

# REACHING OUR INFLECTION POINT

2015-2016 Annual Report



# Reaching Our **INFLECTION POINT**

Over time, key customer relationships, business models or primary markets go through transitions. It is part of the lifecycle that all businesses grapple with. With the right analysis and understanding of the business foundations, strategy can be employed to evolve the organization to a new model for sustainable, profitable growth.

Strategic inflection points can be sudden, jarring events, but just as often they come in the form of sustained, steady growth that over time obviates the old way of doing things and brings about an imperative for rebirth. It occurs when the old strategic picture fades and gives way to new directions and new opportunities.

Recognition of the scale of the change may emerge slowly, but the response must be deliberate and well-focused. Established

modes of customer engagement, internal collaboration, and goal setting must be reevaluated. Things like old company stories and narratives must be transitioned to key messages and strategies that resonate within the new paradigm. While an inflection point itself may be static, it's not a place to remain for any length of time.

For Tata Technologies, fiscal year 2015-16 was an inflection point. With the Company aggressively looking to scale and move up the value chain as a means of reinforcing market relevance and competitive staying power, many strategic initiatives were undertaken to position for future success. From strengthening and expanding relationships with existing clients to competency development and organizational realignment, the changes were bold, meaningful and value-driven.

## Our **ETHOS**

### **Purpose**

To make product development dreams become reality.

### **Mission**

To transform product development through deep industry knowledge combined with intelligently different approaches to technology, process, innovation and execution.

### **Vision**

To bring better products to market for our customers and for the millions of people around the world who benefit from them.

### **Values**

Better and Better, Customer Delight, One Team, Honest and Straightforward, Commitment to Community



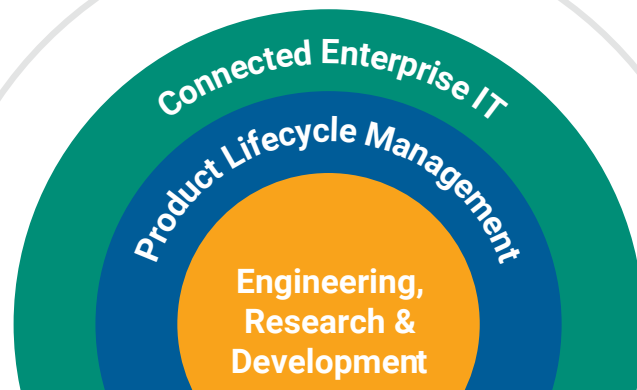
Table of  
**CONTENTS**

<b>Golden Circle</b>	<b>IV</b>
<b>Historical Performance</b>	<b>V</b>
<b>Chairman's Letter</b>	<b>VI</b>
<b>CEO and Managing Director's Letter</b>	<b>X</b>
<b>Executive Leadership</b>	<b>XIV</b>
<b>Operational Highlights</b>	<b>XVI</b>
Global Expertise	XVIII
New Facilities	XXIV
Corporate Social Responsibility	XXVI
<b>Board of Directors</b>	<b>XXXII</b>
<b>Notice</b>	<b>1</b>
<b>Directors' Report</b>	<b>6</b>
<b>Management Discussion &amp; Analysis</b>	<b>41</b>
<b>Corporate Governance Report</b>	<b>75</b>
<b>Standalone Accounts</b>	
Auditors' Report	91
Balance Sheet	97
Statement of Profit and Loss	98
Cash Flow Statement	99
Notes Forming Part of Financial Statements	106
<b>Consolidated Accounts</b>	
Auditors' Report	127
Balance Sheet	132
Statement of Profit and Loss	133
Cash Flow Statement	134
Notes Forming Part of Financial Statements	135
<b>Frequently Asked Questions</b>	<b>166</b>
<b>ECS Request Form</b>	
<b>Attendance Slip</b>	
<b>Proxy Form</b>	

This report and financial statements contained herein have been prepared in compliance with the requirements of the Companies Act, 2013 and Indian Generally Accepted Accounting Principles (GAAP). The preparation of financial statements requires management to make estimates and assumptions which affect the reported amounts of income and expenses of the period, assets and liabilities, as of the date of the financial statements. The estimates and judgements relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner, the form and substance of transactions.

# PRODUCT DEVELOPMENT

is at the Core of Everything We Do

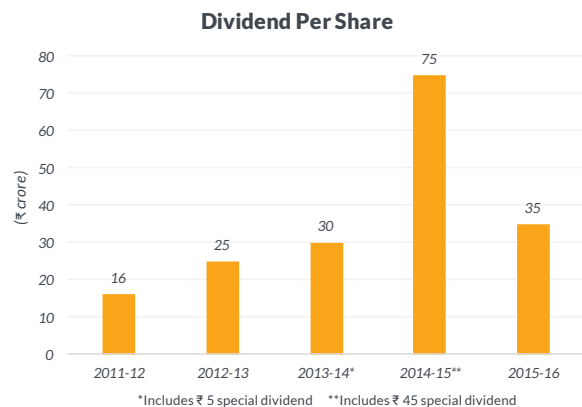
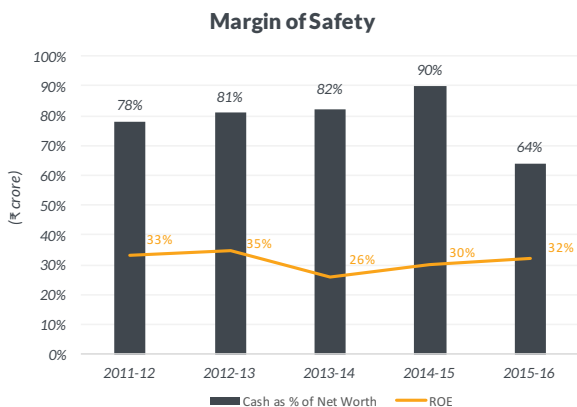
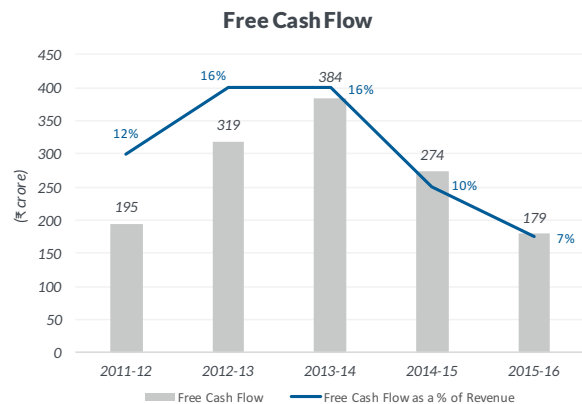
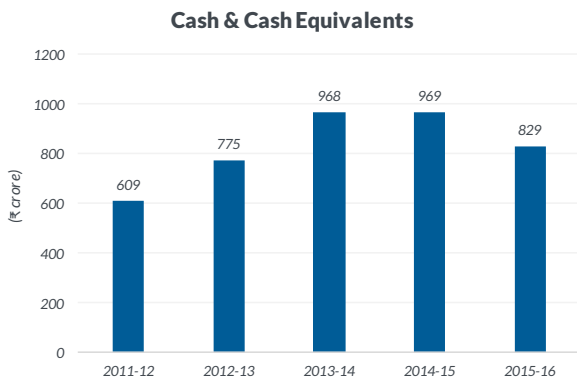
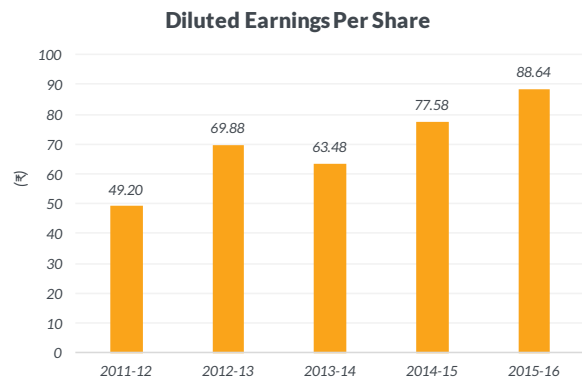
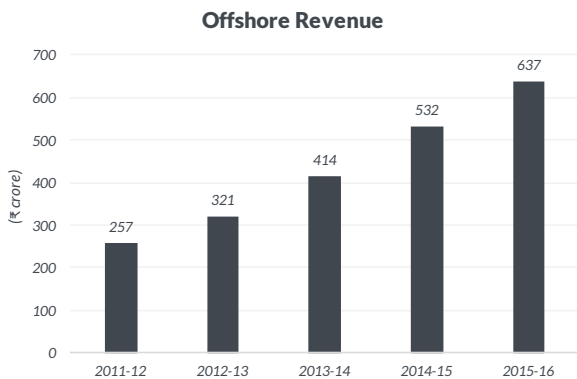
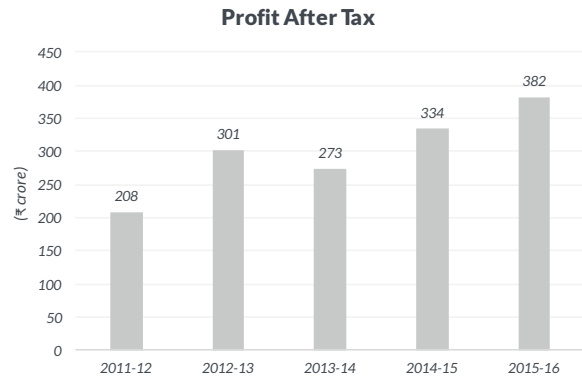
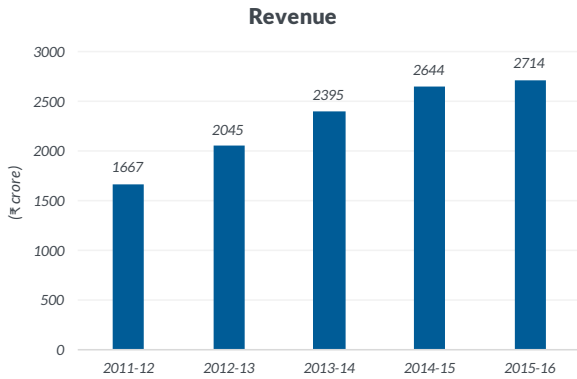


Capacity to Create

Process to Create

Manufacturing Enterprise IT

# Historical PERFORMANCE





**CHAIRMAN'S**  
Letter to Shareholders

## DEAR SHAREHOLDERS,

I am pleased to report your Company achieved a significant financial milestone – surpassing ₹ 2,700 crore in consolidated revenue, for a total of ₹ 2,714 crore – in fiscal year 2016. Our year-on-year growth in revenue, EBITDA and PAT on a standalone basis are 8 percent, 8 percent and 10 percent, respectively, and on a consolidated basis are 3 percent, 7 percent and 14 percent, respectively.

### Your company delivered exemplary performance demonstrated by:

- Five-year revenue and PAT growth of more than 1.6x – from ₹ 1,667 crore and ₹ 208 crore, respectively in 2011-12; to ₹ 2,714 crore and ₹ 382 crore in 2015-16
- Generated consolidated revenues of ₹ 2714 crore
- Improvement in operating margins by 85 basis points to 19.4 percent
- Generated cash and cash equivalents of ₹ 829 crore while maintaining a very strong balance sheet

Your Company remains committed to its comprehensive client-focused global growth and diversification strategy in the aerospace and industrial machinery verticals while building upon our domain leadership in the automotive vertical. We continue to focus on strategic clients through partnerships built on trust and mutual benefit. They measure success in more and better products delivered faster to market. Ours can be seen in the ongoing increase in offshore work volume and revenue, which

grew 20 percent year-over-year, from ₹ 532 crore to ₹ 637 crore.

Tata Technologies remains focused upon maintaining its leadership in the three critical market segments of Engineering Services Outsourcing (ESO) with a special focus on cost-effective Engineering, Research & Development talent access through our offshore value proposition; Product Lifecycle Management (PLM) solutions for manufacturing; and Connected Enterprise IT solutions that support the entire manufacturing enterprise.



*I see a bright future ahead as we scale our business, increase our focus on customers, and deliver true and meaningful value.*

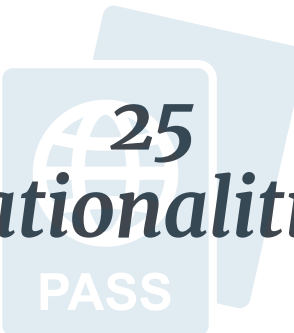


We continue to grow our relationships with the world's largest automotive and aerospace companies, moving up the value chain by offering distinctive capabilities cost effectively. The steady growth of our complete vehicle program proposition – still a unique differentiator for an India-based engineering services company – is a great example of this. Tata Technologies has multiple concurrent vehicle programs currently underway for many of the world's most well-known automakers, which is a clear testament to the level of trust we've earned. Additionally, your Company has

developed an in-demand consultative offering focused on mass-efficient, advanced materials strategies for automotive OEMs. These materials are the future of automotive architecture, enabling both greater fuel economy and alternative propulsion systems. Innovations like this make for a greener industry and a greener planet, and your Company is leading the way.



**8,000+**  
*professionals*



**25**  
*nationalities*  
PASS



**4**  
*continents*

Tata Technologies is committed to hiring, training and retaining the very best talent in the world. Our workforce currently numbers more than 8,000, up nearly 250 from last year's head count of 7,800 and it

comprises more than 25 nationalities spread over four continents. This diversity is a point of pride and it allows us to offer our customers unique insights through a vibrant, globally distributed marketplace of ideas.

In addition, we continue to make investments in people, technology and innovations for the markets we serve; and your Company will continue to provide a signature employee experience and grow as an aspirational employer worldwide.

Through its commitment to corporate sustainability, your Company and its dedicated employees have supported public service projects within the communities in which they live and do business worldwide. Our signature Ready Engineer™ program, which focuses on making the students of today into the employment-ready engineers of tomorrow, continues to grow in all three of our operational regions (Asia-Pacific, Europe and North America). This program is staffed by volunteer subject matter experts from Tata Technologies and includes training online via our iGET IT® learning system. Under your Company's global Corporate Sustainability Program, these worldwide efforts are coordinated, sustainable, and make a meaningful contribution in support of environmental and social responsibility, and in the advancement of technical education. We become a better company when we help local communities become a better place to learn, live and thrive. This is the Tata way, and your Company exemplifies it.

I am pleased to report that your Company remains consistently in a competitive leadership position, as validated by industry



*We continue to grow our relationships with the world's largest automotive and aerospace companies, moving up the value chain by offering distinctive capabilities cost effectively.*



data and analysts – and we continue to be the leading organization of our kind in India.

These leadership positions result from your Company's unique value proposition that delivers our worldwide clients the very best in product innovation in a repeatable, measurable framework that results in industry-leading product creation.

I am pleased to be associated with your Company as both its Chairman and a fellow shareholder. I see a bright future ahead as we scale our business, increase the focus on our customers, and deliver true and meaningful value.

I am also pleased to conclude by reporting to all of you that, given our performance, your Board of Directors has approved a dividend payout of ₹ 35 per share. You can be proud that your Company has paid dividends every year since its first year of operations.

Thank you for the confidence you continue to place in us.

Very truly yours,

**S. Ramadorai**  
Chairman of the Board

CEO and Managing Director's Letter to  
**SHAREHOLDERS**



## DEAR SHAREHOLDERS,

Tata Technologies' excellent results in fiscal year 2016 reflect the successful execution of our strategy across all aspects of our business and the investments we are making in new, high-growth spaces such as lightweighting and full-vehicle development capabilities.

After adjusting for constant currency and the divestments of our hardware business in North America and our PLM value-added reseller (VAR) business in France, we delivered solid top-line growth. We generated strong new business signings, grew earnings per share faster than revenues and delivered strong free cash flow – enabling us to return substantial cash to shareholders while continuing to make significant investments in our business.

### Here are some of the highlights:

- We secured new services signings totaling ₹ 1,136.8 crore
- After adjusting for divestments and constant currency we grew our revenues by about 6 percent
- We delivered earnings per share of ₹ 88.64, a 14.2 percent increase over the previous year
- Our operating margin was 18.5 percent, an expansion of 140 basis points from fiscal year 2015
- We generated free cash flow of ₹ 179 crore and delivered dividend payments of ₹ 35 per share

Our success in fiscal year 2016 has been broad based with solid contributions from each of our three geographic regions and three delivery lines of business. The diversity of our business – from an industry, capability and geographic perspective – creates resilience, durability and sustainability.



*We have patiently formed world-class offerings that represent significant long-term competitive advantage and a pathway for sustainable growth.*



This year in particular we have received an outstanding, wider market response to the value we have incubated in our strategic accounts. Our unique relationships with our largest customers has created an enviable environment in which to experiment, evolve and ultimately refine value propositions that would be extraordinarily difficult to develop organically outside real product development and manufacturing businesses.

While our competitors may have scaled, in some cases faster than Tata Technologies, their growth driver has been low-end transactional services. Conversely, we have patiently formed world-class offerings that represent significant long-term competitive advantage and a pathway for sustainable growth. Our subject-matter expertise, industry knowledge, customer intimacy, and globally distributed execution model has

successfully beaten better known brands at a rate we have not experienced before, making even the traditional Western engineering outsourcing powerhouses take note.

In particular, our class-leading automotive lightweighting competence has seen an immense market response. Lightweighting – the practice of building cars and trucks that are mass efficient as a way to achieve better fuel efficiency and handling – is a key strategy for meeting increasingly stringent emissions standards, and it’s an essential enabler for electric vehicles (EVs).



***Our delivery organization as a whole is on a trajectory of Global Delivery Excellence, realizing savings today and providing a platform for sustainable growth.***



Our expertise in this area has helped us win not only body engineering business, but also complete vehicle development contracts with traditional OEMs and the next generation of OEMs that are rapidly scaling in China and along the U.S. West Coast. We are well placed to intersect with the EV sector as market demand increases and OEMs look for help productionizing and scaling their ideas. Lightweighting has also powered progress in the high-end automotive market, securing business with premium, luxury, super-car and hyper-car vehicle manufacturers.

Our experience developing products for emerging markets, and the “frugal” concepts that underpin them, has seen us

secure projects from Asian construction equipment manufacturers, and mass-production European automotive OEMs. Likewise, we have been able to demonstrate how innovations and best practices from one industry can successfully be made “portable” for application in other industries.

For instance, our Digital Manufacturing expertise was incubated with automotive clients. Now, we’re successfully using it in aerospace applications, helping manufacturers increase throughput and productivity in order to accelerate revenue realization associated with the immense global aerospace manufacturing backlog. In the defense sector, we have demonstrated how aerospace and automotive competencies can be combined to accelerate development plans for new land-based defense vehicles.

We continue to invest in our portfolio and value proposition. Our Better Solutions model, the basis of our go-to-market positioning, has continued to evolve, refining the way we articulate the breadth of our value proposition to old and new customers alike, and preparing the way for an increased focus on Account Based Marketing (ABM) in fiscal year 2017.

Growth requires that we have appropriate facilities to accommodate it and, to that end, in fiscal year 2016 we opened or broke ground on several new offices in Europe and the Asia-Pacific region. The headliner is a brand new European headquarters that began construction in January. With the very latest in office design and technology, it will be like a little bit of Silicon Valley in the West Midlands when it opens in 2017.



*In a free enterprise,  
the community is not just  
another stakeholder in  
business, but is in fact the very  
purpose of its existence.*



*Jamsetji Tata, Tata Group Founder*

In the last twelve months we've also launched multiple operational restructuring initiatives aimed at making the business more scalable. The Enterprise Solutions Group (ESG) has been transformed into a single, global matrix organization, complete with the establishment of Global Centers of Excellence to concentrate development of future value, and a realistic model for further scalability. The Engineering Automation Group (EAG), and Vehicle Programs & Development (VPD) groups have begun a similar change journey that will conclude early in fiscal year 2017. Our delivery organization as a whole is on a trajectory of Global Delivery Excellence, realizing savings today and providing a platform for sustainable growth.

On the commercial side, we fundamentally transformed the way we deliver services to one of our largest clients, Tata Motors, as part of a new five-year master service agreement. The task-based model of the past is now a deliverables-based model and

covers all 1,200 Tata Technologies engineers, designers and consultants working on Tata Motors programs. This evolution leverages the capabilities we have incubated with many of the world's best automotive manufacturers and will make us more competitive, sustainable, innovative and scalable.

Tata group founder Jamsetji Tata once said that "In a free enterprise, the community is not just another stakeholder in business, but is in fact the very purpose of its existence." Tata Technologies, like all Tata group companies, embraces this philosophy and we live it every day. This means that how profits are made is as important as how much. Please read the Corporate Social Responsibility section of this Annual Report to learn more about the thousands of volunteer-hours our professionals freely gave last year and the many financial contributions we made throughout the world.

It's important to acknowledge what has made all of this possible: the 8,000-plus men and women who get up every morning and come to work for Tata Technologies. From senior leadership to our interns, this is the best team in the business and it is our greatest competitive advantage.

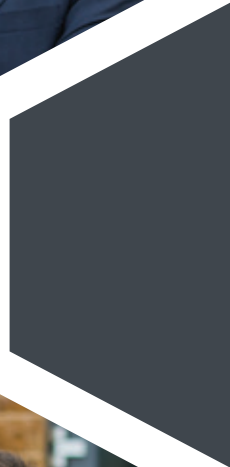
In closing, thank you for your continued support in Tata Technologies. The road ahead is as bright as ever for our company and I can't wait to make the journey.

Regards,

**Warren Harris**  
Chief Executive Officer and  
Managing Director



Executive  
**LEADERSHIP**



**PICTURED (FROM UPPER LEFT TO LOWER RIGHT BY PAGE)**

**Warren Harris**, Chief Executive Officer and Managing Director; **Richard Welford**, Chief Strategy and Marketing Officer; **Mike McMillan**, Chief Human Resources Officer; **Paul Tanner**, Chief Transformation Officer; **S. Venkat**, Chief Financial Officer; **Anand Bhade**, Sales President – Asia-Pacific



**Anubhav Kapoor**, General Counsel and Company Secretary; **V. Balaji**, Chief Information Officer; **Kevin Noe**, Sales President and Chief Operating Officer – Americas; **Samir Yajnik**, President – Global Delivery and Chief Operating Officer – Asia-Pacific; **Nick Sale**, Sales President and Chief Operating Officer – Europe; **Steve Haywood**, Executive Vice President – Global Engineering, Research & Development; **Pawan Kumar Bhageria**, President – Tata Motors Group Strategic Business Unit

# OPERATIONAL

## Highlights

**TATA TECHNOLOGIES ONCE AGAIN POSTED SOLID FINANCIAL PERFORMANCE IN FISCAL YEAR 2016, WHICH WAS HEADLINED BY RECORD PROFITABILITY.**

While exchange rate fluctuations and strategic divestments of two subcritical business units – enterprise hardware in North America and PLM products in France – adversely affected year-over-year topline performance, on a normalized basis the Company had revenue growth of 6 percent. See the Director’s Report for a further breakdown of the financials.

Operationally, over the last 12 months Tata Technologies took deliberate steps to increase global customer response capability. This included technological and facilities upgrades in several locations as well as kicking off an organizational realignment that affects two thirds of the Company’s client-facing technical workforce. The consolidation of the engineering and design workforce into a single, unified group is an ongoing process that is expected to begin yielding benefits upon completion in early fiscal year 2017.

The new structure is a classic matrix model with global, domain-specific Centers of

Excellence supporting regional delivery teams through best practices, subject-matter expertise and knowledge management. This approach is reflective of how many manufacturing companies structure product development personnel, particularly those with globally distributed engineering teams. Importantly, the Company's biggest customers employ similar models, which will allow for more seamless service delivery and long-term collaborative partnerships.

### Business Value



- Reinforce/nurture technical excellence
- Dedicated focus on R&D
- Elevate to world-class status

### Customer Value



- Greater flexibility
- Access to global skills
- Speedier responses
- More cost effective value proposition

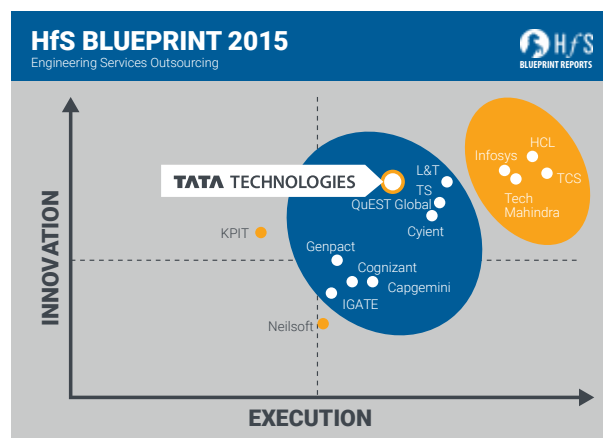
### Employee Value



- Opportunity to specialize
- Grow technical expertise
- Better technical career path

Over the last decade, the Indian engineering services industry has experienced a tidal shift, maturing from technical skills provision and staff augmentation to now taking an active role in clients' product and manufacturing strategies. Tata Technologies has been at the forefront of this trend through rich, progressive relationships with blue-chip multinationals such as Jaguar Land Rover and Fiat Chrysler Automobiles. The value and skills incubated in these accounts and others have a high degree of portability and the Company has been increasingly

successful in selling that proposition to a new, diverse crop of clients.



The Company's standing amongst peers was validated in fiscal year 2016 through independent assessments by third-party analysts. Horses for Sources (HfS), an outsourcing advisory firm, put Tata Technologies in the "High Performer" category in a review of global engineering service providers. HfS' assessment was based on two fundamental measures: innovation and execution. The ratings included quality of customer relationships, real-world delivery solutions, geographic footprint and scale, innovation and value in engineering services, vision for future investments, strategy, capability and skill development to name a few.

Engineering globalization advisory firm Zinnov also assessed Tata Technologies in its Global R&D Service Providers Ratings report. Tata Technologies was recognized as an established global leader for its automotive, construction and heavy machinery, and mechanical engineering services. The assessment looked at breadth and depth of service capabilities along with delivery standards.

## Intelligently Different **GLOBAL EXPERTISE**

**OUR ABILITY TO NOT ONLY DESIGN, ENGINEER AND BUILD NEW PRODUCTS BUT TO ALSO DIGITIZE THE ENTIRE PRODUCT REALIZATION PROCESS IS WHAT DEFINES TATA TECHNOLOGIES.**

This experience is backed up by world-class program management capabilities, where onshore professionals provide market insight, business perspective, program and solution integration and customer intimacy, while offshore talent provides scale, all while reducing the overall cost of delivery. Meeting client demands requires a broad, even disparate set of capabilities, but the common thread across Tata Technologies is exceptional people.

The immense talents of more than 8,000 professionals worldwide is what enables us to reimagine conventional wisdom and

achieve the unexpected. Their world-class knowledge and experience empower clients to drive innovation, improve productivity and deliver better business outcomes. Our internal experience network is a competitive advantage and it's why our clients continue to choose us.

In fiscal year 2016, the company conducted an extensive profiling exercise of our best and brightest. These engineers, technologists and consultants play a pivotal role in building an atmosphere of trust, confidence, and loyalty among our customers. The profiles cover personal and professional experiences of more than 100 people and was aimed at highlighting the capabilities and thought leadership the company has around the world. The following is a choice selection of some of the people that make Tata Technologies intelligently different.

## Geena Binoy

Vice President – Enterprise Solutions Group



Geena is responsible for all enterprise IT service delivery globally. Prior to this role, she headed the Company's Center of

Excellence for emerging technologies

in Pune, India. In a career spanning more than 20 years, she has served clients in the automotive, steel, energy and industrial automation industries. She joined Tata Motors in 1994 and transitioned to Tata Technologies in the early 2000s.

### **Key Expertise and Responsibilities**

Geena's expertise lies in analytics with distinct knowledge of the SAP ERP sales and distribution module. She is one of the company's foremost data analytics evangelists – correlating the business benefits to customers; intervening at the customers' business pain areas to provide the best solution available; monitoring the progress of IT enabled projects; planning and budgeting the business benefits associated with analytics projects; and ensuring smooth progress of the Center of Excellence by mentoring her team leads.



*The common thread across Tata Technologies is exceptional people.*



### **Key Projects**

- Created a supply chain and project system data discovery module for a multinational industrial company using SAP Business Explorer
- Developed financial management, warranty management and supply chain solution to help Tata Motors keep track of more than 500 vendors
- Developed sales monitoring tool for a steel manufacturer that linked their ordering systems and simplified financial reporting
- Created procurement analytics system for an India-based wind turbine manufacturer that included a product profitability dashboard to manage working capital

### **Certifications and Industry Forums**

"Advanced Analytics" project won the national award conferred by the Computer Society of India and the "Expense Tracking System" devised with her team was highly appreciated by NASSCOM. She also contributes to the leadership development program at Tata Technologies which focuses on competency development.

### **Education**

She has completed bachelor's and master's degrees in economics and holds an MBA in finance from the Symbiosis Institute of Management Studies, India.

### **Life Mantra**

"Whatever you do, passion is essential to complete it well. Take control of a situation and settle only for the best possible solution."

## Kamakshya Prusti

Head - Outsourcing Strategy



Kamakshya is an expert in shared services and outsourcing, industrial Internet strategy (Industry 4.0) and smart factory strategy.

He helps the company's biggest clients architect their

Best Cost Country (BCC) sourcing strategy for research and development, product development engineering and IT tasks. On the manufacturing front, clients benefit from his thought leadership on the future of manufacturing in view of the trend on digitization and Industry 4.0.

### **Key Expertise and Responsibilities**

He is an expert in strategy formulation, deployment and benefit measurement. His areas of specialization include globalization of services, OEM-Supplier collaboration, digital maturity assessment and structuring an Industry 4.0 strategy for greenfield plants. He leads a cross-functional team that is responsible for developing frameworks and toolsets to solve on-going and future challenges.

### **Key Projects**

- Architected globalization strategy for a number of clients such as European luxury car OEMs; emerging market OEMs; Tier I automotive and aerospace suppliers; aerospace maintenance, repair and overhaul (MRO) companies, etc.

- Developed smart factory roadmaps and target state architecture for key clients in Asia and the US
- Authored Tata Technologies' "Outsourcability Test," "iSourcing" and "Digital Maturity Assessment" frameworks which have been successfully adopted by a number of clients globally

### **Certifications and Industry Forums**

Kamakshya is a prolific writer and speaker on key topics impacting the industry. Most recently, he presented a paper on innovation in automotive engineering at a doctoral research and innovation conference at the University of Warwickshire, UK. He has authored a number of articles in leading publications across the globe.

### **Education**

Kamakshya is a graduate in Commerce & Accountancy. He holds a Post Graduate Diploma in Strategy & Innovation from the Said Business School, University of Oxford.

### **Balancing Life**

Kamakshya is passionate about the exchange of knowledge and cross-cultural interactions. He likes to try his hand at cooking and spend time with his family. He supports HelpAge India, an organization that helps disadvantaged senior citizens.

### **Life Mantra**

"Changing of mind is a sign of intelligence."



***Our internal experience network is a competitive advantage and it's why our clients continue to choose us.***



## Anand Ananthanarayanan

PLM Program Manager



Anand currently works as a Program Manager within the PLM line of business and is based out of Bengaluru, India. He has been with

Tata Technologies since 2008 and worked with automotive, aerospace and defense, manufacturing systems and industrial automation companies.

### **Key Expertise and Responsibilities**

Anand's specialties include Knowledge Based Engineering (KBE) customization, design automation, systems integration, systems engineering and knowledge templates. In addition to his normal scope of work, he also contributes to employee engagement initiatives and mentorship of graduate engineering trainees.

### **Key Projects**

- KBE application and development supporting ten applications at Tata Motors
- Data migration root cause analysis of three business-critical applications for Jaguar Land Rover
- Complete PLM maturity roadmap for a start-up electric vehicle manufacturer
- Numerous critical projects for clients like Whirlpool, Schneider Electric, Airbus, Fokker Elmo, Valeo and Toyota

### **Certifications and Industry Forums**

Anand is a part of multiple industry forums including NASSCOM Special Interest Group and Society of Automotive Engineers India. He is also a part of the Tata Technologies Leadership Development Program and Tata Business Excellence Model. He was named Tata Technologies' PLM project manager of the year in 2014 and won the Tata group's "Innovista" Innovation award for his role in the Knowledge Next (KNEXT) KBE program at Tata Motors.

### **Education**

He holds a bachelor's degree in mechanical and IT automotive systems from the University of Madras, India and a master's degree in automotive engineering from Fachhochschule Esslingen – University of Applied Sciences, Germany.

### **Balancing Life**

Anand is passionate about keeping his family happy. He enjoys every nap that he takes; watching English, Hindi and Tamil classic films; and playing board games. His trusted partner in exploring the outdoors is his Royal Enfield bike. He is a regular contributor to CRY – India, an NGO focused on educating young children, and supports the national cleanliness drive "Swachh Bharat Abhiyan."

### **Life Mantra**

"Live one day at a time and perform course correction to ensure you reach your long term goals."

## Rob Smith

Director – Structures Center of Excellence



Rob heads our Structures Center of Excellence under the Vehicle Programs and Development line of business at Tata Technologies, based out of Coventry, UK. Automotive engineering

is his specialty, having worked with Aston Martin, Nissan and Renault before joining Tata Technologies, but he also has experience within the renewable energy, refrigeration and automotive industries.

### **Key Expertise and Responsibilities**

His key areas of expertise lie in lightweight body structures and new product initiation, both falling under the purview of vehicle programs and development. At work, his duties include devising departmental strategies, reviewing cost effective delivery of body structure projects with his managers, creation of requests for quotes (RFQ), business development and coaching his staff on body structure principles.

### **Key Projects**

- Led a team responsible for all body engineering content on a brand new, 5-star Euro NCAP safety rated subcompact premium SUV
- Developed lightweighting strategy for a startup EV manufacturer's product line

### **Certifications and Industry Forums**

Rob holds a patent for a "Seat Belt Retainer" mechanism and is a fellow of the Institution of Mechanical Engineers, where he won their "Young Engineer" award. He also won the Henry Ford Technology award for a glass-breaking device on a convertible's rollover bars and has received several customer appreciation awards.

### **Education**

He has a bachelor's degree in mechanical engineering with first class honors from Edinburgh Napier University, Scotland. Rob is also a Chartered Mechanical Engineer from the Institute of Mechanical Engineers, London.

### **Balancing Life**

Outside of work, Rob can usually be found cruising in his prized convertibles or developing the next generation of rugby players. He is a rugby football union Level 1 certified coach and shares his love for rugby with children between the ages of six and 10, at the local rugby club. He is married with two sons.

### **Life Mantra**

"Dream It. Believe It. Achieve It."

## Saurabh Sharma

PLM Business Engagement Manager



Saurabh currently works as a Business Engagement Manager for a US automotive OEM that is one of the company's key accounts. He has more than 17 years of experience in the automotive and aerospace industries, including stints with Chrysler and KTI Systems before joining Tata Technologies in early 2010.

### **Key Expertise and Responsibilities**

His key area of expertise lies in product data management system implementation and support combined with engineering design automation tools, turnkey engineering migration solutions and supplier collation methodology development. At work, his duties involve new business development, milestone management and tracking, operational efficiencies tracking and presentation, pipeline management, resource allocation, performance metrics tracking, service governance with key accounts and resolving employee issues and grievances within his team.

