
INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
TATA KORF ENGINEERING SERVICES LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **TATA KORF ENGINEERING SERVICES LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

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

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

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

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

Bases for Qualified Opinion

- (i) The company accumulated losses of Rs. 102,369,091 which are in excess of its net worth. These factors along with other matters set forth in Note '19' indicate that the assumption of "going concern" in the preparation of financial statements may be inappropriate. We are unable to determine the effect on the values of the recorded assets and liabilities in the event the "going concern" assumption is not considered appropriate in the preparation of financial statements.*
- (ii) Interest on unsecured loans, aggregating to Rs. 93,60,000 (Previous year Rs. 86,40,000) has accrued from April 01, 2005 but the same has not been provided in the books, which constitute departure from the Accounting Standards referred to in Section 133 of the Act. Had this been provided, the Interest expense and accumulated losses as at the yearend would have been higher by Rs. 93,60,000 (Previous year Rs. 86,40,000) and profit for the year would have been lower by Rs. 93,60,000 (Previous year Rs. 86,40,000).*
- (iii) The company has not reinstated its old balances classified as foreign currency receivables and payables, which constitute departure from the Accounting Standard 11.*

This matter was also qualified in our report on the financial statements for the year ended March 31, 2017.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Bases for Qualified Opinion above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India 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, 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) Except for the effects of the matter described in the Bases for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) The matter described in the Bases for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - (f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - (h) With respect to 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 '14' to the financial statements
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **R.S.Ray & Associates**
Chartered Accountants
(Firm Registration No. 320244E)

Prateek Ray
Partner
(Membership No. 308185)

Kolkata, 1st June 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S 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 during the year ended March 31, 2018 was such that the paragraphs 3 (ii), (iv), (v), (vi), (ix), (x) and (xi) of CARO are not applicable.
- (ii) In respect of its fixed assets:
- (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (iii) 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.
- (iv) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (c) As at March 31, 2018, according to the information and explanations given to us, details of dues of Income Tax which have not been deposited on account of any dispute are given below:

Name of Statute	Nature of dues	Amount (Rs in Lacs)	Period to which the amount relates (AY)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	167.10	1999-00 2004-05	Commissioner of Income Tax (Appeals)
Employee State Insurance Act, 1948	ESI	4.81	2003-04	ESI Commissioner (Appeals)
FEMA	Customs Duty	225.00	2005-06	High Court Of Kolkata

- (d) There were no amounts to be transferred to the Investor Education and Protection Fund.
- (v) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (vi) As at March 31, 2018, the accumulated losses of the company are in excess of its paid up capital and free reserves and has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (vii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **R.S.Ray & Associates**
Chartered Accountants
(Firm Registration No. 320244E)

Prateek Ray
Partner
(Membership No. 308185)

Kolkata, 1st June 2018

Tata Korf Engineering Services Limited

Balance Sheet as at March 31, 2018

CIN:- U74210WB1985PLC039675

	Notes	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	03	4,000,000	4,000,000
(b) Reserves and surplus	04	(102,369,091)	(101,976,533)
		(98,369,091)	(97,976,533)
(2) Non-current liabilities			
(a) Long-term borrowings	05	39,876,144	39,876,144
(b) Other Long-term liabilities	06	66,567,255	66,572,431
		106,443,399	106,448,575
(3) Current liabilities			
(a) Trade payables	07	855,087	612,883
(b) Other current liabilities	07	-	-
		855,087	612,883
TOTAL EQUITY AND LIABILITIES		8,929,395	9,084,925
(II) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	08	-	-
(b) Long-term loans and advances	09	8,225,932	8,230,933
(c) Other non current assets	10	496,054	496,076
		8,721,986	8,727,009
(2) Current assets			
(c) Cash and Bank balances	11	207,409	357,916
		207,409	357,916
TOTAL ASSETS		8,929,395	9,084,925

Accounting Policies 01-02

Other Notes to Financial Statements 14-22

The Notes referred to above form an integral part of Financial Statements

In terms of our report attached

For and on behalf of the Board

For R.S.Ray & Associates

Chartered Accountants

FRN-320244E

Prateek Ray
Partner
M. No.-308185

VISHWANATH GURUNATH
MALAGI
Director
DIN-00095480

SUMIT
SHUBHADARSHAN
Director
DIN-07004155

Place : Kolkata

Date : 1st June, 2018

Tata Korf Engineering Services Limited
Statement of Profit and Loss for the year ended March 31, 2018
CIN:- U74210WB1985PLC039675

