

**Tata Technologies Pte. Limited**  
**Annual Financial Statements**  
**For the year ended March 31, 2018**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
TATA TECHNOLOGIES PTE LTD**  
(Incorporated in the Republic of Singapore)

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **TATA TECHNOLOGIES PTE LTD** (the Company), which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

CARRYING VALUE OF SUBSIDIARIES

The Directors are of the opinion that based on a professional valuation, the carrying values of investment in subsidiaries are stated at fair values and no impairment provision is necessary.

We have relied on the fair values adopted by the Directors and professional valuation.

Our opinion is not modified in respect of this matter.

**Other Information**

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
TATA TECHNOLOGIES PTE LTD**  
(Incorporated in the Republic of Singapore)

(Continuation from Page 3)

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

**H. WEE & CO.**  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS

SINGAPORE  
DATED: APRIL 16, 2018

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018**

	NOTE	2018		2017	
		US\$	₹	US\$	₹
<b>REVENUES</b>					
Sales	3	6,639,208	432,727,046	4,717,480	305,928,625
Dividend income from subsidiary company		-	-	618,706	40,123,090
Gain from disposal of plant and equipment		-	-	149	9,663
Other revenues	18	60,126	3,918,863	40,542	2,629,149
<b>Total revenues</b>		<b>6,699,334</b>	<b>436,645,909</b>	<b>5,376,877</b>	<b>348,690,528</b>
<b>COSTS AND EXPENSES</b>					
Purchases and related direct cost expenses		5,629,169	366,895,219	4,010,766	260,098,215
Amortisation of trade marks	7	24,157	1,574,493	21,983	1,425,598
Bad debts written off		-	-	42,271	2,741,275
Depreciation	8	44,391	2,893,295	29,190	1,892,972
Director's fees		3,582	233,466	3,630	235,406
Director's remuneration		307,822	20,063,071	276,297	17,917,863
Exchange difference		(126,115)	(8,219,862)	19,738	1,280,009
Group cost recharged		3	196	-	-
Salaries and employee benefits		976,714	63,659,787	1,152,268	74,724,591
Other operating expenses	18	253,149	16,499,621	424,143	27,505,678
<b>Total costs and expenses</b>		<b>7,112,872</b>	<b>463,599,286</b>	<b>5,980,286</b>	<b>387,821,607</b>
<b>(LOSS) BEFORE TAXATION</b>		<b>(413,538)</b>	<b>(26,953,377)</b>	<b>(603,409)</b>	<b>(39,131,080)</b>
Taxation	19	(28,645)	(1,867,010)	14,325	928,976
<b>(LOSS) FOR THE YEAR</b>		<b>(442,183)</b>	<b>(28,820,387)</b>	<b>(589,084)</b>	<b>(38,202,103)</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation		32,790	2,137,171	38,372	2,488,425
<b>OTHER COMPREHENSIVE INCOME/(LOSS), net of tax</b>		<b>32,790</b>	<b>2,137,171</b>	<b>38,372</b>	<b>2,488,425</b>
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR</b>		<b>(409,393)</b>	<b>(26,683,216)</b>	<b>(550,712)</b>	<b>(35,713,679)</b>

THE ATTACHED NOTES TO THE ACCOUNTS  
FORM AN INTEGRAL PART OF THE ACCOUNTS

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018**

	NOTE	2018		2017	
		US\$	₹	US\$	₹
<b>SHARE CAPITAL</b>	4	54,000,000	3,519,585,540	54,000,000	3,501,900,540
<b>CAPITAL RESERVE</b>	5	45,935,488	2,993,960,728	45,935,488	2,978,916,856
<b>CURRENCY TRANSLATION RESERVE</b>	6	3,375,694	220,019,329	3,342,904	216,787,358
<b>RETAINED EARNINGS</b>		8,102,639	528,109,834	8,544,822	554,131,792
		<u>111,413,821</u>	<u>7,261,675,432</u>	<u>111,823,214</u>	<u>7,251,736,546</u>
Represented by:					
<b>INTANGIBLE ASSETS</b>	7	151,571	9,879,020	165,340	10,722,301
<b>PLANT AND EQUIPMENT</b>	8	158,717	10,344,779	100,161	6,495,442
<b>SUBSIDIARY COMPANIES</b>	9	106,852,458	6,964,377,150	106,852,458	6,929,382,970
<b>NON CURRENT ASSETS</b>	10	32,259	2,102,561	-	-
<b>CURRENT ASSETS</b>					
Trade debtors	11	1,940,636	126,485,822	892,941	57,907,233
Trade debtors - related companies	12	166,667	10,862,940	102,809	6,667,165
Other debtors	13	1,173,969	76,516,376	64,090	4,156,237
Amount due from subsidiary companies	9	34,875	2,273,066	3,817,790	247,583,720
Cash and cash equivalents	14	4,075,623	265,638,959	714,503	46,335,527
		<u>7,391,770</u>	<u>481,777,163</u>	<u>5,592,133</u>	<u>362,649,881</u>
Less: <b>CURRENT LIABILITIES</b>					
Trade creditors and accruals	15	1,108,995	72,281,533	642,506	41,666,521
Trade creditors - related companies	16	405,710	26,443,168	231,545	15,015,696
Other creditors	17	1,640,198	106,904,022	5,293	343,251
Provision for taxation		18,051	1,176,519	7,534	488,580
		<u>3,172,954</u>	<u>206,805,241</u>	<u>886,878</u>	<u>57,514,047</u>
<b>NET CURRENT ASSETS</b>		4,218,816	274,971,922	4,705,255	305,135,834
		<u>111,413,821</u>	<u>7,261,675,432</u>	<u>111,823,214</u>	<u>7,251,736,546</u>