### **Certifications and Industry Forums**

Saurabh is a Level 5 certified People Capability Maturity Model trainer from Quality Assurance International, India, has completed certification courses in Cascade API, Oracle 7.x and C variant programming

languages from national and international institutes. He was also conferred with the Chrysler "Spotlight" award for enhanced project achievement and was voted the most valuable player for his contribution to the North American sales team during the fiscal year 2015.

### **Education**

Saurabh holds a bachelor's degree in mechanical engineering from the University of Pune, India.

### **Balancing Life**

Through mountaineering, Saurabh satisfies his passions for exhilaration and travel. And as a former member of Mensa International, he's got the intellectual heft to match, counting reading and woodcarving among his hobbies. Saurabh also participates in the Tata group's Tata Engage volunteering program. In the future he aspires to work with a humanitarian mission.

### **Life Mantra**

"Follow your passion, be prepared to work hard and sacrifice and, above all, don't let anyone limit your dreams." – Donovan Bailey



***The immense talents of more than 8,000 professionals worldwide is what enables us to reimagine conventional wisdom and achieve the unexpected.***





## BRAND NEW State-of-the-art Facilities

**STATE-OF-THE-ART FACILITIES ARE ESSENTIAL TO TATA TECHNOLOGIES' ABILITY TO DELIVER PROJECTS, RECRUIT AND RETAIN EMPLOYEES AND PROJECT THE BRAND IN LOCAL MARKETS.**

In fiscal year 2016, the Company took several steps to upgrade its portfolio of buildings around the world.

### **United Kingdom**

Since opening a field office in Coventry University Technology Park in 2008, Tata Technologies Europe has progressively leased more space on the campus to keep pace with business growth in the region. While the arrangement has worked well, eight years later the facilities are at capacity.

In January 2016, construction began on a brand new Tata Technologies EU headquarters office at a 3.77-acre

brownfield site in Leamington Spa, a suburb of Warwick, UK. The £16 million development will feature the latest engineering and business technologies and span 60,000 square feet of Class A office space with open plan workspaces, conference rooms, technical facilities, workshops and executive offices. The move will consolidate the Company's corporate UK workforce under one roof, create greater brand visibility locally, and provide facilities purpose-built for engineering services.

"These new headquarters are an essential component of our growth strategy and showcase our ambition to expand Tata Technologies' operations in the UK and Europe," said Nick Sale, Chief Operating Officer and Sales President for Tata Technologies Europe. "The development marks an exciting new chapter in the Company's support for engineering excellence across the region."



Approximately 600 professionals will ultimately work out of the building, which is scheduled to open in mid-2017, and 200 new jobs are expected to be created. Less than 10 miles from the Company's current offices, the new location maintains Tata Technologies' presence in the talent-rich West Midlands region and proximity to a number of key clients while simultaneously minimizing disruption for employees.

### Romania

Tata Technologies entered the Eastern European market in 2013 through the acquisition of Cambric Corporation and its three Romanian delivery centers, located in Brasov, Iasi and Craiova.

In April 2015, Tata Technologies' Board of Directors approved plans to lease 35,500 square feet of Class A space in Brasov's Coresi Business Park to accommodate a growing workforce and serve as the Company's flagship Romanian office.

Located near Brasov's city center with proximity to multiple transit options, Coresi Business Park is a large-scale modern office development with historical cachet. It's on the site of a former tractor manufacturing plant and stands as one of the largest urban regeneration projects underway in Romania. Brasov's strong manufacturing heritage, top-rated educational institutions, and well-qualified, multilingual workforce

have made it a popular destination for international businesses looking to establish a Romanian presence.



More than 300 Tata Technologies professionals moved into the new office in March 2016 upon completion of the buildout and it has capacity for an additional 150-170 professionals.

### India

A product's success or failure often hinges on how well its manufacturer understand the competition.

One way of achieving greater understanding is a physical teardown – disassembling a product down to its constituent parts. It's an effective tool for examining sub-aggregate systems like brakes, differential assembly, cooling systems, gears, forging parts, etc. The output of these activities typically breaks down into four key deliverables:

- Detailed design comparisons
- Quality and harmony reports
- Cost analysis
- Assembly strategies

Tata Technologies has built considerable capabilities in this domain over the last few years, however has relied on rented facilities to execute projects. In 2015, the Company invested in a dedicated Teardown and Benchmarking Lab located within the Company's Asia-Pacific headquarters campus in Pune, India. The facility, scheduled to open in April 2016, will make it easier for Tata Technologies to help customers make cost-effective and strategic decisions for their products.

The lab is 8,600 square feet and capable of accommodating teardowns for two cars and one heavy equipment vehicle simultaneously. In addition to the workshop, the building features office space and a display area to show off parts after a teardown.



पिंपरी - चिंचवड विज्ञान केंद्र

# OUR COMMITMENT

## To Corporate Social Responsibility

**CONSISTENT WITH THE FOUNDING VISIONS AND VALUES OF THE TATA GROUP, CORPORATE SUSTAINABILITY AT TATA TECHNOLOGIES MEANS CO-CREATING SUSTAINABLE VALUE FOR OUR KEY STAKEHOLDERS THROUGH ENGINEERING AND TECHNOLOGY INNOVATION.**

Our mission is to make a positive impact on the communities where the company does business along with the internal and external stakeholders by enhancing the quality of life, committing to environmental enrichment and fostering innovation. Thereby, making it better for the planet,

better for people, better for progress, better now and a better future.

### **Corporate Sustainability Objectives**

Tata Technologies' approach to sustainability is based on the responsible value creation for all stakeholders by integrating technical, social and environmental aspects into its Corporate Social Responsibility (CSR) strategy. To this end, the company has defined the following focus areas to guide its CSR projects and initiatives:

### ***Environmental enrichment for a better planet:***

The threat of climate change demands action from all – government, people and industry. Therefore, we

will adopt the philosophy of enriching, conserving and harvesting the natural capital to minimize the impact of our operations and augment the neighboring communities.

***Social development for better people:*** We believe that success of any business strives on human capital, community development and quality education for all citizens.

Accordingly, we will focus on human rights, quality primary and secondary education, vocational skills and mentorship for the marginalized population to enhance their quality of life.

***Fostering innovation for better progress:***  
To be able to excel in all areas of business

## Environmental Enrichment for a better planet



## Social Development for better people



## Fostering Innovation for better progress



sustainability, innovation has gained greater importance. We aim to innovate and optimize resources, opt for efficient processes, while enhancing the environment and quality of experiences with and for our supply and delivery chain. We will strive for technology incubation for the benefit of society and build sustainable communities today and for the future.

Tata Technologies continues to emphasize inclusive growth to support marginalized members of society through its focus on engineering education, environmental stewardship and technical innovation. To demonstrate its commitment, the Company is implementing the following programs:

Since 2011, Tata Technologies main area of community development work was implemented under an umbrella program called Ready Engineer. Positioned under the education pillar, this program addresses the academic gaps at different education levels.

### **Direct Ready Engineer Program (RE) and Distance Ready Engineer Program**

The purpose of the Ready Engineer program is to bridge the engineering



industry talent gap by educating and mentoring aspiring young engineers. The aim is to be a catalyst in reducing the academia-industry gap and ensure that the future engineers are ready for the industry.

Supported by Tata Technologies' online learning platform, iGET IT<sup>®</sup>, expert engineers give 40 hours of classroom training related to the core mechanical modules to selected and exemplary students.

However, the direct Ready Engineer model faces several challenges such as insufficient time availability of employee volunteers, lack of infrastructure at various colleges, limited Tata Technologies offices, etc. Hence in fiscal year 2016, the company converged all its efforts to increase its reach to the students by leveraging modern technology.

Furthermore, the significant acceptance of the RE model among students and institutes encouraged Tata Technologies to pilot the “Distance Ready Engineer” program in fiscal year 2015. Implemented through iGET IT®, an online learning platform, this model adopts a “train the trainer” approach to expedite the training deliverables and reach a maximum number of engineering students. A network of professors across three states, including Maharashtra, Karnataka and Jharkhand, have been trained by Tata Technologies’ expert engineers. During fiscal year 2016, the company reached a remarkable, 3,140 students in 24 colleges compared to 218 students in fiscal year 2015.

### **School and Teaching Excellence Program (STEP)**

Our commitment to address the education gap for the younger generation is pronounced through the STEP initiative, which was launched in 2014. Aimed at young and underprivileged children, STEP is an education platform targeted to improve student retention and learning of science and math. With the help of e-Learning systems, the program aspires to perpetuate interest and develop an increased aptitude of students towards science and math.



*A critical aspect of business excellence is intimately linked with the issue of sustainability.*



*Cyrus Mistry, Tata Group Chairman*

To achieve this goal, the Company has partnered with The Poona North Rotary Charitable Trust (TPNRCT), to improve the school selection process, and with SumConcepts Technologies Pvt. Ltd., to install hardware and software at different schools. During fiscal year 2016, a total of 344 units of integrated learning systems were installed at 291 schools, enhancing education and the lives of approximately 197,329 students across Maharashtra.

### **Empowerment Via Education (EVE)**

To become more comprehensive in our approach, while fostering education for the younger generation, the Company considers it crucial to reach out to deserving and academically bright female students.

Empowering women and encouraging their educational spirit is another vital aspect of Tata Technologies’ CSR strategy. This aspiration is manifested through the Company’s EVE Program that serves as an agent for teaching and improving the skills required for the IT-Business Process Management sector. The EVE program reaches out to exemplary female students, especially those coming from scheduled caste or low-income group families, and extends direct scholarships to help them pursue a full-time engineering degree.

The Company partnered with the Lila Poonawalla Foundation to advance support, encouragement and mentorship to drive young women towards a promising career. In addition to financially supporting 50 female students in their second year of engineering during fiscal year 2015, the company has provided scholarships to 100 students amounting to 75 lakhs Indian Rupees (INR) during fiscal year 2016.

## Science, Technology, Engineering and Math (STEM) Youth Literacy Program

Through active partnership and engagement, Tata Technologies – North America developed a STEM Youth Literacy



Program in partnership with Athletes for Charity and the Detroit Lions. This partnership enables creative exposure and engagement of low-income inner city students to embrace Science, Technology, Engineering and Math, while also developing their skills in reading and writing. With the help of this alliance, Tata Technologies is dedicated to providing an innovative STEM Youth Literacy Program at John E. Clark Preparatory Academy in Detroit, Michigan, USA. This program includes a monthly book distribution drive, conducting monthly assignments, promoting academic incentives and organizing contests and

field trips. The group of approximately 250 students are reached monthly through regular sessions by Tata Technologies and Wayne State University faculty members who serve as tutors to assist students with assignment completion. Students are also provided LEGO® products, Magformers®, K'NEX® and encyclopedias to help instill a lifelong love for learning and an interest in STEM careers.

## Tata Volunteering Week

Tata Volunteering Week (TVW) is a group-wide event that encourages employees around the globe to get involved in community welfare. TVW is celebrated across a four-week period, twice a year to inspire Tata employees to experience volunteering and eventually pursue it on a regular basis. During the fourth and fifth edition of TVW, Tata Technologies recorded a number of exciting activities across the globe ranging from blood donation camps, value education activities at schools, wellness talks, cleanliness drives and teaching at an orphanage to species conservation and more. During fiscal year 2016, the Company had more than 2,800 employee volunteers supporting 85 social and environmental causes impacting the lives of more than 10,000 people.



## Environmental Stewardship

**Tree Planting:** To combat climate change and restore the depleting environment,



the Company planted more than 5,000 saplings in fiscal year 2015-2016 and maintained another 2,000 saplings planted in the previous years. The project is a continuation of the partnership with the Tree Public Foundation, formed in August 2014, to plant saplings as well as to maintain at least 90 percent survival rate of the trees at the end of a three-year period.

### **Water Conservation, Waste Management and Energy Efficiency:**

Tata Technologies continues to demonstrate its commitment to waste minimization by applying and constantly upgrading its recycling technologies at its Pune location. The Company conserves water through a sewage treatment plant, drip irrigation system and laundry practices. Through several endeavors to conserve water, 25 percent of total water consumed, approximately 125,000 liters per day, was conserved. This water is used for in-house gardening as well as flushing purposes in the newly constructed industrial shed. The on-campus organic waste compost treatment plant reprocesses 75 kilograms of solid

waste into manure each day. That manure is used to fertilize the gardens throughout the Pune campus.

Tata Technologies also continually monitors energy usage and promotes green infrastructure by optimizing natural light, using LED lights and conducting employee seminars to foster environmental awareness.

**Disaster Relief Program:** As the threat of a water shortage looms over a large part of Maharashtra, Tata Technologies along with other Tata group companies took the initiative to support a project pertaining to soil and water conservation in Tandulwadi village, located in District Osmanabad, Marathwada. The key objective of this project is to address the declining natural resources due to extreme drought conditions and alleviate the affected small and marginal farmers, the underprivileged section of society and families below the poverty line.



Board of  
**DIRECTORS**



**PICTURED (FROM UPPER LEFT TO LOWER RIGHT)**

**S. Ramadorai**, Chairman; **Warren Harris**, Chief Executive Officer and Managing Director; **Falguni Nayar**, Director; **Rakesh Makhija**, Director; **C. Ramakrishnan**, Director; **P. P. Kadle**, Director

## Notice

**NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF TATA TECHNOLOGIES LIMITED** will be held on Wednesday, June 29, 2016 at 3:30 p.m. (IST) at the Registered Office of the Company situated at Plot No. 25, Rajiv Gandhi Infotech Park, Hinjawadi, Pune-411057 to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the standalone financial statements of the Company for the year ended March 31, 2016 together with report of the Directors and Auditors thereon.
2. To receive, consider and adopt the consolidated financial statements of the Company for the year ended March 31, 2016 together with report of the Auditors thereon.
3. To declare dividend on Equity Shares of the Company.
4. To appoint a Director in place of Mr C Ramakrishnan (DIN 00020076) who retires by rotation and, being eligible, offers himself for reappointment.
5. **Ratification for appointment of Auditors:**

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and such other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and pursuant to the resolution passed by the Members at the Twenty First Annual General Meeting (AGM) held on June 26, 2015, in respect of appointment of the auditors, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No 117366W) (LLP Registration No W100018) till the conclusion of Twenty Third AGM of the Company to be held in the year 2017, the Company hereby ratifies and confirms the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the Twenty Third AGM of the Company to be held in year 2017 to examining and audit the accounts of the Company on such remuneration as may be mutually agreed between the Audit Committee of the Company and the Auditors."

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy form as per the format given in the Annual Report booklet should be duly filled, stamped, signed and received by the Company at its Registered office not less than 48 hours before the time for holding the meeting.
3. Members/proxies should bring duly-filled Attendance Slip sent herewith to attend the meeting.
4. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the venue of the AGM.
5. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. This Notice of AGM has been sent to all the members whose name appeared in the Register of Members and Register of Beneficial Owners as on May 31, 2016.

7. Pursuant to the provisions of Section 108 read with Rule 20 of Companies (Management and Administration) Amendment Rules, 2015, Members whose names appear on the Register of Members as on Monday, June 20, 2016 ("Cut-off Date") would be only be eligible to vote by electronic means or by means of ballot paper at the AGM. Any recipient of the Notice who has no voting rights as on the cut-off date shall treat this notice as intimation only.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, June 13, 2016 to Monday, June 20, 2016 (both days inclusive) for the purpose of payment of final dividend, if declared, for the financial year ended March 31, 2016.
9. Persons who acquired the shares and became member of the Company after May 31, 2016 and prior to the cut-off date i.e. June 20, 2016 shall be entitled to exercise their votes either electronically i.e. remote e-voting or through the ballot paper at the AGM in the following manner:
  - a. Such person may obtain the login ID and password by sending a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company at [Saurabh.Erande@tatatechnologies.com](mailto:Saurabh.Erande@tatatechnologies.com) or TSR Darashaw Limited, the Registrar and Transfer Agents of the Company at [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com); or
  - b. Such person may attend the AGM and vote by means of ballot papers to be provided by the Company at the AGM.
10. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on Monday, June 13, 2016.
11. As per the provisions of the Companies Act, 2013, facility for making nominations is available for members in respect of shares held by them. Nomination Forms can be obtained from the Company's Registrar and Transfer Agent.
12. Members please note the contact details of the Company's Registrar and Transfer Agent, M/s **TSR Darashaw Limited**, as follows:

**TSR Darashaw Limited**  
6-10 Haji Moosa Patrawala Industrial Estate,  
20, Dr.E.Moses Road,  
Mahalaxmi, Mumbai-400011  
Tel:+91 22 66568484 Fax:+91 22 66568494  
Email: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)
13. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, mandates, nominations, change of address, change of name, change in email id etc., to their Depository Participants. Changes intimated to the Depository Participants will be then automatically reflected in the Company's records which will help the Company's Registrar and Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agent.
14. Members attention is particularly drawn to the 'Transfer of Unclaimed/Unpaid dividends to Investor Education and Protection Fund' section under 'General Shareholder Information' in the Corporate Governance Report.
15. The Company has dematerialized its Equity Shares to CDSL & NSDL and Company's ISIN number is INE142M01017. Members, who hold shares in physical form, are requested to dematerialize their shares. A detailed FAQ on Dematerialization is provided elsewhere in the Annual Report.
16. The Company has received a unique user code from Reserve Bank of India to credit the dividend directly to the bank accounts of the Investors. Members who intend to opt the NECS facility are requested to fill in the NECS Request

Form attached at the end of this Report and send to the Company's Registrar and Transfer Agent. Members holding the shares in electronic form are requested to contact their Depository Participants and give suitable instructions to record their bank account details in their demat account.

17. The Company is concerned about the environment and utilizes natural resources in a sustainable way. Members are requested to register their email address, through written application, with Company's Registrar and Transfer Agent to enable the Company to send notices, annual reports and other communication via email.
18. Copies of the Annual Report 2016 are being sent by electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2016 are being sent by the permitted mode.

19. **Voting through electronic means:**

For the purpose of voting through electronic means, the expression

**"Remote e-voting"** means the facility of casting votes by a member using an electronic voting system from a place other than venue of a general meeting.

- I. According to Section 108 of Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Amended Rules, 2015, e-voting is mandatory for all listed Companies or Companies having Shareholders not less than one thousand.
- II. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amended Rules, 2015, the Company is pleased to provide members, facility to exercise their right to vote by utilizing the facility of remote e-voting by electronic means and the business will be transacted through e-voting services provided by National Securities Depository Limited (NSDL).
- III. A member may exercise his vote in respect of the resolutions proposed in the Notice of AGM by electronic means ("remote e-voting") and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Amended Rules, 2015.
- IV. During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on a Cut-off Date, may cast their vote electronically.
- V. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
  - (i) Open email and open PDF file. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder \_ Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
  - (vii) Select "EVEN" of Tata Technologies Limited.

- (viii) Now you are ready for e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [umeshmaskeri@gmail.com](mailto:umeshmaskeri@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - (xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (xiv) In case of any query or grievance relating to e-voting, members may contact Mr Anubhav Kapoor, General Counsel and Company Secretary at the Registered Office of the Company at Telephone No: 020 66529090 or through email- [Anubhav.Kapoor@tatatechnologies.com](mailto:Anubhav.Kapoor@tatatechnologies.com).
  - (xv) If you are already registered with NSDL for e-voting then you can use your existing user Id and password for casting your vote.
- VI. The remote e-voting period commences on June 26, 2016 10:00 a.m. (IST) and ends on June 28, 2016 5:00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date of i.e. Monday, June 20, 2016, may cast their vote electronically. The e-Voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the shareholder, the shareholder will not be allowed to change it subsequently or the cast the vote again.
- VII. The members, who have cast their vote by remote e-voting, may also attend the meeting but shall not be entitled to cast their vote again.
- VIII. The voting rights of shareholders shall be in proportion to their shares held in the Company as on Monday, June 13, 2016.
- IX. Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Monday, June 20, 2016, may cast their votes by remote e-voting from 10:00 a.m. (IST) on June 26, 2016 and up to 5:00 p.m. (IST) on June 28, 2016. In addition to the remote e-voting, Company will be providing the facility of ballot papers so as to enable the members attending the meeting who have not cast their vote by remote e-voting to exercise their right at the meeting through ballot papers.
- X. Mr Umesh Maskeri, Practicing Company Secretary (FCS No. 4831 COP No. 12704), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- XI. The Chairman at the AGM, at the end of the discussion on the resolutions on which voting is to be held, allow voting, as provided in clauses (a) to (h) of Rule 21 of the Companies (Management and Administration) Rules, 2014, as applicable, with the assistance of the scrutinizer, by use of ballot or polling papers for all those members who are present at the AGM but have not casted their votes by availing remote e-voting facility.
- XII. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three (3) days from the conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith

to the Chairman or a person authorized by him in writing who shall countersign the same of the Company.

- XIII. The Results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website- [www.tatatechnologies.com](http://www.tatatechnologies.com) and on the website of NSDL immediately after the results are declared by the Chairman.
- XIV. Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the AGM.
- XV. A resolution proposed to be considered through voting by electronic means cannot be withdrawn.

Date: May 13, 2016  
Place: Mumbai  
**Registered Office:**  
25, Rajiv Gandhi Infotech Park,  
Hinjawadi, Pune 411 057

By Order of the Board of Directors  
  
**Anubhav Kapoor**  
General Counsel and Company Secretary

## Directors' Report

### TO THE MEMBERS OF TATA TECHNOLOGIES LIMITED

The Directors are pleased to present their Twenty Second Annual Report on the Business and Operations of your Company and the Audited Statement of Accounts for the year ended March 31, 2016.

#### 1. FINANCIAL RESULTS

The summary of financial results of the Company for the year ended March 31, 2016 is as follows:

(Amount in ₹ Crore)

Particulars	2015-16	2014 -15
Income from Operations	1,082.31	985.18
Other Income	23.48	39.61
Total Income	1,105.79	1,024.79
Operating Expenditure	791.70	733.26
Profit before Depreciation, Interest and Taxes	314.09	291.53
Interest	1.07	1.37
Depreciation	47.73	40.26
Profit/(Loss) before Taxes	265.29	249.90
Provision for taxes	42.66	47.05
Profit/(Loss) after Taxes	222.63	202.85
Balance brought forward from previous year	47.17	252.16
Amount available for appropriations	269.80	455.01
APPROPRIATIONS		
Interim Dividend	64.54	64.53
Proposed Final Dividend	86.05	258.15
Tax on Interim/Proposed Dividend	30.66	64.16
General Reserve	23.00	21.00
Balance carried to Balance Sheet	65.55	47.17

Salient features of the financial statements are provided in Form AOC-1 as Annexure III to this report.

#### 2. REVIEW OF BUSINESS OPERATIONS

The Company recorded an overall revenue growth of approximately 7.90% with an increase of approximately 10.02% in revenue from sale of products and services, from ₹ 983.74 crore in 2014-15 to ₹ 1,082.29 crore in 2015-16. The operating profit registered an increase of approximately 7.74% over the last year, while profit before taxes (PBT), increased at a rate of approximately 6.16% on a year-on-year basis. Profit after taxes (PAT) grew by approximately 9.75% during the same period.

During the period, services revenue increased by 9.86% and product sale increased by 10.88% over last year to reach figures of ₹ 917.50 crore and ₹ 164.79 crore respectively. The services revenue comprises:

- Engineering Automation Group [EAG]:**  
EAG addresses the engineering and design needs of manufacturers through services for all stages of the product development and manufacturing process.
- Enterprise Solutions Group [ESG]:**  
ESG addresses the Information Technology needs of manufacturers including business solutions, strategic consulting, ERP implementation, systems integration, IT networking and infrastructure solutions and program management.

### 3. Product Lifecycle Management [PLM]:

PLM addresses the product development technology solution requirements of manufacturers' including end-to-end implementation of PLM technology, best practices and PLM consulting. PLM also includes the Company's proprietary applications iGETIT® and iCHECKIT®.

### 3. DIVIDEND

The Board declared an interim dividend of ₹ 5/- per share for the first, second and third quarters respectively in the financial year 2015-16 totaling to ₹ 15/- per share. Considering the financial performance, the Directors are pleased to recommend for approval of members a final dividend of ₹ 20/- per share for FY 15-16.

If the shareholders approve the proposed final dividend at the ensuing Annual General Meeting, the total dividend for the financial year 2015-16 will be ₹ 35/- per share. The total dividend for the financial year 2014-15 was ₹ 75/- per share (₹ 30 + ₹ 45 as special dividend).

### 4. BUSINESS OUTLOOK

Your Company is highly focused on delivery of value to its customers, marketing and sales and as such, it is seeing improved order bookings. The Company expects improved growth in revenue, EBITDA and profit after tax in the coming years. Please refer the section on Management Discussion and Analysis for more information.

### 5. CHANGES IN SHARE CAPITAL

During the year, the following changes have occurred in the authorized and the paid-up equity share capital of the Company:

- a) The authorized share capital of the Company remained unchanged at ₹ 60.70 crore divided into 6,00,00,000 equity shares of ₹ 10/- each and 7,00,000 0.01% cumulative non - participative compulsorily convertible preference shares of ₹ 10/- each.
- b) Paid up capital of the Company remained unchanged at ₹ 43,02,46,380.

The Company is committed to employee participation in the future of the Company and has promoted and implemented various stock based incentive and ownership schemes from time to time. The details for FY 16 are provided in Annexure I to this report.

### 6. HUMAN RESOURCE DEVELOPMENT

As of March 31, 2016, the Company employed 8,087 permanent and contractual professionals. This represents a four percent increase (from 7,804) over the course of fiscal year 2014-15. The Company's employees serve automotive, aerospace, and industrial machinery manufactures in 25 countries worldwide. Our strategy is to deploy judicious mix of specialist from operational hubs in India, North America and the UK and local talent from the countries in which the Company operates. This ensures seamless engagement with our customers through clear understanding of local cultures for the provision of specialized solutions.

The Human Capital section of Management Discussion & Analysis provides details of our approach and human resources initiatives.

### 7. CORPORATE SUSTAINABILITY

The Company's Corporate Sustainability vision is to co-create sustainable value for the Company's key stakeholders through engineering and technology innovation. The Company's mission is to make positive impact on the communities where the Company does business and on its internal and external stakeholders by enhancing the quality of life, committing to environmental enrichment and fostering innovation. Thereby, making it better for the planet, better for people, better for progress, better now and better for the future.

The shareholders are advised to refer the separate section on the Corporate Sustainability in this report for more details.

## 8. QUALITY INITIATIVES AND KNOWLEDGE MANAGEMENT

Following feedback from the 2015 Tata Business Excellence Model (TBEM) assessment, Tata Technologies took the following decisions to strengthen its Quality Assurance, Knowledge Management and Business Excellence capabilities:

### 1. The creation of a global office of Business Transformation

This function has been created to bring together the Office of Strategic Management, Total Quality Management and Business Excellence which will be led by the Chief Transformation Officer, a new appointment to the Tata Technologies' senior leadership team.

### 2. The adoption of OGSM as a global tool for Strategy Deployment

OGSM (Objectives, Goals, Strategies and Measures) has identified five level one objectives for Tata Technologies which are aligned with the Vision, Mission and Values of the organisation. The cascade and review of these objectives will ensure that the organisation remains focused on the "vital few" strategies in order to meet shareholder and stakeholder expectations.

#### Objective 1:

To continue sustainable organizational growth meeting stakeholder expectations

#### Objective 2:

To become the preferred choice of the markets we serve through the value we create

#### Objective 3:

To engage & invest in people to deliver functional & operational excellence

#### Objective 4:

To deliver the highest quality products, services & processes through a culture of improvement & innovation

#### Objective 5:

To improve customer engagement by promoting & enabling a customer centric organization

### 3. The deployment of 4 directional themes

As part of feedback from the 2015, TBEM assessment Tata Technologies has focused its transformation journey on the following four directional themes; Financial Growth, Customer Centricity, People and Innovation. As part of the FY17 KPI process these themes form the basis of personal objectives of the Managing Director and his direct reports.

Tata Technologies continues to use globally recognized Quality standards such as ISO 9001:2008, AS 9100:C, Prince2, CMMI and ISO 27001:2013 to establish its Quality Management and Information Security framework. These standards provide a firm foundation for Tata Technologies' Quality Management System (QMS) and Information Security Management System (ISMS). Customers are assured of consistent quality of service and predictable outcome while being assured of security of their information and intellectual property.

The organisation has incorporated all the improvements that were triggered by the revised information security standard ISO 27001:2013 and is now certified to this new standard.

The delivery centres in Hinjawadi (Pune), Bangalore, Thailand, Romania and projects managed by your Company in Tata Motors (Pimpri, Pune) and Thane location continue to maintain their accreditation to relevant Quality standards. Implementation of QMS best practices to UK (Coventry and Bristol) and Jamshedpur were initiated this year and these locations are on track to achieve formal accreditation to ISO 9001 and AS 9100.

Internal and external quality audits, customer feedback and inputs from process group members have helped in continuously improving the QMS processes and related IT tools. A significant development is the roll out of online project tracking system including dashboards this year. The excel based system is now phased out. The online project tracking system provides real time visibility of status of projects to Project Managers, Vertical Heads and Line of Business Heads. The key metrics related to cost, quality and time are available in the system, vastly improving the quality of governance meetings and reviews.

As of March 2016, Tata Technologies have a team of over four hundred trained and certified internal quality auditors who partner with the TQM function to high levels of compliance with the organisation's key processes.

In order to deliver high quality projects consistently on time and also to mitigate risks arising from increasingly stringent conditions required by customers, Senior Leaders are being trained on the preventive measures that are part of the QMS. The Tata Technologies Certified Project Management Professional (TTCPMP) workshop is designed to address this objective. The program is ongoing - 17 batches have been conducted covering 330 managers.

During FY16, Tata Technologies has progressed its CMMI journey and incorporated its requirements in the QMS. CMMI is yet another industry standard for the service industry - especially relevant to Software Engineering.

The organisation has continued to build relationships with TBExG (Tata Business Excellence Group) and the office of the group CTO. In March 2016, it was acknowledged as the 5<sup>th</sup> largest contributor to the Tata Innovista universe, which is the group level forum on the subject. The organisation has a healthy pipeline of product and process innovation and submitted 241 entries for FY16, 1 entry has reached the Finals.

A structured and consistent approach was executed to take advantage of the Knowledge Bank/Best Practices available across the Tata Group. The TQM team facilitated participation of a large number of employees in the various "EDGE" webinars which is the delivery mechanism within the Tata Group for the same.

## 9. INFORMATION TECHNOLOGY (IT) INITIATIVES

In keeping with the philosophy of "Practice what we preach," the Company continues to internally deploy technology and software its manufacturing customers use, such as SAP, Oracle, Microsoft, Siemens, Dassault Systèmes, Autodesk and Qlikview. The technology and software implemented have been enhanced with internally developed intellectual property, implementation, and best practices. The resulting solutions are leveraged for manufacturing customers globally. Examples of these include maximizing the efficiency of data flow (WAN Optimization), engineering resource optimization, infrastructure management, dashboarding/analytics and human capital management to ensure accurate project pricing and optimal resource utilization.

Tata Technologies' IT investments and operations were focused across the following key areas for fiscal year 2016:

- **IT Operations:** The IT operations group scales IT operations across all Company offices globally. The IT operations group also manages our end user productivity hardware and software tools that are used for individual employee and team collaboration to drive IT-enabled operations excellence.
- **IT Enterprise Applications:** Implementation and ongoing support of over 25 enterprise applications used across Tata Technologies globally. Many applications were developed in partnership with the Sales, Delivery, HR, Legal and Finance teams to drive IT-enabled process excellence.
- **Engineering and Infrastructure:** This group defines, implements and supports our engineering hardware and software tools used for global product development and data exchange with customers. The engineering and infrastructure team also partnered with our global delivery teams and key customers to leverage the latest engineering technologies to drive IT-enabled customer excellence.
- **Information Security and Compliance:** This team strengthens, monitors and ensures compliance across the areas of information security, data security and IT asset management practices across Tata Technologies. This ensures; Tata Technologies can be a trusted partner and a preferred global engineering services organization to our customers. The team obtains and enforces frameworks such as Information Security Management System (ISMS), IT Asset Management (ITAM), and data security as well as certifications such as ISO 27001 where required.

The Company leveraged its internal audit process to periodically assess its IT systems, processes, governance and expand identified areas of improvement. The Company continued to focus on governance and risk management compliance to help scale business by deploying a framework to track and manage compliance checks and risks.

## **IT Operations Excellence:**

Select focus areas for this category are listed below:

1. Commissioning and managing delivery centres with state-of-the-art IT facilities
2. Integrating and managing audio/video conference solutions across geographies
3. End-user device standardization and management for desktops, laptops and peripherals
4. Improving efficiency and reducing risks by deploying end-point management systems
5. Deploying latest communication and collaboration tools

The Company upgraded to Microsoft's cloud-based Office 365-to improve its internal communication and collaboration framework. Employees now have the ability to access, store and collaborate on documents in one place, and access them anywhere. This reduces the time employees spend searching for files. Teams are also able to work together on the social networking platform that Office 365 provides.

In an effort to provide better IT support to employees, the Company overhauled its helpdesk platform to the new F1 helpdesk application. The application serves as a framework as part of a larger initiative to automate and improve other internal functions for employees such as human resource, finance, etc. The new application allows for issues and requests to be logged through a web portal or mobile app, users can monitor the current status of their request and better request appropriate approvals, thus saving time and ensuring focus remains on providing service to customers.

## **Enterprise Applications:**

Select focus areas of this category are listed below:

1. Sales excellence - Improved and simplified processes for opportunity management built on Microsoft platform.
2. Delivery excellence - Improved time and leave management systems for greater ease of use, real-time integration and country-specific requirements.

## **Engineering and Infrastructure:**

Select focus areas for this category are listed below:

1. Partner with anchor customers to deploy collaboration environments
2. Streamline ramp-up for new customer Offshore Delivery Centres
3. Improve data collaboration capabilities by leveraging next-gen tools
4. Reduce operating costs through virtualization/high-performance (HPC) technologies

The Company established high performance computing (HPC) capabilities in its UK and India delivery centres and improved design (CAD/CAE) collaboration efficiencies through a new data exchange mechanism. The Company also expanded its Engineering Resource Optimization value proposition by leveraging it across key customers and enhancing it through ongoing assessments from external agencies. Each of these initiatives were aimed at accelerating ramp up/down of customer offshore delivery centres across the globe and improving design productivity.

## **Information Security and Compliance:**

The Company maintained ISO 27001:2013 certification across its key delivery centres as part of our ongoing commitment towards data security and compliance. The Company also enhanced its information security management system in order to protect the information assets of the Company and its customers according to business strategies from all threats, whether internal or external, deliberate or accidental. The Company underwent multiple external and internal security assessments as part of new customer acquisition/existing projects governance processes. Security controls such as web filtering, antivirus protection, visitor management systems, CCTV monitoring, etc. were enhanced as part of ongoing updates. Periodic vulnerability assessment and penetration testing on business applications strengthened the security of the Company's business applications.

