



- AIRPORTS
- HIGHWAYS
- INFRASTRUCTURE
- RAILWAYS
- REAL ESTATE

Date: 31st September, 2016

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 2015-2016

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the soft copy of the Annual report for the financial year 2015-2016 as approved and adopted by the shareholders of the company at the 31st Annual general meeting held on 29th September, 2016.

Kindly take the above intimation on your record

Regards
For **TARMAT LTD**

S. Chakraborty
(Company Secretary)
Mob: 9594986433



TARMAT LIMITED

General Ak 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 • Website : www.tarmatlimited.com
CIN : L45203MH1986PLC038535



TARMAT



TARMAT LIMITED
31st ANNUAL REPORT
2015-16

AIRPORTS

HIGHWAYS

INFRASTRUCTURE

RAILWAYS

REAL ESTATE



COMPANY INFORMATION

Board of Directors

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

Chief Financial Officer

Mr. Shridhar Shetty

Company Secretary

Mr. Shivatosh Chakraborty

Statutory Auditors

M/s Hegde and Associates
Chartered Accountants
B/10, 1st Floor, New Putlibai Kapol Niwas CHS Ltd,
S. V. Road, Vile Parle (West), Mumbai 400 056.

Bankers

Vijaya Bank
Kotak Mahindra Bank Ltd.

Registered Office

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

Registrars & Transfer Agents

Bigshare Services Private Limited
E/2, Ansa Industrial Estate, Saki Vihar Road,
Andheri (E), Mumbai- 400 072
Phones +91-22-28470652/0653
Fax: +91-22-28475207
Email: bigshare@sify.com
Website: www.bigshareonline.com

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Notice of the Annual General Meeting

NOTICE is hereby given that 31st **ANNUAL GENERAL MEETING** of the Members of **TARMAT LIMITED** will be held on Thursday 29th September 2016 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 2016, the Statement of Profit and Loss Account for the year ended 31st March 2016 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 Mr. Dilip Varghese (DIN 01424196), who retires by rotation and being eligible, offers himself for reappointment..

Item No. 3 - Ratification of 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 Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time and pursuant to the recommendations of the Audit Committee, the Company hereby ratifies the appointment of M/s. Hegde and Associates, Chartered Accountants (Firms Registration no.103610W) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Next Annual General Meeting of the Company to be held in year 2017 to examine and audit the accounts of the Company for the Financial Year 2016-17 at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc., as may be mutually agreed 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 ₹ 75,000/- (Rupees Seventy five thousand only) plus service tax 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 31 March, 2017."

By Order of the Board of Directors

Sd/-

Date : 11th August 2016

Place : Mumbai

S. Chakraborty

Company Secretary

NOTES:-

- 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.**
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 pertaining to the business under Item No. 4 set out above Notice is annexed hereto.
- 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.
- Members are requested to bring their Attendance Slip along their copy of the Annual Report to the meeting.
- 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 E/2, Ansa Industrial Estate, Saki Vihar Road, Anderi (E), Mumbai -400072 Maharashtra in respect of their physical share folios, if any.
8. The Register of Members and the Share Transfer Book of the Company will remain closed from 23.09.2016 to 29.09.2016 (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. 22.09.2016.
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 26.09.2016, 09.00 a.m. and ends on 28.09.2016, 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 22.09.2016, 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,
 - (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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	<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"> 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. 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.
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"> 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).

- (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 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.
 - 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 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, under help section or write an email to 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 <Date and Time> and ends on <Date and Time>. 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 <Record Date>, 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 under help section or write an email to 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 28th May 2016, the Board has, considered and

approved the appointment of Mr. Satish R shah, Cost Accountants as the cost auditor for the financial year 2016-2017 at a remuneration of Rs 75,000 (Rupees Seventy five thousand Only) plus service tax 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.

By Order of the Board of Directors

Sd/-

Date : 11th August 2016

Place : Mumbai

S. Chakraborty

Company Secretary

Profile of Directors

Particulars	Mr. Dilip Varghese
Date of Birth	12/02/1984
Date of Appointment	14/06/2006
Qualification and Experience	Bachelor of Science (Management) & Bachelor of Science (Marketing), SAP Certification Exp. 4 years
Directorship in other public companies	NIL
Director's shareholdings	1063463 shares
Relationship with Directors	Mr.Dilip Varghese is the son of Mr. Jerry Varghese & Mrs. Saramma Varghese
No. of Board meetings attended out of 4 meetings held during the year	04

ROUTE MAP TO THE AGM VENUE



Directors' Report

To,
The Members,
Your Directors have pleasure in presenting their 31st Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

1. Financial summary Performance of the Company:

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

(₹ In Lakh)

Particulars	Standalone		Consolidated	
	2016	2015	2016	2015
Total Income	5433.07	6768.08	9208.29	8371.76
Profit for the year (After Tax)	81.67	(2095.48)	71.03	(2084.85)

2. Performance of the company:

The profit (after tax) during the year ending 31st March 2016 was ₹ 81.67 lakh against loss of ₹ (2095.48) lakh for the previous year ended 31st March 2015.

Global economy recovery during the year remains sluggish, fragile and uninspiring. In advanced economy the recovery was modest and largely uneven. India continued to be one of the most attractive economies. During the 2015-16, the economy grew by 7.6%.

The Company undertaken some important project.

Future prospects

The Govt. is focusing on reforms to spearhead infrastructure development in Railways, Roads and highways as well as power sector. The Govt's focus on infrastructure development, creation of manufacturing hub give us confidence to make significant innovation in this sector.

The Company has healthy order book of approximately ₹ 300 crore to be executed over the next 2.5 years.

Capital and Finance:

As in the past a major concern for the origination is the high interest cost, which was found extremely difficult to match with the previous trend in delayed payment receipts.

As reported in the previous year, in order to reduce the overall debt, the organization has identified certain key assets, which have been partly cashed, and has brought down overall exposure to Bank and thus reduced the interest cost.

3. Dividend

During the year 2015-16 the performance did not match expectation. Cash flow has not substantially improved as the company did not receive disbursements from customers on timely basis. To regularise the funds flow, your directors decided to retain the resources and hence do not recommend any dividend for this year too.

4. Reserves

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

5. Directors and Key Managerial Personnel

Mr. Dilip Varghese, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself 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 expect default in repayment of interest due to Vijaya 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 -II**.

There are no employees in the company during the year under review who is in receipt of remuneration of

₹ 60,00,000 p.a. or ₹ 5,00,000 p.m. if employed during the part of the year.

8. Meetings

Four Board Meetings, four Audit Committee Meeting and four stakeholder relationship committee meeting were convened and held during the year. 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.

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 were observed.

14. Auditors

Pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, M/s. Hegde & Associates, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of this Annual General Meeting [AGM] till the conclusion of next AGM, subject to ratification of their appointment at every AGM.

15. Statutory Auditors' Report:

The Company has received Statutory Auditors' Report with few observations on which the management replies are as below:-

1. The Management stand on non provision of interest of Vijaya Bank & Kotak Mahindra Bank Ltd. Loans is as below:-
 - A. The Companies Account is classified as NPA by Vijaya Bank & Kotak Mahindra Bank Ltd.
 - B. The Company has disputed the quantum and percentage of interest charged by the Bank and the matter is sub-judice.
2. The accounts are in reconciliation with the parties and the confirmation statements will be made available very shortly. The same will be furnished to the auditors as well.
3. Amount of ₹6,56,000.00 is being transferred to the Investors education and protection fund during the current financial year.

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-III** to this report. The Company has received the Secretarial Audit report with few observations on which the management replies are as below.

1. Notice was obtained but not the deposit. However, the same will be followed from the current year.
2. Necessary formalities have been done including obtaining bank accounts and the fund is remitted to Investors Education & protection fund during the current year.

3. The form is filed late during the current year with the late filing fees.

17. Disclosure about Cost Audit:

As per the Cost Audit Orders, Cost Audit is applicable to the Company for the FY 2016-17.

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 2016-17. 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, 2016, Company has one 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.

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.

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-I**.

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 2016 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, 2016.

26. Corporate Governance:

As required by SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 the Corporate Governance Report form 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

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (i) in the preparation of the annual accounts, the applicable accounting standards had 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. 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

30. 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/-
CHAIRMAN

Date: 11th August, 2016

Place: Mumbai.

Annexure I
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016.

[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) E/2, Ansa Industrial Estate, Saki Vihar Road, Andheri (E), Mumbai- 400 072 Phones +91-22-28470652/0653 Fax: +91-22-28475207 Email: bigshare@sify.com Website: www.bigshareonline.com

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					

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the Year (01.04.2015)				No. of share held at the end of the year (31.03.2016)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
1. Indian									
(a) Individual/HUF	5532844	198	5533042	50.48%	5566471	198	5566669	50.79%	0.31%
(b) Central Govt.	0	0	0	0.00%	0	0	0	0.00%	0.00%
(c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
(d) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
(e) Banks/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%

(f) Any Other									
(i) Directors Relatives	0	0	0	0.00%	0	0	0	0.00%	0.00%
(ii) Group companies	1361328	120	1361448	12.42%	1361328	120	1361448	12.42%	0.00%
(iii) Trusts	0	0	0	0.00%					
Sub-Total (A) (1):-	6894172	318	6894490	62.90%	6927799	318	6928117	63.21%	0.31%
1. Foreign									
(a) NRIs-Individual	0	0	0	0.00%	0	0	0	0.00%	0.00%
(b) Other-Individual	0	0	0	0.00%	0	0	0	0.00%	0.00%
(c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
(d) Banks/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
(e) Any Other	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-Total (A) (2):-	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	6894172	318	6894490	62.90%	6927799	318	6928117	63.21%	0.31%
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
(b) Banks/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
(c) Central Govt.	0	0	0	0.00%	0	0	0	0.00%	0.00%
(d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
(e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
(f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
(g) FIIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
(h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
(i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-Total (B) (1):-	0	0	0	0.00%	0	0	0	0.00%	0.00%
2. Non-Institutions									
(a) Bodies Corp.	977640	0	977640	8.92%	821759	0	821759	7.49%	-1.43%
(b) Individuals									
(1) Individual Shareholders holding nominal share capital upto ₹1 lakh	1792976	1	1792977	16.36%	2058388	1	2058387	18.78%	2.42%
(2) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1148909	0	1148909	10.48%	1054022	0	1054022	9.62%	-0.86%
(c) Qualified Foreign Investor	0	0	0	0.00%	0	0	0	0.00%	0.00%
(d) Any others:									
1. Clearing Member	47838	0	47838	0.44%	2137	0	2137	0.02%	-0.42%
2. NRI	98853	0	98853	0.90%	96284	0	96284	0.88%	0.02%
Sub-Total (B) (2):-	4066216	1	4066217	37.10%	4032589	1	4032590	36.79%	-0.31%
Total Public Shareholding (B) = (B)(1) + (B)(2)	4066216	1	4066217	37.10%	4032589	1	4032590	36.79%	-0.31%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0.00%
Grand Total (A+B+C)	10960388	319	10960707	100.00%	10960388	319	10960707	100.00%	0.00%

(ii) Shareholding of Promoter-

SL No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Jerry Varghese	3241820	29.58%	0.00%	3241820	29.58%	0.00%	0.00%
2	M/s. Tarmat holdings Pvt Ltd	1361328	12.42%	0.00%	1361328	12.42%	0.00%	0.00%
3	Mr. Dilip Varghese	1063463	9.70%	0.00%	1063463	9.70%	0.00%	0.00%
4	Mrs. Saramma Jerry Varghese	1051161	9.59%	0.00%	1051161	9.59%	0.00%	0.00%
5	Mrs. Sneha Varghese	176400	1.61%	0.00%	176400	1.61%	0.00%	0.00%
6	Mrs. Neha Dilip Varghese	-	-	-	33627	0.31%	0.00%	0.31%
7	Mr. George Varghese	198	0.00%	0.00%	198	0.00%	0.00%	0.00%
8	M/s Tarmat Construction Pvt. Ltd.	120	0.00%	0.00%	120	0.00%	0.00%	0.00%
	Total	6894490	62.9019%	00.00%	6928117	63.2087%	00.00%	00.31%

