



SEC:152

01.09.2015

General Manager-Corporate Services
BSE Ltd.,
Floor 25, P.J. Towers
Dalal Street,
MUMBAI – 400 001

Manager (Listing)
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra-Kurla Complex
Bandra(East),
MUMBAI – 400 051

General Manager
The Calcutta Stock Exchange Ltd.
7 Lyons Range
KOLKATA – 700 001

Scrip Code: 505854(BSE) / TRF (NSE) / 10030045(CSE)

Sub: Submission of Annual Report under clause 31 of the Listing Agreement

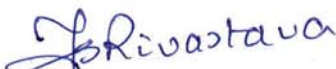
Dear Sir,

In compliance with Clause 31 of the Listing Agreement, we are forwarding herewith Annual Report for 2014-15 containing inter alia the following:

- i) Notice of the ensuing Annual General Meeting of the Company to be held on Saturday, September 26, 2015 at 12:00 noon at Shavak Nanavati Technical Institute (SNTI), 'N' Road, Bistupur, Jamshedpur - 831001;
- ii) Directors' Report, Management Discussion and Analysis Report, Corporate Governance Report;
- iii) Standalone and Consolidated Balance Sheet as at March 31, 2015, Cash flow Statement for the financial year 2014-15, Statement of Profit and Loss Account for the year ended March 31, 2015;
- iv) Auditors Report on Standalone and Consolidated Financial statements
- v) Form A for Standalone accounts and Form B for Consolidated Accounts.

Kindly acknowledge.

Yours faithfully,
For TRF LIMITED


Tarun Kumar Srivastava
Company Secretary

Encl: As above

CIN:L74210JH1962PLC000700

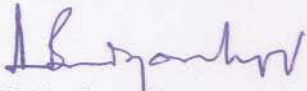
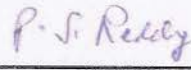
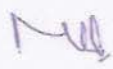
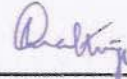
**FORM A**

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company:	TRF Limited.
2	Standalone financial statements for the year ended	March 31, 2015
3	Type of Audit observation	Emphasis of matters (i) We draw attention to Note No. 2.10 (ii) of the standalone financial statements, with respect to total contract cost being ascertained based on the contract costs incurred and cost to completion of contracts which is arrived at by the Management based on current technical data, forecast and estimate of net expenditure to be incurred in future based on current cost. Owing to the technical nature of the contracts, we have relied on the management estimates relating to the technical aspects/components and other technical inputs/matters considered in the determination of expected cost to completion of the contracts. Further, contract costs have been estimated by Management with use of external project consulting experts and on the basis of purchase orders or future firm commitments which Management has confirmed are enforceable over the period of the contracts. (ii) We draw attention to footnote under Note No. 17 with respect to retention money receivable Rs. 27,639.92 lacs as at March 31, 2015 which are realisable on the completion of the performance guarantee tests as per the terms of the contract. (iii) We draw attention to Note No.28.12 which states that the accompanying financial statements for the year ended March 31, 2015 have been prepared assuming that the Company will continue as a going concern. The Company has incurred recurring losses, has accumulated losses of Rs.16,940.22 lacs, and excess of net current liabilities of Rs. 5,798.88 lacs over current assets as of March 31, 2015. The Company continuing as going concern is dependent on the Company's ability to successfully complete existing contracts and generate cash flows from operations including realisation of retention receivable to be able to meet its obligations as and when they arise in the