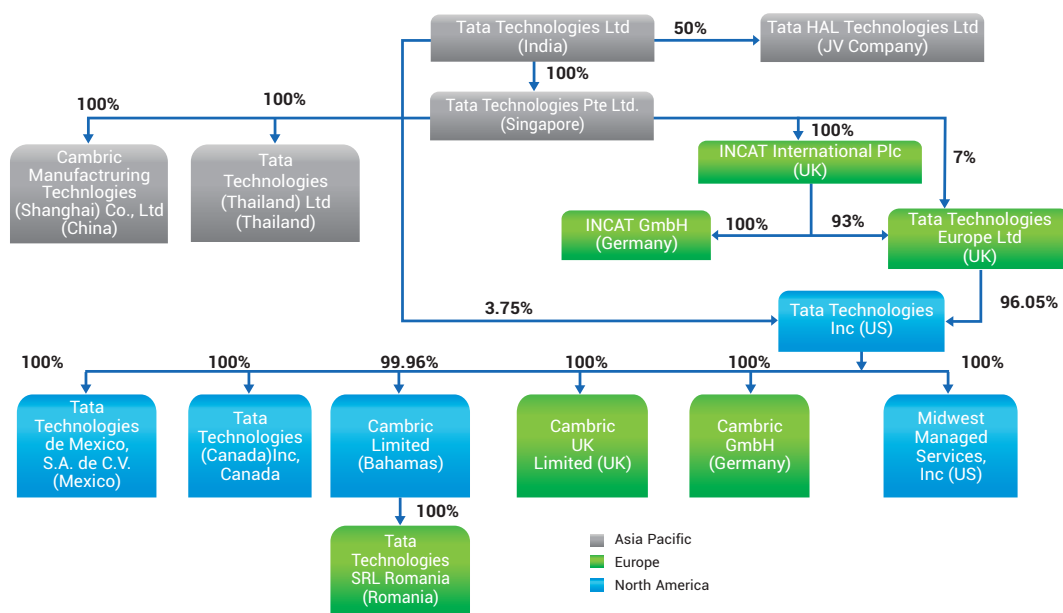
## **Technology Absorption**

The Company invested in strategic technologies aligned with business goals and customer needs, aimed at

improving effectiveness across each of its core customer focus areas: capacity to create, process to create and connected enterprise solutions. State-of-the-art software and hardware technology investments, aimed at delivering business solutions to internal and external stakeholders were made across both existing and new delivery centres. Examples of technology investments include engineering Virtual Desktop Infrastructure (VDI), cloud based CAD/CAE/PLM application deployments, cloud based personal productivity platforms, SAP visualization and end user experience (Fiori) platforms, engineering data exchange, global wide area network technologies, data centre modernization, shared services desk cloud platforms, public/private cloud architectures, social networking platforms and green IT related investments. The Company also enhanced its investment and approval policies to ensure effective selection and procurement of new technologies.

## 10. SUBSIDIARY COMPANIES AND JOINT VENTURE

The Company had 14 subsidiary companies as on March 31, 2016:



**Consolidated Results:** In accordance with the Statement of Accounting Standard on Consolidated Financial Statements (AS 21) issued by the Institute of Chartered Accountants of India (ICAI), subsidiaries of the Company and 50% share in Joint Venture Company have been considered in the Consolidated Financial Statements of the Company, attached in separate section of this report. As may be seen from the consolidated statements, the consolidated revenue was ₹ 2,713.60 crore, an increase of 2.62% against ₹ 2,644.23 crore in the previous year. The profit before tax was ₹ 460.89 crore as against ₹ 429.76 crore in the previous year, recording a growth of 7.24%. The profit after tax stood at ₹ 381.66 crore as against ₹ 334.07 crore recording a growth of 14.25%.

The Services/Products business mix was a 82/18 split respectively (₹ 2,187.47 crore for services and ₹ 494.87 crore for products) compared to FY 2015 when the Company recorded ₹ 2,019.35 crore for services and ₹ 565.38 crore for product or a 78/22 mix. The Americas produced ₹ 801.65 crore with Asia Pacific recording ₹ 1,185.49 crore and Europe generating ₹ 1,115.52 crore. The three territories combined produced ₹ 2,682.34 crore top line after reducing inter-company billing, in FY 2016 compared to ₹ 2,584.73 crore for FY 2015.

**Joint Venture:** Tata HAL Technologies Limited is a 50:50 joint venture between Tata Technologies Limited and Hindustan Aeronautics Limited (HAL), with its corporate office situated at Bangalore, Karnataka. Tata HAL Technologies Limited is in the business of providing engineering and design solutions and services in the domain of aerostructures for the aerospace industry. The Company reported revenue of ₹ 9.45 crore for the FY 2015-2016 as against the revenue of ₹ 12.66 crore in FY 2014-15 an decrease of 25.36% over the last year. The profit for the year was ₹ 0.35 crore as against profit of ₹ 1.38 crore in FY 2014-15.

The statement containing the salient feature of the financial statement of a Company's subsidiaries and associate company is enclosed herewith in Form AOC - 1.

## 11. DIRECTORS

In accordance with the requirements of the Companies Act, 2013 and the Articles of Association, Mr C Ramakrishnan (DIN 00020076) is liable to retire by rotation and, being eligible, offers himself for re-appointment.

## 12. STATUTORY AUDITORS

Members in the Twenty First Annual General Meeting held in the year 2015, approved the appointment of M/s Deloitte Haskins & Sells (DHS), LLP, Chartered Accountants (ICAI Firm Registration No. 117366W) (LLP Registration No: W-100018), as the Statutory Auditors of the Company for a period of two years to hold office from the conclusion of Twenty First AGM till the conclusion of the Twenty Third AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

However, based on the recommendations of the Audit Committee of the Company, Board of Directors in its meeting held on May 13, 2016, confirmed the ratification of the appointment of the Statutory Auditors to hold the office from conclusion of this AGM till conclusion of next AGM to be held in 2017.

It is proposed to ratify the appointment of the Auditors to examine and audit the accounts of the Company for the financial year 2016-17. Pursuant to Section 139(1) of the Companies Act, 2013, M/s Deloitte Haskins & Sells, LLP, have already, furnished the relevant letter confirming their eligibility and willingness for reappointment as the Statutory Auditors, should they be so appointed.

The members are requested to ratify the appointment of Auditors to hold the office until the conclusion of next AGM and authorize the Audit Committee to fix their remuneration.

## 13. INTERNAL AUDITORS

The Company has appointed M/s Ernst & Young LLP, as Internal Auditors of the Company, to conduct the Internal Audit of the Company and its subsidiaries.

## 14. COMPLIANCE AUDITORS

To strengthen the compliance process of the Company, the Company has implemented system based compliance tool known as "iComply" in India, Europe, Thailand, Singapore, United States, Canada and Mexico. The Company has appointed M/s Ernst & Young LLP, as Compliance Auditors of the Company, to conduct the Compliance Audit at all locations where the iComply tool has been implemented.

## 15. PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013, during the year under review. And hence, no amount is outstanding under the head 'Public Deposits' as on March 31, 2016.

## 16. MANAGEMENT DISCUSSION AND ANALYSIS

The shareholders are advised to refer the separate section on the Management Discussion and Analysis in this report.

## 17. CORPORATE GOVERNANCE REPORT

The shareholders are advised to refer the separate section on Corporate Governance in this report.

## 18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

**Conservation of Energy:** The operations carried out by the Company in all of its locations are such that they are not deemed as energy intensive. However, the Company constantly makes efforts to avoid excessive consumption of energy. Measures were taken to increase awareness about the need to conserve power and water. At the Hinjawadi delivery center, solar water heaters are installed in the Guest House and the Wellness Centre. The schedule of switching on/off lights and AHU's was monitored continuously keeping in mind factors of climate, availability of power and working hours. LED lights are being considered as a replacement for CFL wherever possible in all new

facilities. The Company remains committed to deploying more efficient energy saving measures. New technologies/options are regularly monitored and efforts will continue to conserve energy.

**Technology Absorption:** The Company has been investing in strategic technologies aligned with its business goals and customer needs, resulting in prudent investment in state-of-the-art software and hardware technology while delivering solution and service to all internal and external stakeholders.

**HPC Cluster facility for CAE simulation projects:** Tata Technologies teams primarily from E&D are delivering very high end simulation projects in CAE and CFD areas. Teams in E&D Pune and VPD UK have recently started working on larger data sets on the simulation front. To cater to these needs the Company has deployed a new powerful and scalable high performance computing cluster in both UK and Hinjawadi. This hosts best in class processor technology configured to 264 cores with ultrafast Infiniband FDR interconnect between the nodes. This will help the teams deliver CAE projects faster resulting in revenue growth, providing a competitive edge to gain & retain CAE customers.

**Data Center Infrastructure:** Tata Technologies recently added to its data center facility provisioning for new IT hardware and systems. It has deployed a new technology for High Performance Racks with Energy Efficient Cooling System in Data Centre. This contains the new in rack cooling technology helping save on the cooling costs and eliminates the need for complete data center cooling to server standards. It also employs state of the art safety and security features like automatic door opening for cooling failures as well as automated SMS alerts.

**Foreign Exchange Earnings and Outgo:** Information pertaining to the foreign exchange earnings and outgo during the year under review, in terms of the Notification 1029 of 31-12-1988 issued by the Department of Company Affairs is as follows:

(Amount in ₹ Crore)		
Particulars	2015 - 16	2014 - 15
Earnings in foreign currency	372.43	307.24
Expenditure in foreign currency	29.16	32.08

#### 19. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, is enclosed in Form No MGT - 9, as Annexure IV to this report.

#### 20. BOARD MEETINGS

The Board met nine times during the financial year 2015-16 on May 15, 2015, June 08, 2015, June 26, 2015, July 30, 2015, October 08, 2015, October 29, 2015, January 29, 2016, February 17, 2016 and March 31, 2016. The time gap between two meetings was less than 120 days.

#### 21. SECRETARIAL AUDIT

A Report of Secretarial Audit by SVD & Associates is enclosed as Annexure V to this report.

#### 22. LOANS AND INVESTMENTS

Your Company complied with the provisions of Section 186 of the Companies Act, 2013, during the year under review.

#### 23. RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered by the Company during FY 2015-16 were in the ordinary course of business and at Arm's length basis. All such transactions were reviewed and approved by the Audit Committee from time to time.

#### 24. TRANSFER OF AMOUNTS TO RESERVES

The Company proposes to transfer ₹ 23 Crore to reserves Account.

## 25. RISK MANAGEMENT POLICY (MD & A)

Shareholders are requested to refer a separate section on Risk Management in MD & A.

## 26. QUALIFICATION OF DIRECTORS AND REMUNERATION (Policy for qualification and remuneration to be disclosed)

The Company has adopted the policies with respect to the Qualification and Remuneration of the Directors as on March 31, 2016 and the same is disclosed as Annexure VI of the report.

## 27. MANAGEMENT OF BUSINESS ETHICS

The organization structure for the Management of Business Ethics (MBE) in the Company comprises:

Tata Technologies has adopted the Tata Code of Conduct (TCOC). The Code of Conduct upholds the highest standards of corporate and personal conduct and is the guiding force on the ethical conduct behind every Tata Company, no matter what business they are in. It establishes the code of ethics that governs all Tata ventures, new and old. The Code of Conduct is communicated to the organization's partners/suppliers through interaction with them. The Company established procedures to deploy TCOC across the organization which promotes and ensures ethical behavior in all stakeholder interactions. The TCOC is disseminated through presentations, circulation of "Code" through various processes such as at the time of employee induction (joining), highlighting the same in posters at strategic locations "Employee Handbook" and a dedicated section as "Management of Business Ethics" on the intranet portal of the Company. To obtain a uniform measurable deployment of the TCOC across all employees and contractors of Tata Technologies, wherever they might exist globally, the Company created a specifically tailored training program on TCOC using 'iGETIT®'. This training program had been added to each employee's 'Learning Path'. The tool not only effectively tracks the number of employees who had undergone the training program but also monitors time taken on the program and each individual's score.

The Company has a committee on Prevention of Sexual Harassment (POSH) and a Whistle Blower Policy in place. The Whistle Blower Policy was adopted in February 2007 in extension of the Tata Code of Conduct (TCOC). Any actual or potential violation of the Code of Conduct, howsoever insignificant or as such, would be a matter of serious concern for the Company. Whistle Blower Policy has been established to provide a mechanism for employees of the Company to approach the Ethics Counselor/Chairman of the Audit Committee of the Company to report any concerns. The Policy has been communicated to all the employees of the Company.

Possibility of breach of ethical behavior can be reported by various means to the Ethics Counsel such as by post, mail or phone calls. A dedicated email account at [ethics@tatatechnologies.com](mailto:ethics@tatatechnologies.com) is available both at the intranet and internet sites for the stakeholders to report any ethical breach.

These are then managed by a well laid process. The required actions are implemented through the support functions such as HR, Finance and Legal.

Results are reported to the Chief Ethics Counselor on a quarterly basis and are reviewed by the Audit Committee. Apart from encouraging people to report ethical violations, the Company is also trying to establish a culture to report examples of good ethical behavior of employees to bring in ethical positivity at the workplace.

The Company has also adopted and implemented the Anti-Bribery and Gift, in line with the Tata Code of Conduct and applicable laws, if any.

The organization structure for the Management of Business Ethics (MBE) in the Company comprises:

- a. Ethics Committee
- b. Chief Ethics Counselor
- c. Ethics Counselor and
- d. Chairperson - Prevention of Sexual Harassment (POSH)

The Company received 5 (Five) complaints during the year. Two of them were under POSH and all the complaints received were closed. The Ethics Committee has conducted various activities during the year including Ethics Day & Pledge, MBE Awareness Workshops, Customer feedback on Ethical behavior of Company's employees etc.

## 28. AUDIT COMMITTEE

The Audit Committee comprises three Non-Executive Directors including two Independent Directors, all of whom are financially literate. The Committee is comprised of Ms Falguni Nayar, Chairperson, Mr Rakesh Makhija and Mr Praveen Kadle as members of the Committee.

During the year under review, the Board has accepted all the recommendations of the Committee.

## 29. DECLARATION OF INDEPENDENCE

Pursuant to Section 149 (6) of the Companies Act, 2013, the Company has received the declaration of Independence from Ms Falguni Nayar and Mr Rakesh Makhija.

## 30. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The details of the Directors and KMP appointed/resigned during the year are as under:

SI No	Name	Designation	Date of Appointment as Director/KMP	Date of Resignation as Director/ KMP	Remarks
01	Mr Ramabadrhan Gopalakrishnan	Non-Executive Director	March 08, 2001	December 26, 2015	Stepped down as a Director in accordance with the Tata Sons Ltd. retirement policy

## 31. BOARD EVALUATION

The Company has adopted the Tata Group Governance Guidelines in which a due process for evaluation of the Board has been set up.

## 32. ORDER OF COURT

The Company has not received any significant and material orders, if any, passed by the regulators and courts or tribunal impacting the ongoing status and Company's operations in the future.

## 33. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act 2013, the Directors, based on the representations received from the Operating Management, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. they have, in selection of the accounting policies, consulted the Statutory Auditors and have 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 of the Company for that period;
- iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 34. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners, bankers and auditors for their continued support and association. The Directors also wish to thank the Government and all the

statutory authorities for their support and co-operation.

The Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

The Directors, finally, would like to specially thank and place on record their gratitude to all the members of the Company for their faith in the management and continued affiliation with the Company.

Date: May 13, 2016  
Place: Mumbai

On behalf of the Board of Directors

**SRAMADORAI**  
Chairman

## EMPLOYEE STOCK OWNERSHIPS SCHEMES

a) Tata Technologies Limited Employees Stock Option Plan (TTESOP - 2001)

Tata Technologies Limited Employees Stock Option Plan 2001 (TTESOP Plan 2001) was launched by the Company in the year 2001. The status of the options granted and exercised as well as options forfeited during the financial year ended March 31, 2016 as under:

**ESOPs as on March 31, 2016**

Number of Options Granted, Forfeited and Exercised	
Options granted as on April 1, 2015	33,301
Further options granted during the financial year 2015-16	NIL
Options exercised during the year	(3,000)
Cashless options exercised during the year	NIL
Options lapsed/forfeited during the year	(187)
Options granted as on March 31, 2016	30,114
Options available for Grant	30,057

b) Stock based incentive schemes by Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) and Barclays Wealth Trustees (Guernsey) Limited.

To manage and implement various stock based incentive programs for employees of the Company, the Company has formed Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) and Barclays Wealth Trustees (Guernsey) Limited for employees of the Company and its subsidiaries. Since shares of the Company are not listed on Stock Exchange, Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) and Barclays Wealth.

Trustees (Guernsey) limited purchase the shares from employees and ex-employees of the Company. The shares so purchased by the Trusts are reissued to the employees through various stock based incentive schemes from time to time.

**Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) has implemented the following stock based incentive programs:**

- 1) Tata Technologies Employee Stock Purchase Program 2008
- 2) Tata Technologies Employee Stock Purchase Program 2009
- 3) Share Repurchase Program
- 4) Tata Technologies Employees Stock Purchase Program- Series III (ESPP- Series III)
- 5) Employees Stock Purchase Program- Series IV (ESPP - Series IV)
- 6) Employees Stock Purchase Program- Series V (ESPP - Series V)
- 7) Employees Stock Purchase Program- Series VI (ESPP - Series VI)

**The Schemes implemented by Barclays Wealth Trustees (Guernsey) Limited are:**

- 1) Employee Stock Ownership Program for INCAT Employees 2006
- 2) Employee Stock Ownership Program for INCAT Key Employees 2007
- 3) Employee Stock Ownership Program for INCAT General Employees 2007
- 4) Employee Stock Ownership Program 2009 (ESO 2009)
- 5) Employee Stock Ownership Program 2010 (ESO 2010)
- 6) Employee Stock Ownership Program 2012 (ESO 2012)
- 7) Employee Stock Ownership Program 2015 (ESO 2015)

**Shares Allocated under stock based incentive schemes of Tata Technologies Limited Employees Stock Option Trust**

Sl No	Scheme Name	No of Shares Allocated	Price per Share ₹	Money Realized by the Trust ₹
1.	Employees Stock Purchase Program 2008	290,500	145	4,21,22,500
2.	Employees Stock Purchase Program 2009	18,800	196	36,84,800
3.	Employees Stock Purchase Program - Series III	52,251	196	1,02,41,196
4.	Employees Stock Purchase Program - Series IV	47,600	223	1,06,14,800
5.	Employees Stock Purchase Program - Series V	22,500	417	93,82,500
6.	Employees Stock Purchase Program - Series VI	81,400	645	5,25,03,000

## Shares Allocated under stock based incentive schemes of Barclays Wealth Trustees (Guernsey) Limited

Sl No	Scheme Name	No of Shares Allocated	Price per Share ₹	Money Realized by the Trust ₹
1.	Employee Stock Ownership Program for INCAT Employees 2006	217,165	135	2,93,17,275
2.	Employee Stock Ownership Program for INCAT Key Employees 2007	600,000	135	8,10,00,000
3.	Employee Stock Ownership Program for INCAT General Employees 2007	148,066	145	2,14,69,570
4.	Employee Stock Ownership Program 2009	88,067	196	1,72,61,132
5.	Employee Stock Ownership Program 2010	709,000	223	15,81,07,000
6.	Employee Stock Ownership Program 2012	60,000	417	2,50,20,000
7.	Employee Stock Ownership Program 2015	70,000	645	4,51,50,000

### Notes:

- Pricing Formula:** Price for shares allocated under the above mentioned schemes is determined on the basis of latest audited balance sheet.
- No employee was allocated more than 1% of the issued capital of the Company.

c) Status of shares held by both Trusts as on March 31, 2016:

Name of the Trust	No. of Shares
Tata Technologies Limited Employees Stock Option Trust	38,486
Barclays Wealth Trustees (Guernsey) Limited	7,57,390

## Corporate Social Responsibility (CSR) activities

### 1. Brief outline of Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:

Tata Technologies under its CSR policy affirms its commitment to co-create sustainable value for our key stakeholders through engineering and technology innovation. Our mission is to make a positive impact on the communities where the Company does business and on our internal and external stakeholders by enhancing the quality of life, committing to environmental enrichment and fostering innovation.

Driven by Tata's vision and philosophy, Tata Technologies aimed to go beyond the minimum requirement by law and developed a CSR policy in the year 2014. The CSR Policy is implemented at all the three operational locations and periodically reviewed and monitored by a three tier Governance Structure comprising of i) Tier I - CSR Committee of the Board, ii) Tier II - CSR corporate team along with the invited members and iii) Tier III - Location based teams. The implementation will also be reviewed by the Board from time to time.

The CSR policy inter alia covers the following:

- Vision and Philosophy
- Focus areas
- Modalities for budget expenditure
- Implementation scheme
- Monitoring and evaluation method

CSR Policy is stated herein below:

Web link: <http://www.tatatechnologies.com/about-us/corporate-sustainability-programs/>

#### Key CSR Projects at Tata Technologies:

The Company continues to emphasise on inclusive growth and thereby to support the marginalised section of the society through its focus on Engineering Education, Environmental Stewardship and Technical Innovation. To demonstrate its commitments, Tata technologies has been running "Ready Engineer program" since 2011 under its education pillar in order to reduce the academia-industry gap and ensure that the future engineers are ready for the industry. Upon having a remarkable success, the Company piloted "Distance Ready Engineer" program in FY 2015 to reach additional number of students. The model is supported by Tata Technologies online learning platform, iGETIT® and adopts "train the trainer" approach to have the maximum reach. This year the initiative covered 2890 students in 20 colleges. The aim is to play a catalytic role in bridging the industry talent gap by helping to educate and mentor as many aspiring young engineers as possible through this approach.

Furthermore, our commitment towards fostering education for younger generation is manifested through the Company's School and Teaching Excellence Program (STEP) and Empowerment via Education (EVE) Programs. STEP targets underprivileged children to improve student retention and learning of science and math facilitated through technology-based e-Learning systems. EVE program reaches out to deserving and academically bright female students and extends direct scholarship for engineering girl students especially coming from low-income group families.

Owing to the responsibility to combat climate change and restore the depleting environment, the Company planted 5000+ saplings in FY 15-16 and maintained another 2000 saplings planted in the previous years. Taking a step ahead, Tata Technologies is supporting a project pertaining to Soil & Water Conservation in Tandulwadi, District Osmanabad, Marathwada. The key objective of this project is to address the degrading natural resources due to extreme drought condition in Maharashtra and alleviate the affected small and marginal farmers, the dalit and Below Poverty Line (BPL) families.

### 2. The Composition of the CSR Committee:

The guidance, advice and approval for CSR policy, projects and evaluation comes from our eminent CSR Committee of the Board. The CSR Committee comprises of the following Board members:

- Mr P P Kadle (Chairman of the Committee)
- Ms Falguni Nayar (Independent Director, Member of the Committee)
- Mr Warren Harris (CEO and Managing Director, Member of the Committee)

3. **Average net profit of the Company for last three financial years prior to 2015-16:** ₹ 257.08 crore.

4. **Prescribed CSR Expenditure**

For FY15-16, implementation of Section 135 of the Companies Act 2013, the CSR projects for the Company are funded through the CSR budget calculated as 2% average of the net profit for the last three financial years, totalling to ₹ 5.14 crore.

5. **Details of CSR spent during the financial year:**

Particulars	Amount (₹ Crore)
Total amount to be spent for the financial Year	5.14
Amount unspent, if any	Nil
Manner in which the amount spent during the Financial Year	Please refer to the table 1 below

**Table: 1 Manner in which the amount spent for each of the CSR projects during the FY15-16**

SI no	CSR project identified	Project Area	Project Sector	Amount outlay Project wise		Amount spent on the projects		Cumulative expenditure FY15-16	Amount spent	
				₹ Crore	₹ Crore	Direct Expenditure	Overheads		₹ Crore	Direct
1	EARTH Project - Sustainable Tree Plantation	Pune, Maharashtra	Sch. VII (iv)	0.17	0.17	0.17		0.17		0.17
2	Education and Empowerment i Distance Ready Engineer (DRE) + Ready Engineer (RE) ii Empowerment via Education (EVE)	Maharashtra, Karnataka, Jharkhand  Pune, Maharashtra	Sch. VII (ii)  Sch. VII (ii) (iii)	2.01	1.83	1.83	0.18	2.01	2.01	0.75
3	iii School and Teaching Excellence Program (STEP) Solapur, Maharashtra	Ahmednagar, Kolhapur, Mumbai, Osmanabad, Pune, Raigad, Ratnagiri, Sangli, Satara, Sindhudurg,	Sch. VII (ii)	1.84	1.84	1.84		1.84		1.84
4	Disaster Relief - Need based (contribution to Relief Fund) in case of disasters / crisis		Sch. VII (i)	0.10	0.10	0.10		0.10		0.10
5	Location bases activities (Volunteering)			0.01	0.01	0.01		0.01	0.01	
	Administrative Overheads- Projects, capacity building cost			0.26			0.26	0.26	0.26	
			TOTAL	5.14	4.7	4.7	0.44	5.14	2.28	2.86

**Details of Implementing/Partner Organisation:**

1. Tree Public Foundation
2. i) DRE Colleges: 2 Nodal Colleges - N. K. Orchid College of Engineering and Technology, Solapur and Kolhapur Institute of Technology, Kolhapur and 18 satellite colleges.  
ii) Lila Poona Walla Foundation  
iii) The Poona North Rotary Charitable Trust (TPNRCT), Service by Sum Concepts / Tata Class Edge.
3. NGO Paryay.

**6. A responsibility statement of the CSR Committee.**

To continue our journey in creating positive impact, We, the CSR Committee of the Board, intend to review the CSR policy on a timely basis to check the integrity and purpose of the policy and the undertaken CSR projects in accordance with the Company's purpose, resources and skills as well as any changes as per the applicable law. The Company has set up vigorous processes to strategize, conceptualize, select partners, implement, monitor and evaluate, measure the impact and aim for continual improvement for all the CSR projects.

We, hereby declare that implementation and monitoring of the projects is in compliance with the CSR policy and processes of the Company.

**Mr P P Kadle**  
Chairman, CSR Committee

**Ms Falguni Nayar**  
Member, CSR Committee

**Mr Warren Harris**  
Member, CSR Committee

Part A

Annexure III - Directors' Report

**Form AOC-1**  
**[Pursuant to first proviso to sub section 3 of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]**  
**Statement containing salient features of the financial statement of subsidiaries**

Sr. No.	Name of Subsidiary Company	Country	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments Other than Investment in Subsidiaries	Turnover	Profit Before taxation	Provision for taxation	Profit After taxation	Proposed Dividend	% share-holding
1	INCAT International Plc.	U.K.	GBP	95.45	2.32	44.11	47.95	1.53	-	-	(0.59)	-	(0.59)	-	100
2	Tata Technologies Inc. **	USA	USD	66.25	793.01	(456.39)	510.53	173.91	-	785.81	34.97	17.05	17.92	-	99.81
3	Tata Technologies (Canada) Inc.	Canada	USD	66.25	0.01	4.07	4.19	0.11	-	1.27	(1.97)	0.23	(2.20)	-	99.81
4	Tata Technologies de Mexico. S.A. de C.V.	Mexico	USD	66.25	1.03	2.85	10.87	6.99	-	20.32	0.27	0.12	0.15	-	99.81
5	Cambic Limited, Bahamas	Bahamas	USD	66.25	17.89	2.22	20.11	-	-	5.56	1.17	-	1.17	-	100
6	Cambic UK Ltd.	U.K.	USD	66.25	0.00	3.89	4.18	0.29	-	29.94	0.28	(0.33)	0.61	-	100
7	Cambic GmbH	Germany	USD	66.25	0.20	1.79	2.14	0.15	-	4.38	0.56	0.16	0.40	-	100
8	Midwest Managed Services, Inc. Utah	USA	USD	66.25	0.00	0.77	2.90	2.13	-	2.94	0.80	-	0.80	-	100
9	Tata Technologies SRL, Romania	Romania	USD	66.25	8.98	6.53	21.92	6.41	-	67.92	14.11	2.29	11.82	-	100
10	Cambic Manufacturing Technologies (Shanghai) Co. Ltd.*	China	USD	66.25	3.31	3.75	47.33	40.27	-	60.39	6.59	1.64	4.95	-	100
11	Tata Technologies Europe Limited	UK	GBP	95.45	0.10	574.03	1,071.61	497.48	-	1,084.10	139.96	14.19	125.77	-	100
12	INCAT GmbH	Germany	EURO	75.37	1.24	14.85	16.72	0.64	-	0.35	0.35	-	0.35	-	100
13	Tata Technologies (Thailand) Limited	Thailand	BAHT	1.89	6.65	4.75	13.16	1.75	-	13.99	0.62	0.13	0.49	-	100
14	TATA Technologies Pte Ltd.	Singapore	USD	66.25	357.74	386.71	750.56	6.11	-	25.66	(6.70)	0.13	(6.83)	-	100

1. Names of the subsidiaries which are yet to commence operations

2. Names of the subsidiaries which have been liquidated or sold during the year

\* Incorporated w.e.f. March 10, 2014

\*\* Subsidiary of Tata Technologies Europe Limited w.e.f. March 20, 2015

Part B

## Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Venture

Name of the Joint Venture	Tata HAL Technologies Limited
1. Latest audited Balance Sheet Date	March 31, 2016
2. Shares of Joint Venture held by the company on the year end date No. Amount of Investment in Joint Venture Extend of Holding %	10,140,000 ₹ 50,700,000 50%
3. Description of how there is significant influence	There is no significant influence
4. Reason why the joint venture is not consolidated	Not Applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 45,913,006
6. Profit/(Loss) of the year i. Considered in Consolidation ii. Not Considered in Consolidation	₹ 3,246,543 ₹ 1,623,272 -
1. Names of the Joint Venture which are yet to commence operations	NIL
2. Names of Joint Venture which have been liquidated or sold during the year	NIL

**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**

i	CIN	U72200PN1994PLC013313
ii	Registration Date	22-Aug-94
iii	Name of the Company	Tata Technologies Limited
iv	Category/Sub-category of the Company	Public Company
v	Address of the Registered office & contact details	25, Rajiv Gandhi Infotech Park, Hinjawadi, Pune 57, India
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	<b>TSR Darashaw Limited</b> 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Nr. Famous Studio Mahalaxmi, Mumbai 400011 Tel : 91 22 66568484 Fax : 91 22 66568494

**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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Information Technology Services	NIL	84.77
2	Trading in computer hardware/ software	NIL	15.23

### III PARTICULARS OF HOLDING SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Tata Motors Limited	L28920MH1945PLC004520	Holding	70.43%	2 (87)
2	Tata Technologies Pte Ltd	198100504W	Subsidiary	100	2 (87)
3	Tata Technologies (Thailand) Ltd	010554812171 (Formerly No: 017554824090)	Subsidiary	100	2 (87)
4	Tata Technologies Europe Ltd	2016440	Subsidiary	100	2 (87)
5	INCAT International Plc.	2377350	Subsidiary	100	2 (87)
6	INCAT GmbH	HRB 18622	Subsidiary	100	2 (87)
7	Tata Technologies Inc.	476-730	Subsidiary	99.81	2 (87)
8	Tata Technologies de Mexico SA de SV	TTM-990127-V84- New Tax Regn No	Subsidiary	99.81	2 (87)
9	Tata Technologies (Canada), Inc.	860826	Subsidiary	99.81	2 (87)
10	Cambric Limited	Company Number: 57500	Subsidiary	99.96	2 (87)
11	Tata Technologies SRL, Romania	Registration Certificate Number: B1766921	Subsidiary	100	2 (87)
12	Cambric GmbH	Entity Registration #: HR B14269	Subsidiary	100	2 (87)
13	Cambric UK, Ltd.	Company Number: 06559783	Subsidiary	100	2 (87)
14	Midwest Managed Services, Inc.	Utah Entity/File Number: 8513733-0142	Subsidiary	100	2 (87)
15	Cambric Manufacturing Technologies (Shanghai) Co., Ltd	Registration Number: 310000400732137	Subsidiary	100	2 (87)
16	Tata HAL Technologies Limited	U93000KA2008PLC046588	Associate	50	2 (87)

**IV SHAREHOLDING PATTERN (Equity Share capital break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2015				No. of Shares 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	
<b>A. Promoters</b>									
(1) Indian	0	0	0	0.00	0	0	0	0.00	0.00
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	30300600	0	30300600	70.43	30300600	0	30300600	70.43	0.00
d) Bank/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
<b>SUB TOTAL:(A) (1)</b>	<b>30300600</b>	<b>0</b>	<b>30300600</b>	<b>70.43</b>	<b>30300600</b>	<b>0</b>	<b>30300600</b>	<b>70.43</b>	<b>0.00</b>
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	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
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>30300600</b>	<b>0</b>	<b>30300600</b>	<b>70.43</b>	<b>30300600</b>	<b>0</b>	<b>30300600</b>	<b>70.43</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
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.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	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
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non Institutions</b>									
<b>a) Bodies corporates</b>	6440293	2990583	9430876	21.92	6440497	2913883	9354380	21.74	-0.18
i) Indian	2693788	115686	2809474	6.53	2693992	38986	2732978	6.35	-0.18
ii) Overseas	3746505	2874897	6621402	15.39	3746505	2874897	6621402	15.39	0.00
<b>b) Individuals</b>	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	574221	988759	1562980	3.63	635206	993020	1628226	3.78	0.15
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	567907	1162275	1730182	4.02	738157	1003275	1741432	4.05	0.03
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(2):</b>	<b>7582421</b>	<b>5141617</b>	<b>12724038</b>	<b>29.57</b>	<b>7813860</b>	<b>4910178</b>	<b>12724038</b>	<b>29.57</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>7582421</b>	<b>5141617</b>	<b>12724038</b>	<b>29.57</b>	<b>7813860</b>	<b>4910178</b>	<b>12724038</b>	<b>29.57</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>37883021</b>	<b>5141617</b>	<b>43024638</b>	<b>100.00</b>	<b>38114460</b>	<b>4910178</b>	<b>43024638</b>	<b>100.00</b>	<b>0.00</b>

**(ii) SHAREHOLDING OF PROMOTERS**

Sl No.	Shareholders' Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in share holding 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	Tata Motors Limited	30,300,600	70.43	0	30,300,600	70.43	0	0.00
	<b>Total</b>	<b>30,300,600</b>	<b>70.43</b>	<b>0</b>	<b>30,300,600</b>	<b>70.43</b>	<b>0</b>	<b>0.00</b>

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

Sl. No.	Share holding at the beginning of the Year		Share holding at the beginning of the Year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) At the end of the year  NO CHANGE IN PROMOTERS' SHAREHOLDING			

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

SI No.	For Each of the Top 10 Shareholders	Shareholding Details		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	<b>At the beginning of the year</b>				
1.	Alpha TC Holdings Pte. Ltd.	3,746,505	8.71	3,746,505	8.71
2.	Tata Capital Growth Fund I	1,873,253	4.35	1,873,253	4.35
3.	Barclays Wealth Corporate Services (Guernsey) Limited	852,567	1.98	852,567	1.98
4.	Sheba Properties Limited	811,992	1.89	811,992	1.89
5.	Tata Enterprises Overseas Limited	707,820	1.65	707,820	1.65
6.	Walbrook Nominees (No.5) Ltd	689,166	1.60	689,166	1.60
7.	Patrick R McGoldrick	560,000	1.30	560,000	1.30
8.	MCCC Engineering Establishment	330,178	0.77	330,178	0.77
9.	Barclays Wealth Trustees (Guernsey) Ltd	294,807	0.69	294,807	0.69
10.	Praveen Purushottam Kadle	139,200	0.32	139,200	0.32
	<b>Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)</b>				
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>				
1.	Alpha TC Holdings Pte. Ltd.	3,746,505	8.71	3,746,505	8.71
2.	Tata Capital Growth Fund I	1,873,253	4.35	1,873,253	4.35
3.	Barclays Wealth Corporate Services (Guernsey) Limited	852,567	1.98	852,567	1.98
4.	Sheba Properties Limited	811,992	1.89	811,992	1.89
5.	Tata Enterprises Overseas Limited	707,820	1.65	707,820	1.65
6.	Walbrook Nominees (No.5) Ltd	689,166	1.60	689,166	1.60
7.	Patrick R McGoldrick	560,000	1.30	560,000	1.30
8.	MCCC Engineering Establishment	330,178	0.77	330,178	0.77
9.	Barclays Wealth Trustees (Guernsey) Ltd	294,807	0.69	294,807	0.69
10.	Praveen Purushottam Kadle	139,200	0.32	139,200	0.32

## (v) Shareholding of Directors & KMP

For Each of the Directors & KMP	Shareholding Details		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>At the beginning of the year</b>				
Mr S Ramadorai	1,32,000	0.31	1,32,000	0.31
Mr R Gopalakrishnan#	64,200	0.15	64,200	0.15
Mr Praveen Kadle	1,39,200	0.32	1,39,200	0.32
Mr C Ramakrishnan	44,200	0.10	44,200	0.10
Mr Warren Harris	4,00,000*		4,00,000*	
Mr Anubhav Kapoor	17,000	0.04	17,000	0.04
Mr Saranu Venkateswarlu	2,500	0.01	2,500	0.01
<b>Date wise increase/decrease in the Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)</b>	No Change	No Change	No Change	No Change
<b>At the end of the year</b>				
Mr S Ramadorai	1,32,000	0.31	1,32,000	0.31
Mr Praveen Kadle	1,39,200	0.32	1,39,200	0.32
Mr C Ramakrishnan	44,200	0.10	44,200	0.10
Mr Warren Harris	4,00,000*		4,00,000*	
Mr Anubhav Kapoor	17,000	0.04	17,000	0.04
Mr Saranu Venkateswarlu	2,500	0.01	2,500	0.01

\* Holds through Barclays Wealth Trustees (Guernsey) Limited.

