Apr-17	-10000	Transfer	67,048	0.61
			9-Jun-17	-10000	Transfer	57,048	0.52
			11-Aug-17	-5000	Transfer	52,048	0.47
			6-Oct-17	-8000	Transfer	44,048	0.40
			17-Nov-17	-10000	Transfer	34,048	0.31
			16-Mar-18	-4048	Transfer	30,000	0.27
		30,000	31-Mar-18	0	Transfer	30,000	0.27
7	ALLWYN DSOUZA	20,653	1-Apr-17	0	Transfer	20,653	0.19
			16-Jun-17	2200	Transfer	22,853	0.21
			28-Jul-17	2000	Transfer	24,853	0.23
			1-Sep-17	7000	Transfer	31,853	0.29
			8-Sep-17	1000	Transfer	32,853	0.30
			22-Sep-17	-1253	Transfer	31,600	0.29
			29-Sep-17	-200	Transfer	31,400	0.29
			6-Oct-17	-400	Transfer	31,000	0.28
			1-Dec-17	-500	Transfer	30,500	0.28
			8-Dec-17	-5500	Transfer	25,000	0.23
			12-Jan-18	14800	Transfer	39,800	0.36
			2-Feb-18	2000	Transfer	41,800	0.38
			23-Mar-18	15200	Transfer	57,000	0.52
		57,000	31-Mar-18	0	Transfer	57,000	0.52
8	BHASKAR ARVIND HINGAD	50,000	1-Apr-17	0	Transfer	50,000	0.46
		50,000	31-Mar-18	0	Transfer	50,000	0.46
9	PARAG C. MEHTA	50,000	1-Apr-17	0	Transfer	50,000	0.46
			29-Sep-17	-27121	Transfer	22,879	0.21
			6-Oct-17	-22879	Transfer	0	0.00
			31-Mar-18	0	Transfer	0	0.00
10	KASHMIRA INVESTMENT AND LEASING PRIVATE LTD	35,000	1-Apr-17	0	Transfer	35,000	0.32
			23-Mar-18	15000	Transfer	50,000	0.46
		50,000	31-Mar-18	0	Transfer	50,000	0.46

11	VISHANJI SHAMJI DEDHIA	50,000	1-Apr-17	0	Transfer	50,000	0.46
			21-Apr-17	-25000	Transfer	25,000	0.23
			28-Apr-17	-7820	Transfer	17,180	0.16
			1-Sep-17	-7391	Transfer	9,789	0.09
			8-Sep-17	-9789	Transfer	0	0.00
			31-Mar-18	0	Transfer	0	0.00
12	KALIDAS CHATTERJEE	39,000	1-Apr-17	0	Transfer	39,000	0.36
			31-Oct-17	1000	Transfer	40,000	0.36
			16-Feb-18	1000	Transfer	41,000	0.37
			9-Mar-18	7501	Transfer	48,501	0.44
		48,501	31-Mar-18	0	Transfer	48,501	0.44
13	ZIRCON TRADERS LIMITED	45,000	1-Apr-17	0	Transfer	45,000	0.41
		45,000	31-Mar-18	0	Transfer	45,000	0.41
14	SHITANSHU B. VORA	42,000	1-Apr-17	0	Transfer	42,000	0.38
		42,000	31-Mar-18	0	Transfer	42,000	0.38
15	SANJULA S KOTHARI	30,000	1-Apr-17	0	Transfer	30,000	0.27
		30,000	31-Mar-18	0	Transfer	30,000	0.27
16	LALITA S. KOTHARI	30,000	1-Apr-17	0	Transfer	30,000	0.27
		30,000	31-Mar-18	0	Transfer	30,000	0.27

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

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	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	Mr. Jerry Varghese Chairman, Executive Director				
	At the beginning of the year 01st April, 2017	3241820	29.5767%	3241820	29.5767%
	Acquisition during the year	Nil	00.00%	3241820	29.5767%
	Sale during the year	Nil	00.00%	3241820	29.5767%
	At the end of the year 31st March, 2018			3241820	29.5767%
2	Mr. Dilip Varghese, Managing Director				
	At the beginning of the year 01st April, 2017	1063463	09.7025%	1063463	09.7025%
	Acquisition during the year	Nil	00.00%	1063463	09.7025%
	Sale during the year	318549	02.9063	744914	06.7962%
	At the end of the year 31st March, 2018			744914	06.7962%
3	Mrs. Saramma Jerry Varghese, Executive director				
	At the beginning of the year 01st April, 2017	1051161	09.5903%	1051161	09.5903%
	Acquisition during the year	Nil	00.00%	1051161	09.5903%
	Sale during the year	Nil	00.00%	1051161	09.5903%
	At the end of the year 31st March, 2018			1051161	09.5903%
4	Mr. C. S. Sanghavi Independent director				
	At the beginning of the year 01st April, 2017	Nil	00.00%	Nil	00.00%
	Acquisition during the year	Nil	00.00%	Nil	00.00%

	Sale during the year	Nil	00.00%	Nil	00.00%
	At the end of the year 31st March, 2018			Nil	00.00%
5	Mr. R. C. Gupta Independent director				
	At the beginning of the year 01st April, 2017	Nil	00.00%	Nil	00.00%
	Acquisition during the year	Nil	00.00%	Nil	00.00%
	Sale during the year	Nil	00.00%	Nil	00.00%
	At the end of the year 31st March, 2018			Nil	00.00%
6	Mr. Pratul Govind Dube Independent director				
	At the beginning of the year 01st April, 2017	Nil	00.00%	Nil	00.00%
	Acquisition during the year	Nil	00.00%	Nil	00.00%
	Sale during the year	Nil	00.00%	Nil	00.00%
	At the end of the year 31st March, 2018			Nil	00.00%
7	Mr. S. Chakraborty, Company Secretary				
	At the beginning of the year 01st April, 2017	Nil	00.00%	Nil	00.00%
	Acquisition during the year	Nil	00.00%	Nil	00.00%
	Sale during the year	Nil	00.00%	Nil	00.00%
	At the end of the year 31st March, 2018			Nil	00.00%
8	Mr. Shridhar Shetty, CFO				
	At the beginning of the year 01st April, 2017	Nil	00.00%	Nil	00.00%
	Acquisition during the year	Nil	00.00%	Nil	00.00%
	Sale during the year	Nil	00.00%	Nil	00.00%
	At the end of the year 31st March, 2018			Nil	00.00%

**V. INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment. (₹ in Lacs)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
	Indebtedness at the beginning of the financial year				
i)	Principal Amount	7602.25	4189.33		11791.58
ii)	Interest due but not paid	-	-		-
iii)	Interest accrued but not due	-	-		-
	Total (i+ii+iii)	7602.25	4189.33		11791.58
	Change in Indebtedness during the financial year				
	* Addition	-	1351.38		1351.38
	* Reduction	1891.25	-		1891.25
	Net Change				
	Indebtedness at the end of the financial year				
i)	Principal Amount	5711.00	5540.71		11251.71
ii)	Interest due but not paid	-	-		-
iii)	Interest accrued but not due	-	-		-
	Total (i+ii+iii)	5711.00	5540.71		11251.71

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
		Mr. Jerry Varghese (Director)	Mr. Dilip Varghese (Managing Directors)	Mrs. Saramma Varghese (Director)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000	7,20,000	12,00,000	43,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	24,00,000	7,20,000	12,00,000	43,20,000
	Ceiling as per the Act	60,00,000	60,00,000	60,00,000	

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Chandrakant Sanghavi Shantilal	Mr. Ramesh Chander Gupta	Mr. Pratul Govind Dube	
1	Independent Directors				
	Fee for attending board committee meetings	60,000	Nil	30,000	90,000
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	60,000	Nil	30,000	90,000
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	60,000	Nil	30,000	90,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	Not Applicable as only sitting fees paid			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. S. Chakraborty, (Company Secretary)	Mr. Shridhar Shetty (CFO)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,60,000/-	7,20,000/-	16,80,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	Others specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	9,60,000/-	7,20,000/-	16,80,000/-

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

There were no penalties/ punishment/ compounding of offences for the year ending 31st March, 2018.

**For and on behalf of the board of directors**

Sd/-  
Jerry Varghese  
Chairman  
Din No. 00012905

Date: 11th august, 2018  
Place: Mumbai

## Annexure III

## Disclosure in the Board's Report under Rule 5 of Companies (Appointment &amp; Remuneration) Rules, 2014

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18	Director's Name	Ratio to mean remuneration
		Mr. Jerry Eapen Varghese	25:1
		Mrs. Saramma Jerry Varghese	12.5:1
		Mr. Dilip Varghese	7.5:1
		Mr. C. S. Sanghavi	Nil
		Mr. R. C. Gupta	Nil
(ii)	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2017-18 compared to 2016-17 means part of the year	Director's/CFO/CEO/CS/Mgr name	% age increase in remuneration
		Mr. Jerry Eapen Varghese, Director	NIL
		Mrs. Saramma Jerry Varghese, Director	NIL
		Mr. Dilip Varghese, Managing Director	NIL
		Mr. C. S. Sanghavi, Director	NIL
		Mr. R. C. Gupta, Director	NIL
		Mr. Pratul Govind Dube, Director	NIL
		Mr. Shivatosh Chakraborty, Company Secretary	NIL
(iii)	Percentage increase in the median remuneration of employees in the financial year 2017-18 compared to 2016-17	NIL	
(iv)	Number of permanent employees on the rolls of the company	As on 31.03.2018	As on 31.03.2017
		85	93
(v)	Average percentile increase in salaries of Employees other than managerial personnel	During 2016-17	During 2017-18
		Nil	3.34
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms remuneration is as per the remuneration policy of the Company.	

For and on behalf of the board of directors

Sd/-  
Jerry Varghese  
Chairman  
Din No. 00012905

Date: 11th august, 2018

Place: Mumbai

## Annexure IV

## SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To  
The Members  
**TARMAT LIMITED**  
P B No 9042  
Goregaon East  
Mumbai – 400 063

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TARMAT LIMITED** having CIN: L45203MH1986PLC038535 (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 Company's 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 31st March, 2018 generally 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 have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

As per the explanations given to me in the representations made by the management and relied upon by me, during the period under review, provisions of the following regulations were not applicable to the Company:

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations, 2009;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

- (i) Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India under the Companies Act, 2013.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except following:

- (1) The outstanding Share application money has not been transferred to Investor Education and Protection Fund as required under Section 205 of the Companies Act, 1956.
- (2) The Company has not filed requisite e-forms with the Registrar of Companies Maharashtra, Mumbai in respect of appointment of Chief Financial Officer of the Company who is also designated as Key Managerial Personnel under Section 203 of the Companies Act, 2013.
- (3) The shareholding of promoter(s) and promoter group is not Hundred percent in dematerialized form as required under Regulation 31(2) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (4) The Company has not transferred Equity shares to Investor Education Protection Fund in pursuance to provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016.

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.

Adequate notice is generally given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and as informed, there were no dissenting members' views and hence not recorded as part of the minutes.

I further report that as per the explanations given to me in the representations made by the management and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure proper compliance with applicable laws, rules, regulations and guidelines, however the same may be further strengthened.

As per the information provided and explanations given to me in the representations made by the management and relied upon by me, I further report that, the following are the specific event/ action that took place, having a major bearing on the Company's affairs, in pursuance of the above referred laws, rules, regulations, guidelines, etc.,

- 1) Vijaya Bank, Kotak Mahindra Bank Ltd and SREI Finance (the Lenders) had classified the Company's Bank / Loan Account as "Non Performing Assets" during the previous financial year(s).
- 2) Vijaya Bank had served a SARFESI notice on the Company during the previous financial year(s).
- 3) The Company has received One Time settlement (OTS) proposal from Vijaya Bank which Company has accepted and committed to act as per the proposal offered by the Vijaya Bank. This OTS Proposal will resolve the total amount owed to the Vijaya Bank.
- 4) One of the Promoter of the Company has sold 3,18,549 Equity Shares which has brought down aggregate Promoter share holding from 63.24% to 60.33% .

**Prashant Diwan**

Practising Company Secretary

FCS: 1403 C P: 1979

Date: 11th August, 2018

Place: Mumbai

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

To  
**TARMAT LIMITED**  
The Members  
P B No 9042  
Goregaon East  
Mumbai – 400 063

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate, Specific and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Prashant Diwan**  
Practising Company Secretary  
FCS: 1403 C P: 1979  
Date: 11th August, 2018  
Place: Mumbai

## Management Discussion and Analysis Report

### 1. Industry Structure and Development and Outlook

As per report, India is the fastest developing country in the world. GDP growth in the year 2017-18 was at 6.5 %. India will be the third largest economy in the world 2050. In the infrastructure sector also India can be rated as the fastest growing economy in the world. The planning Commission in India has planned extensive expansion in roads, highways, ports, airports, powers etc. In Union budget 2018-19, massive push to infrastructure sector by allocating 5.97 lakhs crores for the sector.

### 2. Opportunities & Threats

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

The Govt. of India announced target of 50 Trillion (USD753.00 billion) investments in infrastructure sector period by 2022. The Planning Commission also has announced extensive push in this sector.

Infrastructure development has been one of the focus area of the Narendra Modi led NDA government. The Government of India has put thrust in the following areas:

Aviation infrastructure development, Railway infrastructure, Road infrastructure, Rural and urban development, Telecom, Real estate infrastructure. Defence infrastructure, etc.

Your Company has quite good number of projects in hands to be executed by 2020 valuing about 1000 crores.

However, Indian infra sector suffers from threat perspectives. The reason for which many institutional investors avoid participating in this sector is regulatory uncertainties among others. Delays are inherent in Indian infrastructure projects due to delay in clearances, corruptions, water shortages etc. As a result we find that currently India ranked 172 out of 190 countries when it comes to enforcement of contracts.

### 3. Internal Control

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

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

### 4. Operations

The Company's operations are continued in the areas of implementing projects in areas such as airport, roads, bridges, etc. In all the areas, the company continued its focus on cost reduction and cost control at all levels.

### 5. Human Resources and Industrial Relations

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

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

Sd/-  
Jerry Varghese  
Chairman  
Din No. 00012905

Date: 11th August, 2018

Place: Mumbai

## REPORT ON CORPORATE GOVERNANCE

**1. Company's Philosophy on Corporate Governance:**

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

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

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

**2. Board of Directors (Board):****(A) Composition and size of the Board**

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business, finance, human resources and management. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors, complies with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The present strength of the Board of Directors is six, out of which three are Promoters & Executive Directors, and the other three are Non-Promoter, Non Executive and Independent Directors. None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 across all companies in which they are Directors. The Board does not have any Nominee Director representing any institution.

