

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
T M MINING COMPANY LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **T M MINING COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

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

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

**Auditors' Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2015;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

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

Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

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

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 302009 E)

**Abhijit Bandyopadhyay**  
Partner  
(Membership No. 054785)

Kolkata, April 25, 2015

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

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

- (i) Having regard to the nature of the Company's business/activities/result during the year, clauses (i) (ii), (v), (vi), (viii), (ix), (x) and (xi), of paragraph 3 of the Order are not applicable to the Company.
- (ii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iii) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for of inventory and purchases of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weaknesses in such internal control system.
- (iv) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
  - (b) There are no of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise and Cess which have not been deposited as on 31 March 2015 on account of disputes.
  - (c) There are no amount which needs to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- (v) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 302009 E)

**Abhijit Bandyopadhyay**  
Partner  
(Membership No. 054785)

Kolkata, April 25, 2015



# **T M MINING COMPANY LIMITED**

## **ANNUAL ACCOUNTS**

**2014 - 2015**

**T M Mining Company Limited**

**Balance Sheet as at 31 March 2015**

**Rupees**

	Note	As at 31.03.2015	As at 31.03.2014
<b>(I) EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	3	22,00,000	15,00,000
(b) Reserves and surplus	4	(21,51,428)	(16,85,520)
		48,572	(1,85,520)
<b>(2) Current liabilities</b>			
(a) Trade payables	5	1,71,094	2,48,888
(b) Other current liabilities	6	4,500	8,256
		1,75,594	2,57,144
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,24,166</b>	<b>71,624</b>
<b>(II) ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Long term and Advances	7	38,811	16,810
		38,811	16,810
<b>(1) Current assets</b>			
(a) Cash and bank balances	8	1,85,354	54,814
		1,85,354	54,814
<b>TOTAL ASSETS</b>		<b>2,24,166</b>	<b>71,624</b>

See accompanying notes forming part of the financial statement

In terms of our report attached.

**For Deloitte Haskins & Sells.**

Chartered Accountants

sd/-

**Abhijit Bandyopadhyay**

Partner

For and on behalf of the Board

**Director - Rajeev Singhal**

**Director- Chanakya Chaudhary**

**Director - Assis Flaviano  
Sequeira**

Date: 25th, April 2015

Date: 25th, April 2015

Statement of Profit and Loss for the year ended 31 March 2015

		Rupees	
		For the year ended 31.03.2015	For the year ended 31.03.2014
	Note		
<b>I Revenue</b>			
(a) Revenue from Operations		-	-
(b) Other Income	9	7,750	-
<b>II Total Revenue</b>		<b>7,750</b>	-
<b>III EXPENSES</b>			
(a) Other expenses	10	4,72,898	4,28,895
(b) Finance Cost	11	760	457
<b>Total Expenses (III)</b>		<b>4,73,658</b>	4,29,352
<b>IV Loss before tax (II - III)</b>		<b>(4,65,908)</b>	(4,29,352)
<b>V Tax Expense</b>			
(a) Current tax		-	-
<b>Total tax expense (V)</b>		<b>-</b>	-
<b>VI Loss for the year (IV - V)</b>		<b>(4,65,908)</b>	(4,29,352)
<b>VII Earnings per equity share:</b>			
(1) Basic and diluted (Face Value of Rs. 10 each)	12	<b>(2.26)</b>	<b>(2.86)</b>

See accompanying notes forming part of the financial statement

In terms of our report attached.