THE ATTACHED NOTES TO THE ACCOUNTS  
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	SHARE CAPITAL		CAPITAL RESERVE		CURRENCY TRANSLATION RESERVE		RETAINED EARNINGS/ ACCUMULATED (LOSSES)		TOTAL EQUITY	
	US\$	₹	US\$	₹	US\$	₹	US\$	₹	US\$	₹
Balance at 31 March 2016	54,000,000	3,501,900,540	45,935,488	2,978,916,856	3,304,532	214,298,933	9,133,906	592,333,895	112,373,926	7,287,450,225
Total comprehensive (loss) for the year	-	-	-	-	38,372	2,488,425	(589,084)	(38,202,103)	(550,712)	(35,713,679)
Balance at 31 March 2017	54,000,000	3,501,900,540	45,935,488	2,978,916,856	3,342,904	216,787,358	8,544,822	554,131,792	111,823,214	7,251,736,546
Balance at 31 March 2017	54,000,000	3,519,585,540	45,935,488	2,993,960,728	3,342,904	217,882,159	8,544,822	556,930,221	111,823,214	7,288,358,649
Total comprehensive (loss) for the year	-	-	-	-	32,790	2,137,171	(442,183)	(28,820,387)	(409,393)	(26,683,216)
Balance at 31 March 2018	54,000,000	3,519,585,540	45,935,488	2,993,960,728	3,375,694	220,019,329	8,102,639	528,109,834	111,413,821	7,261,675,432

THE ATTACHED NOTES TO THE ACCOUNTS  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018**

	2018		2017	
	US\$	₹	US\$	₹
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit before taxation	(413,538)	(26,953,377)	(603,409)	(39,131,079)
Adjustments for:				
Amortisation of trade marks	24,157	1,574,493	21,983	1,425,598
Bad debts written off	-	-	42,271	2,741,275
Depreciation of plant and equipment	44,391	2,893,295	29,190	1,892,972
Loss/(Gain) from disposal of plant and equipment	3	196	(149)	(9,663)
Interest income	(43,830)	(2,856,730)	(26,789)	(1,737,267)
Currency translation differences	(3,030)	(197,488)	38,372	2,488,425
Unrealised exchange differences	32,790	2,137,171	36,613	2,374,353
Operating profit before working capital changes	(359,057)	(23,402,441)	(461,918)	(29,955,386)
(Increase)/Decrease in debtors	(2,249,849)	(146,639,556)	(49,966)	(3,240,296)
(Decrease)/Increase in amount due (to)/from subsidiaries - trade	(34,563)	(2,252,730)	(8,561)	(555,181)
Increase/(Decrease) in creditors	2,274,557	148,249,962	57,199	3,709,356
Cash generated from operation	(368,912)	(24,044,766)	(463,246)	(30,041,507)
Interest income	43,830	2,856,730	26,789	1,737,266
Tax paid	(18,128)	(1,181,538)	(49,301)	(3,197,170)
Net cash flow (used in) operating activities	(343,210)	(22,369,573)	(485,758)	(31,501,412)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of intangible assets	(10,388)	(677,064)	(33,385)	(2,165,018)
Placement of fixed deposit	(280,622)	(18,290,243)	-	-
Proceed from disposal of plant and equipment	-	-	290	18,807
Purchase of plant and equipment	(102,950)	(6,710,025)	(7,134)	(462,640)
Net cash flow from/(used in) investing activities	(393,960)	(25,677,332)	(40,229)	(2,608,851)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>				
	(737,170)	(48,046,905)	(525,987)	(34,110,263)
Effect of exchange rates changes on cash and cash equivalents	(122)	(7,952)	(42,939)	(2,784,595)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	4,532,293	295,403,572	5,101,219	330,814,102
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 14)</b>	3,795,001	247,348,716	4,532,293	293,919,244

THE ATTACHED NOTES TO THE ACCOUNTS  
FORM AN INTEGRAL PART OF THE ACCOUNTS

## NOTES TO THE ACCOUNTS - 31 MARCH 2018

The notes on pages 9 to 27 form an integral part of and should be read in conjunction with these accounts.

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

The accounts expressed in United States Dollar (US\$), which is the Company's functional currency, have been prepared under the historical cost convention (except as disclosed in the accounting policies below) and in accordance with Singapore Financial Reporting Standards (FRS) as required by the Companies Act.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements, key assumptions and accounting estimates that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

#### Investment in subsidiaries

The carrying amount of investment in subsidiaries is disclosed in Note 9. Management has evaluated whether there is any indication of impairment by considering both internal and external sources of information, and is of the opinion no impairment provision is necessary.

#### Allowances for receivables

The Company makes allowances for bad and doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, past collection history of each customer and on-going dealings with them. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed. The carrying amounts of the Company's trade and other receivables are disclosed in Notes 11, 12 and 13 respectively.