The details of the Board of Directors as on March 31, 2018 are given below:

Name of Director	Date of Appointment	Category	No. of Directorship held in Indian public & private Limited Companies Including (TARMAT LIMITED)	Committee(s) position (Including (TARMAT LIMITED))	
				Member	Chairman
Mr. Jerry Varghese	03/01/1986	Chairman, Executive Director	05	01	Nil
Mr. Dilip Varghese	14/06/2006	Executive and Managing Director	01	Nil	Nil
Mrs. Saramma Varghese	03/01/1986	Executive Director	05	02	Nil
Mr. Ramesh Chander Gupta	31/07/2006	Non-Executive, Independent Director	01	02	Nil
Mr. Chandrakant Shantilal Sanghavi	07/11/2012	Non-Executive, Independent Director	01	03	02
Mr. Pratul Dube	14/02/2015	Non-Executive, Independent Director	01	03	01

None of the directors are disqualified u/s Section 164(2) of the Companies Act, 2013.

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

During the financial year 2017-2018 the Board of Tarmat Limited met 5 times on 29.05.2017, 14.08.2017, 13.09.2017, 11.11.2017 and 12.02.2018.

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

Name of the Director	No. of the Board Meetings held during the year 2017-2018	No. of the Board Meetings attended during the year 2017-2018.	Attendance at the AGM held on 29th September, 2017
Mr. Jerry Varghese	05	05	Yes
Mrs. Saramma Varghese	05	04	No
Mr. Dilip Varghese	05	05	Yes
Mr. Ramesh Chander Gupta	05	03	No
Mr. Pratul Dube	05	03	Yes
Mr. Chandrakant Shantilal Sanghavi	05	04	Yes

**(c) Meeting of Independent Directors**

The Independent Directors of the Company meet at least once in every financial year without the presence of Executive Directors or management personnel. All Independent Directors strive to be present at such meetings.

During the Financial Year ended 31st March, 2018, 1 (one) Meeting of Independent Directors was held on 12th February, 2018.

**3. Committees of the Board:**

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

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

The Audit Committee comprises of four members: Mr. Pratul Dube, Chairman, Mr. Chandrakant Shantilal Sanghavi and Mr. Ramesh Chander Gupta, independent directors, Mrs. Saramma Varghese, Executive Director and Mr. S. Chakraborty, Company Secretary also acts as the Secretary to the Audit Committee.

**Terms of reference of the Audit Committee**

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

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  2. Changes, if any, in accounting policies and practices and reasons for the same.
  3. Major accounting entries involving estimates based on the exercise of judgment by management.
  4. Significant adjustments made in the financial statements arising out of audit findings.
  5. Compliance with (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legal

requirements relating to financial statements.

6. Disclosure of any related party transactions.
7. Qualifications in the draft audit report.
  - Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - Discussion with internal auditors of any significant findings and follow up there on;
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - To review the functioning of the Whistle Blower mechanism;
  - Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### **Meetings and Attendance during the year**

During the year 2017-2018 the Audit committee met four times and the attendance record of committee members to the meetings so held is depicted in the table given below:

<b>Name of the Member</b>	<b>Meetings held</b>	<b>Meeting Attended</b>
Mr. Pratul Dube	04	03
Mrs. Saramma Varghese	04	03
Mr. Chandrakant Shantilal Sanghavi	04	04
Mr. Ramesh Chander Gupta	04	02

#### **(B) Nomination and Remuneration Committee**

##### **Composition**

The Company has in place a Nomination and Remuneration Committee comprising of three Independent

Non-Executive Directors namely, Mr. Chandrakant Shantilal Sanghavi as its Chairman, Mr. Ramesh Chander Gupta and Mr. Pratul Dube as members.

#### Terms of reference

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

#### Meetings and Attendance during the year

During the year 2017-2018 the Nomination and Remuneration Committee met Nil times.

#### Remuneration of Directors

The table given below specifies the details of remuneration package of Directors and their relationships with other Directors on the Board (relationship to mention)

Name of Director	Salary in Rs.	Sitting Fees Rs.	Total in Rs.
Mr. Jerry Varghese	24,00,000	Nil	24,00,000
Mrs. Saramma Varghese	12,00,000	Nil	12,00,000
Mr. Dilip Varghese	7,20,000	Nil	7,20,000
Mr. Ramesh Chander Gupta	Nil	Nil	Nil
Mr. Chandrakant Shantilal Sanghavi	Nil	60,000	60,000
Mr. Pratul Dube	Nil	30,000	30,000

#### (C) Stakeholder Relationship Committee

##### Composition

The Stake-holders Relationship Committee constituted by the Board comprises of four directors, namely Mr. Pratul Dube, Independent Directors, Mr. Chandrakant Shantilal Sanghavi, Independent Directors, Mr. Jerry Varghese, Executive Director and Mrs. Saramma Varghese, Executive Director.

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

##### Terms of Reference

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;

- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- All other matters incidental or related to shares, debenture

#### Meetings and Attendance during the year

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Chandrakant Shantilal Sanghavi	04	04
Mrs. Saramma Varghese	04	03
Mr. Pratul Dube	04	03
Mr. Jerry Varghese	04	04

#### Name and designation of compliance officer

Mr. S. Chakraborty Company Secretary is the Compliance Officer pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of investor complaints received and redressed during the year 2017- 18 are as follows:

Opening Balance	Received during the year Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

#### 4. General Body Meetings:

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

Year	Location	Date	Time
Thirty Second AGM 2016-2017	Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.	29.09.2017	03.00 P.M.
Thirty First AGM 2015-2016	Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.	29.09.2016	03.00 P.M.
Thirty AGM 2014-2015	Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.	18.09.2015	11.30 A.M.

#### 5. Disclosures

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

Details of materially significant related party transactions made during the year 2017-2018, are contained in the notes to the annual accounts which form a part of the Annual Report.

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

There have been some instances of late filing of some compliances with BSE/NSE during the period under review. As a result NSE has imposed some penalties on the Company which were paid accordingly.

##### (iii) Compliance with Accounting Standards

The Company has followed the guidelines of Accounting Standards as mandated by the Central Government in preparation of its financial statements.

##### (iv) Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances.

## CEO / CFO Certification

The CEO and the CFO have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

## CODE OF CONDUCT

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and all employees. The Code has been posted on the Company's website [www.tarmatlimited.com](http://www.tarmatlimited.com).

## RELATED PARTY TRANSACTIONS

During the year under review, the Board has adopted a policy to regulate the transactions of the Company with its related parties. As per policy, all related party transactions require prior approval of the Audit Committee and Board of Directors of the Company. Prior approval of the shareholders of the Company is also required for certain related party transactions as prescribed under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the Company's website [www.tarmatlimited.com](http://www.tarmatlimited.com).

## VIGIL MECHANISM

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

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

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

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

## PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

All Board Directors and the designated employees have confirmed compliance with the Code.

## 6. Means of Communication:

### 1. Publication of Results;

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

### 2. Website where results or official news are displayed

The Result and official news are displayed at [www.tarmatlimited.com](http://www.tarmatlimited.com)

## 7. General Shareholder Information:

### i. Annual General Meeting:

The forthcoming Annual General Meeting of the Company will be held on Saturday 29th September 2018 at 03.00 p.m. at Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.

### ii. Financial Calendar:

Year ending: March 31, 2018.

**iii. Dividend Payment:**

During the year 2017-18 the performance did not match expectation hence do not recommend any dividend for this year.

**iv. Book Closure / Record Date:**

The Register of members and share transfer books of the Company will remain closed from 23.09.2018 to 29.09.2018 (both days inclusive) for the purpose of the AGM.

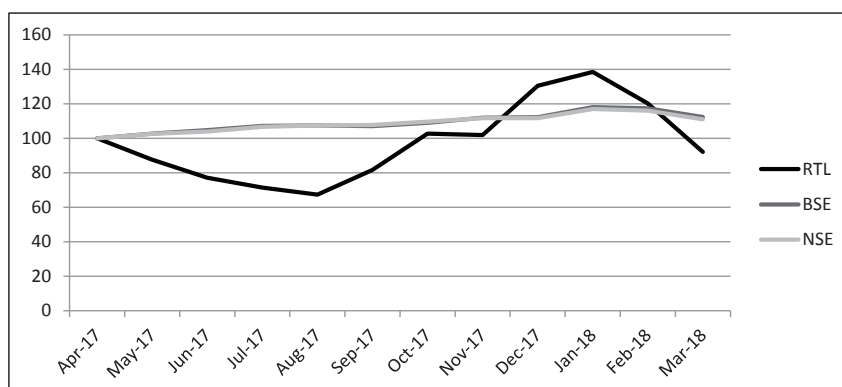
**v. Listing on Stock Exchanges**

The Company's shares are listed on the following Stock Exchanges and the Listing Fees of BSE Limited and listing fee of National Stock Exchange of India Limited has paid:

Name & Address of the Stock Exchanges	Stock Code/Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised share)
Name: BSE Limited Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.	532869	INE924H01018
Name: The National Stock Exchange of India Limited Address: Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051.	TARMAT	INE924H01018

**vi. Stock Market Price at National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) for the period from April 2017 to March 2018:**

2017-2018	BSE			NSE		
Months	High	Low	Average	High	Low	Average
April, 2017	62.20	42.10	52.15	62.40	43.10	52.75
May, 2017	51.50	40.95	46.23	51.45	39.95	45.70
June, 2017	43.75	37.00	40.38	44.90	36.05	40.48
July, 2017	39.90	35.05	37.48	39.90	35.05	37.48
August, 2017	39.70	30.00	34.85	41.10	30.35	35.73
September, 2017	52.15	33.00	42.58	52.75	33.40	43.08
October, 2017	59.15	48.60	53.88	59.50	48.15	53.83
November, 2017	60.00	46.10	53.05	60.25	47.50	53.88
December, 2017	83.45	53.40	68.43	83.40	53.30	68.35
January, 2018	82.30	63.55	72.93	82.00	62.70	72.35
February, 2018	72.00	55.20	63.60	71.00	54.00	62.50
March, 2018	61.00	37.05	49.03	61.05	34.10	47.58

**vii. Comparison of closing prices of the Company's share with the broad-based indices viz NSE Nifty &**

**BSE Sensex.**

**viii. Registrar and Transfer Agent**

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

The contact details of the RTA are as under:

**BIGSHARE SERVICES PRIVATE LIMITED**

(Unit: Tarmat Limited)

1st Floor, Bharat Tin works building,

Opp. Vasant Oasis Makwana Road,

Marol, Andheri East,

Mumbai-400059, Maharashtra.

Tel: 022 62638200

Fax: 022 62638299

Email: shubhangi@bigshareonline.com

Website: www.bigshareonline.com

**ix. Share Transfer System**

As of date, 99.99% of the Equity shares of the company are in electronic form. Transfer of these share are done through the depositories without any involvement of the company.

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

Pursuant to Regulation 40 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates from a practicing Company Secretary on half yearly basis to the effect that all the transfers are completed in the statutorily stipulated time period have been obtained. Copy of the certificate so received is submitted both stock exchanges where shares of the company are listed.

**x. Distribution of shareholding as on 31st March 2018**

Sl. No.	Shareholding of nominal value (RS.)	No. of Shareholders	Percentage of total	Share Amount RS.	Percentage of Total
	From To				
1	1 - 5,000	8789	87.0974	11027370	10.0608
2	5,001 - 10,000	698	6.9171	5769330	5.2636
3	10,001 - 20,000	317	3.1414	4922360	4.4909
4	20,001 - 30,000	97	0.9613	2463670	2.2477
5	30,001 - 40,000	47	0.4658	1696950	1.5482
6	40,001 - 50,000	35	0.3468	1659590	1.5141
7	50,001 - 1,00,000	67	0.6640	4917850	4.4868
8	1,00,001 and above	41	0.4063	77149950	70.3877
	<b>TOTAL</b>	<b>10091</b>		<b>109607070</b>	<b>100.0000</b>

**xi. Shareholding pattern as on 31st March 2018**

Sr. no.	Category	No. of Shares	% holding
	<b>Shareholding Pattern of The Promoter and Promoter Group</b>		
1.	Indian		
(a)	Individuals/Hindu undivided Family	5250922	47.91
(b)	Central Government/State Government(s)	0.00	0.00
(c)	Financial Institutions/Banks	0.0	0.00

Sr. no.	Category	No. of Shares	% holding
(d)	Any Other(Group Companies)	1361448	12.42
	Individuals(Non-Resident Individuals/Foreign Individuals)	0.00	0.00
2.	Foreign		
(a)	Individuals(Non-Resident Individuals/Foreign Individuals)	0.00	0.00
(b)	Government	0.00	0.00
(c)	Institutions	0.00	0.0
(d)	Foreign Portfolio Investor	0.00	0.00
	<b>Total</b>	<b>6612370</b>	<b>60.33</b>
	<b>Statement Showing Shareholding Pattern of The Public Shareholder</b>		
1.	Institutions	0.00	0.00
2.	Central / State government(s)	0.00	0.00
3.	Non-institutions		
(a.1)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	2974365	27.13
(a.2)	Individual - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	441277	4.03
(b)	NBFCs registered with RBI	50000	0.46
(c)	Employee Trusts	0.00	0.00
(d)	Overseas Depositories (holding DRs) (balancing figure)	0.0	0.00
(e)	Any other (Bodies Corporate)	714196	6.52
(e)	Any other (Clearing Member)	66339	0.61
(e)	Any other (Non Resident Indians (Non Repat))	10706	0.09
(e)	Any other (Non Resident Indians (NRI))	91004	0.83
(e)	Any Other (Non Resident Indians (Repat))	450	0.00
	<b>Total</b>	<b>4348337</b>	<b>39.67</b>
	<b>Total</b>	<b>10960707</b>	<b>100.00</b>

## xii. Dematerialization of shares and liquidity

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

As on 31st March 2018, 99.99% Equity shares of the Company representing 1,09,60,388 Shares out of a total of 1,09,60,707 equity shares were held in dematerialized form, and the balance 319 shares were held in physical form.

## xiii. Address for Correspondence

Shareholders may correspond with –

### i. Registrar & Transfer Agents for all matters relating to transfer / dematerialization of shares, payment of dividend, demat credits, etc. at :

Bigshare Services Private Limited  
 (Unit : Tarmat Limited)  
 1st Floor, Bharat Tin works building,  
 Opp. Vasant Oasis Makwana Road,  
 Marol, Andheri East,  
 Mumbai-400059, Maharashtra.  
 Tel: 022 62638200  
 Fax: 022 62638299

Email: shubhangi@bigshareonline.com  
Website: www.bigshareonline.com  
Contact Name: Shubhangi Wanivadekar

**ii. For all investor related matters:**

Mr. Shivatosh Chakraborty  
Company Secretary  
Tarmat Limited  
Tank Road, Off Gen Vaidya Marg,  
Goregaon (East) Mumbai 400 0063  
Tel: +91-22-2840 2130/ 1180  
Email: cs@tarmatlimited.com  
Website: www.tarmatlimited.com

**iii. Registered Office**

Tank Road, Off Gen Vaidya Marg,  
Goregaon (East) Mumbai 400 0063  
Tel: +91-22-2840 2130/ 1180

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Tarmat Limited

We have examined the compliance of conditions of Corporate Governance by **TARMAT LIMITED** ("the Company"), for the year ended 31st March, 2018 as stipulated as per relevant provision of SEBI (listing obligations and disclosure requirements) regulations, 2015 for the period 01st April, 2017 to 31st March, 2018.

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

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (listing obligations and disclosure requirements) regulations, 2015.