	Note	For the year ended 31.03.2018 Rs.	For the year ended 31.03.2017 Rs.
I Revenue from operations		-	-
II Other Income	12	-	-
III Total Revenue (I + II)		-	-
IV EXPENSES			
(a) Raw Material Consumed		-	-
(b) Changes in stock of finished goods and work-in-progress		-	-
(c) Employee benefits expense		-	-
(d) Finance costs		-	-
(e) Depreciation and amortisation expense	08	-	-
(f) Other expenses	13	392,558	221,204
Total Expenses (IV)		392,558	221,204
V Profit before tax (III - IV)		(392,558)	(221,204)
VI Tax Expense			
(1) Current tax		-	-
(2) Deferred tax (refer note no. 30)		-	-
Total tax expense		-	-
VII Profit for the period (V - VI)		(392,558)	(221,204)
VIII Earnings per equity share Of Rs. 10 each (Basic and Diluted):	16	(0.98)	(0.55)

Accounting Policies 01-02

Other Notes to Financial Statements 14-22

The Notes referred to above form an integral part of the Financial statements

In terms of our report attached

For and on behalf of the Board

For R.S.Ray & Associates
Chartered Accountants
FRN-320244E

Prateek Ray
Partner
M. No.-308185

VISHWANATH
GURUNATH MALAGI
Director
DIN-00095480

SUMIT
SHUBHADARSHAN
Director
DIN-07004155

Place : Kolkata

Date : 1st June, 2018

Tata Korf Engineering Services Limited
Cash Flow Statement for the year ended March 31, 2018
CIN:- U74210WB1985PLC039675

	For the year ended 31.03.2018 Rs.	For the year ended 31.03.2017 Rs.
A. Cash Flow from Operating activities:		
Profit before taxes	(392,558)	(221,204)
<i>Adjustments for:</i>		
Depreciation	-	-
Bad debts written off	-	-
Provision for Bad Debts written back	-	-
Foreign Exchange Fluctuation	-	-
Operating profit before working capital changes	(392,558)	(221,204)
<i>Adjustments for:</i>		
Movements in trade receivables, loans and advances and other receivables	5,023	-
Movements in inventories	-	-
Movements in trade payables, other payables and provisions	237,028	221,204
Cash generated from operations	(150,507)	-
Direct taxes paid	-	-
Net cash from operating activities	(150,507)	-
B. Cash Flow from Investing activities:		
Purchase of fixed assets	-	-
Sale of fixed assets	-	-
Interest received	-	-
Net cash used in investing activities	-	-
C. Cash Flow from Financing activities:		
Interest paid	-	-
Proceeds from borrowings	-	-
Repayment of Borrowings	-	-
Net cash from financing activities	-	-
Net increase or decrease in cash and cash equivalents	(150,507)	-
Cash and cash equivalents as at 1st April ¹	357,916	357,916
Cash and cash equivalents as at 31st March ¹	207,409	357,916

Notes:

- Includes cash in hand, balance in current accounts with banks.
- Figures in brackets represent outflows

In terms of our report attached

For and on behalf of the Board of Directors

For R.S.Ray & Associates
Chartered Accountants
FRN-320244E

Prateek Ray
Partner
M. No.-308185

VISHWANATH
GURUNATH MALAGI
Director
DIN-00095480

SUMIT
SHUBHADARSHAN
Director
DIN-07004155

Place : Kolkata

Date : 1st June, 2018

Tata Korf Engineering Services Limited

Notes to the Financial Statements (Contd..)

1. Corporate information

Tata Korf Engineering Services Limited ("the Company") was engaged in metallurgical plant and equipment, feasibility studies, consultancy, technology supply, engineering project services for steel plants. Presently the company has ceased any sort of manufacturing and trading activities. The company is a wholly owned subsidiary of TATA Steel Limited.

2. Significant Accounting Policies

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention on an accrual basis of accounting in accordance with Generally Accepted Accounting Principles in India, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof.

b) Use of Estimates and Judgements

In preparation of the financial statements, the company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

c) Fixed Assets

Tangible Assets

All fixed assets are valued at cost less depreciation and amortisation. Interest on borrowings and financing cost during the period of construction is added to the cost of fixed assets.

d) Depreciation

All fixed assets are depreciated on the Written down Value Method at the rates specified in Schedule II to the Companies Act, 2013 or based on technical estimate made by the Company. The details of estimated life for each category of asset are as under:

Furniture & Fixture - 10 years

Office Equipment - 5 years

e) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital.

f) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

g) Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts

Tata Korf Engineering Services Limited

Notes to the Financial Statements

h) Revenue Recognition

Revenue from Operations

Revenue from engineering service contracts are recognized on a percentage completion basis and such recognition commences only after a project is at least 50% complete.