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

SL No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Jerry Varghese				
	At the beginning of the year 01st April, 2015	3241820	29.58%	3241820	29.58%
	Acquisition during the year	Nil	0.00%	3241820	29.58%
	Sale during the year	Nil	0.00%	3241820	29.58%
	At the end of the year 31st March, 2016			3241820	29.58%
2	M/s. Tarmat holdings Pvt Ltd				
	At the beginning of the year 01st April, 2015	1361328	12.42%	1361328	12.42%
	Acquisition during the year	Nil	0.00%	1361328	12.42%
	Sale during the year	Nil	0.00%	1361328	12.42%
	At the end of the year 31st March, 2016			1361328	12.42%
3	Mr. Dilip Varghese				
	At the beginning of the year 01st April, 2015	1063463	9.70%	1063463	9.70%
	Acquisition during the year	Nil	0.00%	1063463	9.70%
	Sale during the year	Nil	0.00%	1063463	9.70%
	At the end of the year 31st March, 2016			1063463	9.70%
4	Mrs. Saramma Jerry Varghese				
	At the beginning of the year 01st April, 2015	1051161	9.59%	1051161	9.59%

	Acquisition during the year	Nil	0.00%	1051161	9.59%
	Sale during the year	Nil	0.00%	1051161	9.59%
	At the end of the year 31st March, 2016			1051161	9.59%
5	Mrs. Sneha Varghese				
	At the beginning of the year 01st April, 2015	176400	1.61%	176400	1.61%
	Acquisition during the year	Nil	0.00%	176400	1.61%
	Sale during the year	Nil	0.00%	176400	1.61%
	At the end of the year 31st March, 2016			176400	1.61%
6	Mrs. Neha Dilip Varghese				
	Added in Promoter group (2nd Quarter of financial year 2015-2016)	28428	0.26%	28428	0.26%
	Acquisition of shares on 26th August, 2015	5000	0.04562	33428	0.305
	Acquisition of shares on 08th October, 2015	199	0.00%	33627	0.3068
	Sale during the year	Nil	0.00%		0.3068
	At the end of the year 31st March, 2016			33627	0.3068
7	Mr. George Varghese				
	At the beginning of the year 01st April, 2015	198	00.0018%	198	00.0018%
	Acquisition during the year	Nil	0.00%	198	00.0018%
	Sale during the year	Nil	0.00%	198	00.0018%
	At the end of the year 31st March, 2016			198	00.0018%
8	M/s Tarmat Construction Pvt. Ltd.				
	At the beginning of the year 01st April, 2015	120	00.0011%	120	00.0011%
	Acquisition during the year	Nil	0.00%	120	00.0011%
	Sale during the year	Nil	0.00%	120	00.0011%
	At the end of the year 31st March, 2016			120	00.0011%

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

SL No.	For Each of the Top 10 Shareholders	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	KUNAL KIRTI KOTHARI				
	At the beginning of the year 01st April, 2015	Nil	Nil	Nil	Nil
	Acquisition during the year	294131	2.68	294131	2.68
	Sale during the year	Nil	Nil	294131	2.68
	At the end of the year 31st March, 2016			294131	2.68
2	DEVANG BHAGWANDAS THAKKAR				
	At the beginning of the year 01st April, 2015	210000	1.92	210000	1.92
	Acquisition during the year	Nil	Nil	210000	1.92
	Sale during the year	210000	1.92	Nil	Nil
	At the end of the year 31st March, 2016			Nil	Nil
3	PINE TREE CONSULTANTS PVT LTD				
	At the beginning of the year 01st April, 2015	150000	1.37	150000	1.37
	Acquisition during the year	1500	0.01	151500	1.38
	Sale during the year	141500	1.29	10000	0.09
	At the end of the year 31st March, 2016			10000	0.09

4	PINE TREE CAPITAL MARKETS PVT LIMITED				
	At the beginning of the year 01st April, 2015	Nil	Nil	Nil	Nil
	Acquisition during the year	140000	1.28	140000	1.28
	Sale during the year	Nil	Nil	140000	1.28
	At the end of the year 31st March, 2016			140000	1.28
5	AARAM AGRICULTURE PRIVATE LIMITED				
	At the beginning of the year 01st April, 2015	129982	1.19	129982	1.19
	Acquisition during the year	Nil	Nil	129982	1.19
	Sale during the year	3000	0.03	126982	1.16
	At the end of the year 31st March, 2016			126982	1.16
6	RASILA KIRTI KOTHARI				
	At the beginning of the year 01st April, 2015	97853	0.89	97853	0.89
	Acquisition during the year	8114	0.08	105967	0.97
	Sale during the year	Nil	Nil	105967	0.97
	At the end of the year 31st March, 2016			105967	0.97
7	VISHANJI SHAMJI DEDHIA				
	At the beginning of the year 01st April, 2015	Nil	Nil	Nil	Nil
	Acquisition during the year	103930	0.95	103930	0.95
	Sale during the year	2340	0.02	101590	0.93
	At the end of the year 31st March, 2016			101590	0.93
8	KASTURBEN VALLABJI GOSAR				
	At the beginning of the year 01st April, 2015	100000	0.91	100000	0.91
	Acquisition during the year	Nil	Nil	100000	0.91
	Sale during the year	30000	0.27	70000	0.64
	At the end of the year 31st March, 2016			70000	0.64
9	SAPPHIRE BIZFORECASTING AND CONSULTING PVT LTD				
	At the beginning of the year 01st April, 2015	100000	0.91	100000	0.91
	Acquisition during the year	Nil	Nil	100000	0.91
	Sale during the year	Nil	Nil	100000	0.91
	At the end of the year 31st March, 2016			100000	0.91
10	ELLIS EQUITY ADVISORS PVT LTD				
	At the beginning of the year 01st April, 2015	98742	0.9	98742	0.9
	Acquisition during the year	Nil	Nil	98742	0.9
	Sale during the year	Nil	Nil	98742	0.9
	At the end of the year 31st March, 2016			98742	0.9
11	DUGAR GROWTH FUND PRIVATE LIMITED				
	At the beginning of the year 01st April, 2015	96477	0.88	96477	0.88
	Acquisition during the year	Nil	Nil	96477	0.88
	Sale during the year	67380	0.61	29097	0.27
	At the end of the year 31st March, 2016			29097	0.27
12	GRESHMA FINVEST PRIVATE LIMITED				
	At the beginning of the year 01st April, 2015	81659	0.75	81659	0.75
	Acquisition during the year	Nil	Nil	81659	0.75
	Sale during the year	81659	0.75	Nil	Nil
	At the end of the year 31st March, 2016			Nil	Nil
13	PRAKASH JAIKISHIN BHOJWANI				
	At the beginning of the year 01st April, 2015	80861	0.74	80861	0.74
	Acquisition during the year	Nil	Nil	80861	0.74

	Sale during the year	Nil	Nil	80861	0.74
	At the end of the year 31st March, 2016			80861	0.74
14	PARAG C. MEHTA				
	At the beginning of the year 01st April, 2015	4000	0.04	4000	0.04
	Acquisition during the year	46000	0.42	50000	0.46
	Sale during the year	Nil	Nil	50000	0.46
	At the end of the year 31st March, 2016			50000	0.46
15	BHASKAR ARVIND HINGAD				
	At the beginning of the year 01st April, 2015	50000	0.46	50000	0.46
	Acquisition during the year	Nil	Nil	50000	0.46
	Sale during the year	Nil	Nil	50000	0.46
	At the end of the year 31st March, 2016			50000	0.46

(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 & Managing Director				
	At the beginning of the year 01st April, 2015	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, 2016			3241820	29.5767%
2	Mr. Dilip Varghese, Whole Time Director				
	At the beginning of the year 01st April, 2015	1063463	09.7025%	1063463	09.7025%
	Acquisition during the year	Nil	00.00%	1063463	09.7025%
	Sale during the year	Nil	00.00%	1063463	09.7025%
	At the end of the year 31st March, 2016			1063463	09.7025%
3	Mrs. Saramma Jerry Varghese, Executive director				
	At the beginning of the year 01st April, 2015	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, 2016			1051161	09.5903%
4	Mr. C. S. Sanghavi Independent director				
	At the beginning of the year 01st April, 2015	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, 2016			Nil	00.00%
5	Mr. R. C. Gupta				
	At the beginning of the year 01st April, 2015	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, 2016			Nil	00.00%
6	Mr. Pratul Govind Dube				
	At the beginning of the year 01st April, 2015	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, 2016			Nil	00.00%

7	Mr. S. Chakraborty, Company Secretary				
	At the beginning of the year 01st April, 2015	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, 2016			Nil	00.00%
8	Mr. Shridhar Shetty, CFO				
	At the beginning of the year 01st April, 2015	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, 2016			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				
i) Principal Amount	9815.44	1921.33	Nil	11736.77
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	9815.44	1921.33	Nil	11736.77
Change in Indebtedness during the financial year				
* Addition	Nil	346.67	Nil	346.67
* Reduction	2133.82	Nil	Nil	2133.82
Net Change	2133.82	346.67	Nil	(1787.15)
Indebtedness at the end of the financial year				
i) Principal Amount	7681.62	2268.00	Nil	9949.62
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	7681.62	2268.00	Nil	9949.62

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SL No.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
		Mr. Jerry Varghese Managing Director	Mr. Dilip Varghese Whole-time Directors	Mrs. Saramma Varghese Director	
1	Gross salary	24,00,000	7,20,000	12,00,000	43,20,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	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	Nil	Nil	Nil	Nil
	- as % of profit				
	- others, specify...				
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	30,00,000	30,00,000	30,00,000	90,00,000

B. Remuneration to other directors

SL No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. C. S. Sanghavi	Mr. R. C. Gupta	Mr. Pratul Govind Dube	
1	Independent Directors				
	Fee for attending board committee meetings	Nil	60,000/-	45,000/-	1,05,000/-
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	Nil	60,000/-	45,000/-	1,05,000/-
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)	Nil	60,000/-	45,000/-	1,05,000/-
	Total Managerial Remuneration	Nil	60,000/-	45,000/-	1,05,000/-
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WT D

SL No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		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			
	- 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. PRENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/ punishment/ compounding of offences for the year ending 31st March, 2016.

Annexure II

Disclosure in the Board's Report under Rule 5 of Companies (Appointment & 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 2015-16	Director's Name	Ratio to mean remuneration
		Mr. Jerry Eapen Varghese	331:1
		Mrs. Saramma Jerry Varghese	166:1
		Mr. Dilip Varghese	99:1
		Mr. C. S. Sanghavi	-
		Mr. R. C. Gupta	-
		Mr. Pratul Govind Dube	-
(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 2015-16 compared to 2014-15 means part of the year	Director's/CFO/CEO/CS/Mgr name	% age increase in remuneration
		Mr. Jerry Eapen Varghese, Managing director	NIL
		Mrs. Saramma Jerry Varghese, Director	NIL
		Mr. Dilip Varghese, 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 2015-16 compared to 2014-15	NIL	
(iv)	Number of permanent employees on the rolls of the company	As on 31.03.2016	As on 31.03.2015
		78	78
(v)	Average percentile increase in salaries of Employees other than managerial personnel	During 2014-15	During 2015-16
		25%	Nil
(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.	

Annexure III

SECRETARIAL AUDIT REPORT

Form No. MR-3 FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

[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, 2016 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, 2016 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - (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 Listing Agreement for Equity Shares entered into by the Company with Stock Exchange(s) for the period from 1st April, 2015 to 30th November, 2015 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st December, 2015 to 31st March, 2016.

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 Company has not received Deposit from the Member proposing appointment of Directors under section 160 of the Companies Act, 2013 along with Notice in writing.
- (2) 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.
- (3) 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.

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 compliance with applicable laws, rules, regulations and guidelines.

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 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) has classified the Company's Bank / Loan Account as "Non Performing Assets" during the previous financial year.
- 2) Vijaya Bank has served a SARFESAI notice on the Company during the previous financial year.