In the current financial year, the Company has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") issued by the Accounting Standards Council that are relevant to its operations and effective for the current financial year.

The adoption of these new/revised FRSs has no material effect on the financial statements.

#### (b) New Standards and Interpretations Not Yet Adopted

New standards, amendments to standards and interpretations that are not yet effective for the year ended 31 March 2018 have not been applied in preparing these financial statements. None of these are expected to have a significant impact on the financial statements of the Company.

## NOTES TO THE ACCOUNTS - 31 MARCH 2018

### 1 SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

#### (c) Consolidation

Consolidated financial statements of the Company and its subsidiaries have not been prepared. Its immediate holding company, Tata Technologies Limited, a company incorporated in India, prepares consolidated financial statements which include the results of the Company and all its subsidiaries. Copies of the consolidated financial statements can be obtained from 25, Pune Infotech Park, Hlnjawadi, Pune, India.

A list of the Company's subsidiary companies is shown in Note 9.

#### (d) Intangible Assets

Intangible assets are measured at fair value upon initial recognition. Subsequent to initial recognition, the intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets comprise of legal fees incurred in registering trade marks and patents. They are amortised over their estimated useful lives of ten years.

#### (e) Plant and Equipment and Depreciation

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals is capitalised and expenditure for maintenance and repairs is charged to profit or loss. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in profit or loss.

Depreciation is calculated on the straight line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives are as follows:

Computer equipment	1 to 3 years
Office furniture and equipment	5 to 10 years
Motor vehicle	10 years

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

#### (f) Subsidiary Companies

Shares in subsidiary companies are stated at cost (except for two of the subsidiaries which were re-stated at fair values – Notes 5 and 9). Provision for impairment in value of the investments would be made if the directors consider that their value had permanently fallen below cost.

## NOTES TO THE ACCOUNTS - 31 MARCH 2018

### 1 SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

#### (g) Financial Assets

##### (i) Classification

The Company classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The Company's only financial assets are loans and receivables.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the statement of financial position date which are presented as non-current assets.

Loans and receivables include 'bank and cash balances', 'fixed deposit' and 'trade and other debtors' excluding prepayment.

##### (ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is also transferred to profit or loss.

##### (iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised as expenses.

##### (iv) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Interest income on financial assets is recognised separately in profit or loss.

##### (v) Impairment of Assets

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of any impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in profit or loss whenever the carrying amount of an asset of its cash-operating unit exceeds its recoverable amount.

An impairment loss is only reversed to the extent the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals of impairment losses are recognised in profit or loss.

## NOTES TO THE ACCOUNTS - 31 MARCH 2018

### 1 SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

#### (h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and at bank and fixed deposits which are subject to an insignificant risk of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash.

#### (i) Financial Liabilities

Financial liabilities include trade payables and other amounts payable. Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired.

#### (j) Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

#### (k) Foreign Currency

The Company's functional currency is the United States Dollar. Transactions in other currencies during the financial year are converted to United States Dollar at the rates of exchange prevailing on the transaction dates. Monetary assets and liabilities denominated in other currencies are translated into United States Dollar at the rates of exchange prevailing at the statement of financial position date or at the contracted rates where they are covered by forward exchange contracts. All exchange adjustments are taken to profit or loss.

#### (l) Income Tax

Income tax expense is determined on the basis of tax effect accounting, using the liability method, and is applied to all temporary differences at the statement of financial position date between the carrying amounts of assets and liabilities and the amounts used for tax purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

## NOTES TO THE ACCOUNTS - 31 MARCH 2018

### 1 SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

#### (m) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### (i) Sales of good

Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

##### (ii) Services rendered

Revenue is recognised upon when services are rendered to and accepted by customers.

##### (iii) Commission income

Commission income is recognised when the Company's rights to receive payment is established.

##### (iv) Interest income

Interest income is recognised as interest accrues (using the effective interest method) unless collectability is in doubt.

#### (n) Employee Benefits

##### (i) Pension obligations

As required by law, the Company makes contributions to the contribution pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

##### (ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the statement of financial position date.

#### (o) Operating Lease

Rental payable/receivable under operating leases is accounted for in the statement of comprehensive income on a straight-line basis over the periods of the respective leases.

## NOTES TO THE ACCOUNTS - 31 MARCH 2018

### 1 SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

#### (p) Related Parties

A party is considered to be related to the Company if:

- i) The party, directly or indirectly through one or more intermediaries,
  - controls, is controlled by, or is under common control with, the Company;
  - has an interest in the Company that gives it significant influence over the Company;
  - or
  - has joint control over the Company;
- ii) The party is an associate;
- iii) The party is a jointly-controlled entity;
- iv) The party is a member of the key management personnel of the Company;
- v) The party is a close member of the family of any individual referred to in (i) or (iv); or
- vi) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v).

### 2 GENERAL

The Company is a limited liability company incorporated and domiciled in Singapore.

The Company has a branch in Korea.

The principal activities of the Company are that of development of software and marketing of computer systems and software, provision of engineering support and maintenance services and computer consultancy and related services.

The principal activities of the subsidiary companies are set out in Note 9 to the accounts.

There have been no significant changes in the nature of these activities during the financial year.

The registered office of the Company is located at 78 Shenton Way, #14-02, Singapore 079120.