		twelve month period from the date of these financial statements. Our report is not modified on the above matters. <u>Relevant note in the financial statement</u> <u>Note 2(10)(ii)</u> Revenue from contracts are recognised on percentage completion method specified under Accounting Standard (AS) 7 - Construction Contracts. The stage of completion is determined as a proportion that contract costs incurred for work performed up to the closing date bear to the estimated total costs of respective project. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably and for contracts valued up to Rs. 100 crore, profit is recognised when stage of completion is 40% or more, and for contracts valued more than Rs. 100 crore, profit is recognised either at 25% stage of completion or an expenditure of Rs. 40 crore whichever is higher. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc. For determining the expected cost to completion of the contracts, cost of steel, cement and other related items are considered at current market price based on fixed cost purchase orders placed or firm commitments received from suppliers/contractors as these purchase orders and future firm commitments are enforceable over the period of the contracts. Cost incurred in excess of that considered for revenue recognition, if any, in respect of a contract is carried forward in the Balance Sheet as contracts in progress.
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		<u>Footnote under Note 17:</u> Others include Rs. 27,639.92 lac (31.03.2014 Rs. 26,274.58 lac) retention money which are recoverable on completion of the project as per the terms of the relevant contract. The retention money Rs. 3,623.29 lac (31.03.2014 Rs. 4,782.58 lac) are recoverable within the operating cycle of the Company but due after a period of one year <u>Note 28.12 :</u> The Company has incurred losses of Rs. 8,735.12 lac during the year ended March 31, 2015 and the accumulated losses as on that date, amounting to Rs 16,940.22 lac has eroded the net worth of the Company. As at the balance sheet date, the current liabilities of the Company exceed the current assets of the Company by Rs. 5,798.88 lac The Company is of the view that all potential future losses which has been booked during the current year will not result in immediate outflow over the next twelve months from the balance sheet date. Further, the Company projects operating profits during the next 12 months from the balance sheet date and is confident that it will be able to generate cash from liquidating the retention money held by the customers for a majority of the contracts which are at an advanced stage. Further, the Company expects to generate cash flows from its certain subsidiaries, by way of dividend. Given the above facts, the Company will be able to sufficiently generate future cash flows to meet future obligations of the Company in the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets or to amounts and classification of liabilities that might result if the Company is unable to continue as a going concern.
4	Frequency of observation	Repeat

5	To be signed by- ☐ Managing Director ☐ Dy. Managing Director ☐ Chief, Finance and Accounts ☐ Audit Committee Chairman Place : Kolkata Date: Aug 14, 2015 Refer our Audit Report dated Aug 14, 2015 on the standalone financial statements of the Company For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 302009E)  Abhijit Bandyopadhyay (Partner) (Membership No 054785) Kolkata, Aug 14, 2015	 (Sudhir L. Deoras, Managing Director)  P. S. Reddy, Dy. Managing Director  (Mani Kr Jha, Chief, Finance & Accounts)  (Dipankar Chatterji, Chairman-Audit Committee)
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FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	<i>Name of the Company:</i>	TRF Limited.
2	<i>Consolidated financial statements for the year ended</i>	March 31, 2015
3	<i>Type of Audit observation</i>	Basis of Qualified Opinion The recoverable amount of the cash generating unit which includes goodwill on consolidation of Rs. 6,021.14 lacs, in respect of one subsidiary company, has been estimated based on future cash flow projections. We have been unable to obtain sufficient audit evidence to satisfy ourselves on the reasonableness of the assumptions made to estimate the future cash flow projections and consequently, we are unable to determine whether any adjustment is necessary to the carrying amount of the goodwill. Qualified Opinion In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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, its jointly controlled entities as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date. Sl No 2 of Para heading ‘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, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above, 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.

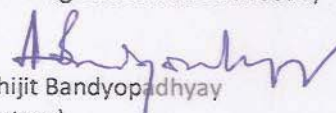
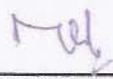
		b) In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors. d) In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. e) The matter described in the Basis for Qualified Opinion and the going concern matter described in sub-paragraph (iii) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Group. <u>Emphasis of matters</u> (i) We draw attention to Note No. 2.10 (ii) of the standalone financial statements, with respect to total contract cost being ascertained based on the contract costs incurred and cost to completion of contracts which is arrived at by the Management based on current technical data, forecast and estimate of net expenditure to be incurred in future based on current cost. Owing to the technical nature of the contracts, we have relied on the management estimates relating to the technical aspects/components and other technical inputs/matters considered in the determination of expected cost to completion of the contracts. Further, contract costs have been estimated by Management with use of external project consulting experts and on the basis of purchase orders or future firm commitments which Management has confirmed are enforceable
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		over the period of contracts. (ii) We draw attention to footnote under Note No. 17 with respect to retention money receivable Rs. 27,639.92 lacs shown under trade receivables which are realisable on the completion of the performance guarantee tests as per the terms of the contract. (iii) We draw attention to Note No28.04 which indicates that the accompanying financial statements for the year ended March 31, 2015 have been prepared assuming that the group will continue as a going concern. The group has incurred losses of Rs. 6,498.34 lacs during the year ended March 31, 2015 and the accumulated losses as on that date, amounting to Rs. 17,411.31 lacs, has eroded the net worth of the Company. The group continuing as going concern is dependent on the group's ability to successfully complete existing contracts and generate cash flows from operations including realisation of retention receivable to be able to meet its obligations as and when they arise in the twelve month period from the date of these financial statements. Our report is not modified on the above matters.
4	<i>Frequency of observation</i>	Basis of Qualified Opinion : First time Emphasis of matters : Repeated
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<u>Relevant note in the financial statement</u> <u>Note 29.07</u> The Company has recognised a non-cash write down of goodwill of Rs. 2287.27 lac. This impairment is due to a weaker market environment in port and automobile sector which has resulted in fall in demand for trailers manufactured by one of the subsidiaries. The above underlying conditions is expected to continue over the near and