Prashant Diwan
Practising Company Secretary
FCS: 1403 CP: 1979

Date: 11th August, 2016

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
The Members
TARMAT LIMITED
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 CP: 1979

Date: 11th August, 2016

Place: Mumbai

Management Discussion and Analysis Report

1. Industry Structure and Development and Outlook

Global economy is grappling with multiple challenges. The situation is one of uncertainty and financial turbulence. The Indian economy in 2015-16 has emerged as world's fastest growing major economic with promising economic outlook. The GDP grew at 7.9% in the fourth quarter, a stellar performance. As per the data available the growth in manufacturing sector and farm sector during the fourth quarter accelerated to 9.3% and 2.3% respectively. The initiative of Govt., low interest rates, declining fiscal deficit, on the back of favourable monsoon and moderating inflation helped the Indian economy stay on a sustainable growth path. During 2016-17, the growth rate expected to touch at 8%.

India's long term growth potential continues to be strong with focus on faster infrastructure creation, improving manufacturing and farm output, expanding service sector, increasing urbanisation, and strong regulatory framework in Banking and Financial sector.

The Govt of India's MAKE IN INDIA, initiative has encouraged domestic industries and attracted more FDI in to the country. FDI in India has increased by 37% after the initiative. India has become a vibrant and strong economy.

The macroeconomic situation in India has improved significantly during the current year. Acceleration in services and manufacturing growth in the face of subdued global demand. Conditions points and the strengthening of Domestic demand.

However, concern surrounding the Construction and Infrastructure activities in the country still exist.

In the light of Government commitments to reforms, a growth of 8% is in realm of Possibilities in 2016-17.

2. Opportunities & Threats

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

The Government of India has planned for 1,00,000 Km. of National Highway by the end 2017 and USD 19 Billion Earmarked for infrastructure development between 2012-2017.

The Govt. is focusing on reforms to spearhead infrastructure development in Railways, Roads and highways as well as power sector. The Govt's focus on infrastructure development, creation of manufacturing hub give us confidence to make significant innovation in this sector.

In spite of this, the future is not bright as we foresee. Inordinate delay occurs in obtaining clearance from the various government agencies. We are aware that some reputed infrastructure companies withdrew from National Highway projects due to delay in getting all clearances.

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 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/-

CHAIRMAN

Date: 11th August, 2016

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, 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, 2016 are given below:

Name of Director	Date of Appointment	Category	No. of Directorship(s) held in Indian public & private Limited Companies (Including Tarmat Limited)	Committee(s) position (Including Tarmat Limited)	
				Member	Chairman
Mr. Jerry Varghese	03/01/1986	Managing Director Executive and non-independent	04	02	Nil
Mrs. Saramma Varghese	03/01/1986	Executive and Non Independent	04	02	Nil
Mr. R. C. Gupta	31/07/2006	Non Executive and Independent	Nil	02	Nil
Mr. Chandrakant Shantilal Sanghavi	07/11/2012	Non Executive and Independent	Nil	03	02
Mr. Dilip Varghese	14/06/2006	Executive and Non-Independent	Nil	Nil	Nil
Mr. Pratul Dube	14/02/2015	Non-Executive Independent Director	Nil	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 2015-2016 the Board of Tarmat Limited met 4 times on 30th May, 2015, 08th August, 2015, 07th November, 2015 and 06th February, 2016.

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 2015-2016	No. of the Board Meetings attended during the year 2015-2016.	Attendance at the AGM held on 18 th September, 2015.
Mr. Jerry Varghese	04	04	Yes
Mrs. Saramma Varghese	04	04	Yes
Mr. Dilip Varghese	04	04	Yes
Mr. R. C. Gupta	04	04	No
Mr. Pratul Dube	04	03	Yes
Mr. Chandrakant Shantilal Sanghavi	04	02	No

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. C. S. Sanghvi and Mr. R. C. 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 2015-2016 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:

Name of the Member	Meetings held	Meeting Attended
Mr. Pratul Dube	04	03
Mrs. Saramma Varghese	04	04
Mr. C. S. Sanghavi	04	02
Mr. R. C. Gupta	04	04

(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. C. S. Sanghavi as its Chairman, Mr. R. C. Gupta, Mr. Pratul Dube and Mr. Jerry Varghese executive director 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

Nil Committee meeting was held during the year.

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 ₹	Sitting Fees in ₹	Total in ₹
Mr. Jerry Varghese	2400000/-	NIL	2400000/-
Mrs. Saramma Varghese	1200000/-	NIL	1200000/-
Mr. Dilip Varghese	720000/-	NIL	720000/-
Mr. R.C. Gupta	NIL	60,000/-	60,000/-
Mr. C S Sanghavi	NIL	Nil	Nil/-
Mr. Pratul Dube	NIL	45,000/-	45,000/-

(C) Stakeholder Relationship Committee

Composition

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

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	02
Mrs. Saramma Varghese	04	04
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 2015- 16 are as follows:

Opening Balance	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 AGM 2014-2015	Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.	18.09.2015	11.30 A.M.
Twenty Ninth AGM 2013-2014	Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.	30.09.2014	02:30 P.M.
Twenty Eighth AGM 2012-2013	Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.	30.09.2013	11:00 A.M.

5. Disclosures

(i) Details on materially significant related party transactions

Details of materially significant related party transactions made during the year 2015-2016, 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 has been no instance of any non-compliance by the Company on any matter related to capital markets and, hence, no penalties or strictures being imposed on the Company by SEBI or the Stock Exchanges or any other statutory authority on any such matter.

(iii) Compliance with Accounting Standards

The Company follows the accounting standards and guidelines laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements. Further, the Company has also followed the Companies (Cost Records and Audit) Rules, 2014.

(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.

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.

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

7. General Shareholder Information:

i. Annual General Meeting:

The forthcoming Annual General Meeting of the Company will be held on Thursday 29th September 2016 at 03.00 p.m. at Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.

ii. Financial Calendar:

Year ending: March 31, 2016.

iii. Dividend Payment:

During the year 2015-16 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 23.09.2016 to 29.09.2016 (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 have been paid to the Exchanges:

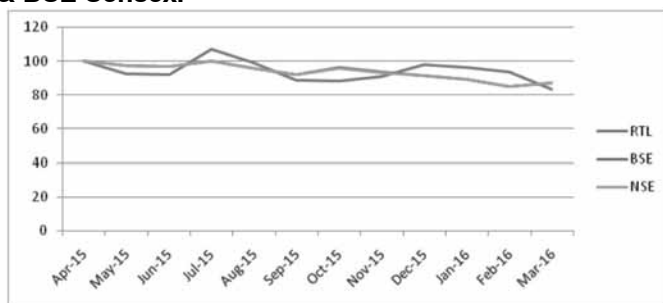
Name & Address of the Stock Exchanges	Stock Code/Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised share)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.	532869	INE924H01018
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai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

vi. Stock Market Price at National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) for the period from April 2015 to March 2016

2015-2016	BSE			NSE		
Months	High	Low	Average	High	Low	Average
April, 2015	32.00	25.30	28.65	31.95	24.40	28.18
May, 2015	31.50	22.15	26.83	29.85	21.80	25.83

June, 2015	31.95	20.10	26.03	31.00	21.55	26.28
July, 2015	34.80	27.10	30.95	34.95	25.00	29.98
August, 2015	33.30	21.55	27.43	37.00	21.00	29.00
September, 2015	29.30	22.05	25.68	28.00	22.00	25.00
October, 2015	27.00	22.90	24.95	29.60	21.05	25.33
November, 2015	28.00	22.70	25.35	29.50	23.60	26.55
December, 2015	29.10	26.05	27.58	30.10	26.10	28.10
January, 2016	29.40	25.05	27.23	30.15	25.30	27.73
February, 2016	30.10	23.45	26.78	30.10	22.75	26.43
March, 2016	26.40	20.55	23.48	27.70	20.30	24.00

vii. Comparison of daily 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)

E/2, Ansa Industrial Estate, Saki Vihar Road,
Andheri (E), Mumbai- 400 072

Phones +91-22-28470652/0653

Fax: +91-22-28475207

Email: bigshare@sify.com

Website: www.bigshareonline.com

ix. Share Transfer System

As of date, 99.9971% 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 2016

Sl. No.	Shareholding of nominal value (in ₹)	No. of holders	% to total holders	Value in ₹	% to nominal value
	From To				
1	1 - 5,000	7142	90.60	7218100	6.59
2	5,001 - 10,000	350	4.44	2832700	2.59

3	10,001 - 20,000	188	2.38	2869040	2.62
4	20,001 - 30,000	53	0.67	1380760	1.26
5	30,001 - 40,000	28	0.36	1023250	0.93
6	40,001 - 50,000	28	0.36	1296230	1.18
7	50,001 - 1,00,000	37	0.47	2688650	2.45
8	1,00,001 and above	57	0.72	90298340	82.38
	TOTAL	7883	100	109607070	100.00

xi. Shareholding pattern as on 31st March 2016

Sr. No.	Category	No. of Shares	% holding
1.	Promoters	6928117	63.21
2.	Private Bodies Corporate	821759	07.50
3.	Indian Resident	3112410	28.39
4.	NRIs / OCBs	96284	00.88
5.	Clearing Member	2137	00.02
	Total	1,09,60,707	100.00

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 2016, 99.9971% 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)
E/2, Ansa Industrial Estate, Saki Vihar Road,
Andheri (E), Mumbai- 400 072
Phones +91-22-28470652/0653
Fax: +91-22-28475207
Email: bigshare@sify.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, 2016 as stipulated in Clause 49 of the Listing Agreement of the company with the stock exchange for the period 1st April 2015 to 30th November, 2015 and as per relevant provision of SEBI (listing obligations and disclosure requirements) regulations, 2015 for the period 1st December, 2015 to 31st March, 2016.

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 Clause 49 of the Listing Agreement and SEBI (listing obligations and disclosure requirements) regulations, 2015.

We state that there was no investor grievance pending as on 31st March, 2016 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 HEGDE & ASSOCIATES
(Chartered Accountants)
Firm Reg. No – 103610 W

sd/-
Manoj Shetty
(Partner)
M. No- 138593

Date: 11th August 2016

Place: Mumbai

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificate

I, Jerry 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 2016 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 violative 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/-
JERRY VARGHESE
 MANAGING DIRECTOR

Sd/-
SHRIDHAR SHETTY
 CHIEF FINANCIAL OFFICER

Date: 11th August 2016

Place: Mumbai

Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's code of conduct

I, Jerry 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.
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, 2016.

For TARMAT LIMITED

Sd/-
JERRY VARGHESE
 MANAGING DIRECTOR

Date: 11th August 2016

Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To
The Members of
TARMAT LIMITED

We have audited the accompanying standalone financial statements of **TARMAT LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 standalone 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 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.