The financial statements of the Company were authorised by the Board of Directors on

### 3 REVENUES

Revenues of the Company consist of revenues from sales of goods and services, maintenance income, commission income and other revenues (Note 18).

Sales represent invoiced value after trade discounts.

**NOTES TO THE ACCOUNTS - 31 MARCH 2018**

**4 SHARE CAPITAL**

	2018	2017	2018	2017
	No. of Shares		US\$	₹
Ordinary shares				
Issued and fully paid				
Balance at beginning of year	86,463,759	86,463,759	54,000,000	3,519,585,540
Balance at end of year	86,463,759	86,463,759	54,000,000	3,519,585,540

All issued shares are fully paid and have no par value. The Company has one class of ordinary shares which carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The Company is not subject to any externally imposed capital requirements.

**5 CAPITAL RESERVE**

Capital reserve of the Company was derived as follows:

Tata Technologies, USA, a subsidiary of the Company acquired during the financial year ended 31 March 2006, made a 338(g) election as per US IRS provisions to treat the acquisition of INCAT International Plc as a deemed asset sale resulting in INCAT International Plc's investment in INCAT Holdings USA/iKnowledge Solutions Inc. getting distributed as in specie dividend to Tata Technologies, USA. In turn Tata Technologies, USA has distributed in specie dividend to the Company, the shares of iKnowledge Solutions Inc. and INCAT International Plc.

The carrying values of these investments as at 31 March 2006 in the respective holding company's audited accounts were adopted for this in specie dividend, i.e. US\$85,935,488 (₹ 5,601,061,128) for INCAT International Plc and US\$6,840,817 (₹ 445,867,418) for iKnowledge Solutions Inc. As the surplus of the in specie dividend over the cost of investment arose from a group restructuring shortly after the investment was made, the Directors are of the opinion this surplus is capital in nature hence it has been taken to the Capital Reserve.

During the financial year ended 31 March 2015, on 12 February 2015, the Company disposed of its entire interest of 885,520 Class B shares in Tata Technologies, Inc for a total consideration of 697 shares in Tata Technologies Europe Limited which were valued at US\$19,449,000. Capital reserve of US\$6,840,817 was realised in the income statement on disposal of the subsidiary.

	2018	2017
	US\$	₹
Balance at beginning and end of year	45,935,488	2,978,916,856

**6 CURRENCY TRANSLATION RESERVE**

The currency translation reserve comprises all foreign exchange differences arising from change in the Company's functional currency from Singapore Dollar to United States Dollar in financial year ended 31 March 2013 and the translation of the financial statements of its Korea Branch's foreign operations whose functional currency is different from the functional currency of the Company.

**NOTES TO THE ACCOUNTS - 31 MARCH 2018**

**7 INTANGIBLE ASSETS**

	2018		2017	
	US\$	₹	US\$	₹
Trade marks, at cost				
At 1 April	238,780	15,563,086	205,395	13,319,868
Additions	10,388	677,064	33,385	2,165,018
At 31 March	249,168	16,240,150	238,780	15,484,885
Less: Amortisation	97,597	6,361,129	73,440	4,762,585
	151,571	9,879,020	165,340	10,722,301
Analysis of amortisation				
At 1 April	73,440	4,786,636	51,457	3,336,987
Current year's amortisation	24,157	1,574,493	21,983	1,425,598
At 31 March	97,597	6,361,129	73,440	4,762,585

**8 PLANT AND EQUIPMENT**

	Computer equipment US\$	Office furniture & equipment US\$	Motor vehicle US\$	Total US\$	Computer equipment ₹	Office furniture & equipment ₹	Motor vehicle ₹	Total ₹
<b>COST</b>								
At 1.4.2016	152,254	123,625	181,632	457,511	9,873,674	8,017,082	11,778,837	29,669,594
Additions	7,047	87	-	7,134	456,998	5,642	-	462,640
Disposals	(105,452)	(94,349)	-	(199,801)	(6,838,563)	(6,118,534)	-	(12,957,096)
At 31.3.2017	53,849	29,363	181,632	264,844	3,509,744	1,913,807	11,838,322	17,261,872
Additions	3,399	99,551	-	102,950	221,538	6,488,486	-	6,710,025
Disposals	(2,483)	(4,327)	-	(6,810)	(161,836)	(282,023)	-	(443,859)
At 31.3.2018	54,765	124,587	181,632	360,984	3,569,446	8,120,270	11,838,322	23,528,038
<b>ACCUMULATED DEPRECIATION</b>								
At 1.4.2016	137,518	117,414	80,221	335,153	8,918,044	7,614,299	5,202,333	21,734,675
Additions	8,241	2,786	18,163	29,190	534,429	180,672	1,177,871	1,892,972
Disposals	(105,447)	(94,213)	-	(199,660)	(6,838,239)	(6,109,714)	-	(12,947,953)
At 31.3.2017	40,312	25,987	98,384	164,683	2,627,436	1,693,768	6,412,424	10,733,628
Additions	8,155	18,073	18,163	44,391	531,523	1,177,953	1,183,819	2,893,295
Disposals	(2,483)	(4,324)	-	(6,807)	(161,836)	(281,828)	-	(443,663)
At 31.3.2018	45,984	39,736	116,547	202,267	2,997,123	2,589,894	7,596,243	13,183,259
<b>NET BOOK VALUE</b>								
At 31.3.2018	8,781	84,851	65,085	158,717	572,324	5,530,377	4,242,078	10,344,779
At 31.3.2017	13,537	3,376	83,248	100,161	877,875	218,934	5,398,634	6,495,442

Motor vehicle is held in trust by a Director for the Company.