**For Deloitte Haskins & Sells.**

Chartered Accountants

sd/-

**Abhijit Bandyopadhyay**

Partner

For and on behalf of the Board

**Director - Rajeev Singhal**

**Director- Chanakya Chaudhary**

**Director - Assis Flaviano  
Sequeira**

Date: 25th, April 2015

Date: 25th, April 2015

## T M Mining Company Limited

### Cash Flow Statement for the year ended 31 March, 2015

Rupees

	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>(A) Cash Flow from Operating Activities :</b>		
Loss before tax	(4,65,908)	(4,29,352)
<i>Adjustments for:</i>		
Interest Income	(7,750)	-
Operating loss before working capital changes	(4,73,658)	(4,29,352)
Changes in working capital :		
Adjustment for increase/(decrease) in operating assets		
Long Term Advances	(22,001)	(16,810)
Adjustment for increase/(decrease) in operating liabilities		
Trade payables	(77,794)	(23,077)
Other current liabilities	(3,756)	(23,700)
<b>Net cash used in operating activities</b>	<b>(5,77,209)</b>	<b>(4,92,939)</b>
<b>(B) Cash Flow from Investing activities:</b>		
Interest Income	7,750	-
<b>Net cash from investing activities</b>	<b>7,750</b>	<b>-</b>
<b>(C) Cash Flow from Financing Activities :</b>		
Issue of Equity Shares	7,00,000	5,00,000
<b>Net Cash from Financing Activities</b>	<b>7,00,000</b>	<b>5,00,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,30,540</b>	<b>7,061</b>
<b>Cash and cash equivalents as at 1st April <sup>1</sup></b>	<b>54,814</b>	<b>47,753</b>
<b>Cash and cash equivalents as at 31st Mar <sup>1</sup></b>	<b>1,85,354</b>	<b>54,814</b>

Notes:

1. Includes cash on hand and balance in current accounts with banks
2. Figures in brackets represent outflows

In terms of our report attached.

**For Deloitte Haskins & Sells.**

Chartered Accountants

sd/-

**Abhijit Bandyopadhyay**

Partner

For and on behalf of the Board

**Director - Rajeev Singhal**

**Director- Chanakya Chaudhary**

**Director - Assis Flaviano  
Sequeira**

Date: 25th, April 2015

Date: 25th, April 2015



# T M Mining Company Limited

## Notes to the financial statements

### 1. Corporate Information

TM Mining Company Limited ("the Company") a 74 : 26 joint venture between Tata Steel Limited and MMTC Limited, engaged in exploration, search, prospecting, development, extraction, exploitation of the mineral blocks/deposits.

### 2. Summary o

#### 2.01 Basis of Preparation

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

#### 2.02 Use of estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles in India which requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### 2.03 Preliminary Expenses

All expenses related to incorporation of Company are recognised as expenses in the statement of profit and loss.

#### 2.04 Revenue Recognition

##### i) Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### 2.05 Earnings Per Share

The Company reports basic earnings per share in accordance with Accounting Standard (AS) 20- Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit/loss after tax attributable to equity share holders by the weighted average numbers of equity shares outstanding during the year. Since the Company is a "Small and Medium Sized Company" disclosure of Diluted earnings during the year is not applicable.

#### 2.06 Cash Flow Statement

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

#### 2.07 Cash and Cash Equivalents

Cash comprises of balances in current accounts with banks

#### 2.08 Provision, Contingent Liabilities and Contingent Assets

##### i) Provisions

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if:

- a. The company has a present obligation as a result of a past event,
- b. A probable outflow of resources is expected to settle the obligation and
- c. The amount of the obligation can be reliably estimated.

##### ii) Contingent Liabilities and Assets

Contingent liabilities are not recognised but disclosed in the case of a present obligation arising from a past event, when it is probable that an outflow of resources will be required to settle the obligation. Contingent Assets are neither recognised nor disclosed.

## T M Mining Company Limited

### Notes to the financial statements

#### 3. Share Capital

	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
<b>Authorised:</b>		
<b>1,000,000 Equity Shares of Rs. 10 each</b>	<b>1,00,00,000</b>	1,00,00,000
<i>(31.03.2014: 1,000,000 Equity Shares of Rs. 10 each)</i>	<u><b>1,00,00,000</b></u>	<u>1,00,00,000</u>
<b>Issued :</b>		
<b>220,000 Equity Shares of Rs. 10 each</b>	<b>22,00,000</b>	15,00,000
<i>(31.03.2014: 150,000 Equity Shares of Rs. 10 each)</i>	<u><b>22,00,000</b></u>	<u>15,00,000</u>
<b>Subscribed and Paid up:</b>		
<b>220,000 Equity Shares of Rs. 10 each</b>	<b>22,00,000</b>	15,00,000
<i>(31.03.2014: 150,000 Equity Shares of Rs. 10 each)</i>	<u><b>22,00,000</b></u>	<u>15,00,000</u>

#### Reconciliation of Number of Shares

	For the year ended 31.03.2015		For the year ended 31.03.2014	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	1,50,000	15,00,000	1,00,000	10,00,000
Issued during the year	<u>70,000</u>	<u>7,00,000</u>	50,000	5,00,000
At the end of the year	<u><b>2,20,000</b></u>	<u><b>22,00,000</b></u>	<u>1,50,000</u>	<u>15,00,000</u>

#### Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	%	No. of Shares	%
Tata Steel Limited (Holding Company)	1,62,800	74%	1,11,000	74%
MMTC Limited	<u>57,200</u>	<u>26%</u>	39,000	26%
	<u><b>2,20,000</b></u>	<u><b>100%</b></u>	<u>1,50,000</u>	<u>100%</u>