Auditor's Responsibility

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 2016 and its profit 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) *The Company has not provided interest on Working Capital facilities and bank charges on Bank Guarantees facilities enjoyed from Vijaya Bank amounting to ₹ 1346.99 Lacs and ₹ 14.91 Lacs respectively and in the case of Kotak Mahindra Bank Ltd, the company has not provided interest on Working Capital facilities amounting to ₹ 14.70 Lacs resulting into overstatement of net profit to the extent of ₹ 1377 Lacs and understatement of Loan Balance to that extent.*
 - b) *Further the company has not provided interest on term loan facilities enjoyed from Kotak Mahindra Bank Ltd and SREI Finance. However the amount of interest cannot be quantified in absence of Balance confirmation from Kotak Mahindra Bank Ltd and SREI Finance.*

- c) *The balances of loan outstanding of Kotak Mahindra Bank Ltd and SREI Finance are subject to balance confirmation. 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.*
- 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 402.97 grouped under Cash and Cash Balances are not being confirmed by bank. 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 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*

<i>Nature of Amount to be transferred</i>	<i>Amount</i>
<i>Share Application Money</i>	<i>177,000</i>
<i>Unpaid Dividend - 2008</i>	<i>381,862</i>
<i>Unpaid Dividend - 2009</i>	<i>54,766</i>
<i>Unpaid Dividend - 2010</i>	<i>43,367</i>
<i>Total</i>	<i>6,56,995</i>

For HEGDE & ASSOCIATES

Chartered Accountants

Firm Reg. No 103610W

Manoj Shetty

(Partner)

M.No 138593

Date: 28/05/2016

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 2016**

- (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	Tax Deducted at Source	99,64,863/- 1,18,86,224/-	2015-16 2013-14	30-09-2016 30-09-2014	Unpaid	
MVAT Act 2002	VAT	1,05,83,729/-	2013-14	30-04-2014	Unpaid	
	Providend Fund	880/- 880/- 806/- 822/- 773/- 782/- 6,286/- 9,300/-	Jan 16 Dec 15 Nov 15 Oct 15 Aug 15 July 15 Feb 16 Mar 16	15-02-2016 15-01-2016 15-12-2015 15-11-2015 15-09-2015 15-06-2015 15-03-2016 15-04-2016	04-04-16 04-04-16 04-04-16 04-04-16 04-04-16 04-04-16 04-04-16 06-05-16	
	ESIC	1,483/- 2,286/-	Feb 16 Mrch 16	20-03-2016 20-04-2016	04-04-16 06-05-16	

	Profession Tax	97,675/- 95,500/- 69,000/- 1,65,325/- 96,950/-	2015-16 2014-15 2013-14 2012-13 2011-12	20-04-2016 20-04-2015 20-03-2014 20-03-2013 20-03-2012	Unpaid	
	Unpaid Dividend	3,81,862/- 54,766/- 43,367/-	2008 2009 2010			To be Transferred to Investor Education and Protection Fund by the Company
	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 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	36,99,459	01.04.09	DC Appeal III To 31.03.10
Maharashtra VAT	Assessment	4,45,31,835	01.04.10	DC Appeal III To 31.03.11

- (viii) 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 2016.

Particulars	Amount of default as at the balance sheet date	Period of default	Remarks if any
Vijaya Bank	4095.26	unpaid	
Vijaya Bank (Performance Gurantee)	3348.27	unpaid	
Kotak Mahindra Bank	191.81	unpaid	
SREI Finance Ltd	56.32	unpaid	

- (ix) 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.
- (x) 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.
- (xi) 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.
- (xii) 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.
- (xiii) 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.

- (xiv) 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.
- (xv) 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.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For HEGDE & ASSOCIATES

Chartered Accountants
Firm Reg. No 103610W

ManojShetty
(Partner)
M.No 138593

Date: 28/05/2016
Place: Mumbai

“Annexure-B”

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 2016

We have audited the internal financial controls over financial reporting of TARMAT LIMITED (“the Company”) as of March 31, 2016 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, 2016, 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 **HEGDE & ASSOCIATES**

Chartered Accountants
Firm Reg. No 103610W

ManojShetty

(Partner)
M.No 138593

Date: 28/05/2016

Place: Mumbai

Balance Sheet as at 31st March, 2016

(₹ in lacs)

Particulars	Note No.	As on 31st March 2016	As on 31st March 2015
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,096.07	1,096.07
(b) Reserves and surplus	4	2,698.12	2,616.45
		3,794.19	3,712.52
2 Non-current liabilities			
(a) Long-term borrowings	5	4,189.33	1,921.33
(b) Long-term provisions	6	50.62	47.89
		4,239.95	1,969.22
3 Current liabilities			
(a) Short-term borrowings	7	7,602.25	9,411.80
(b) Trade payables	8	1,729.03	2,102.62
(c) Other current liabilities	9	751.73	999.17
		10,083.01	12,513.59
TOTAL		18,117.15	18,195.33
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	1,428.26	1,660.86
(ii) Intangible assets		14.63	14.63
(b) Non-current investments	11	1,924.83	1,924.83
(c) Deferred Tax asset	12	112.91	20.06
(d) Long-term loans and advances	13	3,383.66	3,274.55
(e) Long Term Trade Receivables	14	441.54	520.01
		7,305.83	7,414.94
2 Current assets			
(a) Inventories	15	2,666.24	2,786.18
(b) Trade receivables	16	2,093.65	2,050.86
(c) Cash and cash balance	17	528.72	474.36
(d) Short-term loans and advances	18	5,522.71	5,468.98
		10,811.32	10,780.39
TOTAL		18,117.15	18,195.33

Summary of Significant Accounting Policies

1 & 2

As per our report of even date

For HEGDE & ASSOCIATES
CHARTERED ACCOUNTANTS
Registration No. 103610W

For and on behalf of the Board of Directors of Tarmat Ltd.

Sd/-
MANOJ SHETTY
(PARTNER)
Membership No.138593

Sd/-
MANAGING DIRECTOR

Sd/-
DIRECTOR

Date: 28.05.2016
Place: MUMBAI

Sd/-
CHIEF FINANCIAL OFFICER

Sd/-
COMPANY SECRETARY

Profit and Loss Account for the year ended 31st March, 2016

(₹ in lacs)

Particulars	Note No.	Year Ended 31st March 2016	Year Ended 31st March 2015
I INCOME			
Revenue from operations (Gross)	19	5,298.01	6,620.51
Less : Excise Duty		-	-
Revenue from operations (Net)		<u>5,298.01</u>	<u>6,620.51</u>
II Other Income	20	<u>135.07</u>	<u>147.57</u>
III Total Revenue (I + II)		<u>5,433.07</u>	<u>6,768.08</u>
EXPENSES:			
Cost of materials consumed	21	279.98	606.89
Construction expenses	22	4,450.15	5,660.96
Employee benefits expense	23	226.69	264.85
Finance costs	24	459.39	1,552.25
Depreciation and amortization expense	10	233.08	377.82
Other expenses	25	352.73	443.83
IV Total expenses		<u>6,002.02</u>	<u>8,906.61</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		(568.95)	(2,138.52)
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V - VI)		(568.95)	(2,138.52)
VIII Extraordinary Items		0.00	0.00
IX Profit before tax (VII- VIII)		(568.95)	(2,138.52)
X Tax expense:			
(1) Current tax		0.00	0.00
(2) Current tax relating to prior years		557.77	0.00
		<u>557.77</u>	<u>0.00</u>
(3) Deferred tax		92.85	43.05
XI Profit (Loss) for the period from continuing operations (VII-VIII)		81.67	(2,095.48)
XII Profit/(loss) from discontinuing operations		0.00	0.00
XIII Tax expense of discontinuing operations		0.00	0.00
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		0.00	0.00
XV Profit (Loss) for the period (XI + XIV)		<u>81.67</u>	<u>(2,095.48)</u>
XVI Earnings per equity share:			
1) Basic			
i) Computed on the basis of profit from continuing operation		0.75	(19.12)
ii) Computed on the basis of total profit for the year		0.75	(19.12)
2) Diluted			
i) Computed on the basis of profit from continuing operation		0.75	(19.12)
ii) Computed on the basis of total profit for the year		0.75	(19.12)

Summary of Significant Accounting Policies

As per our report of even date

For HEGDE & ASSOCIATES
CHARTERED ACCOUNTANTS
Registration No. 103610W

For and on behalf of the Board of Directors of Tarmat Ltd.

Sd/-
MANOJ SHETTY
(PARTNER)
Membership No.138593

Sd/-
MANAGING DIRECTOR

Sd/-
DIRECTOR

Date: 28.05.2016
Place: MUMBAI

Sd/-
CHIEF FINANCIAL OFFICER

Sd/-
COMPANY SECRETARY

Cash Flow Statement for the year ended 31st March, 2016

(₹ in lacs)

		2015-16	2014-15
A.	Net Profit/(Loss) as per Profit & Loss Account		(568.95)
	Adjustments for Non-Cash and other items		(2,138.52)
	Interest Expense	459.39	1,552.25
	Interest Income	(33.97)	(33.67)
	Depreciation	233.08	377.82
	Dividend received	-	(0.68)
	Provision for Doubtful Debts/ Advances (Net of Recovery)	-	-
	Gratuity provision	2.73	8.76
	Preliminary Expenses w/off	-	-
	Loss on Sale of Fixed Assets	-	-
	Investment in JV written off	-	-
	Bad debts written off	-	-
	Operating Profit/(loss) Before Working Capital Changes	92.28	(234.04)
	Changes in Working Capital		
	Adjustment for		
	Trade & Other Receivables	35.68	(394.54)
	Loans & Advances	(162.83)	(18.06)
	Inventories	119.94	470.01
	Fixed Deposit	(29.66)	5.00
	Trade payables and other liabilities	(621.02)	402.16
	Less: Taxes paid	557.77	464.57
B.	Net Cash from Operating Activities [A]	(100.12)	230.52
	CASH FLOW FROM INVESTING ACTIVITIES	(7.85)	
	Purchase of fixed assets	(0.47)	-
	Sale of Fixed Assets	-	-
	Purchase of Non current investments		521.31
	Interest received	33.97	33.67
	Dividend received	-	0.68
C.	Net Cash from Investing Activities [B]	33.50	555.66
	CASH FLOW FROM FINANCING ACTIVITIES		
	Dividend and Distribution tax paid	-	-
	Interest paid	(459.39)	(1,552.25)
	Proceeds from Long Term and Short Term Borrowings (Net Of Repayment)	458.45	746.58
	Net Cash from Financing Activities [C]	(0.95)	(805.68)
	Net increase in Cash and Cash equivalents [A+B+C]	24.71	(19.49)
	Cash & Cash equivalents at the beginning of the year	94.48	113.97
	Cash & Cash equivalents at the end of the year	119.19	94.48

Note:

- Cash Flow Statement has been prepared under the indirect method as set in accounting standard (AS) 3 : " Cash Flow Statements issued by the Institute of Chartered Accountants of India
- Cash and Cash equivalents at the end of the year represent Cash and Bank Balances.
- Previous Year's figures have been regrouped/reclassified whenever applicable

As per our report of even date

For HEGDE & ASSOCIATES
CHARTERED ACCOUNTANTS
Registration No. 103610W

For and on behalf of the Board of Directors of Tarmat Ltd.

Sd/-
MANOJ SHETTY
(PARTNER)
Membership No.138593

Sd/-
MANAGING DIRECTOR

Sd/-
DIRECTOR

Date: 28.05.2016
Place: MUMBAI

Sd/-
CHIEF FINANCIAL OFFICER

Sd/-
COMPANY SECRETARY

Notes to financial statements for the year ended 31st March 2016.

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 Nagpur-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 ₹ 10.96 Cr, of which 63% is held by the promoters.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS -

- (i) These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable. All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.
- (ii) Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- (iii) Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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 -

- (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.

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.

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 -

- 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.

2.10 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.

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.

	31st March 2016 ₹ In Lacs	31st March 2015 ₹ In Lacs
Note 3. SHARE CAPITAL		
Authorised Shares (No. in Lacs)		
12000000 (31st March 2015 12000000) Equity Shares of Rs 10/- each	1,200.00	1,200.00
Issued, Subscribed & fully paid up shares (No. in Lacs)		
10960707 (31st March 2015 10960707 Equity Shares of Rs 10/- each)	1,096.07	1,096.07
Total Issued, subscribed and fully paid up share capital	1,096.07	1,096.07

- a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity Shares	31st March 2016		31st March 2015	
	No. (Lacs)	₹ In Lacs	No. (Lacs)	₹ In Lacs
At the beginning of the year	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

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	As at 31st March 2016		As at 31st March 2015	
	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%
Mr. Dilip Varghese	10.63463	9.70%	10.63463	9.70%
Mrs. Saramma Varghese	10.51161	9.59%	10.51161	9.59%
M/s. Tarmat Holdings Pvt. Ltd	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 2016 No. In Lacs	31st March 2015 No. In Lacs
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	Nil	Nil
Equity Shares allotted as fully paid - up pursuant to contracts for consideration other than cash	Nil	Nil
Equity shares bought back by the company	Nil	Nil

	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Note 4. RESERVES & SURPLUS		
Securities Premium Account		
Balance As per Last Balance Sheet	6,206.89	6,206.89
Add : Transferred from surplus balance in the Profit & Loss Statement	-	-
Closing Balance	6,206.89	6,206.89
Revaluation Reserve		
As per Last Balance Sheet	8.50	8.50
Transfer/write back during the year	-	-
Closing Balance	8.50	8.50
General Reserve		
Opening Balance	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
Surplus/ (deficit) in the Statement of Profit & Loss		
Balance as per Last financial statements	(4,119.42)	(2,023.94)
Profit / (Loss) for the year	81.67	(2,095.48)
Less : Appropriations		
(-) Proposed Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(4,037.75)	(4,119.42)
Total	2,698.12	2,616.45

	Non Current Portion		Current Portion	
	31.03.2016 (₹ in lacs)	31.03.2015 (₹ in lacs)	31.03.2016 (₹ in lacs)	31.03.2015 (₹ in lacs)
Note 5. LONG TERM BORROWINGS				
Secured				
Term Loans	-	-	-	-
From Other Parties				
SREI Equipment Finance Pvt Ltd (NBFC)	-	-	56.32	66.32
Kotak Mahindra Bank	-	-	33.08	337.34
Unsecured				
From Others	4,189.33	1,921.33	-	-
	4,189.33	1,921.33	89.40	403.66

5.1 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.