We state that there was no investor grievance pending as on 31st March, 2018 as per the records maintained by the Company.

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

For **MEHTA KOTHARI & ASSOCIATES**  
**Chartered Accountants**  
FRN : 106247

Sd/-  
**Pradip Mehta**  
Partner  
Membership No. 35447

Date: 11th August, 2018  
Place: Mumbai

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

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

- a) We have received financial statements and the cash flow statement for the year ended 31st March 2018 and:
  - 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the company during the year that are fraudulent, illegal or volatile of the company's code of conduct.
- c) We accept responsibility for the establishing and maintaining internal control systems of the Company pertaining to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - 1) Significant changes in the internal control over financial reporting during the year;
  - 2) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - 3) Instances of the significant fraud of which we have become aware and the involvement therein, if any; of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-  
**Dilip Varghese**  
 Managing Director

Sd/-  
**Shridhar Shetty**  
 Chief Financial Officer

Date: 11th August, 2018  
 Place: Mumbai

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

I, Dilip Varghese, Managing Director of **TARMAT LIMITED** hereby confirm pursuant to SEBI (listing obligations and disclosure requirements) regulations, 2015 that:

1. The Board of Directors of **TARMAT LIMITED** has laid down a Code of Conduct for all the Board members and senior management of the Company. The said Code of Conduct has also been posted on the Investors page of the Company website [www.tarmatlimited.com](http://www.tarmatlimited.com).
2. All the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for the year ended March 31, 2018.

For **TARMAT LIMITED**

Sd/-  
**Dilip Varghese**  
 Managing Director  
 Din No: 01424196

Date: 11th August, 2018  
 Place: Mumbai

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**TARMAT LIMITED**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **TARMAT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including others comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone IND As 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 Standalone IND As financial statements that give a true and fair view of the financial position, financial performance (Including other comprehensive income), and cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IND As financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

We have taken into account the provisions of the Act and the rules made there under including 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 there under and the order issued under section 143 (11) of the Act.

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 these standalone IND As 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 standalone IND As financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IND AS 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 standalone IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, 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 standalone IND AS 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 standalone IND As financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanation given to us, except for the matters described in the paragraphs "Emphasis of Matter", the aforesaid standalone financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 and its Profits and its cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to the following matters in the Notes to the financial statements

1. Note No 7 of the Financial Statements in respect of Short Term Borrowings –

- a) In the previous Financial year as on 31st march 2017, the Company was NPA as it had unpaid dues of Rs 74.435 crores (with interest) to Vijaya Bank, Rs 1.92 crores (with interest) to Kotak Mahindra bank and Rs 26.29 Lakhs (with interest) to SREI Finance Ltd. Because of this, the Company had not provided interest which in turn resulted in overstatement of net profit.
  - b) However, the Company paid Rs. 2.49 crores to Vijaya Bank and for the balance amount, the Company has arrived at a settlement with Vijaya Bank at Rs. 62.11 crores as full and final settlement. The settlement terms are as follows:-
    - i. Rs 5 crores within 31.3.2018
    - ii. Rs 10 crores within 04.04.2018
    - iii. Rs 17 crores within 15.04.2018
    - iv. Rs 30.11 crores within 15.05.2018.
  - c) The difference of Rs. 9.835 crores arising out of this settlement has been credited to the Profit Loss Statement resulting into overstatement of net profit. The Company has made payment of Rs. 5 crores on 31.03.2018.
  - d) Further the Company has settled the dues to Kotak Mahindra Bank and SREI Finance Ltd in full.
  - e) In absence of Balance confirmation and payment confirmation from Vijaya Bank, Kotak Mahindra Bank and SREI Finance Ltd, the Company has given detailed Letter regarding Balance, Settlement and Payment confirmation covering all Banks and Financial institutions.
- 2) Note No 17 of the Financial Statements in respect of Cash and cash Balance

The Balances of Fixed Deposit with Vijaya Bank amounting to Rs 455.46 Lakhs and ICICI Bank Rs. 17.89 Lakhs and Balance with Bank in Current Accounts grouped under Cash and Cash Balances are not being confirmed by banks. Due to Non Availability of confirmation of aforesaid balances, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlement of account balances in the financial statements.

Our Opinion is not modified in respect of the matters mentioned above.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 standalone IND As financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial

statements – Refer Note 24 (iv) 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. The company has not transferred the following amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

Nature of Amount to be transferred	Amount
Share Application Money	177,000

- IV. Unpaid Dividend – 2010 Rs 43,367/- as on 31.03.2017, has been transferred.
- V. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with Books of account maintained by the Company and as produced to us by the Management.

For **MEHTA KOTHARI & ASSOCIATES**  
**Chartered Accountants**  
 FRN : 106247

Sd/-  
**Pradip Mehta**  
 Partner  
 Membership No. 35447

Date: 30.05.2018

Place: Mumbai

## “Annexure-A”

## TARMAT LIMITED

**Statement on matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order 2016 (“the order”), issued by the Central Government in terms of sub section (11) of section 143 of the Companies Act 2013, for the year ended 31st March 2018**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this frequency of physical verification is reasonable having regard to the size of the company and nature of business.
- (C) The title deeds of immoveable properties are held in the name of the company.
- (ii) The inventory has been physically verified and certified by the management at the year end. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on such verification were not material and have been properly dealt within the books of account.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Therefore clause (iii) of para 3 of the order is not applicable.
- (iv) In respect of loans, investments, guarantees and security made or provided by the company during the year, the provisions of sections 185 and 186 of the Companies Act 2013 have been complied with.
- (v) In accordance with information and explanations given to us, the company has not accepted any deposits during the year and hence directives issued by the Reserve bank of India and provisions of section 73 to 76 and other applicable provisions of the Companies Act 2013, and rules framed there under are not applicable. No order in this regard, in respect of the company, has been passed by the Company Law Board or Reserve Bank of India or National Company Law Tribunal or any other court or any other tribunal.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 148 of the Act, and are of opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) In our opinion and according to the information and explanation given to us, barring the delay & the non-payment of the following undisputed statutory liability, the company is regular in depositing undisputed statutory dues including Sales Tax, Wealth Tax, Cess and other material statutory dues, if any applicable to it with appropriate authorities.

Name of the Statute	Nature of Dues	Amount (Rs )	Period to which the amount relates	Due Date	Date of Payment	Remarks if any
Income Tax Act, 1961	TaxDeducted at Source	43,95,434/-	2017-18	30-09-2018	Unpaid	1)1006523/- PAID ON 5/05/2018 2) 404728/- PAID ON 05/05/2018
		90,08,656/-	2015-16	30-09-2016	Unpaid	
		1,18,86,224/-	2013-14	30-09-2014	Unpaid	
MVAT Act 2002	VAT	1,05,83,729/-	2013-14	30-04-2014	Unpaid	
	Provident Fund	8,017/-	2017-18	15-04-2018	16/05/2018	
	ESIC	1,996/-	2017-18	20-04-2018	17/05/2018	
	Profession Tax	1,07,075/-	2017-18	30-04-2018	Unpaid	
		57,650/-	2016-17	20-04-2017	Unpaid	

		97,675/-	2015-16	20-04-2016	Unpaid	
		95,500/-	2014-15	20-04-2015	Unpaid	
		69,175/-	2013-14	20-03-2014	Unpaid	
		1,65,325/-	2012-13	20-03-2013	Unpaid	
		96,950/-	2011-12	20-03-2012	Unpaid	
	Unpaid Dividend	43,367/-	2010		20/01/2018	
	Share Application Money	177000/-	2005-06			To be Transferred to Investor Education and Protection Fund by the Company

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

Name of the Statute	Nature of the dues	Amount involved.	Period Pending Before
Maharashtra VAT	Assessment	1,43,08,082	01.04.05 DC Appeal V To 31.03.06
Maharashtra VAT	Assessment	1,26,16,462	01.04.05 DC Appeal V To 31.03.06
Maharashtra VAT	Assessment	2,65,11,442	01.04.08 DC Appeal V To 31.03.09
Maharashtra VAT	Assessment	3,48,55,394	01.04.06 DC Appeal III To 31.03.07
Maharashtra VAT	Assessment	7,92,41,439	01.04.07 DC Appeal III To 31.03.08
Maharashtra VAT	Assessment	3,66,99,459	01.04.09 DC Appeal III To 31.03.10
Maharashtra VAT	Assessment	4,45,70,870	01.04.10 DC Appeal III To 31.03.11

(viii) The assessment relating to year 2008-09 is pending with the DC Appeal V. Other assessments have been set aside and sent for reassessment. Hence the liability for those years has been kept in abeyance.

(ix) The Company has not provided reconciliation statements of Service Tax and GST. Hence the liability towards it could not be ascertained.

(x) According to the information and explanation given to us, the company has defaulted in repayment of the following dues with Banks. The amount of default is as per the records maintained by the company and the banks or financial institutions have not confirmed the balances outstanding as on 31st March 2018.

Particulars	Amount of default as at the balance sheet date	Period of default	Remarks if any
Vijaya Bank	23,62,73,079	Unpaid	
Vijaya Bank (Performance Gurantee)	33,48,26,921	Unpaid	
Kotak Mahindra Bank	191,80,353	Paid	
SREI Finance Ltd	26,29,264	Paid	

(xi) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans, during the year. Therefore clause (ix) of para 3 of the order is not applicable.

(xii) In accordance with our audit as per generally accepted auditing practices and the information and explanation given to us, no fraud by or on the Company by its officers or its employees has been noticed or reported during the year nor have we been informed of any such case by the management.

(xiii) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xiv) The company is not a Nidhi Company as defined in section 406(1) of the Companies Act 2013. Therefore clause (xii) of para 3 of the order is not applicable.

- (xv) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the applicable accounting standards.
- (xvi) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore clause (xiv) of para 3 of the order is not applicable.
- (xvii) The company has not entered into any non-cash transactions with directors or persons connected with him and therefore compliance of the provisions of section 192 of Companies Act, 2013 is not applicable.
- (xviii) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **MEHTA KOTHARI & ASSOCIATES**  
**Chartered Accountants**  
 FRN : 106247

Sd/-  
**Pradip Mehta**  
 Partner  
 Membership No. 35447

Date: 30.05.2018  
 Place: Mumbai

**“Annexure-B”**  
**TARMAT LIMITED**

**Report on the Internal Financial Controls under Clause (i) of  
 Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) for the year ended 31st March 2017**

We have audited the internal financial controls over financial reporting of TARMAT LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MEHTA KOTHARI & ASSOCIATES**  
**Chartered Accountants**  
FRN : 106247

Sd/-  
**Pradip Mehta**  
Partner  
Membership No. 35447

Date: 30.05.2018  
Place: Mumbai

**AUDITED STANDALONE BALANCE SHEET AS AT 31ST MARCH 2018**

Rs in lacs

Particulars	Note No.	As on 31ST MARCH 2018	As on 31st March 2017	As on 31st March 2016
<b>I. ASSETS</b>				
<b>Non-current assets</b>				
<b>1 (a) Fixed assets</b>				
(i) Tangible assets	<b>3</b>	1,189.74	1,286.87	1,428.26
(ii) Intangible assets		14.63	14.63	14.63
(b) Non-current investments	<b>4</b>	2,678.20	1,924.83	1,924.83
(c) Deferred Tax asset	<b>5</b>	59.98	64.99	112.91
(d) Long-term loans and advances	<b>6</b>	2,703.15	3,151.92	3,383.66
(e) Long Term Trade Receivables	<b>7</b>	504.72	510.06	441.54
		<b>7150.42</b>	<b>6,953.30</b>	<b>7,305.83</b>
<b>2 Current assets</b>				
(a) Inventories	<b>8</b>	2,733.08	2,626.21	2,666.24
(b) Trade receivables	<b>9</b>	2,120.98	2,264.12	2,093.65
(c) Cash and cash balance	<b>10</b>	581.74	515.67	528.72
(d) Short-term loans and advances	<b>11</b>	5,096.65	5,777.96	5,522.71
		<b>10532.45</b>	<b>11,183.94</b>	<b>10,811.31</b>
<b>TOTAL</b>		<b>17,682.87</b>	<b>18,137.25</b>	<b>18,117.14</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	<b>12</b>	1,096.07	1,096.07	1,096.07
(b) Reserves and surplus	<b>13</b>	2,826.29	2,701.57	2,698.12
		<b>3922.36</b>	<b>3797.64</b>	<b>3,794.19</b>
<b>2 Non-current liabilities</b>				
(a) Long-term borrowings	<b>14</b>	5,540.71	4,189.33	4,189.33
(b) Long-term provisions	<b>15</b>	77.05	57.62	50.62
		<b>5617.76</b>	<b>4,246.95</b>	<b>4,239.95</b>
<b>3 Current liabilities</b>				
(a) Short-term borrowings	<b>16</b>	5,711.00	7,602.25	7,602.25
(b) Trade payables	<b>17</b>	1,749.90	1,770.32	1,729.02
(c) Other current liabilities	<b>18</b>	681.85	720.09	751.73
		<b>8142.75</b>	<b>10,092.66</b>	<b>10,083.00</b>
<b>TOTAL</b>		<b>17,682.87</b>	<b>18,137.25</b>	<b>18,117.14</b>

Summary of Significant Accounting Policies

1 &amp; 2

As per our report of even date

For **MEHTA KOTHARI & ASSOCIATES**

Registration No. 106247

Chartered Accountants

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

Sd/-

**PRADIP C MEHTA**

(PARTNER)

Membership No. 035447

Sd/-

**DILIP VARGHESE**

Managing Director

Din No. 01424196

Sd/-

**JERRY VARGHESE**

(Executive Director)

Din No. 00012905

Sd/-

**SRIDHAR SHETTY**

Chief Financial Officer

Sd/-

**S. CHAKRABORTY**

Company Secretary

Place: Mumbai

Dated: 30.05.2018

## AUDITED STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Rs in lacs

Particulars	Note No.	As on 31ST MARCH 2018	As on 31st March 2017
<b>Income</b>			
<b>I Revenue from operations (Gross)</b>	19	<b>6,168.40</b>	<b>6,026.82</b>
Less : Excise Duty		-	-
<b>Revenue from operations (Net)</b>		<b>6,168.40</b>	<b>6,026.82</b>
<b>II. Other Income</b>	20	<b>1,904.71</b>	<b>86.95</b>
<b>III. Total Revenue (I + II)</b>		<b>8,073.11</b>	<b>6,113.77</b>
<b>IV Expenses:</b>			
Cost of materials consumed	21	4,302.66	2,014.70
Construction expenses	22	2,287.87	3,435.36
Employee benefits expense	23	230.86	187.07
Finance costs	24	135.35	1.49
Depreciation and amortization expense	10	97.13	142.03
Other expenses	25	1,009.05	311.86
<b>Total expenses</b>		<b>8,062.92</b>	<b>6,092.51</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>10.19</b>	<b>21.26</b>
VI. Exceptional items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>10.19</b>	<b>21.26</b>
VIII. Extraordinary Items		0.00	0.00
<b>IX. Profit before tax (VII- VIII)</b>		<b>10.19</b>	<b>21.26</b>
X Tax expense:			
(1) Current tax		0.00	0.00
(2) Current tax relating to prior years		(119.54)	(30.11)
		<b>(119.54)</b>	<b>(30.11)</b>
(3) Deferred tax Asset		5.01	47.92
XI Profit for the period (IX-X)		124.72	3.45
XII Other comprehensive Income			
a) Items not to be reclassified subsequently to profit or loss			
Gain on fair value of defined benefit plans as per actuarial valuation		0.00	0.00
Income tax effect on above			
b) Items to be reclassified subsequently to profit or loss		0.00	0.00
<b>Other comprehensive income for the period, net of tax</b>			
<b>XIII Total Comprehensive income for the period net of tax (XI+XII)</b>		<b>124.72</b>	<b>3.45</b>
<b>XVI Earnings per equity share:</b>			
<b>1) Basic</b>			
i) Computed on the basis of profit from continuing operation		1.14	0.03
ii) Computed on the basis of total profit for the year		1.14	0.03
<b>2) Diluted</b>			
i) Computed on the basis of profit from continuing operation		1.14	0.03
ii) Computed on the basis of total profit for the year		1.14	0.03