# Mr. Gopalakrishnan Stepped down as a Director in accordance with the Tata Sons Ltd., retirement policy w.e.f. December 26, 2015.

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹ Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans
<b>Indebtedness at the beginning of the financial year</b>		
i) Principal Amount	0.05	93.79
ii) Interest due but not paid	-	-
iii) Interest accrued but not due	-	0.04
<b>Total (i+ii+iii)</b>	<b>0.05</b>	<b>93.83</b>
<b>Change in Indebtedness during the financial year</b>		
Additions	-	198.73
Reduction	0.05	193.18
<b>Net Change</b>	<b>(0.05)</b>	<b>5.55</b>
<b>Indebtedness at the end of the financial year</b>		
i) Principal Amount	0.00	99.38
ii) Interest due but not paid	0.00	0.00
iii) Interest accrued but not due	0.00	0.07
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>99.45</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(Amount in ₹)

Sl.No.	Particulars of Remuneration	Mr Warren Harris#
1	<b>Gross salary</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	12,32,927
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	0
3	Sweat Equity	0
4	Commission as % of profit others (specify)	0
5	<b>Others, please specify</b>	
	<b>Total (A)</b>	<b>12,32,927</b>
	<b>Ceiling as per the Act</b>	

# Salary paid to Mr. Warren Harris from the date of approval of his appointment from Central Government.

## B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of the Directors	Total Amount (₹)
<b>1</b>	<b>Independent Directors</b>		
	(a) Fees for attending board, its committee and Independent Directors meetings	Ms Falguni Nayar Mr Rakesh Makhija	3,45,000 2,70,000
	(b) Commission		-
	(c) Others, please specify		-
	<b>Total (1)</b>		<b>6,15,000</b>
<b>2</b>	<b>Other Non Executive Directors</b>		
	(a) Fee for attending board committee meetings	Mr S Ramadorai Mr Praveen Kadle Mr C Ramakrishnan Mr R Gopalakrishnan	2,10,000 2,40,000 1,95,000 60,000
	(b) Commission		-
	(c) Others, please specify.		-
	<b>Total (2)</b>		<b>7,05,000</b>
	<b>Total (B)=(1+2)</b>		<b>13,20,000</b>
	<b>Total Managerial Remuneration</b>		<b>13,20,000</b>
	Overall Ceiling as per the Act.		

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

Sl.No.	Particulars of Remuneration	CFO	COMPANY SECRETARY*
<b>1</b>	<b>Gross Salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	6,328,080	4,118,334
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	60,130	52,361
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit	-	-
	others, specify	-	-
5	Others, please specify	-	-
	<b>Total</b>	<b>6,388,210</b>	<b>4,170,695</b>

\* Salary paid for part of the year.

**VII Penalties/Punishment/Compounding of Offences**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>  Penalty Punishment Compounding  <b>B. DIRECTORS</b>  Penalty Punishment Compounding  <b>C. OTHER OFFICERS IN DEFAULT</b>  Penalty Punishment Compounding			NIL		

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> 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,  
TATA TECHNOLOGIES LIMITED  
Plot no. 25, Rajiv Gandhi Infotech Park,  
Hinjawadi, Pune - 57,  
CIN: U72200PN1994PLC013313

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata Technologies Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 and the rules made thereunder (the Act), so far as they are made applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**not applicable to the Company during audit period since the Company is unlisted**);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of the equity shares held in dematerialized form;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) 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 (**not applicable to the Company during audit period since the Company is unlisted**);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (**not applicable to the Company during audit period since the Company is unlisted**);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**not applicable to the Company during audit period since the Company is unlisted**);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**not applicable to the Company during audit period since the Company is unlisted**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**not applicable to the Company during audit period since the Company is unlisted**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**not applicable to the Company during audit period**);

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**not applicable to the Company during audit period since the Company is unlisted**); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**not applicable to the Company during audit period since the Company is unlisted**);

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India effective from July 1, 2015;
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable- (**not applicable to the Company during audit period since the Company is unlisted**);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report** that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (i) Special Economic Zone Act, 2005 and the Rules made thereunder.
- (ii) Trade Mark Act 1999 and the Rules made thereunder.
- (iii) Information Technology Act, 2000 and the Rules made thereunder.
- (iv) Policy relating to Software Technology Parks of India and its Regulations.
- (v) The Export and Import Policy of India.

**We 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 given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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. Further, in the incidences where, for the purpose of any Board or Committee Meeting, notice, agenda or notes to agenda are circulated with shorter period of less than seven days, all the Directors including Independent Directors have consented to the shorter period of circulation of the same.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** 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.

**We further report that** during the audit period the Company has no specific events or actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred above.

Place: Pune  
Date: May 12, 2016

For SVD & Associates

Sridhar Mudaliar  
Partner  
FCS No. 6156  
CP No. 2664

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

To,  
The Members,  
TATA TECHNOLOGIES LIMITED  
Plot no. 25, Rajiv Gandhi Infotech Park,  
Hinjawadi, Pune - 57,  
CIN: U72200PN1994PLC013313

Our Secretarial Audit Report of even date is to be read along with this letter.

#### **Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

#### **Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

#### **Disclaimer**

5. 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.

Place: Pune  
Date: May 12, 2016

For SVD & Associates

Sridhar Mudaliar  
Partner  
FCS No. 6156  
CP No. 2664

## Remuneration Policy of Tata Technologies Limited For Directors, Key Managerial Personnel and Other employees

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Tata Technologies Limited ("the Company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act"). While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- "(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;*
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and*
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"*

Key principles governing this remuneration policy are as follows:

### **Remuneration for independent directors and non-independent non- executive directors**

- Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members). In addition to the sitting fees, ID may be paid commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the company and its future growth imperatives).
- Overall remuneration should be reflective of size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The commission payable to IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each ID based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by IDs other than in meetings.
- In addition to the sitting fees and commission if any, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

### **Remuneration for managing director ("MD")/executive directors ("ED")/KMP/rest of the employees**

- The extent of overall remuneration to MD/ED/KMP should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence, remuneration should be:
  - (a) Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the company loses talent),

- (b) Driven by the role played by the individual,
- (c) Reflective of size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay,
- (d) Consistent with recognized best practices and
- (e) Aligned to any regulatory requirements.

The Company provides retirement benefits as applicable:

- (a) The remuneration mix for the MD/ EDs will be as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- (b) Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- (c) In addition to the basic/fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imburements or insurance cover and accidental death and dismemberment through personal accident insurance.

Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

- In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs such remuneration by way of an annual incentive remuneration/performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
  - (a) Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
  - (b) Industry benchmarks of remuneration,
  - (c) Performance of the individual.
- The Company also provides stock based incentive schemes to the employees from time to time based on the recommendation of the NRC
- The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

#### **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

#### **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

## Board Diversity Policy and Director Attributes - Tata Technologies Limited

### 1. PURPOSE

In terms of Section 178 of the Companies Act, 2013 ("Act") and the Governance Guidelines on Board Effectiveness issued by Tata Sons Limited and adopted by the Board of Directors, the Nomination and Remuneration Committee ("NRC") of the Board is, inter alia, required to formulate a Policy on Board Diversity and lay down the criteria for determining qualifications, positive attributes and independence of a director.

Diversity in the composition of the Board of Directors has become essential in view of the expansion of business, greater social responsibility, increasing emphasis on Corporate Governance, need for addressing concerns of diverse stakeholders and the necessity for managing risks in the business effectively. A Board composed of appropriately qualified and skilled people, with a broad range of experience relevant to the business, is important for effective corporate governance and sustained commercial success of a Company.

In view of the above, Tata Technologies Limited ("Company") has framed this Policy on Board Diversity and Director Attributes ("Policy") that encourages diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Policy sets out the approach to diversity in the Board of Directors of the Company so as to ensure that the Board has an appropriate blend of functional and industry expertise.

This Policy has been adopted by the Board of Directors of the Company, based on the recommendations of the NRC.

### 2. OBJECTIVES OF THE POLICY

The Objectives of the Policy include:

- i. Board to drive diversity and have an appropriate blend of functional and industry expertise;
- ii. While recommending the appointment of a director to, inter alia, consider the manner in which the function and domain expertise of the individual contributes to the overall skill domain mix of the Board;
- iii. To help the Company, build a better Board that can draw upon a wide range of perspectives, expertise, knowledge and experience;
- iv. To achieve an optimum and balanced Board, with a wide range of attributes;
- v. To encourage healthy and open discussion and promote independence of judgement in Board and Committee deliberations; and
- vi. To have an optimum mix of Executive, Non-Executive and Independent Directors, including Women Directors.

### 3. POLICY STATEMENT

To meet the above Objectives:

- i. The Board of the Company will ensure that a transparent Board nomination process is in place that encourages diversity of thought, experience, skills, knowledge, perspective, age, nationality, gender, cultural and educational background;
- ii. It will be ensured that the Board has an appropriate blend of functional and industry expertise and skills;
- iii. The consideration and selection of candidates for appointment to the Board will be based on merit which shall include a review of any candidate's integrity, experience, educational background, industry or related experience and more general experience;
- iv. Candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience and having the ability to devote sufficient time to the affairs of the Company, should be considered for appointment to the Board; and
- v. While recommending the appointment of a Director, the NRC will consider the criteria as laid down under the Act and applicable Regulations/Guidelines issued by Statutory and Regulatory authorities, as also those issued by Tata Sons Limited, from time to time, and the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

#### 4. MEASURABLE OBJECTIVES

The NRC will largely rely on the regulatory provisions of the Act (as amended from time to time) and also the Guidelines issued by Tata Sons Limited and review the measurable objectives for achieving diversity against these provisions and recommend the same to the Board for adoption. At any given point of time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

#### 5. MONITORING AND REPORTING

The NRC will review the Policy periodically, which will include an assessment of the effectiveness of the Policy. The NRC will discuss any revision that may be required and recommend the same to the Board for approval.

## Management Discussion & Analysis

### A. Company Overview:

Tata Technologies helps manufacturing companies make better products and run better businesses through innovative engineering and IT products and services.

The Company uses a globally distributed service delivery model for developing complete vehicles, engineering subsystems and components, managing the NPI process, collaborative engineering technologies and processes, and tying together information created and used throughout the extended manufacturing enterprise. Tata Technologies has eight global delivery centers in Troy (Michigan, USA); Coventry (UK); Pune and Bengaluru (India); Brasov, Craiova and Iasi (Romania); and Bangkok (Thailand) and has personnel based at client sites in 25 countries worldwide.

Corporate headquarters are in Singapore, with regional headquarters offices in the United States (Novi, Michigan), India (Pune, Maharashtra) and the UK (Coventry, West Midlands). Founded in 1989, the company has a combined global work force of nearly 8,100 professionals.

### B. Manufacturing Offerings:

The manufacturing industry is being challenged by various forces: rising price pressure, volatile input costs, intense competition, and continuous innovation to name a few. Tata Technologies' three synergistic lines of service help customers meet the stringent business requirements of global product development.

#### Engineering Research & Development (ER&D)

The ER&D group provides end-to-end engineering services for product manufacturers from fully outsourced program management to transactional engineering support. Offerings include concept development, engineering detail and design, tool design and validation, and manufacturing production services for complete products or product subsystems and components.

#### Product Lifecycle Management (PLM)

The PLM services group helps clients optimize product development processes through collaborative engineering tools. PLM a major contributor to ER&D investment efficiency, especially for global engineering teams with extensive supply chains. The Company's engineers use these products to deliver services to customers worldwide and packages the insights and practices learned into service offering templates designed to improve engineering efficiency. Tata Technologies is the world's largest independent reseller of PLM technology and provides services to optimize clients' PLM ecosystems. As a PLM consumer itself, the Company draws on insights and best practices developed internally to advance efficiencies within its clients' engineering practices. The collaborative structure of PLM optimizes the product development process and improves ER&D investment efficiency especially for globally distributed engineering teams.

#### Enterprise Solutions Group (ESG)

The CEIT group helps optimize manufacturers' critical business processes and tie together the ever-increasing amounts of data created throughout the extended enterprise. Manufacturers gain improved planning and performance through the application and data analytics of Enterprise Resource Planning, Manufacturing Resource Planning, Manufacturing Execution Systems, Supply Chain Management, Customer Relationship Management, Dealer Management Systems, as well as the intelligent use of the Internet and social media. Tata Technologies has extensive practice rapidly integrating the processes, systems and data of companies acquired by its clients.

### C. Overview & Outlook:

Demand for more and better products on faster development cycles continued to drive global manufacturing in fiscal year 2015-16. OEMs are required to create not only quality products but inventive ones, resulting in an aggregate increase in ER&D spending across the manufacturing sectors served by Tata Technologies – automotive, aerospace and defense, and industrial machinery. As a collaborative engineering partner, it is essential

that the Tata Technologies stays in front manufacturing trends in order to meet future demand for services.

Proprietary research conducted by Strategy& on behalf of Tata Technologies projects that by 2020:

1. Total global ER&D spending in Tata Technologies' target industries will increase to \$200 billion
2. Overall offshored ER&D spend will grow from \$17 billion to \$32-36 billion
3. Outsourced ER&D spend will grow from \$7 billion to \$14-20 billion

Price pressure and intense competition were the largest challenges facing manufacturing executives surveyed in KPMG's Global Manufacturing Outlook 2015. OEMs have responded by looking towards innovation in all aspects of their business to reduce costs, from their business models and supply chains to how they collaborate and develop new products. I think you intended this to be a "from-to" construct, but the "to" was missing. This is taking place in many forms, from partnerships with suppliers and vendors to innovations at a parts-level. The survey found five common challenges manufacturers need to overcome for sustained growth.

1. **An evolving sector**  
The manufacturing sector is in a mode of early transformation. Growth and innovation, cost structures and supply chain efficiency are all at the top of the agenda, but steps to implement 'next generation' strategies remain modest.
2. **Disruptive forces are continuing revolutionize the way we work**  
The pace of innovation will continue to accelerate as new disruptive forces and innovators revolutionize product development, manufacturing processes, automation and business models. Failure to participate in this rapid rate of innovation will threaten manufacturers' competitiveness.
3. **Supply chain transparency and agility can still improve**  
New products, business models and disruptors will drive manufacturers to develop more agile, transparent and demand-driven supply chains and integrated business planning models. But supply chain visibility remains low and significant opportunity exists for greater collaboration.
4. **Manufacturers are entering into partnerships and new technology adoption to lower innovation costs**  
Manufacturers are making bigger bets on R&D initiatives, attracting talent and creating broader, more inclusive innovation models and collaborating with tech-savvy partners to capitalize on new opportunities. Manufacturers must continue to invest in technology and talent to win the innovation battle.
5. **Incremental growth is still a priority**  
Great opportunities will emerge for the winners as the sector moves towards large-scale transformation and in the short run more can be done to improve the sales growth opportunities already available, such as after-market sales, improved customer-facing technology and channel expansion.

OEMs will continue to look for value improvements by correctly forecasting growth markets and, in turn, investing in new technologies and capabilities to capitalize on those opportunities while safeguarding for unpredictable geopolitical issues that can influence the business environment and supply networks.

## 1. **Aerospace & Defense**

Global air travel from India, China, the Middle East and other Asia-Pacific countries has grown in conjunction with the wealth creation in these respective geographies; due to this, the global commercial aerospace subsector is likely to experience strong revenue growth in 2016.

Growing customer traffic contributed to the demand from commercial airline companies to increase their fleet size and make them as efficient as possible to decrease operating costs.

Macroeconomic influences such as a drop in oil prices and gross domestic product growth in emerging economies can also be attributed to the revenue growth in the aerospace industry. Fuel costs as a percent total aircraft direct operating costs have fallen from 36 percent to 28 percent from 2009 to 2015. The deflation in cost resulted in a profit boost for operators, creating an opportunity to upgrade aircraft to newer, more fuel-efficient models to protect long-term profitability.

According to Deloitte's 2016 Global Aerospace and Defense Sector Outlook, revenue for the global Aerospace and

Defense industry (A&D) is expected to grow 3.0 percent in 2016, reversing a decline of 0.12 percent that occurred in 2015.

International demand for military and defense products is also increasing due to continued regional conflicts. Tensions in Eastern Europe, North Korea, East and South China seas may lead to increases in defense budgets. The United Arab Emirates (UAE), Saudi Arabia, India, South Korea, Japan, China, Russia have already started to increase purchases of next generation military equipment.

In FY16, Tata Technologies won a contract for pre-program and strategy development of a new 8x8 armored vehicle program for an Abu Dhabi-based defense company, marking the Company's first major land defense win. This is a multi-faceted project, with first vehicle having two further phases, culminating in a complete production vehicle by the end 2017 if schedules are maintained.

## 2. Automotive

Auto R&D exports increased by 42 percent between 2007 and 2015, reaching 64 percent of total R&D spend globally now. European firms export more than US firms (71 percent vs 57 percent, respectively), but the majority of European exports are going to high-cost countries such as the US, Japan and Western Europe. US firms are more open to exporting to Asian low-cost countries like India and China (UK used to be the first export destination for US R&D in 2007; now ranked third behind India and China).

Major OEMs are increasingly focused on selecting global platforms to achieve economies of scale, faster time to market and a larger number of variants. Common platform design reduces design changes, standardizes products globally and optimizes cost.

OEMs are also pursuing cost structure and supply chain optimization. Collaborating for innovation between nontraditional technology vendors and automakers - think Google or the ride-sharing platform Lyft - is also occurring to develop and commercialize new innovations. This has coincided with new customer preferences and demands, which are challenging automakers stay up-to-date with a continuously evolving state of the art.

The "connected" car - a fully digitized vehicle with features like WiFi, advanced infotainment systems and apps, real-time location services and routing based on traffic conditions, and networked web links that facilitate vehicle diagnostics and repairs - is becoming an increasing area of focus for automakers.

Simultaneously, the "intelligent" car has arrived, with features once thought to be novel now viewed as a clear forerunner to fully autonomous vehicles. The intelligent car can give drivers a first taste of the experience of relinquishing control of a vehicle, with functions like self-braking, self-parking, automatic cruise control based on road conditions, automatic accident-avoidance features, computer-operated power steering, and electric parking brakes, as well as electronic throttles and engine control. Granted, the idea of fully autonomous vehicles is too futuristic for much of the driving public to embrace right now, but the future will arrive faster than most realize. The increasing ubiquity of these features - another value layer to traditional automotive products - provides an opportunity for Tata Technologies in embedded technologies.

Novel technologies and transformative mobility models will continue to dominate headlines for the foreseeable future, but automakers cannot lose sight of conventional product improvements. Incremental, year-to-year upgrades to platforms, models, and features are still critical to competitive differentiation and satisfying consumer demand in the near- to medium-term.

Automakers will continue to invest in technologies to meet tightening fuel economy regulations globally including alternative materials and propulsion systems. This plays to Tata Technologies' strength in lightweight vehicle architecture solutions.

## 3. Industrial Machinery

Manufacturers and customers in the industrial machinery segment are focused on achieving higher performance and productivity from their equipment due to a slow, but growing market. Trends currently include ultra-connectivity, operator's comfort and automation to reduce cost and downtime.

Oil and gas exploration activities slowed down in 2015 due to the drop in oil prices. Investments tied to the energy

boom have declined, and the International Energy Agency projects that oil prices will not rebound back above \$80 per barrel before 2020.

Private nonresidential construction spending is forecasted to continue its growth and is on track to finish the year 10 percent higher than a year earlier, resulting in higher construction equipment rental by contractors.

With a slowed rate of growth in various sectors, industrial machinery R&D investments are being reshuffled, prioritizing short-term and/or high-ROI projects over long-term initiatives. Similarly, the workforce is being optimized, affecting both permanent employees and flexible workforce. This shift in R&D spending and a continued need to optimize resources provides an opportunity for Tata Technologies as a provider of high-quality but cost effective services.

## H. Human Capital

The Company continues to pursue its strategy of increasing return on human capital. We strive to consistently sustain a high-performance culture and bring out the best in people. These efforts support our customers by assuring we have proactive and motivated teams to ensure best in class solutions delivered cost effectively.

As of March 31, 2016, Tata Technologies employed 8,087 permanent and contractual professionals. This represents a four percent increase (from 7,804) over the course of fiscal year 2015-16. The Company's employees serve automotive, aerospace, and industrial machinery manufacturers in 25 countries worldwide. Our strategy is to deploy a judicious mix of specialists from operational hubs in India, North America, and the UK and local talent from the countries in which the Company operates. This ensures seamless engagement with our customers through clear understanding of local cultures for the provision of specialized solutions.

The section provides details on our approach and human resources initiatives.

### Talent Acquisition

A focused branding of the Company, both with campuses and the industry job market, lies at the foundation of our strategy for talent acquisition. The need for acquiring skills specific to customer necessities is the purpose of the specialized courses designed by us and offered to select institutions. Recruitment lead times are continuously on the decline, and the Company's costs of recruitment benchmark well with industry. Our Passionate Fun Loving Engineer (PFLE) branding, and a proactive team of recruiters supported by imaginative IT-enabled processes, ensures the highest productivity on talent acquisition.

### Talent Management

People processes are owned by the line functions in the business and facilitated by a highly skilled HR team. Our aim is to nurture and closely track talent and skills for development to address both individual employee aspirations as well as value for our customers. A variety of employee engagement, learning and development programs customized for specific levels in the organization are managed throughout the year. Both technical and managerial development tracks are offered based on assessment of individual employee needs. Classroom programs conducted by expert external and internal faculty along with a plethora of eLearning tools are used for learning and development.

A reward and recognition program is in place to acknowledge employee excellence. These initiatives help retain and increase engagement of our people with the enterprise and the achievement of its goals. A structured process of setting balanced score cards cascaded to individual key performance indices follow through into a robust performance assessment framework. The results culminate with performance-based compensation and development plans for the future.

The sustained well-being of employees and their families remains a constant priority for improvement. A flexible medical insurance policy that can be customized to individual needs and secure the best of contemporary hospital treatment has recently been introduced.

The Company periodically measures employee engagement through a third-party survey. In fiscal year 2012-13, the engagement score was 46 percent globally. In fiscal year 2014-15, the score increased 6 percentage points, to 52 percent.

Sustaining and growing the engagement of our employees continues as a key focus area. Several initiatives were undertaken during the year as depicted below.

### Our global initiatives and investments



The results of our efforts have reflected in the reduction in annual attrition rates, improving from 14.21 percent in FY15 to 12.36 percent in FY16.

HR processes are increasingly being associated with measurable metrics to track continuous improvement in performance. An elaborate HR management information system (MIS) provides monthly reporting on key trends and helps establish service level agreements with customers of HR services. Some examples of what the Company tracks through its global MIS are shown below:

ROHC	FY 16
ROHC (USD'000) EBITDA/Employee	9.49
Margin Generation (%)	19%
Income Generation (USD'000)	52.02
Workforce Efficiency (%)	42%
Workforce Cost Control (%)	46%
Building Premium Workforce	27.09
Growing the Workforce (%)	8%

## Workforce Demographics

		Actual FY16
<b>Gender</b>	Females	1105
	Males	6982
<b>Age</b>	20-25	907
	26-35	4354
	36-45	1473
	45-55	541
	56-60	165
	Rest	647
<b>Average Age (years)</b>		<b>32.98</b>
<b>Tenure</b>	0 to 1 yr	1902
	1 to 3 yrs	2314
	3 to 5 yrs	1709
	5 to 10 yrs	1465
	> 10 yrs	697
<b>Average Tenure (years)</b>		<b>4.2</b>

## Attrition Analysis

Attrition Analysis	Actual FY16
Global	12.36%
APAC	11.63%
EU	10.09%
NA	24.36%
ER&D Global	10.67%
CEIT Global	14.32%
PLM Global	14.04%

## Training Metrics

Person-days	FY 16
Global	6.75
Asia Pacific	8.85
Europe	0.08
North America	0.27
E&D Global	9.2
ESG Global	7.87
PLMS Global	4.71
HIPOs Covered % (Employees covered)	1,400

## E. Risk Management

### Risk Philosophy

Faced with global volatility and market uncertainties, a Company's sustainability and growth are based on risk management capabilities. A risk event that affects business is a significant occurrence in the life of any Company, affecting directly on its ability to fulfill its business objectives.

The objective of risk management is to develop a culture and capabilities of identifying, assessing and mitigating risk at all levels and functions of the business by instituting framework, processes and policies suitable to our organization and industry and creating risk awareness, which ultimately insures our sustainability in the business and benefits stakeholders and customers. The following are the broad objectives of risk management:

1. **Reduce unacceptable performance inconsistency**  
Evaluate the likelihood and impact of major events and develop responses to either prevent those events from occurring or manage their impact on the Company if they do occur.
2. **Build confidence of stakeholders**  
Increase transparency of risks and risk management capabilities, and improve the maturity in identifying and managing critical risks.
3. **Strengthen corporate governance**  
Strengthen Board oversight, explain risk management roles and responsibilities, set risk management authorities and boundaries, and effectively communicates risk responses in support of key business objectives.
4. **Successfully respond to a changing environment**  
Assist management with evaluating the assumptions underlying the existing business model, the effectiveness of the strategies around executing that model, and with identifying alternative future scenarios, evaluate the likelihood and severity of those scenarios.
5. **Align strategy and corporate culture**  
Help management to create risk awareness and an open, positive culture with respect to risk. Centralize policy setting and creates focus, discipline, and control. Increase accountability for managing risks across the enterprise and facilitate timely identification of changes in an entity's risk profile.

### Enterprise Risk Management (ERM) Framework

#### Definition

ERM is a process, effected by an entity's Board of Directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risks to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.

The Company has adopted the recommendations on the Enterprise Risk Management framework provided by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). As a services focused Company, it is necessary for the Company to manage risk at the individual transaction level and to consider aggregate risk at the customer, industry and geographic levels, where appropriate.

#### ERM Organization and Process

The executive management team of the Company is responsible for implementing ERM under the direction of the Audit Committee of the Company, and the Audit Committee is responsible for providing periodic updates to the Board of Directors. The Board monitors the overall performance of the Risk Management function.

#### Risk Management Activities

A disciplined approach to risk is important in an organization such as ours in order to ensure that we are executing according to our strategic objectives. This process is designed to identify potential events that, if they occur, will affect our Company. The management has identified the following top 10 risks classified into external and internal risk factors:

External Risk Factors	Internal Risk Factors
1. Revenue Concentration	1. Customer Acquisition
2. Inability to do business with Tata Motors' Competitors	2. Human Resource Management- Key Skill Shortage
3. Exchange Rate Fluctuations	3. Leadership Bandwidth & Critical Positions
4. Statutory Compliance in Respective Jurisdictions	4. Challenges in Program Management to Deliver Large Projects
	5. Bargaining Power of Suppliers (PLM Products)
	6. Integration and Collaboration

## External Risk Factors

### 1. Revenue Concentration

Around 67 percent of the Company's total revenue comes from its top five customers. The Company faces risks inherent to high revenue concentration.

#### Risk Management Activities

The Company is taking steps to diversify its client base. To mitigate risk, the Company will take targets for each industry vertical and for non-anchor accounts.

### 2. Inability to do business with Tata Motors Competitors

Tata Motors Limited (TML), the parent Company, is perceived to be a competitor by many global automotive companies. The Company is facing this risk by positioning itself as an established, independent player in the domestic and international markets.

#### Risk Management Activities

The Company has taken steps to build strong relationships with prospective customers and position itself as independent from the parent company. The Company has also diluted its parent Company's ownership through preferential allotment to two private equity funds.

From the beginning, the Company has strategically kept its business with TML separate from its business with other automakers. The Company continues to focus on growing relationships with non-TML clients and diversifying into complementary industries.

### 3. Exchange Rate Fluctuation Risk

We are exposed to changes in foreign currency exchange rates, because considerable revenue comes from outside of India and it may have negative impact of currency fluctuations on operating results.

#### Risk Management Activities

The Company has a natural hedge due to its diversified locations across geographies expenses are incurred in a given local currency and met through receipts in the same currency. The Company also has taken appropriate foreign exchange cover and spread revenues across the various geographies. The Company follows a prudent forex policy.

#### 4. Statutory Compliances in Respective Jurisdictions

Risks arising out of the jurisdiction specific legislative changes where the Company operates.

##### **Risk Management Activities**

The Company has implemented an automated compliance system named iComply in India, Singapore, Thailand, UK, France, Germany, USA, Mexico and Canada. During the year Company has also taken steps towards implementation of iComply in Romania.

The Company has taken major initiative to train support staff based in various locations to comply with all laws in those respective locations. Also, the Company has appointed M/s Ernst & Young to conduct compliance audits in the territories where iComply has been implemented.

#### Internal Risk Factors

##### 1. Customer Acquisition Risk

In today's competitive business environment, the Company may not be able to predict acquisition of customers and its growth.

##### **Risk Management Activities**

The Company has deployed a strategic go-to-market plan and is constantly improving customer acquisition processes. The Company also has nominated executive sponsors for its key accounts. Further, the Customer Relationship Management (CRM) system matured across all territories and countries with process and technology improvements across areas such critical functions as quoting, pre-sales, Sales-Delivery integration, and visibility to customer billing and payables. Management closely monitors health of sales pipeline, conversions ratios, etc.

##### 2. Human Resource Management - Key Skill Shortage

The nature of the business requires that the Company has professionals with skill sets adequate to meet customer demand. Considering the high level of attrition in our industry, the Company could face difficulties in attracting and retaining the necessary workforce at any given point, which may result in loss of business opportunities.

##### **Risk Management Activities**

The Company strives to be an employer of choice through several measures. Employees are constantly apprised of performance through manager evaluations. Employees are connected with senior leadership and the Company's overall strategic vision through quarterly briefing sessions in all territories disseminate.

These briefing sessions are used to provide updates about the Company and a forum for discussion.

The Company also is establishing campus-connect initiatives and partnerships with leading institutes inside and outside India where appropriate. The Company is focused on identifying the competencies required to deliver value and groom professionals along multiple dimensions: technology, domain, leadership and management.

The Company is focusing on maturing its HR processes as per Tata Business Excellence Model (TBEM) and People Capability Maturity Model (PCMM) at all locations and to reinforce role-based organizational structure to facilitate empowerment, rapid decision-making and assignment of responsibilities. The Company has an effective talent acquisition function to ensure that the proper selection and recruitment process is in place to attract qualified professionals. The Company also has a Learning Center function, which periodically provides training to its employees to support growing and varied business requirements.

The HR function ensures that the appropriate talent is attracted and retained. Efforts are also taken to increase the level of employee satisfaction. As a part of retention strategy, the Company has implemented the various Employees Stock Options Schemes and Employees Stock Purchase Schemes.

### 3. Leadership Bandwidth and Critical positions

There is a risk that the second line of executive management may not be available at all the times. Permanent and/or long-duration unavailability of such key executives may result in adverse impact on the smooth operations of the Company if the relevant succession plan is not in place.

#### Risk Management Activities

A succession plan is in place for the entire leadership team (short-term in case of an emergency and long term from job rotations and growth perspective). Growth of the next line of leaders is ensured through the Company's Learning Organization. This is also ensured by getting them to play higher roles in their existing capacity.

### 4. Challenges in Program Management to Deliver Large Projects

The Company is delivering high-quality engineering and software solutions to its clients, but it involves uncertainties, which have impact on the budgeted time and cost and ultimately affects profitability.

#### Risk Management Activities

The Company has rolled out Global Engagement Model (GEM), which is a consolidation of best practices from the delivery centers around the world. The Company implemented "Delivery" modules in over 80 ongoing projects. GEM helps present a consistent, "common face" of the Company to the customer. GEM is a key project management methodology that addresses how the Company engages with its customers for all Engineering Services Outsourcing (ESO) programs. The objectives of this methodology are to:

- Reduce the amount of effort required to respond to client
- Improve program execution and on-time delivery
- Respond quicker to client requirements
- Set a foundation for change within the Company
- Standardize practices across global teams

### 5. Bargaining power of suppliers (PLM Products)

In the Product Solutions business division, the Company has limited bargaining power with various suppliers of the software products we distribute around the globe.

#### Risk Management Activities

The Company's risk is not greater than any other channel partner in its competitive landscape. Each of these suppliers is unique, but shares the common attribute of complex, evolving distribution strategies. The nature of their business model generates frequent changes to account coverage, market support, and availability of margins to partners. The Company has a constant focus on mitigating these factors through executive relationships, good partner management practices, and maintaining strong performance in the Company's field operations.

### 6. Integration and Collaboration

The Company is in the process of preparing comprehensive plans and strategies to ensure that whenever the Company makes acquisitions, it can put the value of acquisitions in to a combined company so as to reap the intended ROI.

#### Risk Management Activities

The Company's risk is not greater than any other channel partner in its competitive landscape. Each of these suppliers is unique, but shares the common attribute of complex, evolving distribution strategies. The nature of their business model generates frequent changes to account coverage, market support, and availability of margins to partners. The Company has a constant focus on mitigating these factors through executive relationships, good partner management practices, and maintaining strong performance in the Company's field operations.

### 3. Human Resource Management

The nature of the business requires that the Company has professionals with skill sets adequate to meet customer demand. Considering the high level of attrition in our industry, the Company could face difficulties in attracting and retaining the necessary workforce at any given point, which may result in loss of business opportunities.

#### Risk Management Activities

The Company strives to be an employer of choice through several measures. Employees are constantly apprised of performance through manager evaluations. Employees are connected with senior leadership and the Company's overall strategic vision through quarterly briefing sessions in all territories disseminate. These briefing sessions are used to provide updates about the Company and a forum for discussion.

The Company also is establishing campus-connect initiatives and partnerships with leading institutes inside and outside India where appropriate. The Company is focused on identifying the competencies required to deliver value and groom professionals along multiple dimensions: technology, domain, leadership and management.