5.2 Details of Securities and Terms of Repayment

Secured (Term Loans)

a) 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 ₹ 28 lacs), on October 15, 2011 (for disbursement of ₹ 250 lacs), on December 5, 2011 for disbursement of ₹ 60 lacs) on March 15, 2012 (for disbursement of ₹ 20.68 lacs and on March 15, 2012 (for disbursement of ₹ 40 lacs).

Amount of Loan (₹ in lacs)	Interest Rate	Instalment Amount Payable (₹ in lacs)	No. of Outstanding Instalment	Period of maturity from Balance Sheet Date
28.00	14.00%	0.98	6 monthly	
72.00	14.00%	2.52	05 monthly	
250.00	14.00%	8.74	8 monthly	
60.00	14.75%	2.12	9 monthly	
20.68	14.75%	0.73	12 monthly	
40.00	14.75%	1.41	12 monthly	

The company has defaulted in repayment of installments and the loan amount is overdue. The loan account has been declared as NPA by the Financial Institution.

b) 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

The company has defaulted in repayment of installments and the loan amount is overdue. The loan account has been declared as NPA by the Bank.

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	

	31.03.2016 (₹ in lacs)	31.03.2015 (₹ in lacs)
Note 6. LONG TERM PROVISIONS		
a) Provision for Employee Benefits	50.62	47.89
TOTAL	50.62	47.89

Note 7. SHORT TERM BORROWINGS

Secured

(A) Loans repayable on demand

a) From Banks		
i) Vijaya Bank-Cash Credit	4,095.26	6,110.95
ii) Kotak Mahindra Bank- Cash Credit	158.73	121.55
iii) Vijaya Bank -Bank guarantees invoked	3,348.27	3,179.28

Total	7,602.25	9,411.78
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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

- 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

The company has defaulted in the repayment of principle and interest dues to Vijaya Bank during the period May 2012 till date. Vijaya Bank has classified the account as "Non Performing Asset" and has served a SARFESAI notice on the company and has initiated recovery proceeding against the company.

The company has also defaulted in the repayment of principle and interest due to Kotak Mahindra Bank Ltd. The bank has classified the account as Non Performing Asset.

	As at 31.03.2016 (₹ in lacs)	As at 31.03.2015 (₹ in lacs)
Note 8 : TRADE PAYABLES		
a) Trade Payables	1,729.03	2,102.62
TOTAL	1,729.03	2,102.62

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.

	As at 31.03.2016 (₹ in lacs)	As at 31.03.2015 (₹ in lacs)
Note 9 : OTHER CURRENT LIABILITIES		
a) Current Maturities of Long Term Borrowings	89.40	403.66
b) Others	301.88	280.23
i) Unpaid Dividend	4.80	4.80
ii) Due To Employees	23.61	15.78
iii) Statutory Dues Payable	330.27	292.93
d) Application money received for Allotment of securities and due for refund	1.77	1.77
TOTAL	751.73	999.17

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.

Note 10 (₹ in Lacs)

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		As at 01st April 2015	Additions/	(Disposals)	Revaluations/ (Impairments)	As at 31st March 2016	As at 01st April 2015	Depreciation for the period	Adjustment due to revaluations	On disposals	As at 31st March 2016	As at 31st March 2015
a	Tangible Assets											
	Land	461.25	-	-	-	461.25	-	-	-	-	461.25	461.25
	Assets under lease											
	Buildings	340.02	-	-	-	340.02	131.60	4.07	-	-	204.36	208.42
	Assets under lease											
	Plant and Equipment	4,985.18	-	-	-	4,985.18	4,042.29	218.28	-	-	724.61	942.89
	Assets under lease											
	Furniture and Fixtures	115.40	-	-	-	115.40	100.62	3.13	-	-	11.65	14.78
	Assets under lease											
	Vehicles	274.75	-	-	-	274.75	241.23	7.45	-	-	26.07	33.51
	Assets under lease											
	Office equipment	84.63	0.47	-	-	85.10	84.62	0.15	-	-	0.33	-
	Assets under lease											
	Others (specify nature)											
	Total	6,261.23	0.47	-	-	6,261.70	4,600.36	233.08	-	-	1,428.26	1,660.86
b	Intangible Assets											
	Goodwill	14.63	-	-	-	14.63	-	-	-	-	14.63	14.63
	Computer software											
	Total	14.63	-	-	-	14.63	-	-	-	-	14.63	14.63
	Total	6,275.86	0.47	-	-	6,276.33	4,600.36	233.08	-	-	1,442.89	1,675.49

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Quoted (₹ in lacs)	Unquoted (₹ in lacs)	Quoted (₹ in lacs)	Unquoted (₹ in lacs)
Note 11 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 ₹ 10/-EACH		104.26		104.26
CONCAST AMBHA ROAD PROJECT PVT LTD				
6476600 NOS EQUITY SHARE ₹ 10/-EACH		647.66		647.66
CONCAST DAMOH ROAD PROJECT PVT LTD				
5623800 NOS EQUITY SHARE ₹ 10/-EACH		562.38		562.38
CONCAST DHANETA ROAD PROJECT PVT LTD				
5870098 NOS EQUITY SHARE ₹ 10/-EACH		587.01		587.01
CONCAST PATAN ROAD PROJECT PVT LTD				
210600 NOS EQUITY SHARE ₹ 10/-EACH		21.06		21.06
CONCAST BADNAGAR ROAD PROJECT PVT LTD				
2600 NOS EQUITY SHARE ₹ 10/-EACH		0.26		0.26
CONCAST JABALPUR ROAD PROJECT PVT LTD				
2600 NOS EQUITY SHARE ₹ 10/-EACH		0.26		0.26
Other investments (Non Trade)				
a) Quoted Investment				
VIJAYA BANK LTD				
19400 EQUITY SHARES OF ₹ 10/- EACH	1.94	-	1.94	-
Total	1.94	1,922.89	1.94	1,922.89
Details				
Aggregate of Investments				
	Cost (₹ in lacs)	Market Value (₹ in lacs)	Cost (₹ in lacs)	Market Value (₹ in lacs)
a) Quoted Investment	1.94	6.08	1.94	9.02
b) Unquoted Investment	1,922.89	-	1,922.89	-
Total	1,924.83	6.08	1,924.83	9.02
			31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Note 12 Deferred Tax Asset				
Deferred Tax Liability				
Related to Fixed Assets			-	
Deferred Tax Assets				
Related to Fixed Asset			112.91	20.06
Deferred Tax Assets			112.91	20.06
Deferred Tax Asset (Net)			112.91	20.06
Total			112.91	20.06
Note 13 Long Term Loans and Advances				
Unsecured, Considered good				
a. Security and Other Deposits			3,266.11	3,166.17

	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
b. Loans and Advances to Employees	117.54	108.38
Total	3,383.66	3,274.55
Note 14 Long Term Trade Receivables		
Unsecured, Considered good		
a) Trade Receivables	441.54	520.01
Total	441.54	520.01
Note 15 : Inventories		
(As technically valued and certified by the Management)		
a) Material At Site, At Cost	796.75	840.27
b) Work In Progress	1,869.49	1,945.91
Total	2,666.24	2,786.18
Note 16 : Trade Receivables		
Unsecured and Considered Good		
a) Trade Receivables outstanding for more than 6 months	1,440.54	1,793.04
Less : Provision for Doubtful Debts	-	-
	1,440.54	1,793.04
b) Other Trade receivables	653.11	257.82
Total	2,093.65	2,050.86
Note 17 : Cash and Cash Equivalents		
a) Cash on Hand	98.89	72.26
b) Balance with Banks		
i) In Current Accounts	20.29	22.22
ii) In earmarked Accounts		
1) Unpaid Dividend Accounts	4.80	4.80
2) Share Application money received for allotment of securities and due for refund	1.77	1.77
3) Balances held as Margin Money or security against borrowings, guarantees and other Commitments	402.97	373.31
Total	528.72	474.36
Note 18 : Short term Loans and Advances		
Unsecured, Considered Good		
a) Others		
i) Advances Recoverable in cash or in kind or for value to be received	2,858.65	2,975.89
ii) Advance payment of Taxes (Net of Provision)	487.43	349.52
iii) Earnest Money and Other Deposits	2,170.18	2,132.29
b) Loan to Employees	6.45	11.29
Total	5,522.71	5,468.98
Note 19 Revenue from Operations		
Work Bill Receipts - Gross	5,374.43	6,915.51
Add : Work in Progress, at close	1,869.49	1,945.91
	7,243.92	8,861.42

	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Less : Work in progress, at commencement	1,945.91	2,240.91
Total	5,298.01	6,620.51

Note 20 Other Income

a) Hire, Rent and Royalty Charges received	6.60	103.21
b) Dividend	-	0.68
c) Interest from Banks	33.97	33.67
d) Misc Receipts	7.00	10.00
e) Interest on IT refund	39.15	-
f) Share of profit from Joint Venture	48.34	-
Total	135.07	147.56

Note 21 Cost of construction material consumed

Stock at Commencement	840.27	1,015.27
Add : Purchases	236.46	431.89
	1,076.73	1,447.16
Less : Scrap sold	-	-
	1,076.73	1,447.16
Less : Stock at Close	796.75	840.27
	279.98	606.89

Note 22 Construction expenses

Subcontract , Transportation, Hire etc	4,321.76	5,479.47
Labour Charges	76.63	124.82
Power & Fuel	20.42	18.88
Repairs to Machinery	28.25	29.83
Other repairs	2.22	6.71
Laboratory charges and Water charges	0.87	1.25
Total	4,450.15	5,660.96

Note 23 Employee Benefit Expenses

(a) Salaries and incentives	205.70	197.30
(b) Contributions to -		
(i) Provident fund	2.66	0.69
(ii) ESIC	0.27	0.17
(c) Gratuity fund contributions	2.72	2.95
d) Staff welfare expenses	15.35	63.73
Total	226.69	264.85

Note 24 Finance Cost

a) Interest expense	432.54	1,483.22
b) Other borrowing costs	26.86	69.04
Total	459.39	1,552.25

Note 25 Other Expenses

a) Stationery, Postage, Telephone & Advertisement	25.58	17.22
b) Travelling & Conveyance	18.48	29.17
c) Rent	2.18	4.67
d) Rates & Taxes - excluding taxes on income	6.51	1.42

	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
e) Insurance	2.95	4.62
f) Repairs to building	-	0.03
g) Legal & Professional Fees	51.48	28.09
h) Office Maintenance	2.05	3.22
i) Security charges	5.13	6.63
j) Business Promotion	7.32	5.77
k) Vehicle Tax	3.29	1.55
l) Works Contract Tax/ VAT	164.63	265.39
m) Director's remuneration	44.40	51.07
n) Payment to Auditors as		
i) Audit Fees	2.52	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	0.36
o) Miscellaneous Expense	15.27	21.51
Total	352.73	443.85

Note No. 26 Extra Ordinary Item

There are no extra ordinary items during the current year.