## Summary of Significant Accounting Policies

As per our report of even date

For **MEHTA KOTHARI & ASSOCIATES**

Registration No. 106247

Chartered Accountants

For and on behalf of the Board of Directors of TARMAT LTD

Sd/-

**PRADIP C MEHTA**

(PARTNER)

Membership No. 035447

Sd/-

**DILIP VARGHESE**

Managing Director

Din No. 01424196

Sd/-

**JERRY VARGHESE**

(Executive Director)

Din No. 00012905

Sd/-

**SRIDHAR SHETTY**

Chief Financial Officer

Sd/-

**S. CHAKRABORTY**

Company Secretary

Place: Mumbai

Dated: 30.05.2018

## Cash Flow Statement for the year ended 31st March 2018

Rs in lacs

Particulars	2017-18	2016-17
<b>Net Profit/(Loss) as per Profit &amp; Loss Account</b>	<b>10.19</b>	<b>21.26</b>
<b>Adjustments for Non-Cash and other items</b>		
Interest Expense	135.35	1.49
Interest Income	(28.17)	(33.49)
Depreciation	97.13	142.03
<b>Dividend received</b>	<b>0.00</b>	<b>0.00</b>
<b>Provision for Doubtful Debts/ Advances (Net of Recovery)</b>	<b>0.00</b>	<b>0.00</b>
<b>Gratuity provision</b>	<b>19.43</b>	<b>7.00</b>
Preliminary Expenses w/off	0.00	0.00
Loss on Sale of Fixed Assets	0.00	0.00
Investment in JV written off	0.00	0.00
Bad debts written off	0.00	0.00
Operating Profit/(loss) Before Working Capital Changes	233.93	138.29
<b>Changes in Working Capital</b>		
<b>Adjustment for</b>		
Trade & Other Receivables	148.47	(238.98)
<b>Loans &amp; Advances</b>	<b>1,135.86</b>	<b>191.58</b>
Inventories	(106.87)	40.03
Fixed Deposit	(24.33)	(46.06)
Trade payables and other liabilities	(58.66)	9.66
Less: Taxes paid	113.74	(184.98)
<b>Net Cash from Operating Activities [A]</b>	<b>1,442.14</b>	<b>(90.46)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	0.00	(0.65)
Sale of Fixed Assets	0.00	0.00
Purchase of Non current investments	(753.37)	0.00
Interest received	28.17	33.49
Dividend received	0.00	0.00
<b>Net Cash from Investing Activities [B]</b>	<b>(725.20)</b>	<b>32.84</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend and Distribution tax paid	-	-
<b>Interest paid</b>	<b>(135.35)</b>	<b>(1.49)</b>
<b>Proceeds from Long Term and Short Term Borrowings (Net Of Repayment)</b>	<b>(539.87)</b>	<b>0.00</b>
<b>Net Cash from Financing Activities [C]</b>	<b>(675.22)</b>	<b>(1.49)</b>
<b>Net increase in Cash and Cash equivalents [A+B+C]</b>	<b>41.72</b>	<b>(59.10)</b>
Cash & Cash equivalents at the beginning of the year	64.89	123.99
Cash & Cash equivalents at the end of the year	106.61	64.89

## Note:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.
- The amendments to Ind AS 7 Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flow changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosures is made below. There is no other impact on the financial statements due to this amendment.

As per our report of even date

For **MEHTA KOTHARI & ASSOCIATES**

Registration No. 106247

Chartered Accountants

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

Sd/-

**PRADIP C MEHTA**

(PARTNER)

Membership No. 035447

Sd/-

**DILIP VARGHESE**

Managing Director

Din No. 01424196

Sd/-

**JERRY VARGHESE**

(Executive Director)

Din No. 00012905

Sd/-

**SRIDHAR SHETTY**

Chief Financial Officer

Sd/-

**S. CHAKRABORTY**

Company Secretary

Place: Mumbai

Dated: 30.05.2018

## 1. Corporate Information :

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

The company had its IPO in 2007 and got listed in BSE and NSE. The present paid up capital of the company is Rs. 109607070, of which 60.328% is held by the promoters.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS -

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015, as applicable.

The financial statements for the year ended 31st March, 2018 are the first financial statements prepared by the Company under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's balance sheet, statement of profit and loss and statement of cash flows are provided in note 1.3 d.

The financial statement have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS. All asset and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company considers 12 month as normal operating cycle.

The Company's financial statements are reported in Indian Rupees, which is also the company's functional currency and all values are rounded to the nearest lakh except otherwise indicated.

### SIGNIFICANT ACCOUNTING POLICIES

#### a. System of Accounting

The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis except in case of significant uncertainties. These financial statements are prepared under the historical cost convention unless otherwise indicated.

#### b. Key accounting estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income, expenses and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognized in the period in which they are determined.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

#### c. Property, Plant and Equipment

(i) Property, plant and equipment are stated at historical cost of acquisition including attributable interest and

finance cost, if any, till the date of acquisition/installation of the assets less accumulated depreciation and accumulated impairment losses, if any.

- (ii) Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit and loss as incurred.
- (iii) The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognized in the statement of profit and loss.
- (iv) Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.
- (v) On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2016 of its property, plant and equipment and use that carrying value as the deemed cost of the property, plant and equipment on the date of transition i.e. 1st April, 2016.
- (vi) The Company depreciates property, plant and equipment on written down value method except for building, plant and machinery, laboratory equipment and excavators where depreciation is provided on straight line method over the estimated useful life prescribed in Schedule II of the Companies Act, 2013 from the date of the assets are ready for intended use after considering the residual value.
- (vii) Intangible assets mainly represent implementation cost for software and other application software acquired/ developed for in-house use. These assets are stated at cost. Cost includes related acquisition expenses, related borrowing costs, if any, and other direct expenditure.
- (viii) Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

#### **Use of Estimate -**

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

#### **Revenue Recognition -**

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

#### **Fixed Assets -**

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

#### **Depreciation -**

Depreciation is charged as per Straight-line method at the rate and in the manner specified in Schedule II to the Companies Act, 2013. Depreciation on fixed assets sold or scrapped during the year is provided upto the date on which such fixed asset is sold or scrapped. Depreciation on addition to fixed assets is calculated on pro rata basis from the day of addition.

#### **Inventories -**

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

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

#### **Investment -**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Long Term Investments. Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are measured at Cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investment. Upon first-time adoption of Ind AS, the Company has elected to measure these investments of the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e. 1st April, 2017.

#### **Borrowing Costs -**

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

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

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

#### **Foreign Exchange Transaction -**

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

#### **Employee Retirement Benefits -**

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

#### **Impairment of Assets -**

The company assesses at each balance sheet date whether there is any indication that an assets may be impaired.

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

#### **Earning per share -**

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

## Provision, Contingent Liabilities and contingent assets -

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

### First-time adoption of Ind AS

#### a. Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies as set out in note no. 1.2 above have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet as at 1st April, 2016 (the transition date). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in the financial statements prepared in accordance with the Accounting Standards notified under the Companies (accounting standards) Rules, 2006 and other relevant provisions of the Act. An explanation of how transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### b. Exemption and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS, which are considered to be material and significant.

- i] The Company has elected to measure items of property, plant and equipment at its previous GAAP carrying value as on the date of transition to Ind AS.
- ii] Ind AS provides a one time option to a first-time adopter either to measure its investment in subsidiaries, joint- ventures and associate companies as per previous GAAP carrying value or at fair value on the date of transition. The Company has elected to measure its investment in subsidiary as per previous GAAP carrying value as on the date of transition to Ind AS.
- iii] On assessment of the estimate made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those statements. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.
- iv] Under Ind AS, remeasurements of post-employment benefit obligations, i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expenses on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the statement of profit and loss for the year. There is no impact on the total equity.
- v] Under Ind AS, all items of income and expenses recognized in a period should be included in the statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and tax effects thereon. The concept of other comprehensive income did not exist under the Previous GAAP.

### Reconciliations between previous GAAP and Ind AS

The following reconciliations provide the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- i) Reconciliation of equity as reported under previous GAAP to Ind AS;
- ii) Reconciliation of profit or loss and total comprehensive income as reported under previous GAAP to Ind AS; and adjustment to statement of cash flow.

## Note 12. SHARE CAPITAL

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2016
<b>Authorised Shares</b>			
12000000 (31st March 2018 12000000) Equity Shares of Rs 10/- each	1,200.00	1,200.00	1,200.00
<b>Issued, Subscribed &amp; fully paid up shares</b>			
10960707 (31st March 2018 10960707 Equity Shares of Rs 10/- each	1,096.07	1,096.07	1,096.07
<b>Total Issued, subscribed and fully paid up share capital</b>	<u>1,096.07</u>	<u>1,096.07</u>	<u>1,096.07</u>

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

	31ST MARCH 2018		31st March 2017		31st March 2016	
	No. (Lacs)	₹ In Lacs	No. (Lacs)	₹ In Lacs	No. (Lacs)	₹ In Lacs
At the beginning of the year	109.60	1096.07	109.60	1096.07	109.60	1096.07
Issued during the period- Bonus Issue	-	-	-	-	-	-
Issued during the period- ESOP	-	-	-	-	-	-
Outstanding at the end of the period	<u>109.60</u>	<u>1096.07</u>	<u>109.60</u>	<u>1096.07</u>	<u>109.60</u>	<u>1096.07</u>

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

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

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

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

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

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

Name of the Shareholder	31ST MARCH 2018		31st March 2017		31st March 2016	
	No of Shares Held (In Lacs)	% of Holding	No of Shares Held (In Lacs)	% of Holding	No of Shares Held (In Lacs)	% of Holding
Mr. Jerry Varghese	32.4182	29.58%	32.4182	29.58%	32.4182	29.58%
Mr. Dilip Varghese	7.44914	6.7962%	10.63463	9.70%	10.63463	9.70%
Mrs. Saramma Varghese	10.51161	9.59%	10.51161	9.59%	10.51161	9.59%
M/s. Tarmat Holdings Pvt. Ltd	13.61328	12.42%	13.61328	12.42%	13.61328	12.42%

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

	31ST MARCH 2018 No. In Lacs	31st March 2017 No. In Lacs	31st March 2016 No. In Lacs
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	Nil	Nil	Nil
Equity Shares allotted as fully paid - up pursuant to contracts for consideration other than cash	Nil	Nil	Nil
Equity shares bought back by the company	Nil	Nil	Nil

## Note 3

Fixed Assets		Gross Block				Accumulated Depreciation					Net Block		
		As at 01st April 2017	Addi- tions/	As at 31st March 2017	As at 31st March 2018	As at 01st April 2016	Depre- ciation for the period	As at 31st March 2017	Depre- ciation for the period	As at 31st MARCH 2018	As at 31st March 2017	As at 31st March 2016	
Tangible Assets													
Land	461.25	-	461.25	461.25	-	-	-	-	-	461.25	461.25	461.25	
Assets under lease													
Buildings	340.02	-	340.02	340.02	135.66	3.99	139.65	3.91	143.56	196.46	200.37	204.36	
Assets under lease													
Plant and Equipment	5,055.87	-	5,055.87	5,055.87	4327.96	130.49	4,459.10	87.71	4,546.81	509.06	597.42	724.61	
Assets under lease													
Furniture and Fixtures	44.72	-	44.72	44.72	36.36	2.30	38.01	1.74	39.75	4.97	6.06	11.65	
Assets under lease													
Vehicles	274.75	-	274.75	274.75	248.68	5.16	253.84	3.59	257.43	17.32	20.90	26.07	
Assets under lease													
Office equipment	85.10	0.65	85.74	85.74	84.87	0.10	84.87	0.19	85.06	0.68	0.87	0.33	
Assets under lease													
Others (specify nature)													
Total	6,261.70	0.65	6,262.34	6,262.34	4833.44	142.03	4,975.47	97.13	5,072.61	1,189.74	1,286.87	1428.26	
Intangible Assets													
Goodwill	14.63	-	14.63	14.63	-	-	-	-	-	14.63	14.63	14.63	
Computer software													
Total	14.63	-	14.63	14.63	-	-	-	-	-	14.63	14.63	14.63	
Total	6,276.33	0.65	6,276.97	6,276.97	4833.44	142.03	4,975.47	97.13	5,072.61	1,204.37	1,301.50	1442.89	

	31st March 2018		31st March 2017		31st March 2016	
	Quoted	Unquoted	Quoted	Unquoted	Quoted	Unquoted
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs

**Note 4 Non-current investments**

**Investments (At cost unless otherwise specified):**

**Trade investments****Investment in Equity shares ( Others)**

CONCAST JAWASA ROAD PROJECT PVT LTD

1042600 NOS EQUITY SHARE RS 10/-EACH	104.26	104.26	104.26
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CONCAST AMBHA ROAD PROJECT PVT LTD

6476600 NOS EQUITY SHARE RS 10/-EACH	647.66	647.66	647.66
--------------------------------------	--------	--------	--------

CONCAST DAMOH ROAD PROJECT PVT LTD

5623800 NOS EQUITY SHARE RS 10/-EACH	562.38	562.38	562.38
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CONCAST DHANETA ROAD PROJECT PVT LTD

5870098 NOS EQUITY SHARE RS 10/-EACH	587.01	587.01	587.01
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CONCAST PATAN ROAD PROJECT PVT LTD

210600 NOS EQUITY SHARE RS 10/-EACH	21.06	21.06	21.06
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CONCAST BADNAGAR ROAD PROJECT PVT LTD

2600 NOS EQUITY SHARE RS 10/-EACH	0.26	0.26	0.26
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CONCAST JABALPUR ROAD PROJECT PVT LTD

2600 NOS EQUITY SHARE RS 10/-EACH	0.26	0.26	0.26
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Investment in Joint Venture

755.31

**Other investments (Non Trade)****a) Quoted Investment**

VIJAYA BANK LTD

19400 EQUITY SHARES OF RS.10/- EACH	-	-	1.94	-	1.94	-
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<b>Total</b>	-	2,678.20	1.94	1,922.89	1.94	1,922.89
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**Details**