The Company is focusing on maturing its HR processes as per Tata Business Excellence Model (TBEM) and People Capability Maturity Model (PCMM) at all locations and to reinforce role-based organizational structure to facilitate empowerment, rapid decision-making and assignment of responsibilities.

The Company has an effective talent acquisition function to ensure that the proper selection and recruitment process is in place to attract qualified professionals. The Company also has a Learning Center function, which periodically provides training to its employees to support growing and varied business requirements. The HR function ensures that the appropriate talent is attracted and retained. Efforts are also taken to increase the level of employee satisfaction. As a part of retention strategy, the Company has implemented the various Employees Stock Options Schemes and Employees Stock Purchase Schemes for its employees.

### 4. Bargaining power of suppliers in Product Solutions division

In the Product Solutions business division, the Company has limited bargaining power with various suppliers of the software products we distribute around the globe.

#### Risk Management Activities

The Company's risk is not greater than any other channel partner in its competitive landscape. Each of these suppliers is unique, but shares the common attribute of complex, evolving distribution strategies. The nature of their business model generates frequent changes to account coverage, market support, and availability of margins to partners. The Company has a constant focus on mitigating these factors through executive relationships, good partner management practices, and maintaining strong performance in the Company's field operations.

### 5. Integration and Collaboration

The Company is facing various acquisition-related risks such as assimilation of personnel, alignment of goals and strategies, retention of key leaders, operations and technology.

#### Risk Management Activities

The Company is in the process of preparing comprehensive plans and strategies to ensure that whenever the Company makes acquisitions, it can put the value of acquisitions in to a combined company so as to reap the intended ROI.

### 6. Leadership Bandwidth and Critical positions

There is a risk that the second line of executive management may not be available at all the times. Permanent and/or long-duration unavailability of such key executives may result in adverse impact on the smooth operations of the Company if the relevant succession plan is not in place.

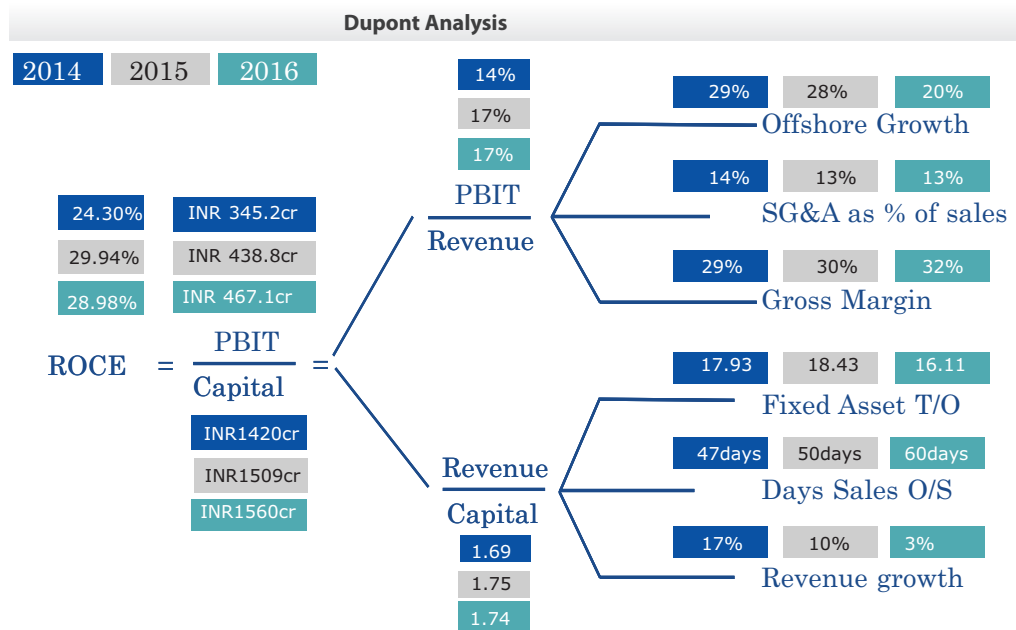
## Risk Management Activities

A succession plan is in place for the entire leadership team (short-term in case of an emergency and long-term from job rotations and growth perspective). Growth of the next line of leaders is ensured through the Company's Learning Organization. This is also ensured by getting them to play higher roles in their existing capacity.

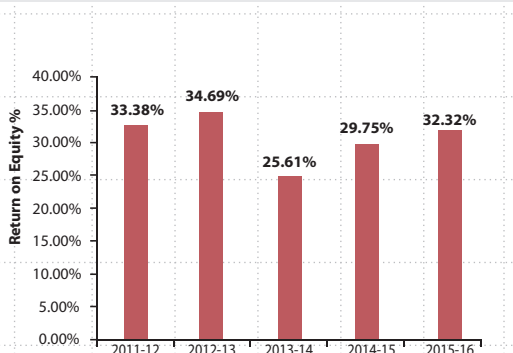
## F. Operational Performance

The financial performance of Tata Technologies Ltd 'the Company' as per Indian GAAP is discussed hereunder in two parts:

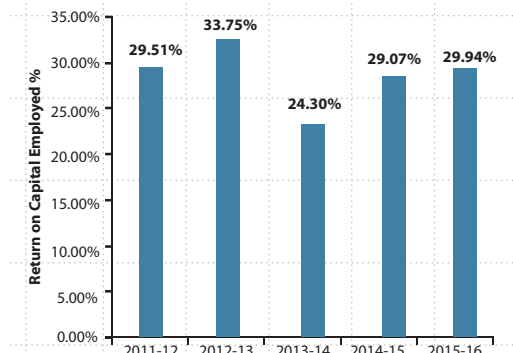
1. Tata Technologies Ltd (Unconsolidated) which excludes the performance of subsidiaries of the Company and its share in Joint Venture Company.
2. Tata Technologies Ltd (Consolidated) which includes performance of subsidiaries of the Company and its share in Joint Venture Company (Group Companies). The Consolidated Financial Statements bring out comprehensively the performance of the Tata Technologies group and are more relevant for understanding the overall performance of the Tata Technologies group. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. Significant accounting policies used for the preparation of the Financial Statements are disclosed in the accompanying Notes to Financial Statements, refer Note No. 25 of Standalone Financial Statements and Note No. 27 of Consolidated Financial Statements.
3. The consolidated performance of the Company is reflected in the trend graphics for the last five years.



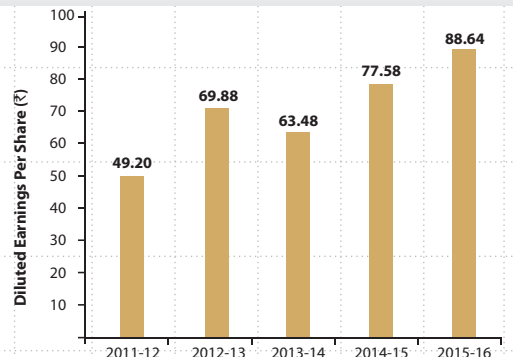
### Return on Equity



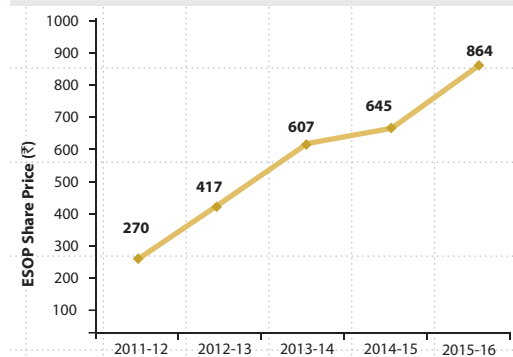
### Return on Capital Employed



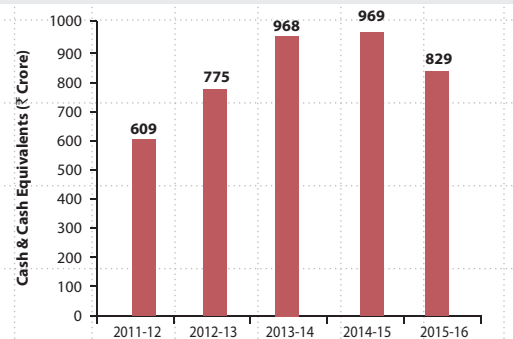
### Diluted Earnings Per Share



### ESOP Share Price Performance

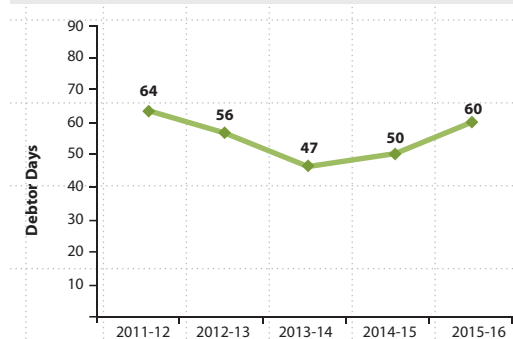


### Cash & Cash Equivalents\*



\*Cash & Cash Equivalents Includes Investment in MFs, NCDs, CRPs, Bills of Exchange, ICDs placed and Deposits with FIs.

### Debtor Days\*\*

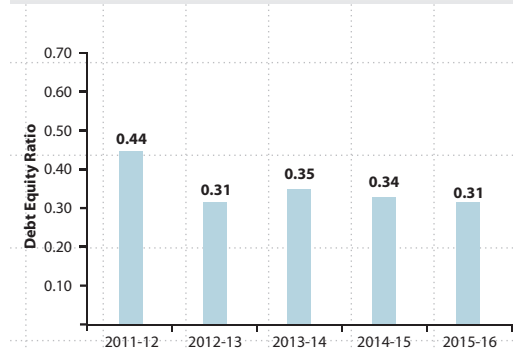


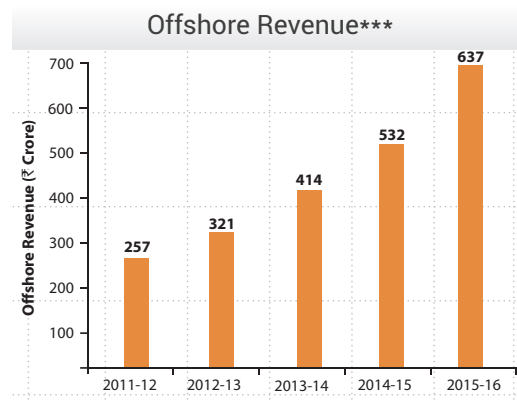
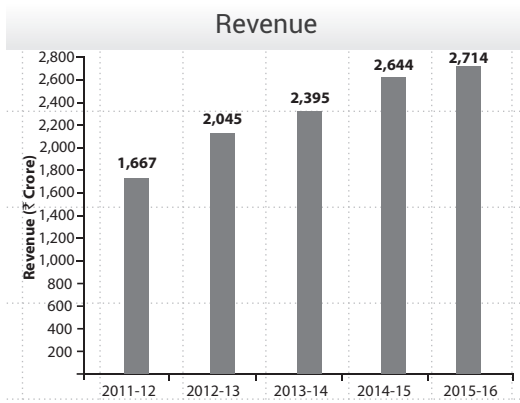
\*\* Debtor Days are computed after considering Provision for Doubtful Debt

### Fixed Asset Turnover

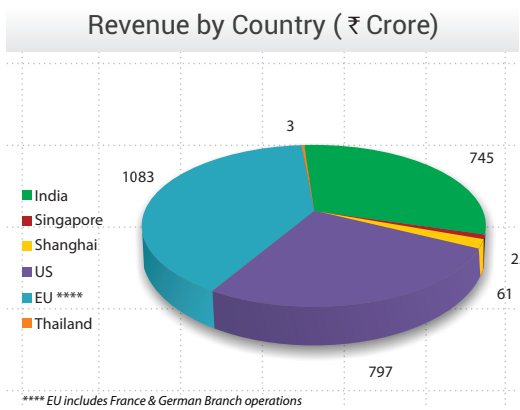


### Debt Equity Ratio

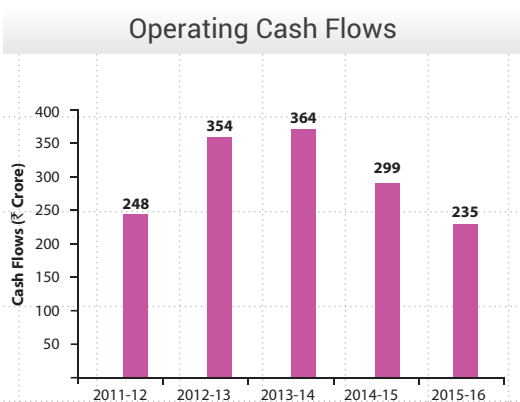
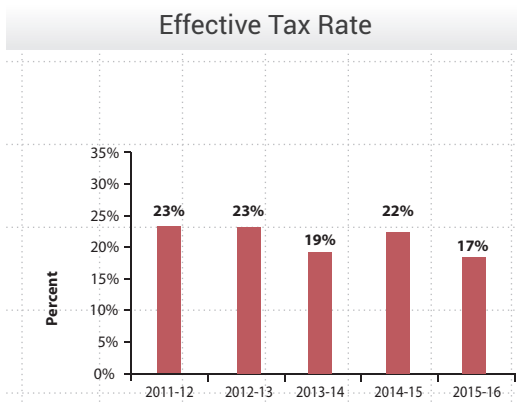
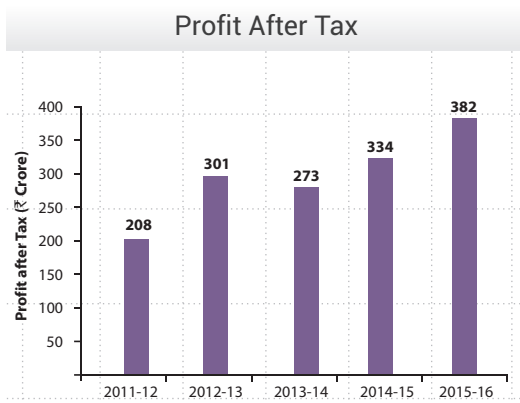
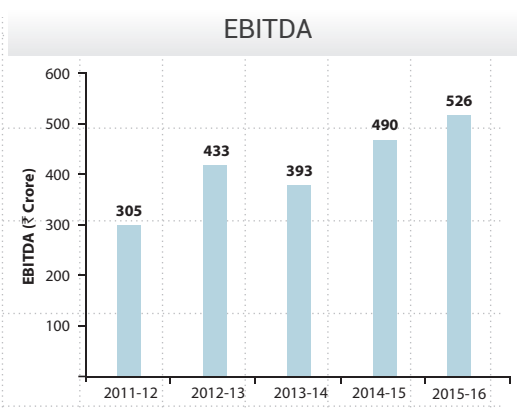




\*\*\* Revenue generated by Offshore Delivery Centers



\*\*\*\* EU includes France & German Branch operations



4. The discussion should be read in conjunction with the financial statements and notes for the year ended March 31, 2016.

The total income of the Company (Unconsolidated) aggregated ₹ 1,105.79 crore in fiscal year 2016 as compared to ₹ 1,024.79 crore in fiscal year 2015, registering a growth of 7.90%.

The Company's earnings before interest, taxes, depreciation, and amortisation (EBITDA) (Unconsolidated) aggregated to ₹ 314.09 crore in fiscal year 2016 as compared to ₹ 291.53 crore in fiscal year 2015, registering a growth of 7.74%.

The before tax (PBT) (Unconsolidated) aggregated to ₹ 265.29 crore in fiscal year 2016 as compared to ₹ 249.90 crore in fiscal year 2015, registering a de growth of 6.16%.

The Company's (Unconsolidated) profit after taxes aggregated ₹ 222.63 crore in fiscal year 2016 as compared to ₹ 202.85 crore in fiscal year 2015, registering a growth of 9.75%.

In fiscal year 2016, the total income of the Company (Consolidated) aggregated ₹ 2,713.60 crore as compared to ₹ 2,644.23 crore in fiscal year 2015, registering a growth of 2.62%. The Company's earnings before interest, taxes, depreciation, and amortisation (EBITDA) (Consolidated) aggregated to ₹ 525.89 crore in fiscal year 2016 as compared to ₹ 489.97 crore in fiscal year 2015, registering a growth of 7.33%. The Profit before tax (PBT) (Consolidated) aggregated to ₹ 460.89 crore in fiscal year 2016 as compared to ₹ 429.76 crore in fiscal year 2015, registering a growth of 7.24%. The consolidated profit after taxes aggregated ₹ 381.66 crore in fiscal year 2016 as compared to ₹ 334.07 crore in fiscal year 2015, registering a growth of 14.25%. During the year the Company has paid interim dividend of ₹ 15/- per equity share, final dividend of ₹ 20/- per equity share has been recommended. Full details of the dividend paid are available in the Director's Report.

#### RESULTS OF OPERATIONS Tata Technologies Ltd. (UNCONSOLIDATED)

The Management's Discussion and Analysis given below relates to the financial statements of the Company (Unconsolidated). The discussion should be read in conjunction with the financial statements and related notes for the year ended March 31, 2016.

The following table gives an overview of the financial results of the Company (Unconsolidated):

#### INCOME Income from Operations

Particulars	2015 - 16		2014 - 15		% of Variance
	₹ in crores	% of Income	₹ in crores	% of Income	
<b>INCOME</b>					
Income from Services	917.50	82.97%	835.12	81.49%	9.86%
Sale of Products	164.79	14.90%	148.62	14.50%	10.88%
Commission Income	0.02	0.00%	1.44	0.14%	-98.61%
Other Income	23.48	2.13%	39.61	3.87%	-40.72%
<b>Total Income</b>	<b>1,105.79</b>	<b>100.00%</b>	<b>1,024.79</b>	<b>100.00%</b>	<b>7.90%</b>
<b>EXPENDITURE</b>					
Cost of Traded Products	133.22	12.06%	125.18	12.21%	6.42%
Consultancy fees, Softwares and others	56.45	5.10%	52.81	5.15%	6.89%
Employee Benefit Expenses	497.54	44.99%	466.23	45.50%	6.72%
Other Expenses	104.49	9.45%	89.04	8.69%	17.35%
<b>Total Expenditure</b>	<b>791.70</b>	<b>71.60%</b>	<b>733.26</b>	<b>71.55%</b>	<b>7.97%</b>
<b>Profit before Finance Charges, Depreciation and Taxes</b>	<b>314.09</b>	<b>28.40%</b>	<b>291.53</b>	<b>28.45%</b>	<b>7.74%</b>
Finance Cost	1.07	0.10%	1.37	0.13%	-21.90%
Depreciation and amortization	47.73	4.32%	40.26	3.93%	18.55%
<b>Profit before Taxes</b>	<b>265.29</b>	<b>23.99%</b>	<b>249.90</b>	<b>24.39%</b>	<b>6.16%</b>
<b>Provision for taxes including deferred tax</b>	<b>55.10</b>	<b>4.98%</b>	<b>52.07</b>	<b>5.08%</b>	<b>5.82%</b>
MAT Credit Entitlement	(12.44)	-1.12%	(5.02)	-0.49%	147.81%
<b>Net Profit from Operations after taxes</b>	<b>222.63</b>	<b>20.13%</b>	<b>202.85</b>	<b>19.79%</b>	<b>9.75%</b>

The Company's revenue consists mainly of income from services and sale of products. The Company provides services either on time and material basis or fixed price basis. The Company's revenue from services on time and materials contracts is recognized when services are rendered and related costs are incurred. In case of fixed price contracts, revenue is recognized over the life of the contract based on milestones achieved as specified in the contracts or by proportionate completion method on the basis of the work completed. Foreseeable losses on such contracts are recognized when probable. Revenue from rendering Annual Maintenance Services is recognized proportionately over the period of contract. Revenue from third party software products and hardware sale is recognized upon delivery.

The Company's (unconsolidated) revenues increased to ₹ 1,082.31 crore in fiscal year 2016, from ₹ 985.18 crore in fiscal year 2015, a growth of 9.86%. Revenues from services increased to ₹ 917.50 crore in fiscal year 2016 from ₹ 835.12 crore in fiscal year 2015, a growth of 9.86%. Revenues from sale of products increased to ₹ 164.79 crore in fiscal year 2016 from ₹ 148.62 crore in fiscal year 2015, an increase in revenue of 10.88%.

#### **Other Income**

Other Income in fiscal year 2016 decreased to ₹ 23.48 crore from ₹ 39.61 crore in fiscal year 2015, a decrease of 40.72%. Other Income comprises interest received on inter corporate deposits and deposits with banks, dividends received on investments in units of mutual funds, profit on sale of investments, write-back of provisions no longer required and foreign currency gains(net). Details of major portion of other income are as under:

- a) Interest Income on inter - corporate deposits, deposits with the banks and interest income from long term deposits with financial institutions in fiscal year 2016 was ₹ 13.77 crore as compared to interest income of ₹ 22.54 crore in fiscal year 2015.
- b) Dividend of ₹ 3.23 crore from investments in units of mutual funds in fiscal year 2016 as compared to ₹ 7.07 crore in fiscal year 2015.
- c) Profit on sale of investments ₹ 2.68 crore in fiscal year 2016 as compared to ₹ 7.11 crore in fiscal year 2015.
- d) Other non-operating income in fiscal year 2016 was ₹ 1.02 crore as compared to ₹ 2.03 crore in fiscal year 2015.

#### **EXPENDITURE**

##### **Cost of Traded Products**

Cost of Traded Products represents cost of products traded during the year under reference. Total cost of traded products in fiscal year 2016 was ₹ 133.22 crore, an increase of 6.42% over the costs of ₹ 125.18 crore in fiscal year 2015. This increase is attributable to overall increase in income from the sale of products. As mentioned earlier, revenues from sale of products increased to ₹ 164.79 crore in fiscal year 2016 from ₹ 148.62 crore in fiscal year 2015, an increase of 10.88%.

##### **Consultancy Fees, Softwares and Others**

Consultancy fees represents outsourcing charges paid to the third parties towards various jobs outsourced/services received. The cost of softwares represents the purchase cost of softwares for internal use for enhancing the quality of services and also meeting the needs of the customers. Total consultancy fees, softwares and others in fiscal year 2016 was ₹ 56.45 crore, an increase of 6.89% over the total consultancy fees, softwares and other cost of ₹ 52.81 crore in fiscal year 2015. This increase is attributable to increase in professional fees by ₹ 7.07 Crore during fiscal year 2016 as compared to fiscal year 2015. Total consultancy fees, softwares and others as a percentage of total income was 5.10% in fiscal year 2016 (5.15% in fiscal year 2015).

##### **Employee Benefit Expenses**

Employee Benefit Expenses consist of compensation of employees. It includes salaries which have fixed and variable components, contribution to provident fund, superannuation fund and gratuity fund. It also includes expenses incurred on staff welfare. Total employee benefit expenses in fiscal year 2016 was ₹ 497.54 crore, an increase of 6.72% over the total employee costs of ₹ 466.23 crore in fiscal year 2015. Total employee costs as a percentage of total income was 44.99% in fiscal year 2016 (45.50% in fiscal year 2015). This increase is attributable to increase in cost per employee. The number of employees as at March 2016 was 5,929 as against 5,796 during the previous year.

#### Other Expenses

Other Expenses (other than cost of traded products, consultancy fees, softwares and others and employee benefit expenses, already discussed above) incurred to conduct the Company's operations have gone up from ₹ 89.04 crore in fiscal year 2015 to ₹ 104.49 crore in fiscal year 2016. In terms of total income, it has gone up from 8.69% in fiscal year 2015 to 9.45% in fiscal year 2016. The increase of other expenses is primarily due to increase of rent, travelling & conveyance, AMC charges, communication expenses. rent, travelling & conveyance, AMC charges and communication expenses increased from ₹ 51.74 crore in fiscal year 2015 to ₹ 63.33 crore in fiscal year 2016.

#### Profit before Finance Charges, Depreciation and amortization and Taxes

The profit before finance charges, depreciation and amortization and taxes in fiscal year 2016 was ₹ 314.09 crore, a increase of 7.74% from ₹ 291.53 crore in fiscal year 2015. The profit as a percentage of income has gone down from 28.45% in fiscal year 2015 to 28.40% in fiscal year 2016.

#### Finance Cost

Finance cost decreased marginally from ₹ 1.37 crore in fiscal year 2015 to ₹ 1.07 crore in fiscal year 2016. This was due to decrease of interest and other charges paid on PCFC/PSFC loans (foreign currency loan) taken from banks.

#### Depreciation and Amortization

Depreciation and Amortization charges increased from ₹ 40.26 crore in fiscal year 2015 to ₹ 47.73 crore in fiscal year 2016 an increase of 18.55%. In terms of total income the depreciation and amortization charge was 4.32% of total income in fiscal year 2016 (3.93% in fiscal year 2015). The said charge has gone up mainly due to purchase of assets for SEZ III operations. The SEZ III operations commenced effective August 1, 2015.

#### Profit before Taxes

The Profit before Taxes in fiscal year 2016 was ₹ 265.29 crore, a increase of 6.16% from ₹ 249.90 crore in fiscal year 2015. In terms of total income, the Profit before Taxes has gone down from 24.39% fiscal year 2015 to 23.99% in fiscal year 2016.

#### Provision for Taxation

Income tax expense comprises the current tax, MAT credit entitlement and the net change in the deferred tax assets and liabilities in the applicable fiscal year. The Company benefits in India from certain tax incentives under section 10AA of the Income Tax Act, 1961, for the IT services exported from designated 'Special Economic Zone Unit". The tax expense decreased from ₹ 47.05 crore in fiscal year 2015 to ₹ 42.66 crore in fiscal year 2016. This represented 3.86% of the total income in fiscal year 2016 (4.59% of the total income in fiscal year 2015). The effective tax rate (total tax expenses including deferred tax and MAT Entitlement /profit before tax\*100) in fiscal year 2016 decreased to 16.08% from 18.83% in fiscal year 2015. The said decrease was primarily due to incentives under section 10AA of the Income tax Act, 1961 and MAT credit entitlement.

#### Net Profit from operations after taxes

The Company's net profit from operations after taxes registered a growth of 9.75% from ₹ 202.85 crore in fiscal year 2015 to ₹ 222.63 crore in fiscal year 2016.

#### FINANCIAL POSITION - Tata Technologies Ltd. (UNCONSOLIDATED)

##### Share Capital

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Authorized :</b>		
60,000,000 ordinary shares of ₹ 10/- each (P.Y. 60,000,000 ordinary shares of ₹ 10/- each)	<b>60.00</b>	60.00
700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each (P.Y. 700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each)	<b>0.70</b>	0.70
<b>Total</b>	<b>60.70</b>	60.70
Issued, Subscribed and Paid-up :		
43,024,638 equity shares of ₹ 10/- each (P.Y. 43,024,638 equity shares of ₹ 10/- each)	<b>43.02</b>	43.02
<b>Total</b>	<b>43.02</b>	43.02

During the year, the Company did not increase authorized capital of ordinary shares and Cumulative Non Participative Compulsory Convertible Preference Shares. The authorized equity share capital as on March 31, 2016 was ₹ 60 crore, divided into 60 Mn equity shares of ₹ 10 each (₹ 60 crore as at March 31, 2015, divided into 60 Mn equity shares of ₹ 10 each). The issued, subscribed and paid-up share capital as on March 31, 2016 was ₹ 43.02 crore. During the year, the Company has not issued equity shares. Consequently, there is no change in the issued, subscribed and paid up capital of the Company as compared to March 31, 2015.

### Share Application Money

On March 31, 2016 the company received ₹ 0.19 crores (₹ NIL as at March 31, 2015) towards share application money pending allotment.

### Reserves and Surplus

A summary of reserves and surplus is as under:

#### Securities Premium Account

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Securities Premium	350.52	350.51
Securities Premium Identified for Consolidation adjustments	23.16	23.16
General Reserves	134.65	111.65
Surplus i.e. balance in Profit and loss account	65.55	47.17
<b>Total</b>	<b>573.88</b>	<b>532.49</b>

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
As at the beginning of the year	350.51	350.50
Additions during the year	0.01	0.01
<b>Total</b>	<b>350.52</b>	<b>350.51</b>

Securities Premium Account as on March 31, 2015 stood at ₹350.51 crore. As on March 31, 2016 the balance in this account stood at ₹350.52 crore. The additions (net) to the share premium account of ₹ 0.0054 crore during the year is on account of collections against provisions for doubtful debts which were adjusted against securities premium in earlier years.

During 2010, based on the approval of Shareholders of the Company at the Extra-Ordinary General Meeting held on March 5, 2010 and the Order of the Honourable High Court of Judicature at Mumbai dated April 16, 2010, the Company had utilized balance in the securities premium account to the tune of ₹ 46.66 Crore towards one time charges/cost (including change in accounting policy for provision for doubtful debts) incurred by the Company and its subsidiary companies. The amounts relating to the Company amounting to ₹ 17.32 Crore had been adjusted to the Securities Premium Account. An amount of ₹ 29.34 Crore equivalent to the total amount of adjustments relating to the subsidiaries had been identified and segregated from the balance in the Securities Premium Account for adjustment on consolidation. Of this total adjustment made, ₹ 1.58 Crore and ₹ 16.58 Crore related to provision for doubtful debts of the Company and its subsidiary companies respectively on account of change in accounting with regard to provision for doubtful debts.

During the year ended March 31, 2016, the Company and its subsidiary companies have received amounts aggregating to ₹ 0.01 crore (₹ 0.01 for the year ended March 31, 2015) against the balances adjusted in the Securities Premium Account as above. Consequently, such excess provisions for doubtful debts on account of the said collections have been written back to the Securities Premium Account. Since realisation of doubtful debts provided for the adjustments above upto March 31, 2016 amounted to ₹ 6.18 Crore (₹ 6.18 Crore as on March 31, 2015) relating to the subsidiaries. Accordingly, balance amount of ₹ 23.16 Crore relating to the subsidiaries is continued to be disclosed separately as securities premium account for adjustment on consolidation.

### Shareholders' funds

The total shareholder funds increased to ₹ 616.90 crore as at March 31, 2016 from ₹ 575.51 crore as of the previous year end. The basic earnings per share increased to ₹ 51.75 as at March 31, 2016 compared to ₹ 47.15 as of the previous year end.

### Non-Current Liabilities

A summary of Non-Current Liabilities is as under:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liabilities (Net)	2.61	4.09
Trade Payables	2.35	1.60
Long-term Provisions	15.31	14.85
<b>Total</b>	<b>20.27</b>	<b>20.54</b>

All liabilities other than the current liabilities are classified as non-current liabilities.

#### Deferred Tax Liabilities (Net)

Note No. 6 brings out details of component wise deferred tax balances where the net value result into liability. As can be seen from Note No.6, deferred tax liability was created against depreciation. The net deferred tax liability (net) was ₹ 2.61 crore as at March 31, 2016. (₹ 4.09 crore deferred tax liability (net) as at March 31, 2015). Deferred tax assets are created against certain items such as employee benefits and provision for doubtful debts. The Company assesses the likelihood of deferred tax getting recovered from the future taxable income.

#### Trade Payables

Trade payables are dues in respect of goods purchased or services received (including from employees, professionals and others under contract) in the normal course of business. Trade Payables shown under non-current liabilities represents amount payable towards retention bonus to certain employees and payable to certain creditors which are due after one year. Trade payables were ₹ 2.35 crore as at March 31, 2016 (₹ 1.60 crore as at March 31, 2015)

#### Long Term Provisions

Long term provisions represents provisions made towards certain non-funded employee benefits- such as Bhavishya Kalyan Yojana, medicare, leave encashment etc. Provision for employee benefits has been made based on an independent actuarial valuation as on the balance sheet date. Long term provisions were ₹ 15.31 crore as at March 31, 2016 (₹ 14.85 crore as at March 31, 2015).

### Current Liabilities

A summary of Current Liabilities is as under:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Short-term Borrowings from Banks (Unsecured)	99.37	93.75
Trade Payables		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	134.30	111.81
- Total outstanding dues of micro enterprises and small enterprises	2.06	3.44
Other Current Liabilities	14.82	11.49
Short-term Provisions	105.13	312.34
Income Tax Liabilities (Net)	3.65	0.14
<b>Total</b>	<b>359.33</b>	<b>532.97</b>

A liability is classified as current when any of the following is satisfied

- It is expected to be settled in the Company's normal operating cycle
- It is held primarily for the purpose of being traded
- It is due to be settled within twelve months after the reporting date or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date

As reported elsewhere in this discussion, all other liabilities are classified as non-current liabilities

### Short Term Borrowings from banks (Unsecured)

Short term borrowings represent unsecured post shipment and pre shipment loans taken from a bank. The Company has not provided any security towards the said loans. Short term borrowings were ₹ 99.37 crore as at March 31, 2016 (₹ 93.75 crore at March 31, 2015).

### Trade Payables

Trade payables are dues in respect of goods purchased or services received (including from employees, professionals and others under contract) in the normal course of business. Trade Payables in respect of dues to creditors other than micro and small enterprises were ₹ 134.30 crore as at March 31, 2016 (₹ 111.81 crore as at March 31, 2015). Trade Payables in respect of dues to micro and small enterprises were ₹ 2.06 crore as at March 31, 2016 (₹ 3.44 crore as at March 31, 2015). Trade payables has gone up due to amount payable to employees on account of performance pay, statutory bonus and payables for services, capital items and traded products.

### Other Current Liabilities

Other current liabilities as at the end of the fiscal year 2016 aggregated ₹ 14.82 crore (₹ 11.49 crore as at the end of the fiscal year 2015). Major portion of other current liabilities represents dues payable to statutory authorities and advance and progress payments ₹ 9.27 crore was outstanding at the end of the fiscal year 2016 on account of statutory dues, income received in advance and payments (₹ 6.27 crore at the end of the fiscal year 2015).

### Short Term Provisions

Short term provisions represents provisions made towards employee benefits (current portion), provision for final dividend and dividend tax on final dividend. Current portion of provision for employee benefits has been made based on an independent actuarial valuation as on the balance sheet date. Short term provisions as at the end of the fiscal year 2016 aggregated ₹ 105.13 crore (₹ 312.34 crore as at March 31, 2015). Short term provisions has gone down as compared to previous year. This is due to provision for final dividend. Provision for final dividend including tax on final dividend in fiscal year 2016 was ₹ 103.57 crore (₹ 310.70 crore in fiscal year 2015) due to lower rate of dividend proposed.

### Income tax liabilities (net)

Income tax liabilities (net) represent estimated income tax liabilities. The provision for tax liabilities (net of advance tax) was ₹ 3.65 crore as at March 31, 2016 (₹ 0.14 crore as at March 31, 2015)

### Fixed Assets

Details of fixed assets are as under:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Tangible Assets	84.95	75.23
Intangible Assets	58.84	44.69
Capital Work-in-progress	3.44	3.16
Intangible Assets under development	-	3.71
<b>Total</b>	<b>147.23</b>	<b>126.79</b>

A statement of movement in tangible fixed asset is as follows:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015	% of Change
Leasehold Land	4.09	4.09	0.00%
Buildings	24.83	24.11	2.99%
Plant & Machinery- owned	25.66	21.47	19.52%
Plant & Machinery -leased	0.43	0.43	0.00%
Office Equipments	7.01	4.91	42.77%
Computers	96.73	84.10	15.02%
Furniture & Fixtures	13.12	10.49	25.07%
Vehicles	1.66	1.95	-14.87%
Leasehold improvements	15.03	10.91	37.76%
<b>Total</b>	<b>188.56</b>	162.46	16.07%
Less: Accumulated Depreciation	103.61	87.23	18.78%
<b>Net Block</b>	<b>84.95</b>	75.23	12.92%
Add: Capital work in progress	3.44	3.16	8.86%
<b>Net Fixed Assets</b>	<b>88.39</b>	78.39	12.76%

During the year, the Company added ₹ 32.37 crore to the gross block of tangible assets comprising ₹ 0.72 crore Buildings, ₹ 4.22 crore plant & machinery - owned, ₹ 2.16 crore office equipments, ₹ 18.39 crore computers, ₹ 2.76 crore furniture and fixtures, ₹ 4.12 crore leasehold improvements. During the previous year, the Company added ₹ 21.81 crore to gross block of assets of the Company. The major portions of additions during the year were on account of and purchase of computers.