		medium term which has lead to the downward revision of cash flow underlying the valuation of the Srilankan operations. This impairment relates to the 'Products and Service' segment of the Company. For the purpose of impairment review legal entities are considered as cash generating unit (CGU). The recoverable amount of the CGU is based on the value in use. The discount rate used in calculations was based on the post tax risk adjusted weighted average cost of capital and are in the range of 7.97 % to 13.74%. <u>Emphasis of Matter :</u> <u>Note 2.10</u> Revenue from contracts are recognised on percentage completion method specified under Accounting Standard (AS) 7 - Construction Contracts. The stage of completion is determined as a proportion that contract costs incurred for work performed up to the closing date bear to the estimated total costs of respective project. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably and for contracts valued up to Rs. 100 crores, profit is recognised when stage of completion is 40% or more, and for contracts valued more than Rs. 100 crores, profit is recognised either at 25% stage of completion or an expenditure of Rs. 40 crores whichever is higher. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies
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		etc. For determining the expected cost to completion of the contracts, cost of steel, cement and other related items are considered at current market price based on fixed cost purchase orders placed or firm commitments received from suppliers / contractors as these purchase orders and future firm commitments are enforceable over the period of the contracts. Cost incurred in excess of that considered for revenue recognition, if any, in respect of a contract is carried forward in the Balance Sheet as contracts in progress. <u>Footnote under Note 17:</u> Others include Rs. 27,639.92 lac (31.03.2014 Rs. 26,274.58 lac) retention money which are recoverable on completion of the project as per the terms of the relevant contract. The retention money Rs. 3,623.29 lac (31.03.2014 Rs. 4,782.58 lac) are recoverable within the operating cycle of the Company but due after a period of one year <u>Note 28.04</u> The Company has incurred consolidated losses of Rs. 6498.34 lac during the year ended March 31, 2015 and the consolidated accumulated losses as on that date, amounting to Rs 17,411.31 lac has eroded the consolidated net worth of the Company. The Company is of the view that all potential future losses which has been booked during the current year will not result in immediate outflow over the next twelve months from the balance sheet date. Further, the Company projects consolidated operating profits during the next 12 months from the balance sheet date and is confident that it will be able to generate cash from liquidating the retention money held by the customers for a majority of the contracts which are at an advanced stage. Given the above facts, the Company will be
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		able to sufficiently generate future cash flows to meet future obligations of the Company in the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets or to amounts and classification of liabilities that might result if the Company is unable to continue as a going concern. <u>Management Response in the Directors Report</u> The Statutory Auditors have expressed concern over the reasonableness of the assumptions made to estimate the future cash flow projections of a subsidiary(DLT) which manufactures and markets port trailers internationally and have accordingly expressed their inability to determine whether any adjustment is necessary to the carrying amount of the goodwill on consolidation and have made a qualified opinion in their Report on Consolidated Financial Statement for the year ended March 31, 2015. The goodwill impairment of Rs 22.87 crores taken is based on the Net Present Value of Discounted Cash Flows over a 5 years period and including perpetuity. The management would like to inform that the sales revenue projected for next five years are achievable considering improvement in market conditions, especially in the Middle East and Bangladesh which are two of the major markets of DLT. A large order for trailers is expected from the United Arab Emirates shortly. Further, Tata-DLT, a 50% JV company operating in India, has been performing well and has shown 196% growth in FY'14-15 over the previous year in terms of numbers of
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		trailers sold. This improved performance will continue. In view of above, the management is confident that the sales projections are achievable and no further impairment provision is required.
6	Additional comments from the board/audit committee chair:	
7	To be signed by- ☒ Managing Director ☐ Dy. Managing Director ☒ Chief, Finance and Accounts ☒ Audit Committee Chairman Place : Kolkata Date: Aug 14, 2015 Refer our Audit Report dated Aug14, 2015 on the Consolidated financial statements of the Company For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 302009E)  Abhijit Bandyopadhyay (Partner) (Membership No054785) Kolkata, Aug 14,2015	 (Sudhir L. Deoras, Managing Director)  P. S. Reddy, Dy. Managing Director  (Mani Kr Jha, Chief, Finance & Accounts)  (Dipankar Chatterji, Chairman-Audit Committee)