**NOTES TO THE ACCOUNTS - 31 MARCH 2018**

**9 SUBSIDIARY COMPANIES**

	2018		2017	
	US\$	₹	US\$	₹
Investment in subsidiaries:				
Unquoted shares				
Balance at beginning of year				
- at cost	20,916,969	1,363,315,956	20,916,969	1,356,465,649
- at fair value	85,935,489	5,601,061,194	85,935,489	5,572,917,321
Balance at end of year	106,852,458	6,964,377,150	106,852,458	6,929,382,970
Amount due (to) subsidiaries:				
Trade debts due (to) subsidiary	34,875	2,273,066	-	-
	34,875	2,273,066	-	-
	106,887,333	6,966,650,215	106,852,458	6,929,382,970

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation & place of business	Percentage		Principal activities
		2018 %	2017 %	
+^Tata Technologies Inc (Sole stockholder of Class B common stock)	Michigan, USA	#96	#96	Information technology & consultancy services
+* INCAT International Plc	United Kingdom	100	100	Information technology & consultancy services
+*Tata Technologies Europe Limited	United Kingdom	7 ##93	7 ##93	Information technology & consultancy services
+*Tata Technologies (Thailand) Limited	Thailand	100	100	Information technology & consultancy services
+*Tata Mfg Technologies Consulting (Shanghai) Ltd (formerly known as Cambric Manufacturing Technologies	China	100	100	Information technology & consultancy services

^Not required to be audited by local laws.

\*Audited by other firms.

+Subsidiaries consolidated by immediate holding company, Tata Technologies Limited.

#Percentage of shareholding held by subsidiary, Tata Technologies Europe Limited in Tata Technologies Inc.

## Percentage of shareholding held by subsidiary, Incat International Plc in Tata Technologies Europe Limited.

Copies of the consolidated financial statements of Tata Technologies Limited can be obtained from 25, Pune Infotech Park, Hinjawadi, Pune, India.

NOTES TO THE ACCOUNTS - 31 MARCH 2018

10 NON CURRENT ASSETS

	2018		2017	
	US\$	₹	US\$	₹
Deposits (denominated in S\$)	32,259	2,102,561	-	-

11 TRADE DEBTORS

	2018		2017	
	US\$	₹	US\$	₹
Trade debtors	1,915,727	124,862,316	869,991	56,418,925
Accrued income	24,909	1,623,507	22,950	1,488,308
	1,940,636	126,485,822	892,941	57,907,233

Trade debtors are non-interest bearing and are normally settled on 30 - 60 days terms.

The ageing analysis of trade debtors is as follows:

	2018		2017	
	US\$	₹	US\$	₹
Current	1,490,438	97,143,038	477,572	30,970,549
30 days	317,057	20,664,986	305,959	19,841,444
60 days	66,941	4,363,048	7,804	506,089
90 days and above^	41,291	2,691,245	78,656	5,100,842
	1,915,727	124,862,316	869,991	56,418,925

^Trade debtors past due but not impaired.

Trade debtors were denominated in the following currencies at statement of financial position date:

	2018		2017	
	US\$	₹	US\$	₹
Singapore Dollar	669,582	43,641,688	351,752	22,811,121
United States Dollar	1,246,145	81,220,628	518,239	33,607,804
	1,915,727	124,862,316	869,991	56,418,925

12 TRADE DEBTORS - RELATED COMPANIES

Trade debtors comprise of amounts due from:

	2018		2017	
	US\$	₹	US\$	₹
Related companies	166,667	10,862,940	102,809	6,667,165
	166,667	10,862,940	102,809	6,667,165

**NOTES TO THE ACCOUNTS - 31 MARCH 2018**

**12 TRADE DEBTORS - RELATED COMPANIES – (Cont'd)**

The ageing analysis of trade debtors is as follows:

	2018		2017	
	US\$	₹	US\$	₹
Current	166,667	10,862,940	102,809	6,667,165
	<u>166,667</u>	<u>10,862,940</u>	<u>102,809</u>	<u>6,667,165</u>

Trade debtors – related companies were denominated in the following currencies at statement of financial position date:

	2018		2017	
	US\$	₹	US\$	₹
United States Dollar	166,667	10,862,940	102,809	6,667,165
	<u>166,667</u>	<u>10,862,940</u>	<u>102,809</u>	<u>6,667,165</u>

**13 OTHER DEBTORS**

	2018		2017	
	US\$	₹	US\$	₹
Cost billed in advance	109,248	7,120,513	2,690	174,447
CPF refundable	-	-	13,052	846,422
Deposits	-	-	13,815	895,903
Prepayments	4,719	307,573	2,472	160,309
Payment made to supplies (Refer note 17)	1,044,418	68,072,565	-	-
Staff advances	15,584	1,015,726	32,061	2,079,156
	<u>1,173,969</u>	<u>76,516,376</u>	<u>64,090</u>	<u>4,156,237</u>