During the year, the Company deducted ₹ 6.27 crore from the gross block of assets comprising ₹ 0.03 crore of plant & machinery - owned, ₹ 0.06 crores office equipments, ₹ 5.76 crores computers, ₹ 0.13 crores furniture & fixtures, ₹ 0.29 crores vehicles. During the previous year, the Company retired/transferred various assets with gross block of ₹ 3.22 crore. The Company has a capital commitment of ₹ 8.17 crore as at March 2016 as compared to ₹ 20.10 crore as at March 2015 towards tangible assets.

Intangible assets represents software licenses (other than internally generated). During the year, the Company added ₹ 39.29 crore to the gross block of intangible assets (software licenses) During the previous year, the Company added ₹ 24.93 crore to gross block assets of the Company. The Company has a capital commitment of ₹ 4.25 crore as at March 31, 2016 as compared to ₹ 8.53 crore as at March 31, 2015 towards intangible assets.

Capital work in progress comprises of the cost of tangible fixed assets that are not ready for their intended use at the reporting date. The major portion of capital work in progress represents assets procured for industrial shed at Hinjewadi. The industrial shed will be operational in fiscal year 2017 and therefore the Company will capitalise the said capital cost in fiscal year 2017. Capital work in progress at the end of fiscal year 2016 aggregated ₹ 3.44 crore (₹ 3.16 crore at the end of fiscal year 2015).

Intangible assets in progress as at end of fiscal year 2015 represent a costs incurred towards purchase of SAP licenses and cost incurred towards implementation of the same. Intangible assets in progress at the end of fiscal year 2016 aggregated NIL (₹ 3.71 crore at the end of fiscal year 2015).

## Other Non-Current Assets

A summary of other non-current assets is as under:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Non-current Investments	233.98	243.98
Long-term loans and advances	27.74	19.92
Income tax assets (Net)	35.97	33.18
Other non current assets	0.93	0.99
<b>Total</b>	<b>298.62</b>	<b>298.07</b>

## Non-Current Investments

A summary of the Company's non-current investments is given below:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>(A) Trade Investments</b>		
Investments in Equity instruments (Unquoted at cost)		
i) Subsidiaries		
(a) Tata Technologies Inc.	15.57	15.57
(b) Tata Technologies Pte Ltd	203.34	203.34
ii) Joint Ventures		
Tata HAL Technologies Ltd	5.07	5.07
<b>(B) Other Investments (Quoted)</b>		
Investment in Bonds	5.00	5.00
<b>(C) Other Investments (Unquoted)</b>		
Investments in Mutual Funds	-	10.00
Investment in Preference Shares	5.00	5.00
<b>Total</b>	<b>233.98</b>	<b>243.98</b>

The trade investment is an investment made by the company in shares of another company to promote the trade or business of the company. Other investments represent other than trade investments. Investments are either classified as current or long term based on the management's intention at the time of purchase. As can be seen from the above table, during the year, the Company did not make any further investment in its subsidiary companies and joint venture. Investments in bonds, preference shares and mutual funds aggregated ₹ 10.00 crore as on March 31, 2016 (₹ 20.00 crore as on March 31, 2015).

### Long Term Loans and Advances:

A summary of the Company's long term loans and advances is given below:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Security Deposits	5.66	4.55
Loans to employees	1.08	0.90
Loans to Others	1.92	6.94
Capital Advances	-	0.78
Prepaid Expenses	0.27	0.38
Deposits with Government and others	1.35	1.35
MAT Credit Entitlement	17.46	5.02
<b>Total</b>	<b>27.74</b>	<b>19.92</b>

As can be seen from the table, Loans and Advances as on March 31, 2016 were ₹ 27.74 crore (₹ 19.92 crore as on March 31, 2015). The major variance is due to MAT credit entitlement of ₹ 17.46 crores during the fiscal year 2016 (₹ 5.02 crores during fiscal year 2015)

### Income Tax Assets (net)

Income Tax Assets (net) were ₹ 35.97 crore in fiscal year 2016 (₹ 33.18 crore in fiscal year 2015). Income tax assets (net) have increased as compared to the previous year due to excess of withholding tax from customers than the provision of income tax.

### Other Non current assets

Other non current assets represents the assets on account of Defined Benefit Schemes as per actuarial valuation as on balance sheet date. Other non current assets were ₹ 0.93 crore as at March 31, 2016 (₹ 0.99 crore as at March 31, 2015)

### Current assets

A summary of the Company's current assets given below:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Current Investments	58.47	261.87
Inventories (Traded)	-	0.75
Trade Receivables	194.38	126.09
Cash and Bank Balances	85.15	78.97
Other Current Assets	55.86	23.13
Short-term loans and advances	156.98	213.35
<b>Total</b>	<b>550.84</b>	<b>704.16</b>

### Current Investments

During the year, the Company invested in units of mutual funds. These are typically investments in short term funds to gainfully use the excess cash balance with the Company. Current Investments at the end of the fiscal year 2016 aggregated to ₹ 58.47 crore (₹ 261.87 crore at the end of the fiscal year 2015).

### Trade Receivables

Trade receivables are dues in respect of goods sold or services rendered in the normal course of business. A trade receivable is treated as current, if it is likely to be realized within twelve months from the date of Balance Sheet or operating cycle of the business. Trade Receivables as on March 31, 2016 aggregated ₹ 194.38 crore (net of provision for doubtful debts) (₹ 126.09 crore as on March 31, 2015). The Company provides provision for doubtful debts as a percentage of the outstanding debts based on ageing.

## Cash and Bank Balances

Cash and bank balances include cash and cash equivalents and other bank balances. The Company's Cash and Bank balance of ₹ 85.15 crore as on March 31, 2016 (₹ 78.97 crore as on March 31, 2015). The said amount has gone up due to higher amount in the EEFC accounts as compared to previous year.

The cash and cash equivalents aggregated ₹ 83.15 crore as on March 31, 2016 (₹ 77.30 crore as on March 31, 2015). Other bank balances at the end of the fiscal year 2016 aggregated to ₹ 2.00 crore (₹ 1.67 crore at the end of the fiscal year 2015)

## Other Current assets

A summary of other current assets of the Company is given below:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest Accrued on deposits and investments	0.32	0.30
Bills of Exchange	26.11	4.87
Unbilled Revenue	17.58	5.80
Advances to suppliers and contractors	1.30	2.98
Prepaid expenses	8.28	7.27
Others (VAT, Service tax, other taxes recoverables, etc.)	2.27	1.91
<b>Total</b>	<b>55.86</b>	<b>23.13</b>

As can be seen from the above information, other current assets as on March 31, 2016 were ₹ 55.86 crore (₹ 23.13 crore as on March 31, 2015). The said amount has gone up as compared to the previous year due to increase in bills of exchange to ₹ 26.11 crore as on fiscal year 2016 and ₹ 4.57 crore as on fiscal year March 31, 2015. Also the unbilled revenue has increased to ₹ 17.58 crores (₹ 5.80 crores as on March 31, 2015).

## Short term loans and advances

A summary of short term loans and advances of the Company is given below:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Inter Corporate Deposits	153.00	196.50
Loans and advances to related parties	2.86	16.37
Security Deposits	0.46	0.02
Loans and Advances employees	0.54	0.43
Less : Allowances for doubtful loans and advances	-	(0.04)
Deposits with Government and others	0.12	0.07
<b>Total</b>	<b>156.98</b>	<b>213.35</b>

As can be seen from the above information, short term loans and advances as on March 31, 2016 were ₹ 156.98 crore (₹ 213.35 crore as on March 31, 2015). Short term loans and advances has gone down primarily due to inter corporates deposits. Inter corporate deposits as at March 31, 2016 were ₹ 153.00 crore (₹ 196.50 crore as at March 31, 2015)

## Cash Flow - TTL (Unconsolidated)

### Cash Flow from Operating Activities

(Amount in ₹ Crore)

Particulars	2015-16	2014-15	Increase/ (Decrease)
Net Profit after Taxation	222.63	202.85	19.78
Depreciation and amortization	47.73	40.26	7.47
Disallowance of TDS Abroad	0.30	0.23	0.07
Provision for Wealth Taxes	-	0.01	(0.01)
Provision for Income Tax and MAT entitlement	44.14	46.40	(2.26)
Provision for Deferred Tax	(1.48)	0.65	(2.13)
Dividend Income on Investment in mutual funds	(3.23)	(7.07)	3.84
(Profit)/Loss on sale of Investment	(2.68)	(7.08)	4.40
(Profit)/Loss on Sale of Tangible and Intangible Fixed Assets	(0.01)	(0.02)	0.01
Interest Income	(13.77)	(22.54)	8.77
Finance Costs	1.07	1.37	(0.30)
Unrealised exchange Loss / (Gain)	(0.67)	1.93	(2.60)
Effect of exchange differences on translation of foreign currency cash & cash equivalent	(2.47)	0.91	(3.38)
Allowances for doubtful debts	1.75	(0.62)	2.37
<b>Operating profit before Working Capital Changes</b>	<b>293.31</b>	<b>257.28</b>	<b>36.03</b>
Effects of working capital changes	(72.60)	(50.23)	(22.37)
Income Taxes paid (net)	(56.17)	(58.90)	2.73
<b>Net cash flow (used in)/generated from operating activities</b>	<b>164.54</b>	<b>148.15</b>	<b>16.39</b>

As can be seen from the above table, in fiscal year 2016, the Company generated net cash of ₹ 164.54 crore (₹ 148.15 crore in fiscal year 2015) from operating activities. Apart from profit after taxes of ₹ 222.63 crore (₹ 202.85 crore in fiscal year 2015), the net cash generated includes adjustments for non-cash items like depreciation of ₹ 47.73 crore (₹ 40.26 crore in fiscal year 2015), provision for income tax ₹ 44.14 crore (₹ 46.40 crore in fiscal year 2015) and provision for deferred tax ₹ (1.48) crore (₹ 0.65 crore in fiscal year 2015) and changes in working capital ₹ (72.60) crore in fiscal year 2016 (₹ (50.23) crore in fiscal year 2015)

### Cash Flow from Investing Activities

(Amount in ₹ Crore)

Particulars	2015-16	2014-15	Increase/ (Decrease)
Dividend Received	0.83	0.42	0.41
Income from sale of Investment	2.68	7.08	(4.40)
Interest Received on Bank Deposits and others	2.46	1.24	1.22
Inter Corporate Deposits Placed	(1,198.80)	(1,080.90)	(117.90)
Inter Corporate Deposits Refunded	1,242.30	884.40	357.90
Loans to others	5.02	(1.87)	6.89
Interest received from Intercorporate Deposit / Bonds	11.28	21.30	(10.02)
Purchase of Mutual Funds	(169.90)	(668.13)	498.23
Sale of Mutual funds	385.70	895.82	(510.12)
Fixed Deposit with banks (net) having maturity over three months	(0.01)	-	(0.01)
Proceeds from sale of Tangible and Intangible Fixed Assets	0.07	0.05	0.02
Payment for Purchase of Tangible and Intangible Fixed Assets	(59.70)	(50.78)	(8.92)
<b>Net cash flow (used in)/generated from investing activities</b>	<b>221.93</b>	<b>8.63</b>	<b>213.30</b>

As can be seen from the above information, in fiscal year 2016, the Company generated net cash of ₹ 221.93 crores from investing activities (₹ 8.63 crore generated in in fiscal year 2015). The net cash generated is mainly due to net refund of intercorporate deposits of ₹ 43.50 cores in fiscal year 2016 (₹ 196.50 crores used in fiscal year 2015)

## Cash Flow from Financing Activities

(Amount in ₹ Crore)

Particulars	2015-16	2014-15	Increase/ (Decrease)
Share application money received pending allotment	0.19	-	0.19
Interest Paid	(1.03)	(1.37)	0.34
Dividends Paid (including Dividend Tax)	(388.06)	(166.42)	(221.64)
Proceeds from Short Term borrowings	199.36	131.77	67.59
Repayment of Short Term borrowings	(193.18)	(129.67)	(63.51)
Repayment of Long Term borrowings	(0.05)	(0.11)	0.06
<b>Net cash flow (used in)/generated from financing activities</b>	<b>(382.77)</b>	<b>(165.80)</b>	<b>(216.97)</b>

As can be seen from the above information, in fiscal year 2016, the Company used in ₹ 382.77 crore on financing activities (₹ 165.80 crore used in fiscal year 2015).

## Cash Position

Cash and cash equivalents as on March 31, 2016 amounted to ₹ 332.73 crore (₹ 562.21 crore as at March 31, 2015). Cash and cash equivalents include investments in preferences shares, bonds, mutual funds, inter corporate deposits, deposits with financial institutions and bills of exchanges.

## Tata Technologies Ltd. (CONSOLIDATED)

The Management Discussion and Analysis below relates to the consolidated financial statements of the Company (includes the results of its subsidiaries and the Company's share in Joint Venture Company). The Discussion should be read in conjunction with the financial statements and related Notes to the Consolidated Accounts of the Company for the year ended March 31, 2016.

(Amount in ₹ Crore)

Particulars	2015 - 16		2014 - 15		% of Variance
	₹ in crore	% of Income	₹ in crore	% of Income	
<b>INCOME</b>					
Income from Services	2,187.47	80.61%	2,019.35	76.37%	8.33%
Sale of Products	494.87	18.24%	565.38	21.38%	-12.47%
Commission Income	3.86	0.14%	9.47	0.36%	-59.24%
<b>Revenue from Operations</b>	<b>2,686.20</b>	<b>98.99%</b>	<b>2,594.20</b>	<b>98.11%</b>	<b>3.55%</b>
Other Income	27.40	1.01%	50.03	1.89%	-45.23%
<b>Total Income</b>	<b>2,713.60</b>	<b>100.00%</b>	<b>2,644.23</b>	<b>100.00%</b>	<b>2.62%</b>
<b>EXPENDITURE</b>					
Cost of Traded Products	372.48	13.73%	437.97	16.56%	-14.95%
Consultancy fees, Software's and others	388.36	14.31%	367.53	13.90%	5.67%
Employee Benefit Expenses	1,200.51	44.24%	1,153.92	43.64%	4.04%
Other Expenses	226.36	8.34%	194.84	7.37%	16.18%
<b>Total Expenditure</b>	<b>2,187.71</b>	<b>80.62%</b>	<b>2,154.26</b>	<b>81.47%</b>	<b>1.55%</b>
<b>Profit before Finance Charges,</b>					
<b>Depreciation and Taxes</b>	<b>525.89</b>	<b>19.38%</b>	<b>489.97</b>	<b>18.52%</b>	<b>7.33%</b>
Finance Cost	6.25	0.23%	8.99	0.34%	-30.48%
Depreciation and amortization	58.75	2.17%	51.22	1.94%	14.70%
<b>Profit before Taxes</b>	<b>460.89</b>	<b>16.98%</b>	<b>429.76</b>	<b>16.24%</b>	<b>7.24%</b>
<b>Provision for taxes including deferred tax</b>	<b>91.67</b>	<b>3.38%</b>	<b>100.71</b>	<b>3.81%</b>	<b>-8.98%</b>
MAT Credit Entitlement	(12.44)	-0.46%	(5.02)	-0.19%	147.81%
<b>Net Profit from Operations after taxes</b>	<b>381.66</b>	<b>14.06%</b>	<b>334.07</b>	<b>12.62%</b>	<b>14.25%</b>

## INCOME

### Income from Operations

The Company's revenue increased in fiscal year 2016 to ₹ 2,686.20 crore from ₹ 2,594.20 crore in fiscal year 2015, registering a growth of 3.55%. Services revenue was 80.61% of total income (76.37% in fiscal year 2015) and increased by 8.33% from ₹ 2,019.35 crore in fiscal year 2015 to ₹ 2,187.47 crore in fiscal year 2016. Consolidated revenues from sale of products decreased by 12.47% from ₹ 565.38 crore in fiscal year 2015 to ₹ 494.87 crore in fiscal year 2016. Commission income on sale of products decreased to ₹ 3.86 crores in fiscal year 2016 from ₹ 9.47 crore in fiscal year 2015.

### Revenue by Segments:

(Amount in ₹ Crore)

Geography	2015-16	% of Revenue	2014-15	% of Revenue
India	713.77	26.57%	679.95	26.21%
USA	747.14	27.82%	745.80	28.75%
UK	1,039.37	38.69%	975.56	37.61%
Rest of Europe	63.06	2.35%	138.14	5.32%
Rest of the World	122.86	4.57%	54.75	2.11%
<b>Total</b>	<b>2,686.20</b>	<b>100.00%</b>	<b>2,594.20</b>	<b>100.00%</b>

### Other Income

Consolidated 'Other Income' in fiscal year 2016 decreased to ₹ 27.40 crore from ₹ 50.03 crore in fiscal year 2015. In terms of total income, 'other Income' has gone down from 1.89% in fiscal year 2015 to 1.01% in fiscal year 2016. The decrease in other income is mainly due to decrease in interest income from ₹ 25.83 crore in fiscal year 2015 to ₹ 17.98 Crore in fiscal year 2016, dividend from investment in mutual funds has also gone down from ₹ 6.65 crore in fiscal year 2015 to ₹ 2.40 crore in fiscal year 2016, doubtful debts were written back ₹ 5.89 crore in fiscal year 2015, (₹ NIL in fiscal year 2016).

## EXPENDITURE

### Cost of Traded Products

Cost of Traded Products represents cost of products traded during the year under reference. Total cost of traded products in fiscal year 2016 was ₹ 372.48 crore, a decrease of 14.95% over the costs of ₹ 437.97 crore in fiscal year 2015. This decrease is attributable to overall decrease in income from the sale of products. As mentioned earlier, revenues from sale of products decreased to ₹ 494.87 crore in fiscal year 2016 from ₹ 565.38 crore in fiscal year 2015, a decrease of 12.47%.

### Consultancy Fees, Softwares and Others

Consultancy fees represents outsourcing charges paid to the third parties towards various jobs outsourced/services received. The cost of softwares represents the purchase cost of softwares for internal use for enhancing the quality of services and also meeting the needs of the customers. Total consultancy fees, softwares and others in fiscal year 2016 was ₹ 388.36 crore, an increase of 5.67% over the total consultancy fees, softwares and other cost of ₹ 367.53 crore in fiscal year 2015. Total consultancy fees, softwares and others as a percentage of total income was 14.31% in fiscal year 2016 (13.90% in fiscal year 2015).

### Employee Benefit Expenses

The consolidated total employee benefit expenses for fiscal year 2016 was ₹ 1,200.51 crore, an increase of 4.04% over ₹ 1,153.92 crore in fiscal year 2015. Employee costs as a percentage of total income was 44.24% in fiscal year 2016 (43.64% in fiscal year 2015). This increase is attributable to yearly increments & exchange impact on foreign salaries. The number of employees as at March 31, 2016 was 8,087 (7,804 as at March 31, 2015).

### Other expenses

Other Expenses increased from ₹ 194.84 crore in fiscal year 2015 to ₹ 222.36 crore in fiscal year 2016. The increase is primarily due to increase in Rates & taxes from ₹ 2.70 crores in fiscal year 2015 to ₹ 6.59 crore in fiscal year 2016, Travelling and Conveyance from ₹ 55.90 crores in fiscal year 2015 to ₹ 66.75 crores in fiscal year 2016, power & fuel from ₹ 5.59 crores to ₹ 9.31 crores in fiscal year 2016. In terms of total income, other expenses were 7.37% in fiscal year 2015 and 8.34% in fiscal year 2016.

## Profit before Finance cost, Depreciation and amortization and Taxes

The profit before finance cost, depreciation and amortization, taxes (PBIDT) in fiscal year 2016 was ₹ 525.89 crore, an increase of 7.33% from ₹ 489.97 crore in fiscal year 2015. The profit as a percentage of total income was 19.38% in fiscal year 2016 (18.52% in fiscal year 2015). The increase in the PBIDT as a percentage of total income in fiscal year 2015 is attributable to increase in offshore revenues.

## Finance Cost

Finance cost marginally decreased from ₹ 8.99 crore in fiscal year 2015 to ₹ 6.25 crore in fiscal year 2016. In terms of percentage of total income, finance cost has gone down from 0.34% in fiscal year 2015 to 0.23% in fiscal year 2016.

## Depreciation and amortization

Depreciation and amortization charge increased from ₹ 51.22 crore in fiscal year 2015 to ₹ 58.75 crore in fiscal year 2016, an increase of 14.70%. The said charge has gone up since during the year, due to purchase of assets for SEZ III operations in India. The SEZ III operations commenced effective August 1, 2015. In terms of total income the depreciation and amortization charge was 1.94% in fiscal year 2015 and 2.17% in fiscal year 2016.

## Profit before Taxes

The Profit before Taxes in fiscal year 2016 was ₹ 460.89 crore, an increase of 7.24% from ₹ 429.76 crore in fiscal year 2015. In terms of total income the profit went up from 16.24% in fiscal year 2015 to 16.98% in fiscal year 2016.

## Provision for Taxation

Income tax expense comprises tax on income from operations in India and foreign tax jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expenses relating to overseas operations are determined in accordance with tax laws applicable in countries where such operations are carried out. The Company's consolidated tax expense in fiscal year 2016 decreased to ₹ 79.23 crore from ₹ 95.69 crore in fiscal year 2015. This represented 2.92% of the total income in fiscal year 2016 (3.62% in fiscal year 2015). The effective tax rate (total tax expenses including deferred tax and MAT entitlement/profit before tax\*100) in fiscal year 2016 decreased to 17.19% from 22.27% in fiscal year 2015.

## Net Profit after taxes from operations

The Company's net profit after taxes from operations (Consolidated) registered a growth of 14.25% from ₹ 334.07 crore in fiscal year 2015 to ₹ 381.66 crore in fiscal year 2016. Net profit margin on the total income went up from 12.62% in fiscal year 2015 to 14.06% in fiscal year 2016, an increase in net profit margin by 1.44%.

## FINANCIAL POSITION - Tata Technologies Ltd. (CONSOLIDATED)

### Share Capital

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Authorized :</b>		
60,000,000 ordinary shares of ₹ 10/- each (P.Y. 60,000,000 ordinary shares of ₹ 10/- each)	<b>60.00</b>	60.00
700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each. (P.Y. 700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each)	<b>0.70</b>	0.70
<b>Total</b>	<b>60.70</b>	60.70
Issued, Subscribed and Paid-up :		
43,024,638 equity shares of ₹ 10/- each (P.Y. 43,024,638 equity shares of ₹ 10/- each)	<b>43.02</b>	43.02
<b>Total</b>	<b>43.02</b>	43.02

During the year, the Company did not increase authorized capital of ordinary shares and Cumulative Non Participative Compulsory Convertible Preference Shares. The authorized equity share capital as on March 31, 2016 was ₹ 60 crore, divided into 60 Mn equity shares of ₹ 10 each (₹ 60 crore as at March 31, 2015, divided into 60 Mn equity shares of ₹ 10 each). The issued, subscribed and paid-up share capital as on March 31, 2016 was ₹ 43.02

crore. During the year, the Company has not issued equity shares. Consequently, there is no change in the issued, subscribed and paid up capital of the Company as compared to March 31, 2015.

### Reserves and Surplus

A summary of Reserves and Surplus is given below:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Securities Premium	350.52	350.51
Capital Reserve	0.63	0.63
Translation Reserves	96.09	65.18
General Reserves	134.83	111.83
Legal Reserves	1.05	0.44
Surplus i.e. balance in Profit and loss account	670.35	493.55
<b>Total</b>	<b>1,253.47</b>	<b>1,022.14</b>

Securities Premium Account as on March 31, 2016 stood at ₹ 350.52 crore. As on March 31, 2015 the balance in this account stood at ₹ 350.51 crore. The additions (net) to the share premium account of ₹ 0.0054 crore during the year is on account of collections against provisions for doubtful debts which were adjusted against securities premium in earlier years.

During 2010, based on the approval of Shareholders of the Company at the Extra-Ordinary General Meeting held on March 5, 2010 and the Order of the Honourable High Court of Judicature at Mumbai dated April 16, 2010, the Company had utilized balance in the securities premium account to the tune of ₹ 46.66 Crore towards one time charges/cost (including change in accounting policy for provision for doubtful debts) incurred by the Company and its subsidiary companies. The amounts relating to the Company amounting to ₹ 17.32 Crore had been adjusted to the Securities Premium Account. An amount of ₹ 29.34 Crore equivalent to the total amount of adjustments relating to the subsidiaries had been identified and segregated from the balance in the Securities Premium Account for adjustment on consolidation. Of this total adjustment made, ₹ 1.58 Crore and ₹ 16.58 Crore related to provision for doubtful debts of the Company and its subsidiary companies respectively on account of change in accounting with regard to provision for doubtful debts.

During the year ended March 31, 2016, the Company and its subsidiary companies have received amounts aggregating to ₹ 0.01 crore (₹ 0.01 crore for the year ended March 31, 2015) against the balances adjusted in the Securities Premium Account as above. Consequently, such excess provisions for doubtful debts on account of the said collections have been written back to the Securities Premium Account. Since realisation of doubtful debts provided for the adjustments above upto March 31, 2016 amounted to ₹ 6.18 Crore (₹ 6.18 Crore as on March 31, 2015) relating to the subsidiaries. Accordingly, balance amount of ₹ 23.16 Crore relating to the subsidiaries is continued to be disclosed separately as securities premium account for adjustment on consolidation.

Capital Reserve Account as on March 31, 2016 and as at March 31, 2015 stood at ₹ 0.63 crore. There is no change in the said balance as compared to previous year.

Out of the profits in fiscal year 2016, an amount of ₹ 23 crore (₹ 21 crore in fiscal year 2015) was transferred to General Reserves resulting in a closing balance of ₹ 134.83 crore as on March 31, 2016 (₹ 111.83 crore as on March 31, 2015).

The balance in the Profit and Loss Account as on March 31, 2016 stood at ₹ 670.35 crore (₹ 493.55 crore as on March 31, 2015), after providing interim and final dividend of ₹ 150.59 crore and dividend tax of ₹ 30.66 crore thereon. The total amount of profits appropriated to dividends including dividend tax was ₹ 181.25 crore as compared to ₹ 386.84 crore in the previous year.

For the purpose of consolidation, the financial statements of foreign subsidiaries have been translated into its immediate parent companies currency and the same has been on the following basis:

All income and expenses items are converted at the average rate of exchange applicable for the year. All assets and liabilities are translated at the closing rate as on the balance sheet date. The resulting exchange differences on account of translation at the year-end are transferred to translation reserve. As a result, Translation Reserve

Account as on March 31, 2016 stood at ₹ 96.09 crore. As on March 31, 2015 the balance in this account stood at ₹ 65.18 crore. This has increased as compared to previous year due to exchange fluctuations.

## Non-Current Liabilities

A summary of Non-Current Liabilities is given below:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Long-term Borrowings	79.56	154.14
Deferred Tax Liabilities (Net)	2.61	4.22
Trade Payables		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2.35	1.59
Long-term Provisions	15.42	14.96
<b>Total</b>	<b>99.94</b>	<b>174.91</b>

As mentioned elsewhere in this discussion, all liabilities other than current liabilities have been classified as non-current liabilities. Long term borrowings as at the end of fiscal year 2016 aggregated ₹ 79.56 crore (₹ 154.14 crore at the end of fiscal year 2015). The decrease is due to repayment of loan from Bank of America.

### Deferred Tax Liabilities (Net)

As stated in Notes No.6, deferred tax assets and liabilities are offset, tax jurisdiction wise. Note No. 6 brings out details of component wise deferred tax balances where the net value result into liability or asset, jurisdiction wise. The deferred tax liability (net) was ₹ 2.61 crore as at March 31, 2016. (₹ 4.22 crore as at March 31, 2015)

### Trade Payables

Trade payables are dues in respect of goods purchased or services received (including from employees, professionals and others under contract) in the normal course of business. Trade Payables shown under noncurrent liabilities represents amount payable towards retention bonus to certain employees and payable to certain creditors due after one year. Trade payables were ₹ 2.35 crore as at March 31, 2016 (₹ 1.59 crore as at March 31, 2015)

### Long Term Provisions

Long term provisions primarily represent provisions made towards certain employee benefits-(non- funded) such as bhavishya kalyan yojana, medicare, leave encashment etc. Long term provisions as at March 31, 2016 were ₹ 15.42 crore (₹ 14.96 crore as at March 31, 2015). The said amount has been accounted based on an independent actuarial valuation as at the end of the year.

### Current liabilities

A summary of Current Liabilities is given below:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Short-term Borrowings from Banks	236.87	131.25
Trade Payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises	303.98	351.12
Total outstanding dues of micro enterprises and small enterprises	2.06	3.44
Other Current Liabilities	204.72	201.89
Short-term Provisions	108.31	316.22
Income Tax Liabilities (Net)	37.39	43.85
<b>Total</b>	<b>893.33</b>	<b>1,047.77</b>

### Short Term Borrowings from banks

Short term borrowings from banks represent secured and unsecured loans taken from banks by way of post

shipment and pre shipment loans and cash credit borrowings. Short term borrowings from banks were ₹ 236.87 crore as at March 31, 2016 (₹ 131.25 crore at March 31, 2015). The increase is due to cash credit facility taken from Bank of America of USD 4 Mn.

#### **Trade Payables**

Trade payables are dues in respect of goods purchased or services received (including from employees, professionals and others under contract) in the normal course of business. Trade Payables in respect of dues other than micro and small enterprises were ₹ 303.98 crore (₹ 351.12 crore as at March 31, 2016). Trade Payables in respect of dues to micro and small enterprises were ₹ 2.06 crore as at March 31, 2016 (₹ 3.44 crore as at March 31, 2015).

#### **Other Current Liabilities**

Major portion of other current liabilities represents current maturities of long term debts, dues payable to statutory authorities and advance and progress payments. Other current liabilities at the end of fiscal year 2016 aggregated ₹ 204.72 crore (₹ 201.89 crore at the end of fiscal year 2015). The said amount has gone up primarily due to increase in current maturities of long term debts as at March 2016 was ₹ 79.56 crore (₹ 77.01 crore in fiscal year 2015).

#### **Short Term Provisions**

Short term provisions represents provisions made towards employee benefits (current portion), provision for final dividend and dividend tax on final dividend. Short term provisions as at March 31, 2016 was ₹ 108.31 crore (₹ 316.22 crore as at March 31, 2015). The said amount has been accounted based on an independent actuarial valuation as at the end of the year.

#### **Income Tax Liability (Net)**

Income Tax liabilities (net) as on March 31, 2016, was ₹ 37.39 crore (₹ 43.85 crore as on March 31, 2015). Income tax provisions/liabilities have been made based on the applicable tax laws.

#### **Fixed Assets**

Addition to the Gross Block of tangible assets excluding capital work-in progress and exchange fluctuations in fiscal year 2016 amounted to ₹ 56.97 crore (₹ 28.46 crore in fiscal year 2015). Details of additions in fiscal 2016 were as under:

- (a) Buildings ₹ 0.72 crore (₹ 1.28 crore in fiscal year 2015)
- (b) Freehold land ₹ 16.70 crore (₹ Nil in fiscal year 2015)
- (c) Plant and machinery-owned ₹ 4.24 crore (₹ 1.81 crore in fiscal year 2015)
- (d) Plant and machinery leased ₹ NIL (₹ 0.09 crore in fiscal year 2015)
- (e) Computers ₹ 25.88 crore (₹ 21.64 crore in fiscal year 2015)
- (f) Furniture and fixtures ₹ 5.18 crore (₹ 2.42 crore in fiscal year 2015)
- (g) Vehicles ₹ NIL (₹ 0.42 crore in fiscal year 2015)
- (h) lease hold improvements ₹ 4.25 crore (₹ 0.80 crore in fiscal year 2015)

The amount in capital work-in-progress was ₹ 5.26 crore as on March 31, 2016 (₹ 3.16 crore as on March 31, 2015). The Company has a capital commitment towards tangible assets of ₹ 8.17 crore as at March 31, 2016 as compared to ₹ 20.10 crore as at March 31, 2015. The major portion of capital work in progress represents assets procured for industrial shed and pump house at Hinjewadi office.

Intangible assets as at March 31, 2015 primarily represent cost of software licenses (other than internally generated). During the year, the Company added ₹ 44.66 crore to the gross block of intangible assets (software licenses). During the previous year, the Company added ₹ 28.55 crore to gross block assets of the Company. The Company has a capital commitment of ₹ 4.25 crore as at March 31, 2016 as compared to ₹ 8.53 crore as at March 31, 2015 towards intangible assets.

#### **Goodwill on Consolidation**

Goodwill on consolidation as at March 31, 2016 was ₹ 650.93 crore (₹ 623.35 crore as at March 31, 2015). This amount is appearing on account of INCAT acquisition and Cambric acquisition. For the purpose of consolidation, the said amount has been translated. Consequently, on account of translation impact there is a movement in this account in fiscal year 2016 as compared to fiscal year 2015. Goodwill is tested for impairment. The management does not foresee any risk of impairment on the carrying value of goodwill as at March 31, 2016. Details of the movement have been provided in the notes to accounts of consolidated financial statements.

## Non-Current Investments

Non-Current Investments are typically investments in long -term funds/bonds to gainfully use the excess cash balance with the Company. Investments in bonds, preference shares and mutual funds aggregated ₹ 10.00 crore as on March 31, 2016 (₹ 20.00 crore as on March 31, 2015).

## Deferred Tax Asset (Net)

Deferred tax asset (net) as at March 31, 2016 was ₹ 3.57 crore (₹ 10.26 crore as at March 31, 2015). Details of deferred tax asset have been given in Note 6 of the financial statements of the Company.

## Long Term Loans and Advances

Long Term Loans and Advances as at March 31, 2016 was ₹ 63.38 crore (As at March 31, 2015 was ₹ 58.46 crore). The said amount has gone up due to increase of MAT credit entitlement of ₹ 17.46 crores in fiscal year 2016 (₹ 5.02 crore in fiscal year 2015) and decrease in loans to others from ₹ 42.14 crore in fiscal year 2015 to ₹ 33.81 crore in fiscal year 2016.

## Income Tax Assets (net)

Income tax assets (net) were ₹ 37.53 crore as at March 31, 2016 (₹ 33.65 crore as at March 31, 2015). Income tax assets (net) have increased as compared to the previous year due to excess of withholding tax from the customers than the provision for income tax.

## Current assets

A summary of Current assets is given below:

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Current Investments	58.47	261.87
Inventories	-	0.75
Trade Receivables	447.11	363.42
Cash and Bank Balances	581.37	485.33
Other Current Assets	94.11	78.07
Short-term loans and advances	161.20	201.30
Current Income Tax Assets	12.86	6.88
<b>Total</b>	<b>1,355.12</b>	<b>1,397.62</b>

## Current Investments

Current Investments are typically investments in short -term funds to gainfully use the excess cash balance with the Company. Current Investments as at March 31, 2016 was ₹ 58.47 crore (₹ 261.87 crore as at March 31, 2015).