Aggregate of Investments	Cost	Market Value	Cost	Market Value	Cost	Market Value
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
a) Quoted Investment	-	-	1.94	-	1.94	-
b) Unquoted Investment	2,678.20	-	1,922.89	-	1,922.89	-
Total	2,678.20	-	1,924.83	-	1,924.83	-

31st March 2018	31st March 2017	31st March 2016
₹ In Lacs	₹ In Lacs	₹ In Lacs

**Note 5 Deferred Tax Asset****Deferred Tax Liability**

Related to Fixed Assets

-

**Deferred Tax Assets**

Related to Fixed Asset

59.98	64.99	112.91
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Deferred Tax Assets

59.98	64.99	112.91
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Deferred Tax Asset (Net)

59.98	64.99	112.91
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<b>Total</b>	59.98	64.99	112.91
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**Note 6 Long Term Loans and Advances****Unsecured, considered good**

a. Security and Other Deposits	2,559.03	3,027.66	3266.11
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b. Loans and Advances to Employees	144.12	124.25	117.54
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<b>Total</b>	2,703.15	3,151.92	3383.66
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	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2016 ₹ In Lacs
<b>Note 7 Long Term Trade Receivables</b>			
Unsecured, Considered good			
a) Trade Receivables	504.72	510.06	441.54
<b>Total</b>	<b>504.72</b>	<b>510.06</b>	<b>441.54</b>
<b>Note 8 : Inventories</b>			
(As technically valued and certified by the Management)			
a) Material At Site, At Cost	808.03	831.17	796.75
b) Work In Progress	1,925.05	1,795.04	1869.49
<b>Total</b>	<b>2,733.08</b>	<b>2,626.21</b>	<b>2666.24</b>
<b>Note 9 : Trade Receivables</b>			
<b>Unsecured and Considered Good</b>			
a) Trade Receivables outstanding for more than 6 months	1,354.40	1,521.45	1440.54
Less : Provision for Doubtful Debts	-	-	-
	1,354.40	1,521.45	1440.54
b) Other Trade receivables	766.57	742.66	653.11
	2,120.98	2,264.11	2093.65
<b>Note 10 : Cash and Cash Balance</b>			
a) Cash on Hand	31.15	45.25	98.89
b) Balance with Banks			
i) In Current Accounts	75.46	19.18	20.29
ii) In earmarked Accounts			
1) Unpaid Dividend Accounts	-	0.43	4.80
2) Share Application money received for allotment of securities and due for refund	1.77	1.77	1.77
3) Balances held as Margin Money or security against borrowings, gurantess and other Commitments	473.36	449.03	402.97
<b>Total</b>	<b>581.74</b>	<b>515.67</b>	<b>528.72</b>
<b>Note 11 : Short term Loans and Advances</b>			
<b>Unsecured, Considered Good</b>			
a) Others			
i) Advances Recoverable in cash or in kind or for value to be received	2,846.70	2,847.28	2858.65
ii) Advance payment of Taxes (Net of Provision)	790.69	702.52	487.43
iii) Earnest Money and Other Deposits	1,446.90	2,218.06	2170.18
b) Loan to Employees	12.35	10.10	6.45
<b>Total</b>	<b>5,096.64</b>	<b>5,777.96</b>	<b>5522.71</b>

## Note 13. RESERVES &amp; SURPLUS

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2016 ₹ In Lacs
<b>Securities Premium Account</b>			
Balance As per Last Balance Sheet	6,206.89	6,206.89	6,206.89
Add : Transferred from surplus balance in the Profit & Loss Statement	-	-	-
Closing Balance	6,206.89	6,206.89	6,206.89
<b>Revaluation Reserve</b>			
As per Last Balance Sheet	8.50	8.50	8.50
Transfer/write back during the year	-	-	-
Closing Balance	8.50	8.50	8.50
<b>General Reserve</b>			
Opening Balance	520.48	520.48	520.48
Add : Transferred from surplus balance in the Profit & Loss Statement	-	-	-
(-) Written Back in Current Year	-	-	-
Closing Balance	520.48	520.48	520.48
<b>Surplus/ (deficit) in the statement of Profit &amp; Loss</b>			
Balance as per Last financial statements	-4,034.30	-4,037.75	-4119.42
Profit for the year	124.72	3.45	81.67
Less : Appropriations			
(-) Proposed Dividends	-	-	-
(-) Transfer to Reserves	-	-	-
Closing Balance	3,909.58	4,034.30	-4037.75
<b>Total</b>	<b>-2,826.29</b>	<b>-2,701.57</b>	<b>2698.12</b>

## Note 14. LONG TERM BORROWINGS

	Non Current Portion (₹ In Lacs)			Current Portion (₹ In Lacs)		
	31.03.2018	31.03.2017	31.03.2016	31.03.2018	31.03.2017	31.03.2016
<b>Secured</b>						
<b>Term Loans</b>						
From Other Parties						
SREI Equipment Finance Pvt Ltd (NBFC)	-	-	-	-	26.29	56.32
Kotak Mahindra Bank	-	-	-	-	33.08	33.08
<b>Unsecured</b>						
From Others	5,540.71	4,189.33	4,189.33	-	-	-
	5,540.71	4,189.33	4,189.33	-	59.37	89.40

## 14.1 Additional Information to Secured Long Term Borrowings

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

## 14.2 Details of Securities and Terms of Repayment

**Secured (Term Loans)**Srei Equipment Finance Private Limited

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

The Company has paid the dues during the year and the account is settled and cleared.

**Kotak Mahindra Bank (Term Loan)**

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

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

The Company has paid the dues during the year and the account is settled.

**Note 15. LONG TERM PROVISIONS**

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2016 ₹ In Lacs
a) Provision for Employee Benefits	77.05	57.62	50.62
<b>TOTAL</b>	<b>77.05</b>	<b>57.62</b>	<b>50.62</b>

**Note 16. SHORT TERM BORROWINGS**

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2016 ₹ In Lacs
<b>Secured</b>			
<b>(A) Loans repayable on demand</b>			
a) From Banks			
i) Vijaya Bank-Cash Credit	2,362.73	4,095.26	4,095.26
ii) Kotak Mahindra Bank- Cash Credit	-	158.73	158.73
iii) Vijaya Bank -Bank guarantees invoked	3,348.27	3,348.27	3,348.27
<b>Total</b>	<b>5,711.00</b>	<b>7,602.25</b>	<b>7,602.25</b>

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

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

**Collateral securities**

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

**B) Kotak Mahindra Bank**

- a. Secured by way of subservient charge on all existing and future current assets of the company

**Collateral securities**

- a. Secured by mortgage of specific fixed assets of the company.
- b. Equitable mortgage of residential flat at Bandra, Mumbai in the name of Mrs. Saramma Varghese
- c. Equitable mortgage of residential flat at Bandra, Mumbai in the name of Mr. Dilip Varghese

**Default**

However the Company has arrived at a settlement with Vijaya Bank and has started the payment as per as per the terms and conditions as agreed upon by the Company with Vijaya Bank.

**Note 17 : TRADE PAYABLES**

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2016 ₹ In Lacs
a) Trade Payables	1,749.90	1,770.32	1729.02
<b>TOTAL</b>	<b>1,749.90</b>	<b>1,770.32</b>	<b>1729.02</b>

**Note on SME**

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

**Note 18 : OTHER CURRENT LIABILITIES**

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2016 ₹ In Lacs
a) Current Maturities of Long Term Borrowings	-	59.37	89.40
b) Others	295.02	298.73	301.88
i) Unpaid Dividend	-	0.43	4.80
ii) Due To Employees	14.40	23.71	23.61
iii) Statutory Dues Payable	370.66	336.08	330.27
d) Application money received for Allotment of securities and due for refund	1.77	1.77	1.77
<b>TOTAL</b>	<b>681.85</b>	<b>720.09</b>	<b>751.73</b>

**Note on Application money due**

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

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs
<b>Note 19 Revenue from Operations</b>		
Work Bill Receipts - Gross	6,038.39	6,101.27
Add : Work in Progress, at close	1,925.05	1,795.04
	7,963.44	7,896.31
Less : Work in progress, at commencement	1,795.04	1,869.49
<b>Total</b>	<b>6,168.40</b>	<b>6,026.82</b>

**Note 20 Other Income**

a) Hire, Rent and Royalty Charges received	67.09	21.38
b) Sales tax refund	-	9.04
c) Interest from Banks	28.17	33.49
d) Misc Receipts	5.13	12.12
e) long term capital gain	8.54	-
f) Share of profit from Joint Venture	755.31	10.92
g) Vijaya Bank Interest written off	983.53	-
h) Interest on IT Refund	56.96	-
<b>Total</b>	<b>1,904.71</b>	<b>86.95</b>

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs
<b>Note 21 Cost of construction material consumed</b>		
Stock at Commencement	831.17	796.75
Add : Purchases	4,279.52	2,049.12
	<u>5,110.69</u>	<u>2,845.87</u>
Less : Scrap sold	-	-
	5,110.69	2,845.87
Less : Stock at Close	808.03	831.17
<b>Total</b>	<u>4,302.66</u>	<u>2,014.70</u>
<b>Note 22 Construction expenses</b>		
Subcontract , Transportation, Hire etc	2,080.74	3,354.54
Labour Charges	167.28	49.08
Power & Fuel	13.98	15.32
Repairs to Machinery	10.01	10.36
Other repairs	14.37	4.34
Laboratory charges and Water charges	1.49	1.72
<b>Total</b>	<u>2,287.87</u>	<u>3,435.36</u>
<b>Note 23 Employee Benefit Expenses</b>		
(a) Salaries and incentives	202.32	170.02
(b) Contributions to -		
(i) Provident fund	0.96	0.66
(ii) ESIC	0.10	0.18
(c) Gratuity fund contributions	19.43	7.00
d) Staff welfare expenses	8.06	9.22
<b>Total</b>	<u>230.86</u>	<u>187.07</u>
<b>Note 24 Finance Cost</b>		
a) Interest expense	134.80	0.46
b) Other borrowing costs	0.54	1.03
<b>Total</b>	<u>135.35</u>	<u>1.49</u>
<b>Note 25 Other Expenses</b>		
a) Stationery, Postage, Telephone & Advertisement	4.14	11.01
b) Travelling & Conveyance	27.14	21.22
c) Rent	0.66	1.86
d) Rates & Taxes - excluding taxes on income	2.91	0.56
e) Insurance	3.11	1.65
f) Legal & Professional Fees	123.57	48.31
g) Office Maintenance	2.44	1.80
h) Security charges	3.71	1.01
i) Business Promotion	19.71	2.10
j) Vehicle Tax	2.43	0.78
k) Works Contract Tax/ VAT	86.85	160.04
l) Director's remuneration	44.10	44.25
m) Payment to Auditors as		
i) Audit Fees	2.59	2.52
ii) for taxation matters,	0.24	0.24
iii) for management services,	0.36	0.36
iv) for reimbursement of expenses;	0.36	0.42

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs
n) Miscellaneous Expense	29.03	13.73
h) Retention money no more receivable	655.70	-
<b>Total</b>	<b>1,009.05</b>	<b>311.86</b>

**Note No. 27 :Extra Ordinary Item**

There are no extra ordinary items during the current year.

**Note No.28: CONTINGENT LIABILITIES**

(₹ in lacs)

Particulars	2017 –2018	2016 – 2017	2015 – 2016
Bank Guarantee	33.48	33.48	33.48
Property Tax	45.82	45.82	45.82
<b>Total</b>	<b>79.30</b>	<b>79.30</b>	<b>79.30</b>

**Note No. 29 Earning per share****1) Disclosures as required by Accounting Standard (AS) 20 Earning per Share (EPS) –**

Sr. No.	Particulars	2017– 2018	2016 – 2017	2015 – 2016
i)	Profit attributable to Equity Shareholders for Basic Earning per Share	124.72	3.45	81.68
ii)	Weighted average number of equity shares	109.60707	109.60707	109.60707
iii)	Face Value of equity share	10/-	10/-	10/-
iv)	Earnings per share (Basic and diluted)	1.14	0.03	0.75

**Note No. 30 Related Party Transactions**

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

**For the year ended 31st March 2018**

a) List of related parties with whom the company entered into transactions -

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

**b. NATURE OF TRANSACTIONS**

Nature of Transaction	2017-18	2016-17	2015-16	Nature of Relationship
Managerial Remuneration	43.20	43.20	43.20	Key Management personnel
Directors sitting fees	0.90	1.05	1.20	Non Executive Directors
Loan received	701.20	0	0	From Directors

**Note No.31 Disclosure in accordance with Accounting Standard -7 (Revised) - Construction Contracts**

(₹ in lacs)

Particulars	2017 –2018	2016 – 2017	2015-16
Amount of Contract revenue recognized as revenue in the period	6038.39	6101.27	5374.43
Contract cost incurred and recognized profits (less recognized losses) upto the reporting date	5741.76	6106.26	5061.51
Recognised Profit	296.63	(4.99)	(312.92)
<b>Advances received from customers for contract work</b>	-	-	-
Retention money	2715.32	2539.38	3266.11
Gross amount due from customer for contract work	3716.23	3860.61	2535.19
Gross amount due to customer for contract work	132.50	132.50	69.38

**Note No. 32 Segment information –****1) Segment information****a) Primary Segment**

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

**b) Secondary Segment**

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

**Note No.33 Disclosure relating to Employee Benefits – As per AS- 15**

(₹ in lacs)

<b>A Expenses recognized in the Statement of Profit &amp; Loss</b>	<b>31.3.2018</b>	<b>31.3.2017</b>	<b>31.3.2016</b>
<b>Account for the year ended</b>			
1 Current Service Cost	2.32	1.82	1.76
2 Interest Cost	4.10	3.95	3.78
3 Actuarial (Gain)/Loss	(1.61)	1.23	(2.83)
4 Past Service Cost-Vested Benefit recognized during the Period	-	-	-
5 Transitional Liability Recognized during the Period	-	-	-
6 Expenses Recognized in P & L	19.43	7.00	2.71
<b>B Net Asset/(Liability) recognized in the Balance Sheet</b>			
1 Fair Value of Plan Assets At the End of the Period	-	-	-
2 Present Value of Benefit Obligation at the end of the Period	57.61	50.62	47.90
3 Difference	(57.61)	(50.62)	(47.90)
4 Unrecognized Past Service Cost at the end of the Period	-	-	-
5 Unrecognized Transitional Liability at the end of the Period	-	-	-
<b>(Net Liability Recognized in the Balance sheet)</b>	<b>(57.61)</b>	<b>(50.62)</b>	<b>(47.90)</b>
<b>C Change in Present Value of Obligation</b>			
1 Present Value of Benefit Obligation at the beginning of the current Period	57.61	50.62	47.90
2 Interest Cost	4.10	3.95	3.78
3 Current Service Cost	2.32	1.82	1.76
4 Past Service cost-Non Vested Benefit	-	-	-
5 Past Service Cost-Vested Benefit	-	-	-
6 Liability Transferred in	-	-	-
7 (Liability Transferred Out)	-	-	-
8 (Benefit Paid)	-	-	-
9 Actuarial (Gain)/Loss on Obligations	(3.85)	(1.24)	3.12
10 Present value of benefit obligation at the end of the Current Period	77.04	57.62	50.62

<b>D Actuarial Assumptions:-</b>				
1	Discount Rate-Previous	7.12%	7.81%	7.90%
2	Salary Escalation-Previous	6.00%	6.00%	6.00%
3	Attrition Rate-Previous	2.00%	2.00%	2.00%
4	Discount Rate-Current	7.56%	7.12%	7.81%
5	Salary Escalation-Current	6.00%	6.00%	6.00%
6	Attrition Rate-Current	2.00%	2.00%	2.00%

**Note No.34 Additional Comments**

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

As per our report of even date

For **MEHTA KOTHARI & ASSOCIATES**

Registration No. 106247

Chartered Accountants

For and on behalf of the Board of Directors of TARMAT LTD

Sd/-

**PRADIP C MEHTA**

(PARTNER)

Membership No. 035447

Sd/-

**DILIP VARGHESE**

Managing Director

Din No. 01424196

Sd/-

**JERRY VARGHESE**

(Executive Director)

Din No. 00012905

Sd/-

**SRIDHAR SHETTY**

Chief Financial Officer

Sd/-

**S. CHAKRABORTY**

Company Secretary

Place: Mumbai

Dated: 30.05.2018

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**TARMAT LIMITED**

### Report on the Consolidated IND AS Financial Statements

We have audited the accompanying consolidated IND AS financial statements of TARMAT LIMITED ("the Company") and its joint ventures (the Company and its joint ventures together referred to as the "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "the consolidated financial statements").