Other debtors included balances denominated in the following foreign currency at statement of financial position date:

	2018		2017	
	US\$	₹	US\$	₹
Singapore Dollar	20,303	1,323,299	58,928	3,821,481

**NOTES TO THE ACCOUNTS - 31 MARCH 2018**

**14 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of bank and cash balances and short term deposits with banks. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	2018		2017	
	US\$	₹	US\$	₹
Fixed deposits	3,289,568	214,405,851	3,817,790	247,583,720
Bank and cash balances	786,055	51,233,108	714,503	46,335,527
	<u>4,075,623</u>	<u>265,638,959</u>	<u>4,532,293</u>	<u>293,919,246</u>
Less:				
Fixed deposit (> 3 mths)	(280,622)	(18,290,243)	-	-
Cash and cash equivalents in statement of cash flow	<u>3,795,001</u>	<u>247,348,716</u>	<u>4,532,293</u>	<u>293,919,246</u>

Fixed deposits bear interest at effective interest rates ranging between 0.35% and 1.39% per annum and for a tenure of approximately 7 to 275 days.

Cash and cash equivalents were denominated in the following currencies at statement of financial position date:

	2018		2017	
	US\$	₹	US\$	₹
Korean Won	445,651	29,046,423	443,258	28,745,286
Singapore Dollar	321,764	20,971,776	192,053	12,454,639
United States Dollar	3,308,208	215,620,760	3,896,982	252,719,322
	<u>4,075,623</u>	<u>265,638,959</u>	<u>4,532,293</u>	<u>293,919,246</u>

**15 TRADE CREDITORS AND ACCRUALS**

	2018		2017	
	US\$	₹	US\$	₹
Trade creditors	592,177	38,596,622	200,535	13,004,697
Provision for cost of sale	-	-	68,518	4,443,393
Accrued payroll costs	255,905	16,679,251	272,311	17,659,371
Accrued operating expenses	121,332	7,908,118	49,560	3,213,966
GST/VAT payable	139,581	9,097,542	51,582	3,345,093
	<u>1,108,995</u>	<u>72,281,533</u>	<u>642,506</u>	<u>41,666,521</u>

Trade creditors are non-interest bearing and are normally settled on 30 - 60 days terms.

Trade creditors and accruals were denominated in the following currencies at statement of financial position date:

	2018		2017	
	US\$	₹	US\$	₹
Korean Won	39,536	2,576,858	34,689	2,249,582
Singapore Dollar	389,077	25,359,070	326,585	21,179,041
Sterling Pound	71,487	4,659,345	18,979	1,230,788
United States Dollar	608,895	39,686,260	262,253	17,007,110
	<u>1,108,995</u>	<u>72,281,533</u>	<u>642,506</u>	<u>41,666,521</u>

**NOTES TO THE ACCOUNTS - 31 MARCH 2018**

16 **TRADE CREDITORS – RELATED COMPANIES**

	2018		2017	
	US\$	₹	US\$	₹
Trade creditors comprise of amounts due to :				
Immediate Holding Company	398,647	25,982,819	226,647	14,698,060
Related company	7,063	460,349	4,898	317,635
	<u>405,710</u>	<u>26,443,168</u>	<u>231,545</u>	<u>15,015,696</u>

Trade creditors – related companies were denominated in the following currencies at statement of financial position date:

	2018		2017	
	US\$	₹	US\$	₹
Singapore Dollar	95,380	6,216,631	5,256	340,852
United States Dollar	310,330	20,226,537	226,289	14,674,844
	<u>405,710</u>	<u>26,443,168</u>	<u>231,545</u>	<u>15,015,696</u>

17 **OTHER CREDITORS**

	2018		2017	
	US\$	₹	US\$	₹
Unearned Income (Billed in advance)	<u>1,640,198</u>	<u>106,904,022</u>	<u>5,293</u>	<u>343,251</u>

18 **REVENUES AND EXPENSES**

Other revenues and other operating expenses comprise of:

	2018		2017	
	US\$	₹	US\$	₹
<b>Other revenues</b>				
Interest received	43,830	2,856,730	26,789	1,737,267
Sundry	16,296	1,062,133	13,753	891,882
	<u>60,126</u>	<u>3,918,863</u>	<u>40,542</u>	<u>2,629,149</u>
<b>Other operating expenses</b>				
Legal and professional fee	66,531	4,336,325	78,784	5,109,143
Rates and taxes	-	-	55,061	3,570,706
Rent	92,831	6,050,493	90,618	5,876,578
Repair and maintenance - premises	4,625	301,446	40,587	2,632,067
Travel and transport	28,243	1,840,808	88,006	5,707,190
Others	60,919	3,970,549	71,087	4,609,993
	<u>253,149</u>	<u>16,499,621</u>	<u>424,143</u>	<u>27,505,678</u>

**NOTES TO THE ACCOUNTS - 31 MARCH 2018**

19 **TAXATION**

	2018		2017	
	US\$	₹	US\$	₹
Foreign tax	34,860	2,272,088	38,560	2,500,616
Prior year's over provision	(6,215)	(405,078)	(52,885)	(3,429,593)
	<u>28,645</u>	<u>1,867,010</u>	<u>(14,325)</u>	<u>(928,976)</u>