Revenue from Services

Revenue from rendering of services are recognized on completion of milestones specified in the contracts.

i) Foreign Exchange Transactions

Foreign Currency transactions are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities in currencies other than the reporting currency are re measured at the rates of exchange prevailing at the balance sheet date. Exchange differences arising on the settlement of monetary items, and on the re measurement of monetary items, are included in the profit and loss for the year. In respect of transaction covered by foreign exchange contracts, the difference between the contract rate and spot rate on the date of transaction is charged to statement of Profit & Loss over the period of contract.

Reinstatement of old , non-moving balances as per IndAS 21 have been ceased from FY1617 Onwards

j) Taxes on Income

Current Taxes

Provision for Current tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised, by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. In case of tax holiday, deferred tax is recognised for the timing differences which reverse after the expiry of tax holiday period.

n) 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 after tax attributable to equity share holders by the weighted average numbers of equity shares outstanding during the year.

Diluted earnings during the year adjusted for the effects of all dilutive potential equity shares per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

Tata Korf Engineering Services Limited
Notes to the Financial Statements
03 Share Capital

	As at 31.03.2018	As at 31.03.2017
	Rs.	Rs.
Authorised:		
500,000 Equity Shares of Rs. 10 each <i>(31.03.2018: 500,000 Equity Shares of Rs. 10 each)</i>	5,000,000	5,000,000
	5,000,000	5,000,000
Issued, Subscribed and Fully Paid up:		
400,000 Equity Shares of Rs. 10 each <i>(31.03.2018: 400,000 Equity Shares of Rs. 10 each)</i>	4,000,000	4,000,000
Total Share Capital	4,000,000	4,000,000

Note :

- 200,000 shares were issued in 1997-98 as fully paid up Bonus shares by capitalisation of General Reserve.

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number of shares	Rs.	Number of shares	Rs.
Equity shares with voting rights				
Opening Balance	400,000	4,000,000	400,000	4,000,000
Closing Balance	400,000	4,000,000	400,000	4,000,000

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Equity shares with voting rights	
	Number of shares	%age
As at 31.03.2018		
Tata Steel Ltd	399,990	99.99
As at 31.03.2017		
Tata Steel Ltd	399,990	99.99

(iii) The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principle rights are as follows:

The Company has only one class of share capital namely Ordinary Shares having a face value of Rs. 10 per share.

- (a) In respect of every Ordinary Share (whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid up on such Ordinary Share bears to the total paid up ordinary capital of the Company.
- (b) 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.
- (c) In the event of liquidation, the shareholders of Ordinary Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

Tata Korf Engineering Services Limited
Notes to the Financial Statements

04 Reserves & Surplus

	For the year ended 31.03.2018 Rs.	For the year ended 31.03.2017 Rs.
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	(101,976,533)	(101,755,329)
Profit for the year	(392,558)	(221,204)
Balance at the end of the year	(102,369,091)	(101,976,533)

05 Long Term Borrowings

	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
A. Unsecured Borrowings		
(a) Loan from Others		
(1) From Tata Finance Ltd. *	4,876,279	4,876,279
(b) Loan from Related Parties		
(1) From Tata Steel Limited, the Holding Company	34,999,865	34,999,865
Total Unsecured Borrowings	39,876,144	39,876,144

Note * Including interest accrued and due Rs. 876,279 (31.03.17 - Rs. 876,279)

06 Other Long Term Liabilities

	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
(a) Trade Payables	58,454,522	58,459,523
(b) Advances from customers		-
(c) Other Liabilities	8,112,733	8,112,908
Total Other Long Term Liabilities	66,567,255	66,572,431

07 Trade and other payables

	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
Current Liabilities		
(I) Trade Payables		
Creditors for supplies / services	855,087	612,883
(I) Total Trade Payables	855,087	612,883
(II) Other Current Liabilities		
(a) Creditors for other liabilities	-	-
(1) Employee recoveries and employer contributions	-	-
(2) Statutory Dues	-	-
(3) Advance billing - dues to customer for construction in progress	-	-
(II) Total Other current liabilities	-	-