Note No. 27 Contingent Liabilities

(₹ in lacs)

Particulars	2015 – 2016	2014 – 2015
Bank Guarantee	2015.16	2015.16
Property Tax	45.82	45.82
Total	2060.98	2060.98

Contingent Liabilities (excluding interest, wherever applicable) not provided for in respect of.

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	36,99,459	01.04.09	DC Appeal III To 31.03.10
Maharashtra VAT	Assessment	4,45,31,835	01.04.10	DC Appeal III To 31.03.11

Note No. 28 Earning per share**1) Disclosures as required by Accounting Standard (AS) 20 Earning per Share (EPS) –**

Sr. No.	Particulars	2015– 2016	2014 – 2015
i)	Profit attributable to Equity Shareholders for Basic Earning per Share	81.67	(2095.48)
ii)	Weighted average number of equity shares	109.61	109.61
iii)	Face Value of equity share	₹ 10/-	₹ 10/-
iv)	Earnings per share (Basic and diluted)	0.75	(19.11)

Note No. 29 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 2016

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

S.No.	Name of Related Party	Nature of Relationship
A)	Key Management personnel and their relatives -	
1	Mr. Jerry Varghese	Managing Director
2	Mrs. Saramma Varghese	Executive Director
3	Mr. Dilip Varghese	Executive Director
B)	Enterprise owned/controlled by key management personnel or their relatives -	
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 -** (₹ In lacs)

Nature of Transaction	Amount	Nature of Relationship
Managerial Remuneration	43.20	Key Management personnel
Directors sitting fees	1.20	Non Executive Directors

Note No.30 Disclosure in accordance with Accounting Standard -7 (Revised) - Construction Contracts

	(₹ In lacs)	
Particulars	2015-16	2014-15
Amount of Contract revenue recognized as revenue in the period	5374.43	6915.51
Contract cost incurred and recognized profits (less recognized losses) upto the reporting date	5061.51	7039.74
Recognised Profit	(312.92)	(124.23)
Advances received from customers for contract work	-	-
Retention money	3266.11	2775.43
Gross amount due from customer for contract work	2535.19	3409.98
Gross amount due to customer for contract work	69.38	201.57

Note No. 31 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.

- 2) Since the principal business of the company is construction activities, quantitative data as required by part II Para ii, 4c, 4d of Schedule VI to the Companies Act, 1956 is not furnished.
- 3) Additional information pursuant to the provision of part II of Schedule VI to the Companies Act, 1956 (wherever applicable)

		(₹ In lacs)	
Sr. No	Particulars	2015-16	2014-15
A	Amount received in Foreign Currency		
	1) Rent Received	-	₹ 47.25 lacs

Note No.32 Disclosure relating to Employee Benefits – As per AS- 15

(₹ In lacs)

A	Expenses recognized in the Statement of Profit & Loss Account for the year ended	31.3.2016	31.3.2015
1	Current Service Cost	-	-
2	Interest Cost	-	-
3	Actuarial (Gain)/Loss	(2.83)	6.88
4	Past Service Cost-Vested Benefit recognized during the Period	-	-
5	Transitional Liability Recognized during the Period	-	-
6	Expenses Recognized in P & L	2.71	11.72
B	Net Asset/(Liability) recognized In the Balance Sheet		
1	Fair Value of Plan Assets At the End of the Period	-	-
2	Present Value of Benefit Obligation at the end of the Period	50.62	47.90
3	Difference	(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	-	-
	(Net Liability Recognized in the Balance sheet)	(50.62)	(47.90)
C	Change in Present Value of Obligation		
1	Present Value of Benefit Obligation at the beginning of the current Period	47.90	39.13
2	Interest Cost	3.78	3.66
3	Current Service Cost	1.76	1.18
4	Past Service cost-Non Vested Benefit	-	-
5	Past Service Cost-Vested Benefit	-	-
6	Liability Transferred in	-	-
7	(Liability Transferred Out)	-	-
8	(Benefit Paid)	-	2.95
9	Actuarial (Gain/Loss on Obligations)	3.12	3.98
10	Present value of benefit obligation at the end of the Current Period	50.62	47.90
D.	Actuarial Assumptions:-		
1	Discount Rate-Previous	7.90%	8.25%
2	Salary Escalation-Previous	6.00%	6.00%
3	Attrition Rate-Previous	2.00%	2.00%
4	Discount Rate-Current	7.81%	7.90%
5	Salary Escalation-Current	6.00%	6.00%
6	Attrition Rate-Current	2.00%	2.00%

Note No.33 Additional Comments

- 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.
- In accordance with Accounting Standard 11 (revised), the net exchange gain credited to profit & Loss account is ₹ Nil/- (Previous year debit ₹ Nil)
- 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.
- The previous year's figure have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date

For HEGDE & ASSOCIATES
CHARTERED ACCOUNTANTS
 Registration No. 103610W

For and on behalf of the Board of Directors of Tarmat Ltd.

Sd/-
MANOJ SHETTY
 (PARTNER)
 Membership No.138593

Sd/-
 MANAGING DIRECTOR

Sd/-
 DIRECTOR

Date: 28.05.2016
 Place: MUMBAI

Sd/-
 CHIEF FINANCIAL OFFICER

Sd/-
 COMPANY SECRETARY

INDEPENDENT AUDITOR'S REPORT

To

The Members of **TARMAT LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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, 2016, 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 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 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; which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the company as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 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 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 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 2016 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 Consolidated financial statements

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

- a) *The Company has not provided interest on Working Capital facilities and bank charges on Bank Guarantees facilities enjoyed from Vijaya Bank amounting to ₹ 1346.99 Lacs and ₹ 14.91 Lacs respectively and in the case of Kotak Mahindra Bank Ltd, the company has not provided interest on Working Capital facilities amounting to ₹ 14.70 Lacs resulting into overstatement of net profit to the extent of ₹ 1377 Lacs and understatement of Loan Balance to that extent.*
- b) *Further the company has not provided interest on term loan facilities enjoyed from Kotak Mahindra Bank Ltd and SREI Finance. However the amount of interest cannot be quantified in absence of Balance confirmation from Kotak Mahindra Bank Ltd and SREI Finance.*
- c) *The balances of loan outstanding of Kotak Mahindra Bank Ltd and SREI Finance are subject to balance confirmation. 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.*

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

The Balances of Fixed Deposit with Vijaya Bank amounting to Rs 402.97 grouped under Cash and Cash Balances are not being confirmed by bank. 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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
Unpaid Dividend - 2008	381,862
Unpaid Dividend - 2009	54,766
Unpaid Dividend - 2010	43,367
Total	6,56,995

Other Matter

- a) We did not audit the financial statement of one Joint Ventures included in the statement, whose financial statements reflects total assets of ₹ 1,394.07 Lacs as at March 31, 2016, total revenue of ₹ 9,558.90 Lacs and total Profit of ₹ 94.27 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 ₹ 557.63 Lacs and ₹ 519.92 Lacs as at March 31, 2016 and expenditure for the year ended amounting to ₹ 3785.85 Lacs and income for the year ended amounting to ₹ 3,823.56 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 operator, 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 **HEGDE & ASSOCIATES**

Chartered Accountants

Firm Reg. No 103610W

Manoj Shetty

(Partner)

M.No 138593

Date: 28/05/2016

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 2016

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 2016, we have audited the internal financial controls over financial reporting of TARMAT LIMITED ("the Company") and its Joint Venture as of March 31, 2016.

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, 2016, 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 **HEGDE & ASSOCIATES**

Chartered Accountants
Firm Reg. No 103610W

Manoj Shetty

(Partner)
M.No 138593

Date: 28/05/2016

Place: Mumbai

Consolidated Audited Balance Sheet as at 31st March, 2016

(₹ in lacs)

Particulars	Note No.	As on 31st March 2016	As on 31st March 2015
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	4	1,096.07	1,096.07
(b) Reserves and surplus	5	2,698.11	2,627.08
		3,794.18	3,723.15
2 Non-current liabilities			
(a) Long-term borrowings	6	4,189.33	1,921.33
(b) Long-term provisions	7	50.62	47.89
		4,239.95	1,969.22
3 Current liabilities			
(a) Short-term borrowings	8	7,602.25	9,411.80
(b) Trade payables	9	2,260.71	2,875.14
(c) Other current liabilities	10	763.14	1,015.01
		10,626.10	13,301.97
TOTAL		18,660.23	18,994.34
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	1,519.69	1,768.42
(ii) Intangible assets		14.63	14.63
(b) Non-current investments	12	1,924.83	1,924.83
(c) Deferred Tax asset	13	112.91	20.06
(d) Long-term loans and advances	14	3,636.54	3,354.65
(e) Long Term Trade Receivables	15	441.54	520.01
		7,650.14	7,602.60
2 Current assets			
(a) Inventories	16	2,666.24	2,786.18
(b) Trade receivables	17	2,211.92	2,186.77
(c) Cash and cash balance	18	529.56	476.13
(d) Short-term loans and advances	19	5,602.37	5,942.64
		11,010.09	11,391.74
TOTAL		18,660.23	18,994.34

Summary of Significant Accounting Policies

1, 2 & 3

As per our report of even date

For HEGDE & ASSOCIATES
CHARTERED ACCOUNTANTS
Registration No. 103610W

For and on behalf of the Board of Directors of Tarmat Ltd.

Sd/-
MANOJ SHETTY
(PARTNER)
Membership No.138593

Sd/-
MANAGING DIRECTOR

Sd/-
DIRECTOR

Date: 28.05.2016
Place: MUMBAI

Sd/-
CHIEF FINANCIAL OFFICER

Sd/-
COMPANY SECRETARY

Consolidated Audited Profit and Loss Account for the year ended 31st March, 2016
(₹ in lacs)

Particulars	Note No.	Year Ended 31st March 2016	Year Ended 31st March 2015
I INCOME			
Revenue from operations (Gross)	20	9,121.57	8,224.19
Less : Excise Duty		-	-
Revenue from operations (Net)		<u>9,121.57</u>	<u>8,224.19</u>
II Other Income	21	<u>86.73</u>	<u>147.57</u>
III Total Revenue (I + II)		<u>9,208.29</u>	<u>8,371.76</u>
EXPENSES:			
Cost of materials consumed	22	1,395.91	1,164.01
Construction expenses	23	7,103.94	6,677.91
Employee benefits expense	24	226.69	264.85
Finance costs	25	459.39	1,552.25
Depreciation and amortization expense	11	249.21	377.82
Other expenses	26	352.73	443.83
IV Total expenses		<u>9,787.87</u>	<u>10,480.68</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		<u>(579.58)</u>	<u>(2,108.91)</u>
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V - VI)		<u>(579.58)</u>	<u>(2,108.91)</u>
VIII Extraordinary Items		<u>0.00</u>	<u>0.00</u>
IX Profit before tax (VII- VIII)		<u>(579.58)</u>	<u>(2,108.91)</u>
X Tax expense:			
(1) Current tax		0.00	0.00
(2) Current tax relating to prior years		557.77	0.00
		<u>557.77</u>	<u>0.00</u>
(3) Deferred tax Asset		92.85	43.05
XI Profit (Loss) for the period from continuing operations (VII-VIII)		<u>71.03</u>	<u>(2,065.87)</u>
XII Profit/(loss) from discontinuing operations		0.00	0.00
XIII Tax expense of discontinuing operations		0.00	0.00
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		<u>0.00</u>	<u>0.00</u>
XV Profit (Loss) for the period (XI + XIV)		<u>71.03</u>	<u>(2,065.87)</u>
XVI Earnings per equity share:			
1) Basic			
i) Computed on the basis of profit from continuing operation		0.65	(18.85)
ii) Computed on the basis of total profit for the year		0.65	(18.85)
2) Diluted			
i) Computed on the basis of profit from continuing operation		0.65	(18.85)
ii) Computed on the basis of total profit for the year		0.65	(18.85)

Summary of Significant Accounting Policies

As per our report of even date

For HEGDE & ASSOCIATES
CHARTERED ACCOUNTANTS
Registration No. 103610W

For and on behalf of the Board of Directors of Tarmat Ltd.