#### Rights, preferences and restrictions attached to shares

##### Equity Shares:

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### 4. Reserves and Surplus

	As at 31.03.2015 Rupees	As at 31.03.2014 Rupees
<b>Surplus/(Deficit) in Statement of Profit and Loss</b>		
Balance at the beginning of the year	<b>(16,85,520)</b>	(12,56,168)
Loss for the year	<b>(4,65,908)</b>	(4,29,352)
Balance at the end of the year	<u><b>(21,51,428)</b></u>	<u>(16,85,520)</u>

## T M Mining Company Limited

### Notes to the financial statements

	<b>As at 31.03.2015 Rupees</b>	<b>As at 31.03.2014 Rupees</b>
<b>5. Trade Payable</b>		
i). Creditors for supplies / services	1,71,094	2,48,888
	<b>1,71,094</b>	<b>2,48,888</b>
<b>6. Other Current Liabilities</b>		
i). Statutory Dues		
a). Tax deducted at source	4,500	8,256
	<b>4,500</b>	<b>8,256</b>
<b>7. Loans and Advances</b>		
(Unsecured, Considered good )	<b>As at 31.03.2015 Rupees</b>	<b>As at 31.03.2014 Rupees</b>
	<b>Long term</b>	<b>Short term</b>
i) Advances with Public bodies	38,811	-
	<b>38,811</b>	<b>16,810</b>
	<b>38,811</b>	<b>-</b>
<b>8. Cash and Bank Balances</b>		
i). Balances with banks		
a). Balance with scheduled banks		
(i) In Current Account	1,85,354	54,814
	<b>1,85,354</b>	<b>54,814</b>
	<b>1,85,354</b>	<b>54,814</b>
<b>9. Other Income</b>		
Interest Received from Fixed Deposit	7,750	-
	<b>7,750.00</b>	<b>-</b>
<b>10 Other Expenses</b>		
i). Rates and taxes	18,800	11,300
ii). Professional and Consultation Fees	2,22,046	2,08,248
iii). Printing and Stationery	6,015	1,038
iv). Directors Sitting Fees	1,28,000	1,36,000
v). Auditors' Remuneration		
Audit Fee	50,000	50,000
vi). Other expenses	48,037	22,309
	<b>4,72,898</b>	<b>4,28,895</b>
<b>11. Finance Cost</b>		
i). Interest for delay in payment of dues	760	457
	<b>760</b>	<b>457</b>

## T M Mining Company Limited

### Notes to the financial statements

#### 12. Earnings per Share

Loss after Tax (Rupees.)		<b>(4,65,908)</b>	<b>(4,29,352)</b>
Loss attributable to Ordinary Shareholders (Rupees.)	(A)	<b>(4,65,908)</b>	<b>(4,29,352)</b>
Weighted average no.of Ordinary shares for Basic and Diluted EPS (Nos)	(B)	<b>2,06,192</b>	<b>1,50,000</b>
Nominal Value per Equity Share (Rupees.)		<b>10</b>	10
Earnings Per Ordinary Share for the year Basic and Diluted (Rupees.)	C=(A/B)	<b>(2.26)</b>	<b>(2.86)</b>

13. Since the Company is not having any employees during the year, recognition, measurement and disclosure principles as laid down in the Accounting Standard 15 - Employee benefits are not applicable.
14. The Company is engaged in extraction, exploitation of the mineral blocks/deposits. Hence Mining is the only reportable segment in accordance with Accounting Standard 17 - Segment Reporting
15. Based on and to the extent of information obtained from suppliers regarding their status as Micro, Small or Medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to them as at the end of the year.

#### 16. Related Party Disclosure

##### Related party relationship:

Name of the related party	Relationship
Tata Steel Limited	Promoter Company holding 74% shares.
MMTC Limited	Promoter Company holding 26% shares.

##### Related party transactions:

Name of the related party	Nature of transactions	As at 31.03.2015	As at 31.03.2014	For the year ended 31.03.2015	For the year ended 31.03.2014
Tata Steel Limited	Equity received			<b>5,18,000</b>	3,70,000
	Payables	-		-	
MMTC Limited	Directors sitting fees				
	Equity received			<b>1,82,000</b>	1,30,000
	Payables	-	<b>14,400</b>		

17. The Company has not started commercial operations as on March 31, 2015.
18. Previous year's figures have been regrouped/reclassified where necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board

**Director - Rajeev Singhal**

**Director- Chanakya Chaudhary**

**Director - Assis Flaviano Sequeira**

Place: New Delhi

Date: 25th, April 2015