### Management's Responsibility for the Consolidated 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 Consolidated IND AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, of the Companies (Indian Accounting standards). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error; which have been used for the purpose of preparation of the consolidated IND AS financial statements by the Directors of the company as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated IND AS 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 there under. 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 consolidated IND AS 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 consolidated 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 consolidated IND AS 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 consolidated IND AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanation given to us, except for the matters described in the paragraphs "Emphasis of Matter", the aforesaid consolidated IND AS 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 consolidated state of affairs of the Group as at 31st March 2018 and its Consolidated loss and its Consolidated cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements

## 1) Note No 7 of the Financial Statements in respect of Short Term Borrowings –

- a) In the previous Financial year as on 31st march 2017, the Company was NPA as it had unpaid dues of Rs 74.435 crores(with interest) to Vijaya Bank, Rs 1.92 crores(with interest) to Kotak Mahindra bank and Rs 26.29 Lakhs(with interest) to SREI Finance Ltd. Because of this, the Company had not provided interest which in turn resulted in overstatement of net profit.
- b) However, the Company paid Rs. 2.49 crores to Vijaya Bank and for the balance amount, the Company has arrived at a settlement with Vijaya Bank at Rs. 62.11 crores as full and final settlement. The settlement terms are as follows:-
  - i. Rs 5 crores within 31.3.2018
  - ii. Rs 10 crores within 04.04.2018
  - iii. Rs 17 crores within 15.04.2018
  - iv. Rs 30.11 crores within 15.05.2018.
- c) The difference of Rs. 9.835 crores arising out of this settlement has been credited to the Profit Loss Statement resulting into overstatement of net profit. The Company has made payment of Rs. 5 crores on 31.03.2018.
- d) Further the Company has settled the dues to Kotak Mahindra Bank and SREI Finance Ltd in full.
- e) In absence of Balance confirmation and payment confirmation from Vijaya Bank, Kotak Mahindra Bank and SREI Finance Ltd, the Company has given detailed Letter regarding Balance, Settlement and Payment confirmation covering all Banks and Financial institutions.

## 2) Note No 17 of the Financial Statements in respect of Cash and cash Balance

The Balances of Fixed Deposit with Vijaya Bank amounting to Rs 455.46 Lakhs and ICICI Bank Rs. 17.89 Lakhs and Balance with Bank in Current Accounts grouped under Cash and Cash Balances are not being confirmed by banks. Due to Non Availability of confirmation of aforesaid balances, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlement of account balances in the financial statements.

Our Opinion is not modified in respect of the matters mentioned above.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, we report to the extent applicable 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, Companies (Indian Accounting standards) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". The reporting has not been done in respect of 1 joint venture whose financial statements have been consolidated based on un audited financial statement and other unaudited financial information and upon which we are unable to comment on :
- (g) 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 27 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. The company has not transferred the following amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

Nature of Amount to be transferred	Amount
Share Application Money	177,000

- IV. Unpaid dividend -2010 Rs. 43,367/- as on 31.03.2017, has been transferred.
- V. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with Books of account maintained by the Company and as produced to us by the Management. Values and disclosures related to Joint ventures is based on the information provided by the management.

#### Other Matter

- a) We did not audit the financial statement of three Joint Ventures included in the statement, whose financial statements reflects total assets of Rs.27,931.53 Lacs as at March 31, 2018, total revenue of Rs. 38,949.15 Lacs and total Profit of Rs.2,553.90 Lacs for the year ended on that date, as considered in the statement.
- b) The accompanying consolidated financial statements include Company's proportionate share in jointly controlled assets and liabilities amounting to Rs.9,100.63 Lacs and Rs. 9,091.94 Lacs as at March 31, 2018 and expenditure for the year ended amounting to Rs. 13,613.60 Lacs and income for the year ended amounting to Rs.14,368.91 Lacs in respect of one Joint venture. In respect of this JV, the audited accounts are not available with the Company. The financial statements have been incorporated based on Un-audited financial statement/ data received from the company, in the absence of audited accounts of the JV, we are unable to comment on the adjustments that may be required to be made in these financial statement.

Our opinion is not modified in respect of these matters.

For **MEHTA KOTHARI & ASSOCIATES**  
**Chartered Accountants**  
 FRN : 106247

Sd/-  
**Pradip C Mehta**  
 Partner  
 Membership No. 35447

Date: 30.05.2018  
 Place: Mumbai

**Annexure A to the Independent Auditors Report of even date on the Consolidated Financial Statements of  
Tarmat Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") for the year ended 31st March 2018**

**To the members of Tarmat Limited**

In conjunction with our audit of the consolidated financial statements of Tarmat Limited as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of TARMAT LIMITED ("the Company") and its Joint Venture as of March 31, 2018.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MEHTA KOTHARI & ASSOCIATES**  
**Chartered Accountants**  
FRN : 106247

Sd/-  
**Pradip C Mehta**  
Partner  
Membership No. 35447

Date: 30.05.2018  
Place: Mumbai

## AUDITED CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

Rs in lacs

Particulars	Note No.	As on 31ST MARCH 2018	As on 31st March 2017	As on 31st March 2016
<b>I. ASSETS</b>				
<b>Non-current assets</b>				
<b>1 (a) Fixed assets</b>				
(i) Tangible assets	3	1,261.74	1,364.59	1,519.69
(ii) Intangible assets		14.63	14.63	14.63
(b) Non-current investments	4	2,158.09	1,924.83	1,924.83
(c) Deferred Tax asset	5	59.22	64.99	112.91
(d) Long-term loans and advances	6	2,855.89	3,151.92	3,636.55
(e) Long Term Trade Receivables	7	504.72	510.06	441.54
		<b>6854.29</b>	<b>7,031.02</b>	<b>7,650.14</b>
<b>2 Current assets</b>				
(a) Inventories	8	5,409.07	2,626.21	2,666.24
(b) Trade receivables	9	3,466.53	2,265.52	2,211.92
(c) Cash and cash balance	10	830.84	521.43	529.56
(d) Short-term loans and advances	11	9,433.46	6,722.36	5,602.37
		<b>19139.90</b>	<b>12,135.52</b>	<b>11,010.09</b>
<b>TOTAL</b>		<b>25,994.19</b>	<b>19,166.54</b>	<b>18,660.23</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	12	1,096.07	1,096.07	1,096.07
(b) Reserves and surplus	13	2,825.53	2,701.56	2,698.11
		<b>3921.60</b>	<b>3,797.63</b>	<b>3,794.18</b>
<b>2 Non-current liabilities</b>				
(a) Long-term borrowings	14	6,968.71	4,189.33	4,189.33
(b) Long-term provisions	15	77.05	57.62	50.62
		<b>7045.76</b>	<b>4,246.95</b>	<b>4,239.95</b>
<b>3 Current liabilities</b>				
(a) Short-term borrowings	16	7,548.87	7,602.25	7,602.25
(b) Trade payables	17	6,736.50	2,787.23	2,260.71
(c ) Other current liabilities	18	741.46	732.48	763.14
		<b>15026.83</b>	<b>11,121.96</b>	<b>10,626.10</b>
<b>TOTAL</b>		<b>25,994.19</b>	<b>19,166.54</b>	<b>18,660.23</b>

Summary of Significant Accounting Policies

1 &amp; 2

As per our report of even date

For **MEHTA KOTHARI & ASSOCIATES**

Registration No. 106247

Chartered Accountants

For and on behalf of the Board of Directors of TARMAT LTD

Sd/-

**PRADIP C MEHTA**

(PARTNER)

Membership No. 035447

Sd/-

**DILIP VARGHESE**

Managing Director

Din No. 01424196

Sd/-

**JERRY VARGHESE**

(Executive Director)

Din No. 00012905

Sd/-

**SRIDHAR SHETTY**

Chief Financial Officer

Sd/-

**S. CHAKRABORTY**

Company Secretary

Place: Mumbai

Dated: 30.05.2018

**AUDITED CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**

Rs in lacs

Particulars	Note No.	As on 31ST MARCH 2018	As on 31st March 2017
<b>Income</b>			
<b>I Revenue from operations (Gross)</b>	19	<b>20,535.73</b>	<b>7,940.39</b>
Less : Excise Duty		-	-
<b>Revenue from operations (Net)</b>		<b>20,535.73</b>	<b>7,940.39</b>
<b>II. Other Income</b>	20	<b>1,150.98</b>	<b>76.03</b>
<b>III. Total Revenue (I + II)</b>		<b>21,686.71</b>	<b>8,016.42</b>
<b>IV Expenses:</b>			
Cost of materials consumed	21	6,961.73	2,121.42
Construction expenses	22	13,116.71	5,215.56
Employee benefits expense	23	242.78	187.07
Finance costs	24	155.35	1.50
Depreciation and amortization expense	10	102.84	155.74
Other expenses	25	1,097.11	313.87
<b>Total expenses</b>		<b>21,676.52</b>	<b>7,995.16</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>10.19</b>	<b>21.26</b>
VI. Exceptional items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>10.19</b>	<b>21.26</b>
VIII. Extraordinary Items		0.00	0.00
<b>IX. Profit before tax (VII- VIII)</b>		<b>10.19</b>	<b>21.26</b>
X Tax expense:			
(1) Current tax		0.00	0.00
(2) Current tax relating to prior years		(119.54)	(30.11)
		(119.54)	(30.11)
(3) Deferred tax Asset		5.77	47.92
XI Profit for the period (IX-X)		123.96	3.45
XII Other comprehensive Income			
a) Items not to be reclassified subsequently to profit or loss			
Gain on fair value of defined benefit plans as per actuarial valuation		0.00	0.00
Income tax effect on above			
b) Items to be reclassified subsequently to profit or loss		0.00	0.00
<b>Other comprehensive income for the period, net of tax</b>			
<b>XIII Total Comprehensive income for the period net of tax (XI+XII)</b>		<b>123.96</b>	<b>3.45</b>
<b>XVI Earnings per equity share:</b>			
<b>1) Basic</b>			
i) Computed on the basis of profit from continuing operation		1.13	0.03
ii) Computed on the basis of total profit for the year		1.13	0.03
<b>2) Diluted</b>			
i) Computed on the basis of profit from continuing operation		1.13	0.03
ii) Computed on the basis of total profit for the year		1.13	0.03

## Summary of Significant Accounting Policies

As per our report of even date

For **MEHTA KOTHARI & ASSOCIATES**

Registration No. 106247

Chartered Accountants

For and on behalf of the Board of Directors of TARMAT LTD

Sd/-

**PRADIP C MEHTA**

(PARTNER)

Membership No. 035447

Sd/-

**DILIP VARGHESE**

Managing Director

Din No. 01424196

Sd/-

**JERRY VARGHESE**

(Executive Director)

Din No. 00012905

Sd/-

**SRIDHAR SHETTY**

Chief Financial Officer

Sd/-

**S. CHAKRABORTY**

Company Secretary

Place: Mumbai

Dated: 30.05.2018

## Cash Flow Statement for the year ended 31st March 2018

Rs in lacs

Particulars	2017-18	2016-17
<b>Net Profit/(Loss) as per Profit &amp; Loss Account</b>	<b>10.19</b>	<b>21.26</b>
<b>Adjustments for Non-Cash and other items</b>		
Interest Expense	155.35	1.50
Interest Income	(29.75)	(33.49)
Depreciation	102.84	155.74
<b>Dividend received</b>	<b>0.00</b>	<b>(9.04)</b>
<b>Provision for Doubtful Debts/ Advances (Net of Recovery)</b>	<b>0.00</b>	<b>0.00</b>
<b>Gratuity provision</b>	<b>19.43</b>	<b>7.00</b>
Preliminary Expenses w/off	0.00	0.00
Loss on Sale of Fixed Assets	0.00	0.00
Investment in JV written off	0.00	0.00
Bad debts written off	0.00	0.00
Operating Profit/(loss) Before Working Capital Changes	258.06	142.97
<b>Changes in Working Capital</b>		
<b>Adjustment for</b>		
Trade & Other Receivables	(1,195.67)	(122.12)
<b>Loans &amp; Advances</b>	<b>(2,409.25)</b>	<b>(420.27)</b>
Inventories	(2,782.86)	40.03
Fixed Deposit	(24.33)	(46.06)
Trade payables and other liabilities	3,958.26	495.86
Less: Taxes paid	113.74	(184.98)
<b>Net Cash from Operating Activities [A]</b>	<b>(2,082.05)</b>	<b>(94.57)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	0.00	(0.65)
Sale of Fixed Assets	0.00	0.00
Purchase of Non current investments	(233.26)	0.00
Interest received	29.75	33.49
Dividend received	0.00	9.04
<b>Net Cash from Investing Activities [B]</b>	<b>-203.51</b>	<b>41.88</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend and Distribution tax paid	-	-
<b>Interest paid</b>	<b>(155.35)</b>	<b>(1.50)</b>
<b>Proceeds from Long Term and Short Term Borrowings (Net Of Repayment)</b>	<b>2,725.99</b>	<b>0.00</b>
<b>Net Cash from Financing Activities [C]</b>	<b>2,570.64</b>	<b>(1.50)</b>
<b>Net increase in Cash and Cash equivalents [A+B+C]</b>	<b>285.08</b>	<b>-54.19</b>
<b>Cash &amp; Cash equivalents at the beginning of the year</b>	<b>70.63</b>	<b>124.83</b>
<b>Cash &amp; Cash equivalents at the end of the year</b>	<b>355.71</b>	<b>70.63</b>

Note: 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

Note: 2. The amendments to Ind AS 7 Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non- cash flow changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosures is made below. There is no other impact on the financial statements due to this amendment.