## Inventories

The Company had inventories of ₹ NIL as at March 31, 2016 (₹ 0.75 crore as at March 31, 2015). The inventory constitutes hardware and software products.

## Trade Receivables

Trade receivables as at March 31, 2016 aggregated ₹ 447.11 crore (net of provision for doubtful debts) (₹ 363.42 crore as at March 31, 2015). As a percentage of total income, sundry debtors were at 16.48% as at March 31, 2016 as compared to 13.74% as at March 31, 2015. The Company provides provision for doubtful debts as a percentage of the outstanding debts based on ageing. The cumulative provision towards bad and doubtful debts as on March 31, 2016 stood at ₹ 9.24 crore (₹ 7.20 crore as at March 31, 2015).

## Cash and Bank Balances

Cash and bank balances include cash and cash equivalents and other bank balances. The Company's Cash and Bank balance of ₹ 581.37 crore as on March 31, 2016 (₹ 485.33 crore as on March 31, 2015). The cash and cash equivalents aggregated ₹ 447.91 crore as on March 31, 2016 (₹ 320.43 crore as on March 31, 2015). Other bank balances at the end of fiscal year 2016 aggregated ₹ 133.46 crore (₹ 164.90 crore at the end of fiscal year 2015).

## Other Current assets

Other current assets as on March 31, 2016 were ₹ 94.11 crore (₹ 78.07 crore as at March 31, 2015). Significant items of other current assets were increase in unbilled revenue ₹ 36.88 crore (₹ 27.79 crore as at March 31, 2015), bills of exchange ₹ 26.11 crore (₹ 4.87 crore as at March 31, 2015) and decrease in prepaid expense ₹ 21.84 crore as at March 31, 2016 (₹ 33.85 crore as at March 31, 2015).

**Short term Loans and advances**

Short term loans and advances as on March 31, 2016 were ₹ 161.20 crore (₹ 201.30 crore as at March 31, 2015).

Major portion of short term loans and advances relates to inter corporate deposits ₹ 153.00 crore as at March 31, 2016 (₹ 196.50 crore as at March 31, 2015)

**Current Income Tax Assets**

Current Income Tax as on March 31, 2016 were ₹ 12.86 crore (₹ 6.88 crore as at March 31, 2015).

**Cash Flow - Tata Technologies Ltd. (Consolidated)**
**Cash Flow from Operating Activities (Consolidated)**

(Amount in ₹ Crore)

Particulars	2015 -16	2014 - 15	Increase/ (Decrease)
Net Profit after Taxation and Extraordinary Items	381.66	334.07	47.59
Depreciation and amortization	58.75	51.22	7.53
Disallowance of TDS Abroad	0.30	0.23	0.07
Provision for Wealth Taxes	-	0.01	(0.01)
Provision for Income Tax and MAT entitlement	73.53	90.56	(17.03)
Provision for Deferred Tax	5.70	5.13	0.57
Dividend income on investments	(3.23)	(7.07)	3.84
(Profit)/Loss on sale of Investment	(2.68)	(7.11)	4.43
(Profit)/Loss on Sale of Tangible and Intangible Fixed Assets	(0.01)	(0.02)	0.01
Finance Costs	6.25	8.99	(2.74)
Interest Income	(18.53)	(26.38)	7.85
Unrealised exchange Loss / (Gain)	0.61	(0.90)	1.51
Effect of exchange differences on translation of foreign currency cash & cash equivalent	(4.21)	(4.33)	0.12
Allowances for doubtful debts	1.68	2.38	(0.70)
<b>Operating profit before Working Capital Changes</b>	<b>499.82</b>	<b>446.78</b>	<b>53.04</b>
Effects of working capital changes	(173.63)	(79.53)	(94.10)
Income Taxes paid (net)	(91.32)	(68.48)	22.84
<b>Net cash flow (used in)/generated from operating activities</b>	<b>234.87</b>	<b>298.77</b>	<b>(63.90)</b>

As can be seen from the above table, in fiscal year 2016, the Company generated net cash of ₹ 234.87 crore (₹ 298.77 crore in fiscal year 2015) from operating activities.

## Cash Flow from Investing Activities (Consolidated)

(Amount in ₹ Crore)

Particulars	2015-16	2014-15	Increase/ (Decrease)
Proceeds from sale of Tangible and Intangible Fixed Assets	17.14	0.38	16.76
Dividend Received	0.83	0.42	0.41
Income from sale of Investment	2.68	7.08	(4.40)
Interest received on bank deposit and others	6.87	3.08	3.79
Payment for Purchase of Tangible and Intangible Fixed Assets	(91.46)	(60.98)	(30.48)
Inter corporate deposits placed	(1,198.80)	(1,080.90)	(117.90)
Inter corporate deposits refunded	1,242.30	884.40	357.90
Loans to others	8.34	(8.86)	17.20
Interest received from intercorporate deposits	11.28	21.30	(10.02)
Purchase of Mutual Fund	(169.90)	(668.13)	498.23
Sale of Mutual funds	385.70	895.82	(510.12)
Addition to Fixed Deposit with banks (net) having maturity over three months	(216.83)	(165.52)	(51.31)
Repayment of Fixed Deposit with banks (net) having maturity over three months	248.60	5.99	242.61
<b>Net cash flow (used in)/generated from investing activities</b>	<b>246.75</b>	<b>(165.92)</b>	<b>412.67</b>

In fiscal year 2016 the Company generated net cash of ₹ 246.75 crore on investment activities (₹ 165.92 crore cash used in fiscal year 2015).

## Consolidated Cash Flow from financing activities

(Amount in ₹ Crore)

Particulars	2015-16	2014-15	Increase/ (Decrease)
Share application money received pending allotment	0.19	-	0.19
Interest Paid	(6.22)	(9.14)	2.92
Dividends Paid (including Dividend Tax)	(388.06)	(166.42)	(221.64)
Proceeds from Short Term borrowings	683.60	218.30	465.30
Repayment of Short Term borrowings	(579.66)	(220.49)	(359.17)
Proceeds from Long Term borrowing	-	231.05	(231.05)
Repayment of Long Term borrowings	(79.59)	(291.66)	212.07
<b>Net cash flow (used in)/generated from financing activities</b>	<b>(369.74)</b>	<b>(238.36)</b>	<b>(131.38)</b>

In fiscal year 2016, the Company used in ₹ 369.74 crore on financing activities (₹ 238.36 crore in fiscal year 2015) As can be seen from the above, the significant item of cash used in financing activities was on account payment of dividend and tax thereon ₹ 388.06 crore (₹ 166.42 crore in fiscal year 2015).

## Cash Position

Cash and cash equivalents as on March 31, 2016 amounted to ₹ 828.95 crore (₹ 968.57 crore as at March 31, 2015). Cash and cash equivalents include investments in preference shares, bonds, mutual funds, inter corporate deposits, deposits with financial institutions and bills of exchanges.

## Corporate Governance Report

### 1. PHILOSOPHY

The philosophy and ultimate goal at Tata Technologies is to serve corporate purposes for enhancing the long term value of the organization for its stakeholders, by providing a framework within which stakeholders can pursue the objectives of the organisation most effectively. The foundation of this is laid in the Tata group's governing principle of trusteeship. It is the acceptance by management of the inalienable rights of shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders.

The leadership at Tata Technologies believes in 'Change for the Better' with strong emphasis on sustainable growth, customer satisfaction, and increase in the stakeholder value. Our culture is embedded with commitment to employees, commitment to communities, hiring from local communities and dedication to customers. It unites and motivates us:

- to do the right thing;
- to help our customers and communities; and
- to realize potential

From these beliefs arises our shared philosophy of 'Empowerment with Disclosure' that requires our people to:

- be authentic and respectful;
- work together; and
- create value through excellence

For Tata Technologies, Corporate Governance implies observance of certain basic principles of ethical growth and is more than just mere compliance with global standards of governance and disclosure. Tata Technologies' leadership team is committed to manage the Company in accordance with the organization's Vision, Mission and Values. This approach seeks to ensure that our beliefs and behaviors are embedded in our everyday decision making and our longer-term planning for the future. This approach is centered around the following core commitments:

<b>TATA TECHNOLOGIES</b> <i>Make it real. Make it better.</i>
<b>VISION:</b> To bring better products to market for our customers and for the millions of people around the world who benefit from them.
<b>PURPOSE:</b> Better To make product development dreams become reality.
<b>MISSION:</b> To transform product development through deep industry knowledge combined with intelligently different approaches to technology, process, innovation, and execution.

Effective governance and sustainability are increasingly important considerations for governments, organizations, business leaders, investors, customers, and many other stakeholders throughout the world. Corporate Governance is a set of principles, policies, processes and practices' affecting the way a corporation is run and which helps it fulfil responsibilities to all its stakeholders; shareholders, employees, customers, suppliers, government and society at large. It is about how an organization is managed.

Though the Company is not listed and the statutory guidelines on Corporate Governance are not applicable, the Company has voluntarily opted for adoption of various Corporate Governance measures. There have been continuous efforts made to improve and increase the Corporate Governance measures in the recent years, which include among others improved Board reporting, building a strong ethics culture with increased focus on implementation of the Tata Code of Conduct, adoption of Anti-Bribery Policy, Gift Policy, Legal Compliances and Audits and commitment to Corporate Sustainability.

## 2. BOARD OF DIRECTORS

As a guard of the Company's Corporate Governance practices, the Board of Directors of the Company protects the long-term interests of stakeholders of the Company. The Board is the representative of the shareholders to achieve the overall purpose of the organization.

The Board is primarily responsible to provide and evaluate the strategic direction of the Company, management policies and their effectiveness. The Board's responsibilities further include overseeing the functioning of the Company's top management, monitoring legal compliance and management of the risks related to the Company's operations.

At present the Board consists of Six Directors. The Company has an optimum mix of Executive and Non-Executive Directors' including Independent Directors with around eighty-three percent of the Directors being Non-Executive. The Non-Executive Directors represent various fields with expertise in their respective areas and their positive contribution helps the Company to define effective strategies for future growth. The Managing Director along with Executive Management Team in turn implements and monitors the operational strategies, plans, systems and processes to enable the Company to achieve the goals set by the Board.

The calendar of the Board Meetings for the whole year is finalized in advance at the start of the year in consultation with all of the Board members. The relevant background materials and information on the agenda items are distributed to the Board members in advance of meetings. All the Committees of the Board report to the Board. The minutes of their meetings are placed before the Board regularly. The Committees also bring to the Board all those matters considered by them to be of special significance. The Board meets the members of the senior management of the Company from time to time. A summary of the Board Decisions made in the last two years is being placed before every quarterly Board Meeting as a good governance practice.

The Board met nine times during the financial year 2015-16 on May 15, 2015, June 08, 2015, June 26, 2015, July 30, 2015, October 08, 2015, October 29, 2015, January 29, 2016, February 17, 2016 and March 31, 2016. The time gap between two meetings was less than 120 days. The quorum of the meetings is either two members or one-third of the members of the Board, whichever is higher. The attendance of the Directors of the Board meetings held during the year is as follows:

Name	Designation	No. of Board Meetings	
		Held	Attended
S Ramadorai	Non-Executive Chairman	9	9
R Gopalakrishnan*	Non-Executive Director	9	4
Praveen Kadle	Non-Executive Director	9	6
C Ramakrishnan	Non-Executive Director	9	7
Falguni Nayar	Non-Executive Independent Director	9	9
Rakesh Makhija	Non-Executive Independent Director	9	7
Warren Harris	CEO & Managing Director	9	9

\* Mr R Gopalakrishnan attended only four meetings as he stepped down from the Board in accordance with the Tata Sons Ltd., retirement policy w.e.f. December 26, 2015.

Mr C Ramakrishnan is liable to retire at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment. Attention of the Members is invited to the relevant item in the Notice of the Annual General Meeting seeking the approval on his reappointment.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all companies in which one is a Director. Chairmanship/Membership of Board Committees for

this includes only Audit and Shareholders' Grievance Committees. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2016 have been made by the Directors.

Independent Directors met one time during the financial year 2015-16 on March 31, 2016. The meeting was held without the attendance of non-independent directors and members of the management of the Company. The Independent directors reviewed the performance of the Board as whole, and Committees of the Board.

#### **INFORMATION REGARDING DIRECTORS:**

**Mr Ramadorai**, 71, has been in public service since February 2011. Currently he is the Chairman of National Skill Development Agency (NSDA) in the rank of a Cabinet Minister. NSDA is an autonomous body that coordinates and harmonizes the skill development efforts of the Government and the private sector to achieve the skilling targets of the nation. He is also Chairman of the National Skill Development Corporation (NSDC), a one of its kind, Public Private Partnership in India, under the Ministry of Skill Development & Entrepreneurship that aims to promote skill development by catalyzing creation of large, quality, for-profit vocational institutions.

He took over as the CEO of Tata Consultancy Services (TCS) in 1996 when the company's revenues were at \$ 155 million and since then led the company through some of its most exciting phases, including its going public in 2004. In October 2009, he retired as CEO, leaving a \$ 6 billion global IT services company to his successor. He was then appointed as the Vice Chairman and held office until he retired in October 2014, after an association of over 4 decades with the Company.

Mr Ramadorai is currently the Chairman of AirAsia (India), Tata Advanced Systems Limited, Tata Technologies Limited and Tata STRIVE, which is the Tata Group's CSR skill development initiative that aims to address the pressing national need of skilling youth for employment, entrepreneurship and community enterprise. Recently, in March 2016, he retired as the Chairman of the Bombay Stock Exchange (BSE Limited) after having served for a period of 6 years on the board. He continues to be an Independent Director on the Boards of Hindustan Unilever Limited, Asian Paints Limited and Piramal Enterprises Limited.

Given his keen passion to work for the social sector and community initiatives, he also serves as the Chairman on the Council of Management at the National Institute of Advanced Studies (NIAS) and the Chairman of the Governing Board at the Tata Institute of Social Sciences (TISS). He is also the President of the Society for Rehabilitation of Crippled Children (SRCC) - which is building a super speciality children's hospital in Mumbai.

In recognition of Ramadorai's commitment and dedication to the IT industry he was awarded the Padma Bhushan (India's third highest civilian honour) in January 2006. In April 2009, he was awarded the CBE (Commander of the Order of the British Empire) by Her Majesty Queen Elizabeth II for his contribution to the Indo-British economic relations. In 2016, he was also awarded The Economic Times - Lifetime Achievement Award for his glorious contribution to Tata Consultancy Services.

His academic credentials include a Bachelor's degree in Physics from Delhi University (India), a Bachelor of Engineering degree in Electronics and Telecommunications from the Indian Institute of Science, Bangalore (India) and a Master's degree in Computer Science from the University of California - UCLA (USA). In 1993, Ramadorai attended the Sloan School of Management's highly acclaimed Senior Executive Development Program.

Ramadorai is a well-recognized global leader and technocrat who has participated in the Indian IT journey from a mere idea in 1960's to a mature industry today. Ramadorai captured this exciting journey in a wonderfully personalized book titled 'The TCS Story...and beyond' which was published in 2011 and remained on top of the charts for several months.

Among his many interests, Ramadorai is also passionate about photography and Indian classical music.

#### **Other Directorships:**

**Public Companies:** Hindustan Unilever Limited, Piramal Enterprises Limited, Tata Advanced Systems Limited, Asian Paints Limited, Tata Lockheed Martin Aero structures Limited, Tata Sikorsky Aerospace Limited, Tata Boeing Aerospace Limited and Air Asia (India) Limited

**Private Companies:** National Skill Development Corporation

**Non-Profit making Companies:** Breach Candy Hospital Trust, Teach to lead, Tata Institute of Social Sciences, National Institute of Advanced Studies (NIAS), Childline India Foundation, Council on Energy Environment and Water, Tata Strive, Anwasha Trust and Society for Rehabilitation of Crippled Children (SRCC)

**Memberships and Chairmanships of Audit Committee in other Public Companies:** Hindustan Unilever Limited

Mr Ramadorai held 132,000 equity shares of the Company as of March 31, 2016 constituting 0.31% of the paid-up capital of the Company. No new stock options were granted to him and no stock options were exercised by him during the year ended March 31, 2016.

**Mr Warren Harris**, 53, Warren Harris has been with Tata Technologies and its predecessor companies for more than 25 years. His roles have evolved from engineer to a number of technical management positions worldwide.

In 1998, Mr. Harris was named CEO of INCAT (acquired by Tata Technologies) and served on its Board of Directors. He managed a worldwide expansion initiative, overseeing a merger that established the company as a major force in the U.S. In 2003, he launched a joint venture in Japan that became the foundation of Tata Technologies' expansion in the Asia-Pacific region. Mr. Harris also was the driving force behind the 2013 acquisition of Cambric Corp., which solidified Tata Technologies' position in the industrial heavy machinery engineering services market as well as added an Eastern European delivery center to the Company's growing global footprint.

Mr. Harris is a recognized authority on global manufacturing. His expertise has been leveraged by media organizations including BusinessWeek, Crain's Detroit Business, Automotive News, The Detroit Free Press, Gannett News Service and Automotive Engineering International. He also has contributed his insights to the book, "Globality - Competing With Everyone From Everywhere For Everything."

In addition, he has presented to the National Academy of Sciences, Cambridge University, The Center for Automotive Research, the Society of Automotive Engineers; as well as at international forums hosted by Frost & Sullivan, and McKinsey & Company.

Mr. Harris holds a Bachelor of Engineering Degree (Honors), earned in 1986 from the University of Wales Institute of Science and Technology. He is a member of the Institute of Mechanical Engineers and is a Chartered Engineer. In October 2011, Mr. Harris graduated from the Harvard Business School Advanced Management Program. In 2013, Mr. Harris was appointed to the Board of Overseers of the Malcom Baldrige National Quality Award. Mr. Harris is Chairman of the North America Tata Network Forum, a platform for dialogue between the leaders of Tata Group's North American businesses.

**Other Directorships:**

**Public Companies:** Nil

**Foreign Companies:** Tata Technologies Europe Limited, INCAT International Plc., Tata Technologies Inc., Tata Technologies de Mexico SA de SV, Tata Technologies (Canada), Inc., Cambric Limited, Cambric GmbH, Cambric UK Limited and Midwest Managed Services.

**Mr Praveen P Kadle**, 59, is the founding Managing Director and CEO of Tata Capital, a leading non-banking finance Company ("NBFC"), and a member of its Board of Directors. Tata Capital, founded in 2007, is Tata's foray into the financial services space covering products and services ranging from retail and commercial lending, distribution and broking and wealth management to investment banking and private equity. A subsidiary of Tata Sons Limited, the Company has an asset book of over USD 6.5 Bn and Private Equity Asset under management aggregating to USD 1 Bn.

Mr. Kadle has held various leadership positions at the Tata Group in the last 24 years. Prior to Tata Capital, he played a key role at Tata Motors as the Executive Director - Finance & Corporate Affairs, through a challenging phase as it transitioned from an Indian commercial vehicle manufacturer to a global auto maker. During his tenure at Tata Motors (1996-2007), Mr Kadle was a part of the senior leadership team that managed cross-border acquisitions like Daewoo Truck Company of S.Korea, Incat Technologies and Jaguar-Land Rover, both from UK. Mr. Kadle was also instrumental in setting up and guiding the operations of Tata Technologies and TELCON (a Tata Motors - Hitachi JV) which have become market leaders in the engineering design space and the construction equipment business respectively in India. Prior to Tata Motors, Mr. Kadle was the Chief Financial Officer of Tata's Joint Venture with IBM in India.

Mr Kadle is a Board member on various Tata and non-Tata companies. He contributes to many industry and economic bodies, both domestic and international, including a position on the Advisory Board of Japan's Institute for Indian Economic Studies (IIES). Additionally, he is also actively involved with various Public Charitable institutions, notably as the Board Member and Honorary Treasurer of Child Rights and You (CRY).

Mr. Kadle was awarded the prestigious 'Indian Business Leader of the Year 2015' by Horasis - The Global Visions Community, an independent international organization. He is the recipient of many awards, including 'Best Performing CFO in the Auto & Auto Ancillaries sector for 2006' in India by CNBC-TV18; 'Best CFO of the year 2005' in India by Business Today; 'CFO of the year 2004' by IMA. He was also inducted as a Founding member to the CFO Hall of Fame in India.

Mr. Kadle is an Honors graduate in Commerce and Accountancy from the University of Mumbai and is a member of the Institute of Chartered Accountants of India, Cost and Works Accountants of India and Company Secretaries of India.

Outside of his professional interests, he is a classical music aficionado, an ardent cricket enthusiast and an avid supporter of art and culture.

**Other Directorships:**

**Public Companies:** Tata Capital Limited, Tata Securities Limited, Tata Capital Housing Finance Limited, Tata Autocomp Systems Limited, Tata Capital Financial Services Limited, International Paper APPM Limited, Tata Cleantech Capital Limited, Tata Water Oil Co. (India) Limited and Tata Business Support Services Limited

**Private Companies:** International Asset Reconstruction Company Private Limited

**Limited Liability Partnerships:** Designated partner at Shivakrthi Realtors LLP

**Foreign Companies:** INCAT International Plc, UK, Tata Technologies Inc. USA, Tata Technologies Pte Limited, Singapore, Tata Capital Pte Limited, Singapore, Tata Capital Markets Pte Limited, Singapore, Tata Capital Advisor Pte Limited, Singapore, Tata Technologies Europe Limited, UK and Tata Capital Plc, UK

**Memberships of Audit Committee in other Public Companies:** International Paper APPM Limited

Mr Kadle held 139,200 equity shares of the Company as on March 31, 2016, constituting 0.32% of the paid-up capital of the Company. No stock options were exercised by him and no new stock options were granted to him during the year ended March 31, 2016.

**Mr C Ramakrishnan**, 60, now Group Chief Financial Officer at Tata Motors Limited, joined Tata Motors Limited in 1980 and has managed several responsibilities, including in the areas of Accounts, Corporate Treasury and Management Reporting. Following a two-year company-wide IT project responsibility covering R&D, Manufacturing, Sourcing and Sales & Service, he joined the Tata Group Chairman's Office for more than 7 years before being appointed as the Chief Financial Officer of Tata Motors Limited. As the Chief Financial Officer of Tata Motors Limited, he is responsible for Finance, Accounts, Taxation, Business Planning, Investor Relations, Treasury and I.T. He holds a Bachelor's degree in Commerce and is a Chartered Accountant and a Cost Accountant.

He was awarded the Indian Industries Best CFO Award on CNBC TV18 CFO awards held in October 2010 and was also conferred with the CFO of the year for India award, by Asset Triple A Transaction Banking Awards 2011.

The Institute of Chartered Accountants of India (ICAI) has conferred Mr. C. Ramakrishnan with the prestigious Business Achiever Award 2011, in the industry category. This award is the highest honour from the Institute to Chartered Accountants for contributions and achievements beyond Finance in business strategy and growth.

In April 2012, he was conferred with the Business Today - Yes Bank India's Best CFO of the year 2011-12 and was also presented with the Best Transformation Agent Award in the large companies' category.

On September 6, 2013, appointed on the Academic Advisory Committee of Birla Institute of Management Technology.

**Other Directorships:**

**Public Companies:** Tata Motors Finance Limited and Tata Motors Finance Solutions Limited

**Private Companies:** Tata Cummins Private Limited

**Foreign Companies:** Tata Hispano Motors Carrocera SA Spain, TML Holdings Pte Limited, Singapore, Tata Motors (Thailand) Limited, Thailand, Tata Daewoo Commercial Vehicle Company Limited, South Korea, Tata Motors (SA) (Proprietary) Limited, South Africa and Jaguar Land Rover Automotive PLC, U.K

**Memberships and Chairmanships of Audit Committee in other Public and or Private Companies:** Tata Cummins Private Limited, Tata Motors Finance Limited, Jaguar Land Rover Automotive Plc. U.K and Tata Motors Finance Solutions Limited.

Mr. Ramakrishnan held 44,200 equity shares of the Company as on March 31, 2016, constituting 0.10% of the paid-up capital of the Company. No stock options were exercised by him and no new stock options were granted to him during the year ended March 31, 2016.

**Ms Falguni Nayyar**, 53, spent over 19 years with Kotak Mahindra Bank with the last 6 years as Managing Director and CEO of Kotak Investment Bank. She is currently the founder and CEO of Nykaa.com, a premier online beauty and wellness retailer. With over 400 brands and 45,000 products, Nykaa.com offers a comprehensive selection of makeup, skincare, hair care, fragrances, bath and body and luxury products. Nykaa is committed to helping contemporary Indian women and men make beauty and wellness choices best suited to their needs and stage of life, whether it is products, advice, content, tools and services. Nykaa.com has sold 2 million products to date, with over 5 million visitors to the site every month.

Falguni has received many accolades through her career including the FICCI Ladies Organization (FLO) award for top woman achiever in the field of Banking in 2008 and Business Today award recognizing her as top 25 women in Business in 2009 and 2011. Prior to joining the Kotak Mahindra Bank, Falguni worked as a consultant with A. F. Ferguson & Co.

She holds a Master's degree in Management from the Indian Institute of Management, Ahmedabad, where she majored in Finance. She graduated with a Bachelor of Commerce degree from Sydenham College of Commerce and Economics.

**Other Directorships:**

**Public Companies:** Tata Motors Limited, ACC Limited, Dabur India Limited, Aviva life Insurance Company India Limited, Kotak Securities Limited and Tata Marcopolo Motors Limited

**Private Companies:** Heritage View Developers Private Limited, FSN E-Commerce Ventures Private Limited, Valleyview Probuild Private Limited, Sea View Probuild Private Limited, Sealink View Probuild Private Limited and Golf Land Developers Private Limited

**Memberships and Chairmanships of Audit Committee in other Public Companies:** Aviva Life Insurance Company India Limited, Tata Motors Limited and Tata Marcopolo Motors Limited

**Mr Rakesh Makhija**, 64, Rakesh Makhija is a chemical engineer from the Indian Institute of Technology, New Delhi. During his career spanning over four decades, he has been an active participant and contributor to the industrial and technology sectors, both internationally and in India.

Rakesh has held a number of top management positions within the SKF Group. He was the Group President for the Industrial Market (Strategic Industries) and a member of the Group Executive Committee, a position that he held till December 2014 in Sweden. Prior to this, Rakesh was President of SKF Asia, based in Shanghai, with overall responsibility for China and India. He started in this position in 2010 when he also became a member of SKF Group Management. He was the Managing Director of SKF India from 2002 till 2009. Under his leadership, SKF India more than tripled its sales and was recognized through numerous industry awards for market leadership, amongst them the prestigious 'CNBC Business Leader Award for Talent Management' in 2007.

Prior to joining SKF, Rakesh held a number of senior management positions within Tata Honeywell and Honeywell

International, the global Industrial and Aerospace company. He was appointed as the Chief Executive Officer and Managing Director of Tata Honeywell in June 1997. In April 2000, he was appointed Country Manager and Managing Director of Honeywell International, with responsibilities for driving the company's growth in South Asia.

Prior to Honeywell, Rakesh worked with Kinetics Technology International BV (now Technip), a process engineering and contracting company in the Netherlands for over eight years.

**Other Directorships:**

**Public Companies:** SKF India Limited, TML Drivelines Limited and Axis Bank Limited

**Memberships and Chairmanships of Audit Committee in other Public Companies:** TML Drivelines Limited, SKF India Limited and Axis Bank Limited.

**3. AUDIT COMMITTEE**

The Audit Committee comprises three Non-Executive Directors including majority of Independent Directors and all of whom are financially literate and have the ability to read and understand the financial statements. The Audit Committee met Eight (8) times during the year 2015-16, on May 15, 2015, July 10, 2015, July 30, 2015, October 27, 2015, November 25, 2015, January 29, 2016, February 17, 2016 and March 11, 2016. Members of the Audit Committee and the number of meetings attended by each Member for the financial year 2015-16 are as follows:

Name	Designation	No. of Meetings	
		Held	Attended
Falguni Nayar	Non-Executive Chairperson	8	6
Rakesh Makhija	Non-Executive Independent Director	8	7
Praveen Kadle	Non-Executive Director	8	7

The Internal Auditors, M/s Ernst & Young LLP and representatives of the Statutory Auditors of the Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountants attended six meetings, whereas the Chief Financial Officer of the Company attended all the meetings. The Chief Internal Auditor of Tata Motors Ltd attended six meetings personally or through representative.

The Company Secretary acts as the Secretary to the Committee meetings. The quorum of the meetings is either two members or one third of the members of the Committee, whichever is higher.

An Audit Committee Charter has formally been adopted for the Audit Committee outlining its responsibilities in detail. The role of the Audit Committee includes in brief the following:

- To review financial statements before submission to the Board.
- To review reports of the Internal Auditor and recommend to the Board.
- To decide on the scope of the Internal Auditors work including the examination of major items of expenditure.
- To meet Statutory and Internal Auditors periodically and discuss their findings, suggestions and other related matters.
- To review the weaknesses in internal control system, if any, reported by the Internal and Statutory Auditors and report to the Board the recommendations relating thereto.
- To act as a link between the Statutory and Internal Auditors and the Board of Directors.
- To recommend a change in the Auditors if in the opinion of the Committee the Auditors have failed to discharge their duties adequately.
- To establish and review accounting policies.
- To ensure resources are conserved and tendencies for extravagance are avoided.
- To review the Company's arrangements for Vigil Mechanism.
- To discuss with the management, the Company's policies with respect to risk assessment and risk management including Company's major financial risk exposures.
- To review the statement of significant related party transactions submitted by the management including review of 'significant' criteria/thresholds decided by the management.

## NON-EXECUTIVE DIRECTORS' REMUNERATION

To acknowledge the contribution of the Non-Executive Directors towards the growth of the organization, the Company paid sitting fees of Rs 15,000/- per meeting to all Non-Executive Directors for attending the meetings of the Board, Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee and Independent Directors. The details of the sitting fees paid to the Directors is as under:

Name	Amount in ₹
S Ramadorai	2,10,000
R Gopalakrishnan	60,000
Praveen Kadle	2,40,000
C Ramakrishnan	1,95,000
Falguni Nayar	3,45,000
Rakesh Makhija	2,70,000
<b>Total</b>	<b>13,20,000</b>

Only sitting fees have been paid to the Non-Executive Directors during the year. No commission has been paid to any Non-Executive Director of the Company.

## 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee met Five (5) times during the year 2015-16, on May 15, 2015, July 30, 2015, October 29, 2015, January 29, 2016 and March 31, 2016. Members of the Nomination and Remuneration Committee and number of meetings attended by each member for the financial year 2015-16 are as follows:

Name	Designation	No. of Meetings	
		Held	Attended
Rakesh Makhija	Non-Executive Chairman	5	3
Falguni Nayar	Non-Executive Independent Director	5	4
S Ramadorai	Non-Executive Director	5	5
C Ramakrishnan	Non-Executive Director	5	5

### Powers of the Nomination and Remuneration Committee:

- 1) Identify persons qualified to become directors and who may be appointed in the senior management of the Company and recommend to the Board their appointment and removal.
- 2) While recommending appointment of Executive Directors, consider a balance between functional and business unit representation.
- 3) While recommending the appointment of Independent Directors, consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board. Independent Directors ideally should be thought/practice leaders in their respective functions/domains.
- 4) Carry out evaluation of every directors' performance.
- 5) Formulate the criteria for determining qualifications, positive attributes, independence of a director and recommend to the Board a policy, relating to the remuneration for directors, key managerial persons and other employees.
- 6) Deciding upon the remuneration of the managing director of the Company.
- 7) Supervising and administering the Employee Stock Option Plan and ensuring that suitable policies and systems are in place to comply with the guidelines issued by the Securities and Exchange Board of India or

any other appropriate authority in connection with the said Scheme.

- 8) Support the Board to carry out the periodic review of the various Board Committees.
- 9) To ensure an effective familiarization program for new Directors.
- 10) To support Directors as may be required, to continually update their skills and knowledge and their familiarity with the Company and its business.
- 11) While formulating the Policy, the Committee should ensure that:
  - i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- 12) Apart from the above, the Committee have the following powers and responsibilities:
  - a) To finalize and approve the Letter of Offer and/or such other documents for private placement of shares to employees of Company's subsidiaries
  - b) To determine which employees of the Subsidiaries will be permitted to participate in the said offer.
  - c) To determine the allotment of shares and to allot shares under the said offer.
  - d) Obtain and determine an annual valuation of the shares from an independent accounting firm and
  - e) To take all such actions or determine such matters as may be necessary from time to time in relation the said offer of shares and to give effect to such offer.
- 13) To recommend to the Audit Committee appointment of Ethics Counselor of the Company and a member from the Non-Governmental Organization on the "Internal Complaints Committee" of the Company.

The quorum of the meetings is either two members or one third of the members of the Committee, whichever is higher.

#### 5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee met Three (3) times during the year 2015-16, on June 26, 2015, October 27, 2015 and March 11, 2016. Members of the Corporate Social Responsibility Committee and number of meetings attended by each Director for the financial year 2015-16 are as follows:

Name	Designation	No. of Meetings	
		Held	Attended
Praveen Kadle	Non-Executive Chairman	3	3
Falguni Nayar	Non-Executive Independent Director	3	3
Mr Warren Harris	CEO & Managing Director	3	3

#### 6. STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee met one (1) time during the year 2015-16, on January 29, 2016. Mr C Ramakrishnan and Mr Warren Harris, being the members of the Committee attended the said meeting. The Committee has the overall responsibility to consider and resolve the grievances of security holders of the

Company. Roles and responsibility of the Committee are as under:

- 1) Supervise and ensure efficient share transfers, share transmissions and share transpositions, to approve the issue duplicate share certificates to the shareholders holding the shares in physical form.
- 2) Address shareholder complaints non-receipt of notice, annual report, non-receipt of dividend etc.
- 3) Review of service standards and investor service initiatives undertaken by the Company.
- 4) Address all matters relating to Registrar and Transfer Agent including appointment of the new Registrar and Transfer Agent in place of the existing one.
- 5) Consider the matters pertaining to Depositories for dematerialization of shares of the Company and other matters related there to.
- 6) Any other responsibility as may be entrusted by the Board from time to time.