Tata Korf Engineering Services Limited

Notes to the Financial Statements

08 Tangible assets

	As at 31.03.2018	Furniture and fixtures	Office Equipments	Rs. Total Tangible Assets
Cost at beginning of year		42,716	1,448,120	1,490,836
Additions		-	-	-
Disposals/Adjustments		-	-	-
Cost at end of period		42,716	1,448,120	1,490,836
Accumulated Depreciation at beginning of year		42,716	1,448,120	1,490,836
Impact of adoption of Schedule II		-	-	-
Charge for the period		-	-	-
Disposals/Adjustments		-	-	-
Accumulated Depreciation at end of year		42,716	1,448,120	1,490,836
Net book value at beginning of year		-	-	-
Net book value at end of year		-	-	-

	As at 31.03.2017	Furniture and Fixtures	Office Equipments	Rs. Total Tangible Assets
Cost at beginning of year		42,716	1,448,120	1,490,836
Additions		-	-	-
Disposals		-	-	-
Cost at end of year		42,716	1,448,120	1,490,836
Accumulated Depreciation at beginning of year		42,716	1,448,120	1,490,836
Charge for the year		-	-	-
Disposals		-	-	-
Accumulated Depreciation at end of year		42,716	1,448,120	1,490,836
Net book value at beginning of year		-	-	-
Net book value at end of year		-	-	-

Tata Korf Engineering Services Limited
Notes to the Financial Statements
09 Long Term Loans and advances

	As at 31.03.2018	As at 31.03.2017
	Rs.	Rs.
Loans and advances		
(a) Security Deposits		
Unsecured and Considered Good	250,000	250,000
Unsecured and Considered Doubtful	252,713	252,713
Less: Provision for Bad & Doubtful Loans & Advances	252,713	252,713
	<u>250,000</u>	<u>250,000</u>
(b) Inter Corporate Loans to Sanderson Industries Ltd.		
Unsecured and Considered Good	-	-
Unsecured and Considered Doubtful	4,000,000	4,000,000
Less: Provision for Bad & Doubtful Loans & Advances	4,000,000	4,000,000
	<u>-</u>	<u>-</u>
(c) Other loans and advances		
(1) Advances with Public Bodies		
Unsecured and Considered Good	5,625,000	5,782,163
Unsecured and Considered Doubtful	134,175	134,175
Less: Provision for Bad & Doubtful Loans & Advances	134,175	134,175
	<u>5,625,000</u>	<u>5,782,163</u>
(2) Advance Payment of Tax	2,349,922	2,192,760
Net of Provision : ` 2577.77 Thousands (31.3.2017: ` 2577.77 Thousands)		
(3) Other Advances and Prepayments		
Unsecured and Considered Good	1,010	6,010
Unsecured and Considered Doubtful	1,145,456	1,145,456
Less: Provision for Bad & Doubtful Loans & Advances	1,145,456	1,145,456
	<u>1,010</u>	<u>6,010</u>
Other loans and advances Total (1+2+3)	<u>7,975,932</u>	<u>7,980,933</u>
Loans and advances (a+b+c)	<u>8,225,932</u>	<u>8,230,933</u>
Classification of loans and advances		
Secured, considered good	-	-
Unsecured, considered good	8,225,932	8,230,933
Doubtful	5,532,344	5,532,344
Gross Loans and advances	<u>13,758,276</u>	<u>13,763,277</u>

Tata Korf Engineering Services Limited

Notes to the Financial Statements

10 Other Non Current Assets

	As at 31.03.2018	As at 31.03.2017
	Rs.	Rs.
Non Current Trade receivable (unsecured, considered good)		
(1) More than six months	496,054	10,125,692
(2) Others	-	-
Gross Non Current Trade Receivables	496,054	10,125,692
Less: Provision for bad and doubtful debts		9,629,616
Net Current Trade Receivables	496,054	496,076
Classification of Non Current Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	496,054	496,076
Doubtful	-	9,629,616
Total Non Current Trade Receivables	496,054	10,125,692

11 Cash and Bank balances

	As at 31.03.2018	As at 31.03.2017
	Rs.	Rs.
(a) Cash in hand	66	66
(b) Balances with banks in current account	207,343	357,850
In Current Account	207,343	357,850
Total cash and cash equivalents	207,409	357,916
Total Cash and Bank Balances	207,409	357,916