As per our report of even date

For **MEHTA KOTHARI & ASSOCIATES**

Registration No. 106247

Chartered Accountants

For and on behalf of the Board of Directors of TARMAT LTD

Sd/-

**PRADIP C MEHTA**

(PARTNER)

Membership No. 035447

Sd/-

**DILIP VARGHESE**

Managing Director

Din No. 01424196

Sd/-

**JERRY VARGHESE**

(Executive Director)

Din No. 00012905

Sd/-

**SRIDHAR SHETTY**

Chief Financial Officer

Sd/-

**S. CHAKRABORTY**

Company Secretary

Place: Mumbai

Dated: 30.05.2018

## 1. Corporate Information :

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

The company had its IPO in 2007 and got listed in BSE and NSE. The present paid up capital of the company is Rs. 109607070, of which 60.328% is held by the promoters.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS -

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015, as applicable.

The financial statements for the year ended 31st March, 2018 are the first financial statements prepared by the Company under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's balance sheet, statement of profit and loss and statement of cash flows are provided in note 1.3 d.

The financial statement have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS. All asset and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company considers 12 month as normal operating cycle.

The Company's financial statements are reported in Indian Rupees, which is also the company's functional currency and all values are rounded to the nearest lakh except otherwise indicated.

### SIGNIFICANT ACCOUNTING POLICIES

#### a. System of Accounting

The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis except in case of significant uncertainties. These financial statements are prepared under the historical cost convention unless otherwise indicated.

#### b. Key accounting estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income, expenses and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognized in the period in which they are determined.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

c. Property, Plant and Equipment

1. Property, plant and equipment are stated at historical cost of acquisition including attributable interest and finance cost, if any, till the date of acquisition/installation of the assets less accumulated depreciation and accumulated impairment losses, if any.
2. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit and loss as incurred.
3. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognized in the statement of profit and loss.
4. Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.
5. On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2016 of its property, plant and equipment and use that carrying value as the deemed cost of the property, plant and equipment on the date of transition i.e. 1st April, 2016.
6. The Company depreciates property, plant and equipment on written down value method except for building, plant and machinery, laboratory equipment and excavators where depreciation is provided on straight line method over the estimated useful life prescribed in Schedule II of the Companies Act, 2013 from the date of the assets are ready for intended use after considering the residual value.
7. Intangible assets mainly represent implementation cost for software and other application software acquired/developed for in-house use. These assets are stated at cost. Cost includes related acquisition expenses, related borrowing costs, if any, and other direct expenditure.
8. Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

**2.2. Use of Estimate -**

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

**2.3. Revenue Recognition -**

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

**2.4. Fixed Assets -**

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

**2.5. Depreciation -**

Depreciation is charged as per Straight-line method at the rate and in the manner specified in Schedule II to the Companies Act, 2013. Depreciation on fixed assets sold or scrapped during the year is provided upto the date on which such fixed asset is sold or scrapped. Depreciation on addition to fixed assets is calculated on pro rata basis from the day of addition.

**2.6. Inventories -**

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

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

**2.7. Investment -**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Long Term Investments. Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are measured at Cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investment. Upon first-time adoption of Ind AS, the Company has elected to measure these investments of the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e. 1st April, 2017.

**2.8. Borrowing Costs -**

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

**2.9. Current Tax and Deferred Tax -**

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

**2.10. Foreign Exchange Transaction -**

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

**2.11. Employee Retirement Benefits -**

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

**2.12. Impairment of Assets -**

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

**2.13. Earning per share -**

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

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

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

**First-time adoption of Ind AS****a. Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies as set out in note no. 1.2 above have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet as at 1st April, 2016 (the transition date). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in the financial statements prepared in accordance with the Accounting Standards notified under the Companies (accounting standards) Rules, 2006 and other relevant provisions of the Act. An explanation of how transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**b. Exemption and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS, which are considered to be material and significant.

- i] The Company has elected to measure items of property, plant and equipment at its previous GAAP carrying value as on the date of transition to Ind AS.
- ii] Ind AS provides a one time option to a first-time adopter either to measure its investment in subsidiaries, joint- ventures and associate companies as per previous GAAP carrying value or at fair value on the date of transition. The Company has elected to measure its investment in subsidiary as per previous GAAP carrying value as on the date of transition to Ind AS.
- iii] On assessment of the estimate made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those statements. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.
- iv] Under Ind AS, remeasurements of post-employment benefit obligations, i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expenses on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the statement of profit and loss for the year. There is no impact on the total equity.
- v] Under Ind AS, all items of income and expenses recognized in a period should be included in the statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and tax effects thereon. The concept of other comprehensive income did not exist under the Previous GAAP.

**Reconciliations between previous GAAP and Ind AS**

The following reconciliations provide the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- i) Reconciliation of equity as reported under previous GAAP to Ind AS;
- ii) Reconciliation of profit or loss and total comprehensive income as reported under previous GAAP to Ind AS; and
- iii) adjustment to statement of cash flow.

**Note 12. SHARE CAPITAL**

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2016 ₹ In Lacs
<b>Authorised Shares</b>			
12000000 (31st March 2018 12000000) Equity Shares of Rs 10/- each	1,200.00	1,200.00	1,200.00
<b>Issued, Subscribed &amp; fully paid up shares</b>			
10960707 (31st March 2018 10960707 Equity Shares of Rs 10/- each)	1,096.07	1,096.07	1,096.07
<b>Total Issued, subscribed and fully paid up share capital</b>	<b>1,096.07</b>	<b>1,096.07</b>	<b>1,096.07</b>

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

	31st March 2018		31st March 2017		31st March 2016	
	No. (Lacs)	₹ In Lacs	No. (Lacs)	₹ In Lacs	No. (Lacs)	₹ In Lacs
At the beginning of the year	109.60	1096.07	109.60	1096.07	109.60	1096.07
Issued during the period- Bonus Issue	-	-	-	-	-	-
Issued during the period- ESOP	-	-	-	-	-	-
Outstanding at the end of the period	109.60	1096.07	109.60	1096.07	109.60	1096.07

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

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

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

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

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

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

Name of the Shareholder	31st March 2018		31st March 2017		31st March 2016	
	No of Shares Held (In Lacs)	% of Holding	No of Shares Held (In Lacs)	% of Holding	No of Shares Held (In Lacs)	% of Holding
Mr. Jerry Varghese	32.4182	29.58%	32.4182	29.58%	32.4182	29.58%
Mr. Dilip Varghese	7.44914	6.7962%	10.63463	9.70%	10.63463	9.70%
Mrs. Saramma Varghese	10.51161	9.59%	10.51161	9.59%	10.51161	9.59%
M/s. Tarmat Holdings Pvt. Ltd	13.61328	12.42%	13.61328	12.42%	13.61328	12.42%

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

	31st March 2018 No. In Lacs	31st March 2017 No. In Lacs	31st March 2016 No. In Lacs
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	Nil	Nil	Nil
Equity Shares allotted as fully paid - up pursuant to contracts for consideration other than cash	Nil	Nil	Nil
Equity shares bought back by the company	Nil	Nil	Nil

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		As at 31st March 2017
	As at 01st April 2016	Additions/	As at 31st March 2017	As at 31st March 2018	As at 01st April 2016	Depreciation for the period	As at 31st March 2017	Depreciation for the period	As at 31st MARCH 2018	As at 31st March 2017	
<b>Tangible Assets</b>											
Land	461.25	-	461.25	461.25	-	-	-	-	461.25	461.25	461.25
Assets under lease											
Buildings	340.02	-	340.02	340.02	135.66	3.99	139.65	3.91	196.46	200.37	204.36
Assets under lease											
Plant and Equipment	5,092.74	-	5,092.74	5,092.74	4276.70	144.20	4,420.90	93.42	578.42	671.84	816.04
Assets under lease											
Furniture and Fixtures	115.40	-	115.40	115.40	103.75	2.30	106.05	1.74	7.61	9.35	11.65
Assets under lease											
Vehicles	274.75	-	274.75	274.75	248.68	5.16	253.84	3.59	17.32	20.91	26.07
Assets under lease											
Office equipment	85.10	0.65	85.74	85.74	84.87	0.10	84.87	0.19	0.68	0.87	0.33
Assets under lease											
Others (specify nature)											
<b>Total</b>	<b>6,369.25</b>	<b>0.65</b>	<b>6,369.90</b>	<b>6,369.90</b>	<b>4849.56</b>	<b>155.74</b>	<b>5,005.31</b>	<b>102.84</b>	<b>1,261.74</b>	<b>1,364.59</b>	<b>1519.69</b>
Intangible Assets											
Goodwill	14.63	-	14.63	14.63	-	-	-	-	14.63	14.63	14.63
Computer software											
<b>Total</b>	<b>14.63</b>	<b>-</b>	<b>14.63</b>	<b>14.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.63</b>	<b>14.63</b>	<b>14.63</b>
<b>Total</b>	<b>6,383.88</b>	<b>0.65</b>	<b>6,384.53</b>	<b>6,384.53</b>	<b>4849.56</b>	<b>155.74</b>	<b>5,005.31</b>	<b>102.84</b>	<b>1,276.37</b>	<b>1,379.22</b>	<b>1534.32</b>

	31st March 2018		31st March 2017		31st March 2016	
	Quoted	Unquoted	Quoted	Unquoted	Quoted	Unquoted
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs

**Note 4 Non-current investments**

**Investments (At cost unless otherwise specified):**

**Trade investments****Investment in Equity shares ( Others)**

CONCAST JAWASA ROAD PROJECT PVT LTD						
1042600 NOS EQUITY SHARE RS 10/-EACH	104.26		104.26		104.26	
CONCAST AMBHA ROAD PROJECT PVT LTD						
6476600 NOS EQUITY SHARE RS 10/-EACH	647.66		647.66		647.66	
CONCAST DAMOH ROAD PROJECT PVT LTD						
5623800 NOS EQUITY SHARE RS 10/-EACH	562.38		562.38		562.38	
CONCAST DHANETA ROAD PROJECT PVT LTD						
5870098 NOS EQUITY SHARE RS 10/-EACH	587.01		587.01		587.01	
CONCAST PATAN ROAD PROJECT PVT LTD						
210600 NOS EQUITY SHARE RS 10/-EACH	21.06		21.06		21.06	
CONCAST BADNAGAR ROAD PROJECT PVT LTD						
2600 NOS EQUITY SHARE RS 10/-EACH	0.26		0.26		0.26	
CONCAST JABALPUR ROAD PROJECT PVT LTD						
2600 NOS EQUITY SHARE RS 10/-EACH	0.26		0.26		0.26	
<b>Other investments (Non Trade)</b>	<b>235.2</b>					

**a) Quoted Investment**

VIJAYA BANK LTD						
19400 EQUITY SHARES OF RS.10/- EACH	-	-	1.94	-	1.94	-
<b>Total</b>	<b>-</b>	<b>2,158.09</b>	<b>1.94</b>	<b>1,922.89</b>	<b>1.94</b>	<b>1,922.89</b>

**Details**

Aggregate of Investments	Cost	Market Value	Cost	Market Value	Cost	Market Value
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
a) Quoted Investment	-	-	1.94	-	1.94	-
b) Unquoted Investment	2,158.09	-	1,922.89	-	1,922.89	-
<b>Total</b>	<b>2,158.09</b>	<b>-</b>	<b>1,924.83</b>	<b>-</b>	<b>1,924.83</b>	<b>-</b>

31st March	31st March	31st March
2018	2017	2016
₹ In Lacs	₹ In Lacs	₹ In Lacs

**Note 5 Deferred Tax Asset****Deferred Tax Liability**

Related to Fixed Assets

**Deferred Tax Assets**

Related to Fixed Asset	59.22	64.99	112.91
Deferred Tax Assets	59.22	64.99	112.91
Deferred Tax Asset (Net)	59.22	64.99	112.91
<b>Total</b>	<b>59.22</b>	<b>64.99</b>	<b>112.91</b>

**Note 6 Long Term Loans and Advances****Unsecured, considered good**

a. Security and Other Deposits	2,711.78	3,027.66	3266.11
b. Loans and Advances to Employees	144.12	124.25	117.54
<b>Total</b>	<b>2,855.89</b>	<b>3,151.92</b>	<b>3383.66</b>

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2016 ₹ In Lacs
<b>Note 7 Long Term Trade Receivables</b>			
<b>Unsecured, Considered good</b>			
a) Trade Receivables	504.72	510.06	441.54
<b>Total</b>	<b>504.72</b>	<b>510.06</b>	<b>441.54</b>
<b>Note 8 : Inventories</b>			
(As technically valued and certified by the Management)			
a) Material At Site, At Cost	1,537.80	831.17	796.75
b) Work In Progress	3,871.27	1,795.04	1869.49
<b>Total</b>	<b>5,409.07</b>	<b>2,626.21</b>	<b>2666.24</b>
<b>Note 9 : Trade Receivables</b>			
<b>Unsecured and Considered Good</b>			
a) Trade Receivables outstanding for more than 6 months	2,699.96	1,522.86	1440.54
Less : Provision for Doubtful Debts	-	-	-
	2,699.96	1,522.86	1440.54
b) Other Trade receivables	766.57	742.66	771.38
	3,466.53	2,265.52	2211.92
<b>Note 10 : Cash and Cash Balance</b>			
a) Cash on Hand	33.63	47.10	99.40
b) Balance with Banks			
i) In Current Accounts	322.08	23.10	20.62
ii) In earmarked Accounts			
1) Unpaid Dividend Accounts	-	0.43	4.80
2) Share Application money received for allotment of securities and due for refund	1.77	1.77	1.77
3) Balances held as Margin Money or security against borrowings, gurantess and other Commitments	473.36	449.03	402.97
<b>Total</b>	<b>830.84</b>	<b>521.43</b>	<b>529.56</b>
<b>Note 11 : Short term Loans and Advances</b>			
<b>Unsecured, Considered Good</b>			
a) Others			
i) Advances Recoverable in cash or in kind or for value to be received	6,384.48	3,530.33	2938.19
ii) Advance payment of Taxes (Net of Provision)	1,589.72	702.52	487.43
iii) Earnest Money and Other Deposits	1,446.90	2,479.41	2170.18
b) Loan to Employees	12.35	10.10	6.57
<b>Total</b>	<b>9,433.45</b>	<b>6,722.36</b>	<b>5602.37</b>

**Note 13. RESERVES & SURPLUS**

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2016 ₹ In Lacs
<b>Securities Premium Account</b>			
Balance As per Last Balance Sheet	6,206.89	6,206.89	6,206.89
Add : Transferred from surplus balance in the Profit & Loss Statement	-	-	-
Closing Balance	6,206.89	6,206.89	6,206.89
<b>Revaluation Reserve</b>			
As per Last Balance Sheet	8.50	8.50	8.50
Transfer/write back during the year	-	-	-
Closing Balance	8.50	8.50	8.50
<b>General Reserve</b>			
Opening Balance	520.48	520.48	520.48
Add : Transferred from surplus balance in the Profit & Loss Statement			
(-) Written Back in Current Year	-	-	-
Closing Balance	520.48	520.48	520.48
<b>Surplus/ (deficit) in the statement of Profit &amp; Loss</b>			
Balance as per Last financial statements	-4,034.30	-4,037.75	-4119.42
Profit for the year	123.96	3.45	81.67
Less : Appropriations			
(-) Proposed Dividends	-	-	-
(-) Transfer to Reserves	-	-	-
Closing Balance	3,910.34	4,034.30	-4037.75
<b>Total</b>	<b>-2,825.53</b>	<b>-2,701.57</b>	<b>-2698.12</b>

**Note 14. LONG TERM BORROWINGS**

	Non Current Portion (₹ in Lac)			Current Portion (₹ in Lac)		
	31.03.2018	31.03.2017	31.03.2016	31.03.2018	31.03.2017	31.03.2016
<b>Secured</b>						
<b>Term Loans</b>						
From Other Parties						
SREI Equipment Finance Pvt Ltd (NBFC)	-	-	-	-	26.29	56.32
Kotak Mahindra Bank	-	-	-	-	33.08	33.08
<b>Unsecured</b>						
From Others	6,968.71	4,189.33	4,189.33	6,968.71	-	-
	6,968.71	4,189.33	4,189.33	6,968.71	59.37	89.40

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

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

**14.2 Details of Securities and Terms of Repayment****Secured (Term Loans)**SREI Equipment Finance Private Limited

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

The Company has paid the dues during the year and the account is settled and cleared.