The reconciliation of the tax expense and the product of accounting (loss) multiplied by the applicable tax rate is as follows:

	2018		2017	
	US\$	₹	US\$	₹
Accounting loss	(413,538)	(26,953,377)	(603,409)	(39,131,080)
Tax at the applicable tax rates of 17%	(70,301)	(4,582,044)	(102,579)	(6,652,249)
Tax effect of:		-		
- Expenses not deductible for tax purposes	18,177	1,184,732	27,882	1,808,148
- Income not taxable	(21,440)	(1,397,406)	(106,365)	(6,897,771)
- S13(8)	(36,437)	(2,374,873)	(33,606)	(2,179,349)
- Tax relief	-	-	(23,480)	(1,522,678)
- Tax losses not recognised as deferred tax asset	101,435	6,611,281	232,561	15,081,583
- Others	8,566	558,311	5,587	362,317
Foreign tax	34,860	2,272,088	38,560	2,500,616
Prior year's overprovision	(6,215)	(405,078)	(52,885)	(3,429,593)
	<u>28,645</u>	<u>1,867,010</u>	<u>(14,325)</u>	<u>(928,976)</u>

The Company has unutilised tax losses and unabsorbed wear and tear allowances of US\$2,120,303 (₹138,196,070) (2017:US\$2,758,908 (₹178,915,211)) and US\$ Nil (₹ Nil) (2017: US\$18,509 (₹1,200,309)) respectively for which no deferred tax asset is recognised due to uncertainty of their recoverabilities. The use of these balances is subject to the agreement of the tax authority and compliance with relevant provisions of the Income Tax Act.

**NOTES TO THE ACCOUNTS - 31 MARCH 2018**

**20 RELATED PARTY TRANSACTIONS**

During the year, significant transactions between the Company and its related companies, on terms as agreed with the respective related companies, were as follows:

	2018		2017	
	US\$	₹	US\$	₹
Sales	(1,483,210)	(96,671,935)	(1,580,903)	(102,521,575)
Purchases	1,807,154	117,785,798	1,477,307	95,803,374

**21 EMPLOYEE BENEFITS**

The Company's contribution to the Central Provident Fund was in respect of:

	2018		2017	
	US\$	₹	US\$	₹
Staff	74,816	4,876,321	91,344	5,923,659
	74,816	4,876,321	91,344	5,923,659

**Compensation of directors and key management personnel**

The compensation comprised:

	2018		2017	
	US\$	₹	US\$	₹
Director's fees	3,582	233,466	3,630	235,406
Director's remuneration	307,822	20,063,071	276,297	17,917,863
	311,404	20,296,537	279,927	18,153,269

There are no other key members of management except for the directors of the Company.

**22 OPERATING LEASE COMMITMENTS**

At the statement of financial position date, the Company was committed to make the following payments in respect of rental of premises under a non-cancellable operating lease:

	2018		2017	
	US\$	₹	US\$	₹
Lease which expires:				
Within one year	127,660	8,320,561	20,901	1,355,430
Within two to five years	170,214	11,094,125	-	-
	297,874	19,414,686	20,901	1,355,430

Rental of premises (net) charged to statement of comprehensive income during the financial year amounted to US\$92,831 (2017: US\$90,618).

**NOTES TO THE ACCOUNTS - 31 MARCH 2018**

**23 FINANCIAL ASSETS AND LIABILITIES**

Financial assets and liabilities can be categorised as follows:

	Loans and receivables		Financial liabilities at amortised cost		Total	
	US\$	₹	US\$	₹	US\$	₹
<b>2018</b>						
Non current asset - deposit	32,259	2,102,561	-	-	32,259	2,102,561
Trade debtors	1,940,636	126,485,822	-	-	1,940,636	126,485,822
Trade debtors - related companies	166,667	10,862,940	-	-	166,667	10,862,940
Other debtors (excluding prepayments)	15,584	1,015,726	-	-	15,584	1,015,726
Amount due to subsidiaries	34,875	2,273,066	-	-	34,875	2,273,066
Bank and cash balances	4,075,623	265,638,959	-	-	4,075,623	265,638,959
	<u>6,265,644</u>	<u>408,379,074</u>	<u>-</u>	<u>-</u>	<u>6,265,644</u>	<u>408,379,074</u>
<b>Liabilities</b>						
Trade creditors	-	-	969,414	63,183,991	969,414	63,183,991
Trade creditors - related companies	-	-	405,710	26,443,168	405,710	26,443,168
	<u>-</u>	<u>-</u>	<u>1,375,124</u>	<u>89,627,158</u>	<u>1,375,124</u>	<u>89,627,158</u>
<b>2017</b>						
Trade debtors	892,941	57,907,233	-	-	892,941	57,907,233
Trade debtors - related companies	102,809	6,667,165	-	-	102,809	6,667,165
Other debtors (excluding prepayments)	58,928	3,821,481	-	-	58,928	3,821,481
Bank and cash balances	4,532,293	293,919,246	-	-	4,532,293	293,919,246
	<u>5,586,971</u>	<u>362,315,125</u>	<u>-</u>	<u>-</u>	<u>5,586,971</u>	<u>362,315,125</u>
<b>Liabilities</b>						
Trade creditors	-	-	590,924	38,321,427	590,924	38,321,427
Trade creditors - related companies	-	-	231,545	15,015,696	231,545	15,015,696
	<u>-</u>	<u>-</u>	<u>822,469</u>	<u>53,337,123</u>	<u>822,469</u>	<u>53,337,123</u>

## NOTES TO THE ACCOUNTS - 31 MARCH 2018

### 24 FINANCIAL RISK MANAGEMENT

The main risks arising from the Company's financial statements are credit risk, foreign exchange risk, interest rate risk, liquidity risk, capital management and fair values. The directors review and agree on policies for managing each of these risks and they are summarised below:

#### (i) Credit risk

The management monitors the Company's exposure to credit risks on an ongoing basis.