Sd/-
MANOJ SHETTY
(PARTNER)
Membership No.138593

Sd/-
MANAGING DIRECTOR

Sd/-
DIRECTOR

Date: 28.05.2016
Place: MUMBAI

Sd/-
CHIEF FINANCIAL OFFICER

Sd/-
COMPANY SECRETARY

Cash Flow Statement for the year ended 31st March, 2016

(₹ in lacs)

		2015-16	2014-15
A.	Net Profit/(Loss) as per Profit & Loss Account		(579.58)
	Adjustments for Non-Cash and other items		(2,108.91)
	Interest Expense	459.39	1,552.25
	Interest Income	(33.97)	(33.67)
	Depreciation	249.21	377.82
	Dividend received	0.00	(0.68)
	Provision for Doubtful Debts/ Advances (Net of Recovery)	0.00	0.00
	Gratuity provision	2.73	8.76
	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	97.78	(204.43)
	Changes in Working Capital		
	Adjustment for		
	Trade & Other Receivables	53.32	(530.45)
	Loans & Advances	58.38	(571.81)
	Inventories	119.94	470.00
	Fixed Deposit	(29.66)	5.00
	Trade payables and other liabilities	(866.30)	1,063.99
	Less: Taxes paid	-	
B.	Net Cash from Operating Activities [A]	557.77	436.73
	CASH FLOW FROM INVESTING ACTIVITIES	(8.77)	232.30
	Purchase of fixed assets	(0.47)	0.00
	Sale of Fixed Assets	0.00	0.00
	Purchase of Non current investments	0.00	521.31
	Interest received	33.97	33.67
	Dividend received	0.00	0.68
C.	Net Cash from Investing Activities [B]	33.50	555.66
	CASH FLOW FROM FINANCING ACTIVITIES		
	Dividend and Distribution tax paid	-	-
	Interest paid	(459.39)	(1,552.25)
	Proceeds from Long Term and Short Term Borrowings (Net Of Repayment)	458.43	746.58
	Net Cash from Financing Activities [C]	(0.97)	(805.67)
	Net increase in Cash and Cash equivalents [A+B+C]	23.76	-17.71
	Cash & Cash equivalents at the beginning of the year	96.26	113.97
	Cash & Cash equivalents at the end of the year	120.02	96.26

Note:

- Cash Flow Statement has been prepared under the indirect method as set in accounting standard (AS) 3 : "Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Cash and Cash equivalents at the end of the year represent Cash and Bank Balances.
- Previous Year's figures have been regrouped/reclassified whenever applicable.

As per our report of even date

For HEGDE & ASSOCIATES
CHARTERED ACCOUNTANTS
 Registration No. 103610W

For and on behalf of the Board of Directors of Tarmat Ltd.

Sd/-
MANOJ SHETTY
 (PARTNER)
 Membership No.138593

Sd/-
 MANAGING DIRECTOR

Sd/-
 DIRECTOR

Date: 28.05.2016
 Place: MUMBAI

Sd/-
 CHIEF FINANCIAL OFFICER

Sd/-
 COMPANY SECRETARY

Notes to Consolidated financial statements for the year ended 31st March 2016.

1. Corporate Information :

The group i.e. the company with its joint venture 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 Nagpur-Hyderabad National Highway, construction of internal roads for Sai Sansthan Trust, Shirdi etc.

2. Basis of Consolidation

- (a) The consolidated financial statement relates to The Tarmat Limited (the "Company") and its Joint Venture together constitute the "Group".

The consolidated financial statements have been prepared on the following basis:

- (i) The Financial statements of the company and its Joint venture have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating, intra-group balances, intra-group transactions and unrealized profits or losses as per Accounting Standard 21 "Consolidated Financial Statements" as notified by the Companies (Accounting Standard) Rules, 2006 (as amended) to the extent of the Company's share.
- (ii) The financial statements of Joint Ventures are consolidated and drawn upto the same reporting date as that of the Company.
- (iii) Goodwill
- Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.
 - Goodwill arising from the acquisition of associates is included in the carrying value of the investment in the associates.
 - Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Statement of Profit and Loss.
 - Goodwill on acquisition of the foreign subsidiaries are restated at the rate prevailing at the end of the year.
- (iv) Minority Interest:
- a. There is no minority interest as there are only fully owned subsidiaries.
- (b) The list of subsidiaries and associates, which are included in the consolidation with their respective country of incorporation and the Group's holding therein, is given below:-
- (i) **Subsidiary Companies** Nil
- (ii) **Associates Companies** Nil
- (iii) **Joint Ventures**

Country of Incorporat	Country of Incorporation	As at 31st March 2016		As at 31st March 2015	
		Held indirectly by parent or through Subsidiaries	Effective Holding	Held indirectly by parent or through Subsidiaries	Effective Holding
N G Projects & Tarmat JV	India	40	40	0	0

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS -

- (i) These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable. All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.
- (ii) Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- (iii) Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

3.2 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.

3.3 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.

3.4 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.

3.5 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.

3.6 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.

3.7 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.

3.8 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.

3.9 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.

3.10 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.

3.11 Employee Retirement Benefits -

The group 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.

3.12 Impairment of Assets -

The group 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.

3.13 Earning per share -

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

3.14 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.

	31st March 2016 ₹ In Lacs	31st March 2015 ₹ In Lacs
Note 4. SHARE CAPITAL		
Authorised Shares (No. in Lacs)		
12000000 (31st March 2016 12000000) Equity Shares of ₹ 10/- each	1,200.00	1,200.00
Issued, Subscribed & fully paid up shares (No. in Lacs)		
10960707 (31st March 2016 10960707 Equity Shares of ₹ 10/- each)	1,096.07	1,096.07
Total Issued, subscribed and fully paid up share capital	1,096.07	1,096.07

- a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity Shares	31st March 2016		31st March 2015	
	No. (Lacs)	₹ In Lacs	No. (Lacs)	₹ In Lacs
At the beginning of the year	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

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	As at 31st March 2016		As at 31st March 2015	
	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%
Mr. Dilip Varghese	10.63463	9.70%	10.63463	9.70%
Mrs. Saramma Varghese	10.51161	9.59%	10.51161	9.59%
M/s. Tarmat Holdings Pvt. Ltd	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 2016 No. In Lacs	31st March 2015 No. In Lacs
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	Nil	Nil
Equity Shares allotted as fully paid - up pursuant to contracts for consideration other than cash	Nil	Nil
Equity shares bought back by the company	Nil	Nil

	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Note 5. RESERVES & SURPLUS		
Securities Premium Account		
Balance As per Last Balance Sheet	6,206.89	6,206.89
Add : Transferred from surplus balance in the Profit & Loss Statement	-	-
Closing Balance	6,206.89	6,206.89
Revaluation Reserve		
As per Last Balance Sheet	8.50	8.50
Transfer/write back during the year	-	-
Closing Balance	8.50	8.50
General Reserve		
Opening Balance	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
Surplus/ (deficit) in the Statement of Profit & Loss		
Balance as per Last financial statements	-4,108.79	-2,023.94
Profit for the year	71.03	-2,084.85
Less : Appropriations		
(-) Proposed Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	-4,037.76	-4,108.79
Total	2,698.11	2,627.08

	Non Current Portion		Current Portion	
	31.03.2016 (₹ in lacs)	31.03.2015 (₹ in lacs)	31.03.2016 (₹ in lacs)	31.03.2015 (₹ in lacs)
Note 6. LONG TERM BORROWINGS				
Secured				
Term Loans	-	-	-	-
From Other Parties				
SREI Equipment Finance Pvt Ltd (NBFC)	-	-	56.32	66.32
Kotak Mahindra Bank	-	-	33.08	337.34
Unsecured				
From Others	4,189.33	1,921.33	-	-
	4,189.33	1,921.33	89.40	403.66

6.1 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.

6.2 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 ₹ 72 lacs), on August 15, 2011 (for disbursement of ₹ 28 lacs), on October 15, 2011 (for disbursement of ₹ 250 lacs), on December 5, 2011 for disbursement of ₹ 60 lacs) on March 15, 2012 (for disbursement of ₹ 20.68 lacs and on March 15, 2012 (for disbursement of ₹ 40 lacs)

Amount of Loan (₹ in lacs)	Interest Rate	Instalment Amount Payable (₹ in lacs)	No. of Outstanding Instalment	Period of maturity from Balance Sheet Date
28.00	14.00%	0.98	6 monthly	
72.00	14.00%	2.52	05 monthly	
250.00	14.00%	8.74	8 monthly	
60.00	14.75%	2.12	9 monthly	
20.68	14.75%	0.73	12 monthly	
40.00	14.75%	1.41	12 monthly	

The company has defaulted in repayment of installments and the loan amount is overdue. The loan account has been declared as NPA by the Financial Institution.

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	

	31.03.2016 (₹ in lacs)	31.03.2015 (₹ in lacs)
Note 7. LONG TERM PROVISIONS		
a) Provision for Employee Benefits	50.62	47.89
TOTAL	50.62	47.89

Note 8. SHORT TERM BORROWINGS

Secured

(A) Loans repayable on demand

a) From Banks		
i) Vijaya Bank-Cash Credit	4,095.26	6,110.95
ii) Kotak Mahindra Bank- Cash Credit	158.73	121.55
iii) Vijaya Bank -Bank guarantees invoked	3,348.27	3,179.28

Total	7,602.25	9,411.78
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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 defaulted in the repayment of principle and interest dues to Vijaya Bank during the period May 2012 till date. Vijaya Bank has classified the account as “Non Performing Asset” and has served a SARFESAI notice on the company and has initiated recovery proceeding against the compnay.

	As at 31.03.2016 (₹ in lacs)	As at 31.03.2015 (₹ in lacs)
Note 9 : TRADE PAYABLES		
a) Trade Payables	2,260.71	2,875.14
TOTAL	2,260.71	2,875.14

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.

	As at 31.03.2016 (₹ in lacs)	As at 31.03.2015 (₹ in lacs)
Note 10 : OTHER CURRENT LIABILITIES		
a) Current Maturities of Long Term Borrowings	89.40	403.66
b) Others	301.99	280.34
i) Unpaid Dividend	4.80	4.80
ii) Due To Employees	23.61	17.55
iii) Statutory Dues Payable	341.57	306.89
d) Application money received for Allotment of securities and due for refund	1.77	1.77
TOTAL	763.14	1,015.01

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.