Tata Korf Engineering Services Limited
Notes to the Financial Statements

12 Other Income

	As at 31.03.2018	As at 31.03.2017
	Rs.	Rs.
(a) Exchange rate fluctuation	-	-
(b) Provision for Bad Debts written back	-	-
Total other incomes	-	-

13 Other Expenses

	For the year ended 31.03.2018	For the year ended 31.03.2017
	Rs.	Rs.
(a) Rent	48,000	48,000
(b) Payments to auditors (Refer Note (i) below)	57,500	57,500
(c) Legal and other professional costs	280,704	76,104
(d) Bank Charges	6,354	-
(e) Filing Fees	-	19,600
(f) Net loss on foreign currency transactions	-	-
(g) Bad Debts written off	-	-
(h) Appeal Fees	-	20,000
(i) Other General Expenses	-	-
Total Other Expenses	392,558	221,204

Note (i)

Particulars	As at 31.03.2018	As at 31.03.2017
	Rs.	Rs.
(a) For Statutory Audit	28,750	28,750
(b) For Taxation Matters	28,750	28,750
	57,500	57,500

Tata Korf Engineering Services Limited
Notes to the Financial Statements

14 Contingent Liabilities

	<u>31.03.2018 (Rs.)</u>	<u>31.03.2017 (Rs.)</u>
Contingent Liabilities not provided for		
a) Income Tax Matters	16,710,287	16,710,287
b) ESI demands under appeal	481,252	481,252
c) FEMA	22,500,000	22,500,000

15 Other Liabilities include Rs. 194,345 (31.03.2017: Rs. 194,345) being amount held on behalf of an erstwhile employee of the Company's erstwhile overseas collaborator on account of income-tax liability, if any, that may become payable in India.

16 The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	<u>As at Mar'18</u>		<u>As at Mar'17</u>	
	Foreign Currency Equivalent	Amount (Rs.)	Foreign Currency Equivalent	Amount (Rs.)
<u>Amount payable in foreign currency</u>				
USD	86,708	5,620,673	86,708	5,903,127
DM	959,285	39,172,499	959,285	35,662,401
Pound	16,700	1,516,472	16,700	1,350,691
		<u>46,309,643</u>		<u>42,916,219</u>
		For the year ended 31.03.2018		For the year ended 31.03.2018
17 Earnings per share				
Profit / (Loss) attributable to Ordinary shareholders (Rs.)		(392,558)		(221,204)
Weighted average number of ordinary equity shares for Basic and Diluted EPS		400,000		400,000
Nominal value per equity share- Rs.		10		10
Basic and diluted earnings per share (Rs.)		(0.98)		(0.55)

18 Related party transaction

a). List of Related Parties and Relationship

(i) Enterprises having control over the Company

Name of Company	Relationship	Country
TATA Steel Limited	Holding Company	INDIA
TATA Steel Processing & Distribution Limited	Fellow Subsidiary Company	INDIA

(ii) Related Party Transactions

Transactions	Holding Company	Fellow Subsidiary	Directors
Loans Taken			
TATA Steel Limited	- (6,325,000)	- -	- -
Loans Outstanding			
TATA Steel Limited	34,999,865 (34,999,865)	- -	- -
Sundry Debtors			
TATA Steel Limited	110,000 (110,000)	- -	- -
TATA Steel Processing & Distribution Limited	- -	- (1,310)	- -
Security Deposits			
TATA Steel Limited	8,000 (8,000)	- -	- -
Sundry Creditors			
TATA Steel Limited	6,548,329 (6,548,329)	- -	- -

19 Going Concern

The accumulated losses of the Company as at 31st March' 2018 exceeds its paid up share capital. The Company has practically closed its operations. Pending the preparation of a scheme, the financial statements have been prepared on a "going concern" basis.

20 Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17) prescribed by the Companies (Accounting Standard) Rule 2006. Considering the dominant source, nature of risks and return of the Company, its internal organization and management structure and its system of internal financial reporting, business segment segment has been considered as the primary reporting segment. The Company being engaged in metallurgical plant and equipment, feasibility studies, consultancy, technology supply, engineering project services for steel plants. It is considered to be operating in a single business segment.

21 Based on and to the extent of information obtained from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no dues to Micro, Small and Medium enterprises that are outstanding as at 31 March, 2018

22 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

VISHWANATH GURUNATH MALAGI
Director
DIN-00095480

SUMIT SHUBHADRASHAN
Director
DIN-07004155

Place : Kolkata
Date : 1st June, 2018