Cash and cash equivalents are placed with financial institutions with good credit ratings.

As at the statement of financial position date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

#### (ii) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from certain currency exposures. The Company monitors foreign currency exchange rates movements closely to ensure that their exposures are minimised.

##### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the (loss) net of tax to a reasonably possible change in foreign currencies exchange rates against the United States dollar, with all other variables held constant.

	2018		2017	
	US\$	₹	US\$	₹
S\$/US\$ (Strengthened 5%)	(27,737)	(1,807,829)	(13,664)	(886,111)
(Weakened 5%)	27,737	1,807,829	13,664	886,111
Sterling Pound/US\$ (Strengthened 5%)	3,267	212,935	949	61,543
(Weakened 5%)	(3,267)	(212,935)	(949)	(61,543)

#### (iii) Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing fixed deposits. The Company adopts a policy of constantly monitoring movement in interest rates to ensure that fixed deposits are maintained at favourable rates. The sensitivity analysis for changes in interest rate is not disclosed as the effect on profit or loss is considered not significant.

#### (iv) Liquidity risk

Liquidity risk refers to the risk in which the Company encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Company actively manages its operating cash flows so as to finance the Company's operations. As part of its overall prudent liquidity management, the Company minimises liquidity risk by ensuring availability of funding through an adequate amount of committed credit facilities from financial institutions and maintains sufficient level of cash to meet its working capital requirements.

## NOTES TO THE ACCOUNTS - 31 MARCH 2018

### FINANCIAL RISK MANAGEMENT – (Cont'd)

#### (iv) Liquidity risk – (Cont'd)

The following table details the Company's remaining contractual maturity for their non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Company is expected to receive or pay.

#### Contractual maturity analysis

	Within one financial year		After one financial year but within five financial years		Total	
	US\$	₹	US\$	₹	US\$	₹
<b>2018</b>						
<b>Financial assets</b>						
Non-interest bearing	2,943,817	191,870,662	32,259	2,102,561	2,976,076	193,973,223
Variable interest bearing	3,289,568	214,405,851	-	-	3,289,568	214,405,851
	<u>6,233,385</u>	<u>406,276,513</u>	<u>32,259</u>	<u>2,102,561</u>	<u>6,265,644</u>	<u>408,379,074</u>
<b>Financial liabilities</b>						
Non-interest bearing	1,375,124	89,627,158	-	-	1,375,124	89,627,158
	<u>1,375,124</u>	<u>89,627,158</u>	<u>-</u>	<u>-</u>	<u>1,375,124</u>	<u>89,627,158</u>
<b>2017</b>						
<b>Financial assets</b>						
Non-interest bearing	1,749,931	113,483,043	-	-	1,749,931	113,483,043
Variable interest bearing	3,837,040	248,832,082	-	-	3,837,040	248,832,082
	<u>5,586,971</u>	<u>362,315,125</u>	<u>-</u>	<u>-</u>	<u>5,586,971</u>	<u>362,315,125</u>
<b>Financial liabilities</b>						
Non-interest bearing	822,469	53,337,123	-	-	822,469	53,337,123
	<u>822,469</u>	<u>53,337,123</u>	<u>-</u>	<u>-</u>	<u>822,469</u>	<u>53,337,123</u>

The Company's operations are financed mainly through equity and retained earnings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

#### (v) Capital Management

The primary objective of the Company's capital management is to ensure that it has sufficient capital in order to support its business and to generate sufficient returns to its shareholders.

#### (vi) Fair Values

The carrying amounts of bank and cash balances, fixed deposits, receivables and payables approximate their fair values due to their short term nature.

## NOTES TO THE ACCOUNTS - 31 MARCH 2018

### 25 **HOLDING COMPANIES**

The Company is a wholly-owned subsidiary of Tata Technologies Limited, a company incorporated in India. Its ultimate holding company is Tata Motor Limited, a company incorporated in India.

### 26 **CONTINGENT LIABILITIES**

The Company acts as a guarantor for an overseas subsidiary who entered into an agreement for the lease of premises. The Company will thus be liable for any claims by the landlord which is not fulfilled by the subsidiary.

The Company also provide guarantee for the performance and discharge of an overseas subsidiary's obligations and liabilities under a master supply agreement entered into between Airbus SAS and the overseas subsidiary.

This agreement was extended from 31 March 2014 to 31 December 2018.

### 27 **CONVERSION INTO INDIAN RUPEE**

The financial information is expressed in USD \$ only in the audited Accounting packs based on which the financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 USD = ₹ 65.17751 as on March 31, 2018 and 1 USD = ₹ 64.85001 as on March 31, 2017. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.