(₹ in Lacs)

Note 11

	Fixed Assets	Gross Block					Accumulated Depreciation				Net Block	
		As at 01st April 2015	Additions/	(Disposals)	Revaluations/ (Impairments)	As at 31st March 2016	As at 01st April 2015	Depreciation for the period	Adjustment due to revaluations	On disposals	As at 31st March 2016	As at 31st March 2015
a	Tangible Assets											
	Land	461.25	-	-	-	461.25	-	-	-	-	461.25	461.25
	Assets under lease											
	Buildings	340.02	-	-	-	340.02	131.60	4.07	-	-	204.36	208.42
	Assets under lease											
	Plant and Equipment	5,092.74	-	-	-	5,092.74	4,042.29	234.41	-	-	816.04	1,050.45
	Assets under lease											
	Furniture and Fixtures	115.40	-	-	-	115.40	100.62	3.13	-	-	11.65	14.78
	Assets under lease											
	Vehicles	274.75	-	-	-	274.75	241.23	7.45	-	-	26.07	33.51
	Assets under lease											
	Office equipment	84.63	0.47	-	-	85.10	84.62	0.15	-	-	0.33	-
	Assets under lease											
	Others (specify nature)											
	Total	6,368.79	0.47	-	-	6,369.26	4,600.36	249.21	-	-	4,849.57	1,768.42
b	Intangible Assets											
	Goodwill	14.63	-	-	-	14.63	-	-	-	-	14.63	14.63
	Computer software											
	Total	14.63	-	-	-	14.63	-	-	-	-	14.63	14.63
	Total	6,383.42	0.47	-	-	6,383.89	4,600.36	249.21	-	-	4,849.57	1,783.05

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Quoted (₹ in lacs)	Unquoted (₹ in lacs)	Quoted (₹ in lacs)	Unquoted (₹ in lacs)
Note 12 Non-current investments				
Investments (At cost unless otherwise specified):				
Trade investments				
Investment in Equity shares (Others) ₹				
1042600 NOS EQUITY SHARE ₹ 10/-EACH		104.26		104.26
CONCAST AMBHA ROAD PROJECT PVT LTD				
6476600 NOS EQUITY SHARE ₹ 10/-EACH		647.66		647.66
CONCAST DAMOH ROAD PROJECT PVT LTD				
5623800 NOS EQUITY SHARE ₹ 10/-EACH		562.38		562.38
CONCAST DHANETA ROAD PROJECT PVT LTD				
5870098 NOS EQUITY SHARE ₹ 10/-EACH		587.01		587.01
CONCAST PATAN ROAD PROJECT PVT LTD				
210600 NOS EQUITY SHARE ₹ 10/-EACH		21.06		21.06
CONCAST BADNAGAR ROAD PROJECT PVT LTD				
2600 NOS EQUITY SHARE ₹ 10/-EACH		0.26		0.26
CONCAST JABALPUR ROAD PROJECT PVT LTD				
2600 NOS EQUITY SHARE ₹ 10/-EACH		0.26		0.26
Other investments (Non Trade)				
a) Quoted Investment				
VIJAYA BANK LTD				
19400 EQUITY SHARES OF ₹ 10/- EACH	1.94	-	1.94	-
Total	1.94	1,922.89	1.94	1,922.89
Details				
Aggregate of Investments				
	Cost (₹ in lacs)	Market Value (₹ in lacs)	Cost (₹ in lacs)	Market Value (₹ in lacs)
a) Quoted Investment	1.94	6.08	1.94	9.02
b) Unquoted Investment	1,922.89	-	2,444.20	-
Total	1,924.83	6.08	1,924.83	9.02
			31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Note 13 Deferred Tax Asset				
Deferred Tax Liability				
Related to Fixed Assets				-
Deferred Tax Assets				
Related to Fixed Asset			112.91	20.06
Deferred Tax Assets			112.91	20.06
Deferred Tax Asset (Net)			112.91	20.06
Total			112.91	20.06

	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Note 14 Long Term Loans and Advances		
Unsecured, Considered good		
a. Security and Other Deposits	3,519.00	3,246.27
b. Loans and Advances to Employees	117.54	108.38
Total	3,636.54	3,354.65
Note 15 Long Term Trade Receivables		
Unsecured, Considered good		
a) Trade Receivables	441.54	520.01
Total	441.54	520.01
Note 16 : Inventories		
(As technically valued and certified by the Management)		
a) Material At Site, At Cost	796.75	840.27
b) Work In Progress	1,869.49	1,945.91
Total	2,666.24	2,786.18
Note 17 : Trade Receivables		
Unsecured and Considered Good		
a) Trade Receivables outstanding for more than 6 months	1,440.54	1,793.04
Less : Provision for Doubtful Debts	-	-
	1,440.54	1,793.04
b) Other Trade receivables	771.38	393.73
Total	2,211.92	2,186.77
Note 18 : Cash and Cash Equivalents		
a) Cash on Hand	99.40	72.93
b) Balance with Banks		
i) In Current Accounts	20.62	23.33
ii) In earmarked Accounts		
1) Unpaid Dividend Accounts	4.80	4.80
2) Share Application money received for allotment of securities and due for refund	1.77	1.77
3) Balances held as Margin Money or security against borrowings, guarantees and other Commitments	402.97	373.31
Total	529.56	476.13
Note 19 : Short term Loans and Advances		
Unsecured, Considered Good		
a) Others		
i) Advances Recoverable in cash or in kind or for value to be received	2,938.19	3,438.87
ii) Advance payment of Taxes (Net of Provision)	487.43	349.52
iii) Earnest Money and Other Deposits	2,170.18	2,142.92
b) Loan to Employees	6.57	11.33
Total	5,602.37	5,942.64

	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Note 20 Revenue from Operations		
Work Bill Receipts - Gross	9,197.99	8,519.19
Add : Work in Progress, at close	1,869.49	1,945.91
	11,067.48	10,465.10
Less : Work in progress, at commencement	1,945.91	2,240.91
Total	9,121.57	8,224.19
Note 21 Other Income		
a) Hire, Rent and Royalty Charges received	6.60	103.21
b) Dividend	-	0.68
c) Interest from Banks	33.97	33.67
d) Misc Receipts	7.00	10.00
e) Interest on IT refund	39.15	-
f) Share of profit from Joint Venture	-	-
Total	86.72	147.56
Note 22 Cost of construction material consumed		
Stock at Commencement	840.27	1,015.27
Add : Purchases	1,352.39	989.01
	2,192.66	2,004.28
Less : Scrap sold	-	-
	2,192.66	2,004.28
Less : Stock at Close	796.75	840.27
	1,395.91	1,164.01
Note 23 Construction expenses		
Subcontract , Transportation, Hire etc	6,975.55	6,496.42
Labour Charges	76.63	124.82
Power & Fuel	20.42	18.88
Repairs to Machinery	28.25	29.83
Other repairs	2.22	6.71
Laboratory charges and Water charges	0.87	1.25
Total	7,103.94	6,677.91
Note 24 Employee Benefit Expenses		
(a) Salaries and incentives	205.70	197.30
(b) Contributions to -		
(i) Provident fund	2.66	0.69
(ii) ESIC	0.27	0.17
(c) Gratuity fund contributions	2.72	2.95
d) Staff welfare expenses	15.35	63.73
Total	226.69	264.85

	31st March 2016 (₹ in lacs)	31st March 2015 (₹ in lacs)
Note 25 Finance Cost		
a) Interest expense	432.54	1,483.22
b) Other borrowing costs	26.86	69.04
Total	459.39	1,552.25

Note 26 Other Expenses		
a) Stationery, Postage, Telephone & Advertisement	25.58	17.22
b) Travelling & Conveyance	18.48	29.17
c) Rent	2.18	4.67
d) Rates & Taxes - excluding taxes on income	6.51	1.42
e) Insurance	2.95	4.62
f) Repairs to building	-	0.03
g) Legal & Professional Fees	51.48	28.09
h) Office Maintenance	2.05	3.22
i) Security charges	5.13	6.63
j) Business Promotion	7.32	5.77
k) Vehicle Tax	3.29	1.55
l) Works Contract Tax/ VAT	164.63	265.39
m) Director's remuneration	44.40	51.07
n) Payment to Auditors as		
i) Audit Fees	2.52	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	0.36
o) Miscellaneous Expense	15.27	21.51
Total	352.73	443.85

Note No. 27 Extra Ordinary Item

There are no extra ordinary items during the current year.

Note No. 28 Contingent Liabilities	(₹ in lacs)	
Particulars	2015 – 2016	2014 – 2015
Bank Guarantee	2015.16	2015.16
Property Tax	45.82	45.82
Total	2060.98	2060.98

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

Sr. No.	Particulars	2015– 2016	2014 – 2015
i)	Profit attributable to Equity Shareholders for Basic Earning per Share	81.67	(2095.48)
ii)	Weighted average number of equity shares	109.61	109.61
iii)	Face Value of equity share	₹ 10/-	₹ 10/-
iv)	Earnings per share (Basic and diluted)	0.75	(19.11)

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 2016

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

S.No.	Name of Related Party	Nature of Relationship
A)	Key Management personnel and their relatives -	
1	Mr. Jerry Varghese	Managing Director
2	Mrs. Saramma Varghese	Executive Director
3	Mr. Dilip Varghese	Executive Director
B)	Enterprise owned/controlled by key management personnel or their relatives -	
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 - (₹ In lacs)

Nature of Transaction	Amount	Nature of Relationship
Managerial Remuneration	43.20	Key Management personnel
Directors sitting fees	1.20	Non Executive Directors

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

Particulars	(₹ In lacs)	
	2015-16	2014-15
Amount of Contract revenue recognized as revenue in the period	5374.43	6915.51
Contract cost incurred and recognized profits (less recognized losses) upto the reporting date	5061.51	7039.74
Recognised Profit	(312.92)	(124.23)
Advances received from customers for contract work	-	-
Retention money	3266.11	2775.43
Gross amount due from customer for contract work	2535.19	3409.98
Gross amount due to customer for contract work	69.38	201.57

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.

2) Since the principal business of the company is construction activities, quantitative data as required by part II Para ii, 4c, 4d of Schedule VI to the Companies Act, 1956 is not furnished.

3) Additional information pursuant to the provision of part II of Schedule VI to the Companies Act, 1956 (wherever applicable)

(₹ In lacs)			
Sr. No	Particulars	2015-16	2014-15
A	Amount received in Foreign Currency		
	1) Rent Received	-	₹ 47.25 lacs

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

(₹ In lacs)

A	Expenses recognized in the Statement of Profit & Loss Account for the year ended	31.3.2016	31.3.2015
1	Current Service Cost	-	-
2	Interest Cost	-	-
3	Actuarial (Gain)/Loss	(2.83)	6.88
4	Past Service Cost-Vested Benefit recognized during the Period	-	-

5	Transitional Liability Recognized during the Period	-	-
6	Expenses Recognized in P & L	2.71	11.72
B	Net Asset/(Liability) recognized In the Balance Sheet		
1	Fair Value of Plan Assets At the End of the Period	-	-
2	Present Value of Benefit Obligation at the end of the Period	50.62	47.90
3	Difference	(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	-	-
	(Net Liability Recognized in the Balance sheet)	(50.62)	(47.90)
C	Change in Present Value of Obligation		
1	Present Value of Benefit Obligation at the beginning of the current Period	47.90	39.13
2	Interest Cost	3.78	3.66
3	Current Service Cost	1.76	1.18
4	Past Service cost-Non Vested Benefit	-	-
5	Past Service Cost-Vested Benefit	-	-
6	Liability Transferred in	-	-
7	(Liability Transferred Out)	-	-
8	(Benefit Paid)	-	2.95
9	Actuarial (Gain/Loss on Obligations	3.12	3.98
10	Present value of benefit obligation at the end of the Current Period	50.62	47.90
D.	Actuarial Assumptions:-		
1	Discount Rate-Previous	7.90%	8.25%
2	Salary Escalation-Previous	6.00%	6.00%
3	Attrition Rate-Previous	2.00%	2.00%
4	Discount Rate-Current	7.81%	7.90%
5	Salary Escalation-Current	6.00%	6.00%
6	Attrition Rate-Current	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.
- 4) The previous year's figure have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date

For HEGDE & ASSOCIATES
CHARTERED ACCOUNTANTS
Registration No. 103610W

Sd/-
MANOJ SHETTY
(PARTNER)
Membership No.138593

Date: 28.05.2016
Place: MUMBAI

For and on behalf of the Board of Directors of Tarmat Ltd.

Sd/-
MANAGING DIRECTOR

Sd/-
CHIEF FINANCIAL OFFICER

Sd/-
DIRECTOR

Sd/-
COMPANY SECRETARY

ATTENDANCE SLIP
TARMAT LIMITED

Regd Off: - P B NO 9042, Goregaon (East), Mumbai - 400063

CIN: L45203MH1986PLC038535

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

I hereby record my presence at the 31st Annual General Meeting of the Company held on Thursday, 29th September, 2016 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

Form No. MGT-11

PROXY FORM

[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 - 400063

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 31st Annual General Meeting of the Company to be held on Thursday, 29th September, 2016 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 2016, the Statement of Profit and Loss Account for the year ended 31st March 2016 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 Mr. Dilip Varghese (DIN 01424196), who retires by rotation and being eligible, offers himself for reappointment
3	Ratification of appointment of Auditors
4	Ratification of Cost Auditors' remuneration

Signed this day of 2016.

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.





Tarmat Limited
General A. K. Vaidya Marg
Near Wageshwari Mandir Stop
Off Film City Road
Goregaon (E)
Mumbai-400063

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

Website : www.tarmatlimited.com

Email : contact@tarmatlimited.com