**Kotak Mahindra Bank (Term Loan)**

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

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

The Company has paid the dues during the year and the account is settled.

**Note 15. LONG TERM PROVISIONS**

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2017 ₹ In Lacs
a) Provision for Employee Benefits	77.05	57.62	50.62
<b>TOTAL</b>	<b>77.05</b>	<b>57.62</b>	<b>50.62</b>

**Note 16. SHORT TERM BORROWINGS**

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2017 ₹ In Lacs
<b>Secured</b>			
<b>(A) Loans repayable on demand</b>			
a) From Banks			
i) Vijaya Bank-Cash Credit	2,362.73	4,095.26	4,095.26
ii) Kotak Mahindra Bank- Cash Credit	-	158.72	158.73
iii) Vijaya Bank -Bank guarantees invoked	3,348.27	3,348.27	3348.27
iv) SECURED LOAN JOINT VENTURE	1,837.87	-	-
<b>Total</b>	<b>7,548.87</b>	<b>7,602.25</b>	<b>7,602.25</b>

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

**A) Vijaya Bank**

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

**Collateral securities**

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

**B) Kotak Mahindra Bank**

- Secured by way of subservient charge on all existing and future current assets of the company

**Collateral securities**

- Secured by mortgage of specific fixed assets of the company.
- Equitable mortgage of residential flat at Bandra, Mumbai in the name of Mrs. Saramma Varghese
- Equitable mortgage of residential flat at Bandra, Mumbai in the name of Mr. Dilip Varghese

**Default**

The Company has arrived at a settlement with Vijaya Bank and has started the payment as per as per the terms and conditions as agreed upon by the Company with Vijaya Bank.

**Note 17 : TRADE PAYABLES**

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2016 ₹ In Lacs
a) Trade Payables	6,736.50	2,787.22	2,260.71
<b>TOTAL</b>	<b>6,736.50</b>	<b>2,787.22</b>	<b>2,260.71</b>

**Note on SME**

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

**Note 18 : OTHER CURRENT LIABILITIES**

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs	31st March 2016 ₹ In Lacs
a) Current Maturities of Long Term Borrowings	-	59.37	89.40
b) Others	295.86	298.73	301.88
i) Unpaid Dividend	-	0.43	4.80
ii) Due To Employees	14.40	23.71	23.61
iii) Statutory Dues Payable	429.44	348.47	341.57
d) Application money received for Allotment of securities and due for refund	1.77	1.77	1.77
<b>TOTAL</b>	<b>741.46</b>	<b>732.48</b>	<b>763.14</b>

**Note on Application money due**

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

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs
<b>Note 19 Revenue from Operations</b>		
Work Bill Receipts - Gross	18,459.50	8,014.84
Add : Work in Progress, at close	3,871.27	1,795.04
	22,330.77	9,809.88
Less : Work in progress, at commencement	1,795.04	1,869.49
<b>Total</b>	<b>20,535.73</b>	<b>7,940.39</b>

**Note 20 Other Income**

a) Hire, Rent and Royalty Charges received	67.09	21.38
b) Sales tax refund	-	9.04
c) Interest from Banks	29.75	33.49
d) Misc Receipts	5.13	12.12
e) long term capital gain	8.54	-
f) Share of profit from Joint Venture	56.96	-
g) Vijaya Bank Interest written off	983.53	-
h) Interest on IT refund	56.96	-
<b>Total</b>	<b>1,150.98</b>	<b>76.03</b>

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs
<b>Note 21 Cost of construction material consumed</b>		
Stock at Commencement	831.17	796.75
Add : Purchases	7,668.36	2,155.84
	<u>8,499.53</u>	<u>2,952.59</u>
Less : Scrap sold	-	-
	8,499.53	2,952.59
Less : Stock at Close	<u>1,537.80</u>	<u>831.17</u>
	<b><u>6,961.73</u></b>	<b><u>2,121.42</u></b>
<b>Note 22 Construction expenses</b>		
Subcontract , Transportation, Hire etc	12,909.58	5,128.17
Labour Charges	167.28	55.65
Power & Fuel	13.98	15.32
Repairs to Machinery	10.01	10.36
Other repairs	14.37	4.34
Laboratory charges and Water charges	1.49	1.72
<b>Total</b>	<b><u>13,116.71</u></b>	<b><u>5,215.56</u></b>
<b>Note 23 Employee Benefit Expenses</b>		
(a) Salaries and incentives	214.24	170.02
(b) Contributions to -		
(i) Provident fund	0.96	0.66
(ii) ESIC	0.10	0.18
(c) Gratuity fund contributions	19.43	7.00
d) Staff welfare expenses	8.06	9.22
<b>Total</b>	<b><u>242.78</u></b>	<b><u>187.07</u></b>
<b>Note 24 Finance Cost</b>		
a) Interest expense	154.80	0.46
b) Other borrowing costs	0.54	1.04
<b>Total</b>	<b><u>155.35</u></b>	<b><u>1.50</u></b>
<b>Note 25 Other Expenses</b>		
a) Stationery, Postage, Telephone & Advertisement	4.14	11.13
b) Travelling & Conveyance	27.14	21.22
c) Rent	0.66	1.86
d) Rates & Taxes - excluding taxes on income	5.91	0.56
e) Insurance	3.11	2.85
f) Legal & Professional Fees	123.61	48.56
g) Office Maintenance	2.44	1.80
h) Security charges	3.71	1.01
i) Business Promotion	19.71	2.10
j) Vehicle Tax	2.43	0.78
k) Works Contract Tax/ VAT /GST	167.42	160.39
l) Director's remuneration	44.10	44.25
m) Payment to Auditors as		
i) Audit Fees	2.63	2.52
ii) for taxation matters,	0.24	0.24
iii) for management services,	0.36	0.36
iv) for reimbursement of expenses;	0.36	0.42

	31st March 2018 ₹ In Lacs	31st March 2017 ₹ In Lacs
n) Miscellaneous Expense	33.44	13.82
h) Retention money no more receivable	655.70	-
<b>Total</b>	<b>1,097.11</b>	<b>313.87</b>

**Note No. 27 :Extra Ordinary Item**

There are no extra ordinary items during the current year.

**Note No.28: CONTINGENT LIABILITIES**

(₹ in lacs)

Particulars	2017 –2018	2016 – 2017	2015 – 2016
Bank Guarantee	33.48	33.48	33.48
Property Tax	45.82	45.82	45.82
<b>Total</b>	<b>79.30</b>	<b>79.30</b>	<b>79.30</b>

**Note No. 29 Earning per share****1) Disclosures as required by Accounting Standard (AS) 20 Earning per Share (EPS) –**

Sr. No.	Particulars	2017– 2018	2016 – 2017	2015 – 2016
i)	Profit attributable to Equity Shareholders for Basic Earning per Share	1.13	0.03	81.67
ii)	Weighted average number of equity shares	109.61	109.61	109.61
iii)	Face Value of equity share	10/-	10/-	10/-
iv)	Earnings per share (Basic and diluted)	1.13	0.03	0.75

**Note No. 30 Related Party Transactions**

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

**For the year ended 31st March 2018****a) List of related parties with whom the company entered into transactions -**

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

**b. NATURE OF TRANSACTIONS**

Nature of Transaction	2017-18	2016-17	2015-16	Nature of Relationship
Managerial Remuneration	43.20	43.20	43.20	Key Management personnel
Directors sitting fees	0.90	1.05	1.20	Non Executive Directors
Loan received	701.20	0	0	From Directors

**Note No.31 Disclosure in accordance with Accounting Standard -7 (Revised) - Construction Contracts**

(₹ in lacs)

Particulars	2017 –2018	2016 – 2017	2015 – 2016
Amount of Contract revenue recognized as revenue in the period	6038.39	6101.27	5374.43
Contract cost incurred and recognized profits (less recognized losses) upto the reporting date	5741.76	6106.26	5061.51
Recognised Profit	296.63	(4.99)	(312.92)
<b>Advances received from customers for contract work</b>	-	-	-
Retention money	2715.32	2539.38	3266.11
Gross amount due from customer for contract work	3716.23	3860.61	2535.19
Gross amount due to customer for contract work	132.50	132.5	69.38

**Note No. 32 Segment information –****2) Segment information****a) Primary Segment**

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

**b) Secondary Segment**

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

**Note No.33 Disclosure relating to Employee Benefits – As per AS- 15**

(₹ in lacs)

<b>A</b>	<b>Expenses recognized in the Statement of Profit &amp; Loss</b>	<b>31.3.2018</b>	<b>31.3.2017</b>	<b>31.3.2016</b>
	<b>Account for the year ended</b>			
1	Current Service Cost	2.32	1.82	1.76
2	Interest Cost	4.10	3.95	3.78
3	Actuarial (Gain)/Loss	(1.61)	1.23	(2.83)
4	Past Service Cost-Vested Benefit recognized during the Period	-	-	-
5	Transitional Liability Recognized during the Period	-	-	-
6	Expenses Recognized in P & L	19.43	7.00	2.71
<b>B</b>	<b>Net Asset/(Liability) recognized in the Balance Sheet</b>			
1	Fair Value of Plan Assets At the End of the Period	-	-	-
2	Present Value of Benefit Obligation at the end of the Period	57.61	50.62	47.90
3	Difference	(57.61)	(50.62)	(47.90)
4	Unrecognized Past Service Cost at the end of the Period	-	-	-
5	Unrecognized Transitional Liability at the end of the Period	-	-	-
	<b>(Net Liability Recognized in the Balance sheet)</b>	<b>(57.61)</b>	<b>(50.62)</b>	<b>(47.90)</b>
<b>C</b>	<b>Change in Present Value of Obligation</b>			
1	Present Value of Benefit Obligation at the beginning of the current Period	57.61	50.62	47.90
2	Interest Cost	4.10	3.95	3.78
3	Current Service Cost	2.32	1.82	1.76
4	Past Service cost-Non Vested Benefit	-	-	-
5	Past Service Cost-Vested Benefit	-	-	-
6	Liability Transferred in	-	-	-
7	(Liability Transferred Out)	-	-	-
8	(Benefit Paid)	-	-	-
9	Actuarial (Gain)/Loss on Obligations	(3.85)	(1.24)	3.12
10	Present value of benefit obligation at the end of the Current Period	77.04	57.62	50.62

**D Actuarial Assumptions:-**

1	Discount Rate-Previous	7.12%	7.81%	7.90%
2	Salary Escalation-Previous	6.00%	6.00%	6.00%
3	Attrition Rate-Previous	2.00%	2.00%	2.00%
4	Discount Rate-Current	7.56%	7.12%	7.81%
5	Salary Escalation-Current	6.00%	6.00%	6.00%
6	Attrition Rate-Current	2.00%	2.00%	2.00%

**Note No.34 Additional Comments**

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

As per our report of even date

For **MEHTA KOTHARI & ASSOCIATES**  
Registration No. 106247  
Chartered Accountants

For and on behalf of the Board of Directors of TARMAT LTD

Sd/-

**PRADIP C MEHTA**  
(PARTNER)  
Membership No. 035447

Sd/-

**DILIP VARGHESE**  
Managing Director  
Din No. 01424196

Sd/-

**JERRY VARGHESE**  
(Executive Director)  
Din No. 00012905

Sd/-

**SRIDHAR SHETTY**  
Chief Financial Officer

Sd/-

**S. CHAKRABORTY**  
Company Secretary

Place: Mumbai

Dated: 30.05.2018



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

Regd Off: P B NO 9042, Goregaon (East), Mumbai - 400 063.

CIN: L45203MH1986PLC038535

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

I hereby record my presence at the 33rd Annual General Meeting of the Company held on Saturday 29th September 2018 at 03.00 p.m. at the Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai – 400 049.

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

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

Number of Shares held.....

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

**Signature of Shareholder or Proxy attending**

Please provide full name of the 1st Joint Holder .....

Notes: (1) Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.

(2) Members are requested to bring their copy of Annual Report for reference at the Meeting.

..... Tear Here .....

**PROXY FORM**

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]

**TARMAT LIMITED**

Regd Off: P B NO 9042, Goregaon (East), Mumbai - 400 063.

CIN: L45203MH1986PLC038535

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

Name of the member(s) Registered address E-mail id Folio No. / Client Id DP ID 

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

1. Name..... Email Id: .....

Address: ..... Signature: .....

or failing him/her

2. Name..... Email Id: .....

Address: ..... Signature: .....

or failing him/her

3. Name..... Email Id: .....

Address: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company to be held on Saturday 29th September 2018 at 03.00 p.m. at the Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai – 400 049 and at any adjournment thereof in respect of such resolutions as are indicated below

Sr No	Resolution
1	To receive, consider and adopt the audited Balance sheet as on 31st March 2018, the Statement of Profit and Loss Account for the year ended 31st March 2018 together with the Schedules and Notes attached thereto, along with Auditors Report and Director's report thereon
2	To Appoint a Director in place of Mrs. Saramma Jerry Varghese (DIN 00012892), who retires by rotation and being eligible, offers herself for reappointment
3	Appointment of Auditors
4	Ratification of Cost Auditors' remuneration
5	Enhancement of Borrowing Powers
6	Creation of Charge on Company's Properties
7	Authority to make Investments under Section 186 of the Companies Act, 2013

Signed this ..... day of ..... 2018.

Signature of Shareholder

Signature of proxy holder (s)

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

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



NOTES

[illegible]





Tarmat Limited  
General A. K. Vaidya Marg,  
Near Wageshwari Mandir Stop,  
Off Film City Road,  
Goregaon (E)  
Mumbai - 400 063.

Tel.: +91-22-2840 2130 / 1180 Fax: +91-22-2840 0322

Website: [www.tarmatlimited.com](http://www.tarmatlimited.com)

Email: [contact@tarmatlimited.com](mailto:contact@tarmatlimited.com)