## 7. SUBSIDIARY COMPANIES

The Company as on March 31, 2016, had 14 subsidiaries and 1 associate/Joint venture Company. The details are mentioned elsewhere in the Annual Report. The minutes and resolutions of all the subsidiaries are periodically placed before the Board of Directors of the Company as a good Corporate Governance practice. The attention of the Board is drawn to all significant transactions and arrangements entered into by the subsidiary companies. The following Board meetings/Shareholders Meeting of subsidiary companies were held during the year:

Name of the Subsidiary Company	Tata Technologies Pte Ltd, Singapore	Tata Technologies (Thailand) Ltd, Thailand	Tata Technologies Europe Ltd, UK	INCAT International Plc., UK	INCAT GmbH, Germany	Tata Technologies Inc., USA
Dates of Board Meetings held during the year/ Circular resolution	Apr 29, 2015, Mar 22, 2015	May 20, 2015	Jun 23, 2015, Jul 31, 2015, Oct 12, 2015, Nov 28, 2015, Dec 25, 2015	Sep 07, 2015, Dec 12, 2015	Not held	Nov 16, 2015
Dates of Shareholder Meetings/ Circular Resolutions	Jun 18, 2015	Jun 24, 2015	Not held	Sep 30, 2015	Not held	Sep 30, 2015
Name of the Subsidiary Company	Tata Technologies (Canada) Inc., Canada	Tata Technologies de Mexico SA de CV, Mexico	Cambric GmbH	Tata Technologies SRL, Romania	Cambric Manufacturing Technologies (Shanghai) Co. Limited	
Dates of Board Meetings held/ Circular Resolutions passed during the year	Not held	Not held	Not held	Not held	Not held	
Dates of Shareholder Meetings/ Circular Resolutions	Jul 22, 2015	Not held	Dec 21, 2015	Jun 10, 2015	Not held	
Name of the Subsidiary Company	Midwest Managed Services, US	Cambric Limited, Bahamas	Cambric UK Limited	Tata HAL Technologies Limited		
Dates of Board Meetings held/ Circular Resolutions passed during the year	Nov 23, 2015	Not held	Dec 16, 2015	Oct 20, 2015, Jan 21, 2016		
Dates of Shareholder Meetings/ circular Resolutions	Not held	Nov 18, 2015	Dec 21, 2015	Jun 10, 2015		

The updates of major decisions of the subsidiary companies and Associate/Joint Venture Company are regularly presented before the Board. Following are the key points of subsidiaries which are regularly taken up in the Board meetings:

- Nomination of Directors on Board of each subsidiary
- Minutes of all the meeting of subsidiaries held between two Board meetings
- Major dealings of subsidiaries' investment, fixed assets, loans etc.
- Compliance by subsidiaries with applicable laws of the country; and
- Business plan of each subsidiary and its periodic update to the Company's Board.

## 8. GENERAL BODY MEETINGS

The details of the General Meetings held in the last three years are as follows:

Financial year	AGM/EGM	Venue	Time	Date
2014-15	21st AGM	25, Rajiv Gandhi Infotech Park, Hinjawadi, Pune -411057	3.00 p.m.	June 26, 2015
2014-15	EGM	25, Rajiv Gandhi Infotech Park, Hinjawadi, Pune -411057	11.00 a.m.	December 06, 2014
2013-14	20th AGM	25, Rajiv Gandhi Infotech Park, Hinjawadi, Pune -411057	11.30 a.m.	June 28, 2014
2012-13	19th AGM	25, Rajiv Gandhi Infotech Park, Hinjawadi, Pune -411057	3:30 p.m.	June 21, 2013

The details of Special Resolutions passed in the General Meetings in the last three years are as follows:

AGM/EGM	Date	Special Resolutions
AGM	June 26, 2015	Appointment of Ms Falguni Nayar as a Non-Executive Independent Director
AGM	June 28, 2014	i. Borrowings ii. Grant of Loan to Tata Technologies Limited Employees Stock Option Trust
EGM	December 06, 2014	Appointment of Mr Warren Harris as the Chief Executive Officer and Managing Director of the Company

Attendance of the Directors at the last AGM held on June 26, 2015:

Name of the Director	Attendance
S Ramadorai	Yes
R Gopalakrishnan	No
Praveen Kadle	Yes
C Ramakrishnan	No
Falguni Nayar	Yes
Rakesh Makhija	No
Warren Harris	Yes

## 9. DISCLOSURES

- 9.1 Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or Management or their relatives, etc. that may have potential conflict with the interests of the Company at large.

The particulars of transactions between the Company and the 'Related Parties' are mentioned at Note 25 (vi) (b) Related Party Disclosures for the year ended March 31, 2016 of notes to accounts mentioned elsewhere in the Annual Report. None of these transactions are likely to have any conflict with the Company's interest.

- 9.2 Details of the non-compliance by the Company, penalties or strictures imposed on the Company by any statutory authority on any matter related to the capital markets during the past three years - NIL.
- 9.3 The Certification by the Chief Executive officer and Managing Director (CEO) and Chief Financial Officer (CFO), to the Board, on the true and fair view of the Financial Statements for the year ended March 31, 2016 is annexed hereto.

## 10. GENERAL SHAREHOLDER INFORMATION

- 10.1 **Registrar and Share Transfer Agents:** Investors are requested to take note of the contact details of the Registrars and Share Transfer Agents of the Company, M/s TSR Darashaw Ltd:

**TSR Darashaw Ltd**  
 6-10 Haji Moosa Patrawala Industrial Estate,  
 20, Dr. E. Moses Road, Mahalaxmi, Mumbai- 400011  
 Tel: +91 22 66568484  
 Fax: +91 22 66568494  
 Email: csg-unit@tsrdarashaw.com  
 Website: www.tsrdarashaw.com

- 10.2 **Share Transfer System:** The share transfers received for transferring physical share certificates are processed by the Registrar and Transfer Agents of the Company. The Board ratifies and approves such transfers on a periodical basis.
- 10.3 **Dematerialization of Shares:** The Company has dematerialized its Equity Shares with CDSL and NSDL and the Company's ISIN is INE142M01017. The share transfers of dematerialized shares can be made through your Depository Participant.
- 10.4 **Investors Complaints:** A total of 793 investor complaints/queries were received during the year 2015-16. None of the correspondences were outstanding on March 31, 2016.
- 10.5 **Transfer of unclaimed/unpaid dividends to Investor Education and Protection Fund:** Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, (Section 124 under Companies Act, 2013 is not yet notified) the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government:

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from
Up to financial Years 2008-09	Transferred to IEPF of the Central Government	No	Not Applicable
For the Financial Years 2009-10	Lying in respective Unpaid and thereafter Dividend Accounts	Yes	The Company's R&T Agent TSR Darashaw Limited, address of which is provided above.

The due dates for transfer to IEPF of the dividend remaining unclaimed since 2008-09 are provided hereunder:

Date of dividend declaration	Last date for claiming payment from TSR Darashaw Ltd
20/07/2009	19/07/2016
21/07/2010	20/07/2017
21/01/2011	20/01/2018
27/07/2011	26/07/2018
17/08/2011	16/08/2018
31/10/2011	30/10/2018
23/01/2012	22/01/2019
22/06/2012	21/06/2019
18/07/2012	17/07/2019
26/10/2012	25/10/2019
05/02/2013	04/02/2020
25/06/2013	24/06/2020
22/07/2013	21/07/2020
28/10/2013	27/10/2020
27/01/2014	27/01/2021
28/06/2014	28/06/2021
30/07/2014	29/07/2021
30/01/2015	29/01/2022

#### 10.6 Shareholding Pattern as on March 31, 2016:

Category	No. of Shareholders	No. of Shares	% of the Paid-up Capital
Tata Motors Limited	1	30,300,600	70.43
Other Tata Entities	5	7,469,748	17.36
Directors	3	315400	0.73
Employees/Associates/Others	1,946	4,938,890	11.48
<b>Total</b>	<b>1,955</b>	<b>43,024,638</b>	<b>100.00</b>

## 10.7 Distribution of Shareholding as on March 31, 2016:

Range of Shares	Shareholders		Share	
	Number	%	Number	%
1 - 100	351	17.95	22,200	0.06
101 - 500	787	40.26	215,445	0.50
501 - 1000	428	21.89	324,098	0.75
1001 - 5000	293	14.99	724,572	1.68
5001 - 10000	50	2.56	351,517	0.82
Above 10000	46	2.35	41,386,806	96.19
<b>Total</b>	<b>1,955</b>	<b>100.00</b>	<b>43,024,638</b>	<b>100.00</b>

## 10.8 Dematerialization of Shares as on March 31, 2016: The Company's shares are dematerialized through both the Depositories in India viz. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL).

Particulars of shares	Shares of ₹ 10/- each		Shareholders	
	Number	% to total	Number	% to total
Dematerialized form				
NSDL	3,20,82,483	74.57	523	26.76
CDSL	60,31,977	14.02	221	11.30
Sub-total	3,81,14,460	88.59	744	38.06
Physical Form	49,10,178	11.41	1,211	61.94
<b>Total</b>	<b>4,30,24,638</b>	<b>100.00</b>	<b>1,955</b>	<b>100.00</b>

## 10.9 How to manage your shares effectively: The Company's foremost objective is to mitigate/avoid risks relating to shares and related matters, the following are the Company's recommendations to its Members:

- i. **Dematerialize your Shares:** Members are requested to convert their physical holdings into electronic holdings. Holding shares in electronic form helps to achieve immediate transfer of shares. No stamp duty is payable on transfer of shares held in electronic form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.
- ii. **Consolidate your Multiple Folios:** Members are requested to consolidate their shareholding held under multiple folios. This facilitates one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.
- iii. **Confidentiality of Security Details:** Folio Nos/DP ID/Client ID should not be disclosed to any unknown persons. Signed blank transfer deeds, delivery instruction slips should not be given to any unknown persons.

- iv. **Update your address and bank details:** To receive all communication and corporate actions promptly, please update your address, bank details, email id etc., with the Company or Share Transfer Agent or DP, as the case may be.
  - v. **Quote you Folio Number/s:** Always quote your folio number/s for any communication in regard to your shares with the Company or Share Transfer Agents, this will ensure speedy and effective processing.
  - vi. **Prevention of Frauds:** There is a possibility of fraudulent transactions relating to folios which lie dormant, where the Member is either deceased or has gone abroad. Hence, we urge you to exercise diligence and notify the Company of any change in address, stay abroad or demise of any Member, as and when required.
  - vii. **Monitor holdings regularly:** Do not leave your demat account unchecked for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.
- 10.10 Frequently asked Questions:** Members are requested to refer the detailed FAQ on general shareholder queries and Dematerialization given elsewhere in this Report.

**ADDRESS FOR CORRESPONDENCE:**

The correspondence to be addressed to the Corporate Registered Office at:

**Tata Technologies Ltd**

Plot No 25, Rajiv Gandhi Infotech Park,  
Hinjawadi, Pune - 411 057, India.

**Tel:** +91 20 6652 9090

**Fax:** +91 20 6652 9035

**Email:** corporate@tatatechnologies.com

**Website:** www.tatatechnologies.com

**COMPANY SECRETARY**

**Anubhav Kapoor**

General Counsel and Company Secretary  
Tata Technologies Ltd.

Plot No 25, Rajiv Gandhi Infotech Park,  
Hinjawadi, Pune - 411 057, India

**Tel:** +91 20 6652 9090

**Fax:** +91 20 6652 9035

**Email:** anubhav.kapoor@tatatechnologies.com

## ANNUAL DECLARATION BY THE CEO ON ADHERENCE TO THE TATA CODE OF CONDUCT & THE ANTI-BRIBERY POLICY AND GIFT POLICY

I confirm that Tata Technologies Limited has adopted the Tata Code of Conduct and the same is available on the Company's website [www.tatatechnologies.com](http://www.tatatechnologies.com).

I also confirm that, all the Directors and the Senior Management Personnel of Tata Technologies Limited have affirmed compliance to the Tata Code of Conduct, as applicable to them for the Financial Year ended March 31, 2016.

**Sd/-**

**Warren Harris**

CEO & Managing Director

Date: May 13, 2016

Place: Mumbai

---

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF TATA TECHNOLOGIES LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **TATA TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and 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 prescribed under section 133 of the Act, as applicable.

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 thereunder and the Order under section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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. 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 explanations given to us, 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, its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. 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, as applicable.
  - 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
  - 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 25(ii) to the financial statements.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**Sunil S Kothari**  
Partner  
(Membership No. 208238)

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

Date: May 13, 2016  
Place: Mumbai

## Report on Internal Financial Controls Over Financial Reporting

### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

#### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Tata Technologies 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.

#### Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, 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.

**Sunil S Kothari**

Partner

(Membership No. 208238)

Date: May 13, 2016

Place: Mumbai

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm Registration No. 117366W/W-100018)

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. Further, the Company does not have any inventory as at the reporting date.
- (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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit and hence reporting under clause (v) of the order is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the provisions of Employees State Insurance Act, 1948 is not applicable to the Company for the year ended March 31, 2016.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where Dispute is pending	Amount involved (₹ in crore)	Amount Unpaid (₹ in crore)
Income tax Act, 1961	Income Tax	2006-07	Income Tax Apellate Tribunal	0.28	0.13
		2008-09	Income Tax Apellate Tribunal	0.11	0.11
Central Sales Tax, 1956	Sales Tax	1997-98	Deputy Commissioner of Sales Tax (Appeals)	0.03	0.03
		1998-99	Deputy Commissioner of Sales Tax (Appeals)	0.50	0.45
		2003-04	Deputy Commissioner of Sales Tax (Appeals)	0.003	0.003
		2004-05	Joint Commissioner of Sales tax (Appeals)	21.28	21.03
Finance Act, 1994 (Service Tax Provisions)	Service tax	2006-08	Commissioner (Appeals)	5.31	5.31

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from the government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the order is not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**Sunil S Kothari**  
Partner  
(Membership No. 208238)

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

Date: May 13, 2016  
Place: Mumbai

## Balance Sheet as at March 31, 2016

(Amount in ₹ Crore)

Particulars	Note No.	March 31, 2016	March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	3	43.02	43.02
(b) Reserves and surplus	4	573.88	532.49
		616.90	575.51
<b>(2) Share application money pending allotments</b>			
		0.19	-
<b>(3) Non-current Liabilities</b>			
(a) Long-term borrowings	5	-	-
(b) Deferred tax liabilities (Net)	6	2.61	4.09
(c) Trade payables			
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2.35	1.60
(d) Long-term provisions	7	15.31	14.85
		20.27	20.54
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings (Unsecured)		99.37	93.75
(b) Trade payables			
- Total outstanding dues of creditors other than micro enterprises and small enterprises		134.30	111.81
- Total outstanding dues of micro enterprises and small enterprises	25 (iv)	2.06	3.44
(c) Other current liabilities	8	14.82	11.49
(d) Short-term provisions	9	105.13	312.34
(e) Income tax liabilities (Net)		3.65	0.14
		359.33	532.97
		996.69	1,129.02
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	10	84.95	75.23
(ii) Intangible assets	11	58.84	44.69
(iii) Capital work-in-progress		3.44	3.16
(iv) Intangible assets under development		-	3.71
		147.23	126.79
(b) Non-current investments	12	233.98	243.98
(c) Long-term loans and advances	13	27.74	19.92
(d) Income tax assets (Net)		35.97	33.18
(e) Other non current assets		0.93	0.99
		445.85	424.86
<b>(2) Current Assets</b>			
(a) Current investments	14	58.47	261.87
(b) Inventories (Traded)		-	0.75
(c) Trade receivables	15	194.38	126.09
(d) Cash and bank balances	16	85.15	78.97
(e) Other current assets	17	55.86	23.13
(f) Short-term loans and advances	18	156.98	213.35
		550.84	704.16
		996.69	1,129.02
Significant Accounting Policies	2		
Accompanying Notes to the Financial Statements	25		

### For and on behalf of the Board

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Sunil S Kothari**  
Partner

Date: May 13, 2016  
Place: Mumbai

**S Ramadorai**  
Chairman  
DIN: 00000002

**C Ramakrishnan**  
Director  
DIN: 00020076

**S Venkateswarlu**  
Chief Financial Officer

Date: May 13, 2016  
Place: Mumbai

**P P Kadle**  
Director  
DIN: 00016814

**Warren Harris**  
Managing Director  
DIN: 02098548

**Anubhav Kapoor**  
Company Secretary

**Rakesh Makhija**  
Director  
DIN: 00117692

**Falguni Nayar**  
Director  
DIN: 00003633

## Statement of Profit and Loss for the year ended March 31, 2016

(Amount in ₹ Crore)

Particulars	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
I. Revenue from operations	19	1,082.31	985.18
II. Other income	20	23.48	39.61
III. Total Revenue (I + II)		1,105.79	1,024.79
IV. Expenses :			
(a) Cost of traded products		133.22	125.18
(b) Consultancy fees, softwares and others	21	56.45	52.81
(c) Employee benefits expense	22	497.54	466.23
(d) Finance costs	23	1.07	1.37
(e) Depreciation and amortisation expense	10 & 11	47.73	40.26
(f) Other expenses	24	104.49	89.04
Total expenses		840.50	774.89
V. Profit before tax (III - IV)		265.29	249.90
VI. Tax Expense :			
(a) Current tax		56.58	51.42
(b) MAT Credit Entitlement		(12.44)	(5.02)
(c) Deferred tax		(1.48)	0.65
		42.66	47.05
VII. Profit after tax (V- VI)		222.63	202.85
VIII. Earnings Per Equity Share : (Refer Note 25(i))			
(a) Basic		51.75	47.15
(b) Diluted		51.71	47.11

Significant Accounting Policies	2
Accompanying Notes to the Financial Statements	25

### For and on behalf of the Board

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Sunil S Kothari**  
Partner

Date: May 13, 2016  
Place: Mumbai

**S Ramadorai**  
Chairman  
DIN: 00000002

**C Ramakrishnan**  
Director  
DIN: 00020076

**S Venkateswarlu**  
Chief Financial  
Officer

Date: May 13, 2016  
Place: Mumbai

**P P Kadle**  
Director  
DIN: 00016814

**Warren Harris**  
Managing Director  
DIN: 02098548

**Anubhav Kapoor**  
Company Secretary

**Rakesh Makhija**  
Director  
DIN: 00117692

**Falguni Nayar**  
Director  
DIN: 00003633

## Cash Flow Statement

(Amount in ₹ Crore)

Cash Flow Statement for the	Year ended March 31, 2016	Year ended March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit after taxation	222.63	202.85
Depreciation and amortisation	47.73	40.26
Disallowance of TDS abroad	0.30	0.23
Provision for wealth tax	-	0.01
Provision for income tax and MAT entitlement	44.14	46.40
Provision for deferred tax	(1.48)	0.65
Dividend income on investments	(3.23)	(7.07)
(Profit)/Loss on sale of investments (net)	(2.68)	(7.08)
(Profit)/Loss on sale of tangible and intangible fixed assets	(0.01)	(0.02)
Interest income	(13.77)	(22.54)
Finance costs	1.07	1.37
Unrealised exchange loss / (gain)	(0.67)	1.93
Effect of exchange differences on translation of foreign currency cash & cash equivalent	(2.47)	0.91
Allowance for doubtful debts (Net)	1.75	(0.62)
Operating profit before working capital changes	293.31	257.28
<b>Adjustments for (Increase) / Decrease in operating assets and liabilities</b>		
Trade receivables	(69.88)	(10.46)
Inventories	0.75	(0.76)
Other current assets	(32.71)	(16.04)
Short term loans and advances	12.87	(5.32)
Long term loans and advances	(1.18)	(4.37)
Other Non current Assets	0.06	-
Trade payables	14.08	(10.23)
Other current liabilities	3.03	(0.97)
Income received in advance	-	(0.43)
Short term provision	(0.08)	(5.87)
Long term provision	0.46	4.22
<b>CASH (USED IN) / GENERATED FROM OPERATIONS</b>	220.71	207.05
Income taxes paid (net)	(56.17)	(58.90)
<b>NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	164.54	148.15
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend received	0.83	0.42
Income from sale of investments	2.68	7.08
Interest received on bank deposit and others	2.46	1.24
Inter corporate deposits placed	(1,198.80)	(1,080.90)
Inter corporate deposits refunded	1,242.30	884.40
Loans to others	5.02	(1.87)
Interest received from inter corporate deposits / bonds	11.28	21.30
Purchase of mutual funds	(169.90)	(668.13)
Sale of mutual funds	385.70	895.82
Fixed deposit with banks (net) having maturity over three months	(0.01)	-
Proceeds from sale of tangible and intangible fixed assets	0.07	0.05
Payment for purchase of tangible and intangible fixed assets	(59.70)	(50.78)
<b>NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>	221.93	8.63
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share application money received pending allotment	0.19	-
Interest paid	(1.03)	(1.37)
Dividends paid (including Dividend Tax)	(388.06)	(166.42)
Proceeds from short term borrowings	199.36	131.77
Repayment of short term borrowings	(193.18)	(129.67)
Repayment of long term borrowings	(0.05)	(0.11)
<b>NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	(382.77)	(165.80)
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>		
	3.70	(9.02)
Cash & Bank balances at the close of the year (Refer Note 16) #	85.15	78.97
Less: Bank deposits with original maturity over three months for the year	0.31	0.30
Cash & Bank balances at the beginning of the year (Refer Note 16) #	78.97	88.90
Less: Bank deposits with original maturity over three months for the previous year	0.30	0.30
Less: Effect of exchange rate changes on cash and cash equivalents	(2.47)	0.91
	3.70	(9.02)
<b># Cash &amp; Bank balances comprise :</b>		
a) Cash and Cash Equivalents		
Cash on hand	0.02	0.02
Cheques, drafts on hand / funds in transit	1.32	3.22
Current account with banks	81.81	74.06
b) Other bank balances (with more than 3 months but less than 12 months maturity)		
Earmarked balance with banks	1.69	1.37
c) Other bank balances (with more than 12 months maturity)		
Pledged/lien with banks	0.31	0.30
	85.15	78.97

### For and on behalf of the Board

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Sunil S Kothari**  
Partner

Date: May 13, 2016  
Place: Mumbai

**S Ramadorai**  
Chairman  
DIN: 00000002

**C Ramakrishnan**  
Director  
DIN: 00020076

**S Venkateswarlu**  
Chief Financial  
Officer

**P P Kadle**  
Director  
DIN: 00016814

**Warren Harris**  
Managing Director  
DIN: 02098548

**Anubhav Kapoor**  
Company Secretary

**Rakesh Makhija**  
Director  
DIN: 00117692

**Falguni Nayyar**  
Director  
DIN: 00003633

Date: May 13, 2016  
Place: Mumbai

## Notes forming part of Financial Statements

### Note 1

#### Company Overview

TATA Technologies Limited ("TTL or the Company") was incorporated on August 22, 1994 as a Private Limited company in the name of Core Software Systems Private Limited. The name of the Company was subsequently changed to Tata Technologies (India) Limited. On February 8, 2001, the Company changed its name from Tata Technologies (India) Limited to Tata Technologies Limited. The Company's range of services includes IT Consultancy, SAP implementation and maintenance, trading, providing networking solutions, CAD/CAM engineering & design consultancy. The Company is headquartered in Pune, India. The Company has five offices located at Mumbai, Lucknow, Jamshedpur, Bangalore and Chennai and one branch office located in Japan that enables it to provide high quality, cost-effective services to clients.

### Note 2

#### Significant Accounting Policies

##### a. Basis of Preparation of Financial Statements

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

##### b. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company ("Management") to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

##### c. Revenue Recognition

'Revenue from services on time and materials contracts is recognized when services are rendered and related costs are incurred i.e. based on certification of time sheets and billed to clients as per the terms of specific contracts. In case of fixed price contracts, revenue is recognized over the life of the contract based on milestones achieved as specified in the contracts or by proportionate completion method on the basis of the work completed. Foreseeable losses on such contracts are recognized when probable.

Revenue from rendering Annual Maintenance Services (SAP-ERP) is recognized proportionately over the period of contract. Revenue from third party software products and hardware sale is recognized upon delivery. Cost and earnings in excess of billings are classified as unbilled revenue while billings in excess of cost and earnings is classified as unearned revenue.

Income from interest and rent is recognized on time proportion basis. Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists. Commission Income on sale of PLM products is recognized upon delivery of products by the vendor to the end user.

##### d. Fixed Assets

Tangible assets are stated at cost, less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition. Direct costs are capitalized till the assets are ready for

use and include financing costs relating to any borrowing attributable to the acquisition of qualifying fixed assets. Capital work in progress and Intangible assets in progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

Software not exceeding ₹ 25,000 is charged off to the Statement of Profit and Loss.

**e. Depreciation/Amortisation**

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) at the rates as below based on their estimated useful lives.

Type of Asset	Useful Life
Leasehold land	Lease period
Lease hold improvements	Lease period
IT equipment on lease	Lease period
Buildings	15 to 25 years
Plant and machinery	1 to 21 years
Computer equipments	1 to 4 years
Vehicles	3 to 11 years
Furniture & fixtures	1 to 21 years
Software	1 to 4 years

Depreciation/Amortisation on additions to Fixed Assets is provided from the month of acquisition of the Asset. Depreciation/Amortisation on Assets sold / scrapped during the period is provided for prior to the month of sale / scrap as the case may be.

The Company charges 100% depreciation/amortisation on assets individually costing less than ₹ 5,000 in the year of purchase.

In terms of the proviso to clause 3(l) of Part A of Schedule II to the Companies Act, 2013 (the Act), the Company has decided to retain the useful life hitherto adopted for various categories of fixed assets, which are in certain cases, different from those prescribed in Schedule II to the Act. Based on the policy followed by the Company of continuous and periodic assessment, the estimated useful life and residual value adopted so far is appropriate.

Considering the technical assessments carried out by the management, the useful lives of the assets and their residual value determined by the Company in case of Buildings, Plant and Machinery, Computer Equipments, Furniture & Fixtures and Vehicles are different from that indicated in Part C of Schedule II to the Companies Act, 2013 (the 'Schedule').

**f. Leases**

Assets leased by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating lease. Lease payments under operating leases are recognized in the Statement of Profit & Loss on a straight line basis.

**g. Foreign Currency transactions**

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Monetary current assets and current liabilities are reinstated at year-end exchange rates and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Statement of Profit & Loss.

Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the year in which such cancellation or renewal is made.

Premium or discount on forward contracts is amortised over the life of such contract and is recognized as income or expense in the Statement of Profit & Loss.

## **h. Investments**

Trade investments are the investments made to enhance the Group's business interests.

Investments are classified into current investments & long term investments.

Current investments are carried at lower of cost and market value. Any reduction in carrying amount and reversals of such reductions are charged or credited to the Statement of Profit & Loss.

long term investments are stated at cost less provision for diminution in the value of such investments. Diminution in value is provided for where the management is of the opinion that the diminution is other than temporary in nature.

Cost of overseas investments comprises the Indian rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

## **i. Impairment of Assets**

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the Statement of Profit & Loss.

## **j. Inventories**

Inventories comprising of traded software and hardware products are valued at lower of cost or net realizable value.

## **k. Employee Benefits**

### **i. Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established as trust. The Company accounts for the liability for gratuity benefits payable in future based on independent actuarial valuation as on Balance Sheet date.

### **ii. Superannuation**

The Company has two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be member of either plan.

Employees who are the members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company account for superannuation benefits payable in future under the plan based on an estimated basis for the period end and on the independent actuarial valuation at the year end.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have

been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary.

The Company maintains separate irrevocable trusts for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' salary to the trust every year. Such contributions are recognized as an expense when incurred. The Company has no further obligation beyond this contribution.

**iii. Bhavishya Kalyan Yojana (BKY)**

Bhavishya Kalyan Yojana is an unfunded defined benefit plan. The benefits of the plan accrue to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased /disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is higher. The Company accounts for the liability for BKY benefits payable based on an independent actuarial valuation as on the Balance Sheet date.

**iv. Post-retirement Medicare Scheme**

Under this Scheme employees get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. The Company account for the liability for post-retirement medical scheme based on an independent actuarial valuation as on the Balance Sheet date.

**v. Provident Fund**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The provident fund contributions, as specified under the law, are paid to the provident fund set up as irrevocable trust by the Company and pension amount is paid to Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme. The contributions paid during the year are charged to Statement of Profit and Loss.

**vi. Compensated absences**

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on number of days of unutilized leave at each balance sheet date based on an independent actuarial valuation as on the Balance Sheet date.

**I. Taxation**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax expense or benefit is recognized on timing differences 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 the tax laws that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize such assets.

**m. Employee Stock Options / Employee Stock Purchase Program:**

In accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India (SEBI), the Company introduced Employee Stock Option Plan 2001 (TTESOP 2001) in 2000-01. As per the Plan, the options were granted at fair value as determined by an independent valuer as on the date of the grant and hence no compensation cost has been recognized.

The Company had also introduced Employee Stock Purchase Program offering to selected employees, to purchase shares of the Company held by 'Tata Technologies Limited - Employee Stock Option Trust'. As per the plan the shares are offered at the fair value as determined by an independent valuer and hence no compensation cost has been recognized.

**n. Cash flow statement**

Cash flows are reported using indirect method, whereby net profits after tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

**o. Cash and Cash Equivalent**

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

**p. Earnings per share**

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax and include the post-tax effect of any extra-ordinary items. The number of shares used in computing basic earnings per share, is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the shares considered for deriving basic earnings per share and also number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

**q. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**r. Provisions, contingent liabilities and contingent assets**

A provision is recognized when the Company has a present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

**s. Segment Reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance

The Company is engaged mainly in the business of providing information technology services. These, in the

## Notes forming part of Financial Statements

context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standards) Rules, 2006, are considered to constitute one single primary segment.

With respect to secondary segment reporting i.e. based on geographic segments, the accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue & expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Expenses which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated expenses". Fixed assets used in the company's businesses or liabilities contracted have not been identified to any of the reportable segments, as fixed assets and services are used interchangeably between reportable assets.

### NOTE - 3

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>SHARE CAPITAL</b>		
<b>Authorised :</b>		
60,000,000 equity shares of ₹ 10/- each (P.Y. 60,000,000 equity shares of ₹ 10/- each)	60.00	60.00
700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each (P.Y. 700,000 0.01% Cumulative Non-participative Compulsorily Convertible Preference Shares of ₹ 10/- each)	0.70	0.70
	<u>60.70</u>	<u>60.70</u>
<b>Issued, subscribed and fully paid :</b>		
43,024,638 equity shares of ₹ 10/- each (P.Y. 43,024,638 equity shares of ₹ 10/- each)	43.02	43.02
	<u>43.02</u>	<u>43.02</u>

### Note 3(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year :

Particulars	As at March 2016		As at March 2015	
	No. of Shares	Amount in ₹ Crore	No. of Shares	Amount in ₹ Crore
<b>Equity shares</b>				
Number of shares as at April 1, 2015	43,024,638	43.02	43,024,138	43.02
Add: Shares issued under ESOP scheme	-	-	500	0.00
Number of shares as at March 31, 2016	<u>43,024,638</u>	<u>43.02</u>	<u>43,024,638</u>	<u>43.02</u>

## Notes forming part of Financial Statements

### Note 3(ii) Shares in the Company held by each shareholder holding more than 5% shares

Particulars	As at March 2016		As at March 2015	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity shares</b>				
(a)Tata Motors Limited (Holding Company)	30,300,600	70.43	30,300,600	70.43
(b)Alpha TC Holdings Pte Ltd.	3,746,505	8.71	3,746,505	8.71
	<b>34,047,105</b>	<b>79.14</b>	<b>34,047,105</b>	<b>79.14</b>

**Note 3(iii) Equity shares of ₹ 10/- each allocated towards employee stock options granted/available for grant as at March 31, 2016 - 60,171 shares (60,171 shares as at March 31, 2015).**

### Note 3(iv)

Number of options granted, exercised and forfeited	As at March 31, 2016	As at March 31, 2015
Options granted, beginning of the year	33,301	14,051
Granted during the year	-	30,000
Exercised during the year	(3,000)	(500)
Expired during the year	-	-
Forfeited during the year	(187)	(10,250)
Option exercisable at the year end	30,114	33,301
Weighted average share price at the date of exercise	₹ 645	₹ 645

During the previous year ended on March 31, 2015 the Compensation Committee of the Board of Directors Company had granted 30,000 options to the eligible employees. The options are vested over 4-5 years and are exercisable during a maximum period of 11 years from the date of vesting. In terms of the ESOP plan, the options were granted at the exercise price equivalent to the fair value of the underlying shares. The Company has accounted the above options using the intrinsic value method and thus there is no amount charged to the statement of profit and loss.

The guidance note issued by the ICAI requires the disclosure of pro forma net results and EPS both basic & diluted, had the Company adopted the fair value method. Had the Company accounted these options under fair value method, amortising the stock compensation expense there on over the vesting period. The impact for the year ended March 31, 2016 on the reported profit would be reduction (charge) of ₹ 0.13 crores (previous year NIL) and on the reported basic and diluted EPS would be reduction of ₹ 0.03 (previous year NIL).

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 4 & 5 years, an expected dividend rate of 3.88% on the underlying equity shares, a risk free rate of 7.81% and volatility in the share price of 37.5% since the company being closely held and its shares not being freely traded. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur.

**Note 3 (v) The Company has only one class of shares having par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share and in the event of liquidation, has rights proportionate to their shareholdings over the residual assets after paying out all the liabilities.**

## Notes forming part of Financial Statements

### Note 4

#### RESERVES AND SURPLUS

(Amount in ₹ Crore)

Particulars	As at March 31, 2015	Additions	Deductions	As at March 31, 2016
<b>(a) Securities Premium Account</b>				
i) Securities Premium Account (Note 4 (i) & 4 (iv))	350.51	0.01	-	<b>350.52</b>
ii) Securities Premium identified separately for consolidation adjustment (Note 4 (iv))	23.16	-	-	<b>23.16</b>
<b>(b) General Reserve (Note 4 (iii))</b>	111.65	23.00	-	<b>134.65</b>
<b>(c) Surplus i.e. balance in Statement of Profit and Loss (Note 4 (ii))</b>	47.17	222.63	204.25	<b>65.55</b>
	532.49	245.64	204.25	<b>573.88</b>

#### Note 4(i) Changes in Securities Premium Account

(Amount in ₹ Crore)

Particulars	2015-16		2014-15	
	Additions	Deductions	Additions	Deductions
(a) Capital Reduction adjustments during the year	0.01	-	0.01	-
	0.01	-	0.01	-

#### Note 4(ii) Changes in Statement of Profit and Loss :

(Amount in ₹ Crore)

Particulars	2015-16		2014-15	
	Additions	Deductions	Additions	Deductions
(a) Profit for the year	222.63	-	202.85	-
(b) Final Dividend	-	86.05	-	258.15
(c) Interim Dividend	-	64.54	-	64.53
(d) Tax on Final Dividend	-	17.52	-	52.55
(e) Tax on Interim Dividend	-	13.14	-	11.61
(f) General Reserve	-	23.00	-	21.00
	222.63	204.25	202.85	407.84

## Notes forming part of Financial Statements

### Note 4(iii) Changes in General Reserve :

(Amount in ₹ Crore)

Particulars	2015-16		2014-15	
	Additions	Deductions	Additions	Deductions
(a) Transferred from Statement of Profit and Loss	23.00	-	21.00	-
	<u>23.00</u>	<u>-</u>	<u>21.00</u>	<u>-</u>

### Note 4(iv)

During 2010, based on the approval of Shareholders of the Company at the Extra-Ordinary General Meeting held on March 5, 2010 and the Order of the Honourable High Court of Judicature at Mumbai dated April 16, 2010, the Company had utilized balance in the securities premium account to the tune of ₹ 46.66 Crore towards one time charges/cost (including change in accounting policy for provision for doubtful debts) incurred by the Company and its subsidiary companies. The amounts relating to the Company amounting to ₹ 17.32 Crore had been adjusted to the Securities Premium Account. An amount of ₹ 29.34 Crore equivalent to the total amount of adjustments relating to the subsidiaries had been identified and segregated from the balance in the Securities Premium Account for adjustment on consolidation. Of this total adjustment made, ₹ 1.58 Crore and ₹ 16.58 Crore related to provision for doubtful debts of the Company and its subsidiary companies respectively on account of change in accounting with regard to provision for doubtful debts.

During the year ended March 31, 2016, the Company and its subsidiary companies have received amounts aggregating to ₹ 0.01 crore (₹ 0.01 crore for the year ended March 31, 2015) against the balances adjusted in the Securities Premium Account as above. Consequently, such excess provisions for doubtful debts on account of the said collections have been written back to the Securities Premium Account.

Since realisation of doubtful debts provided for the adjustments above upto March 31, 2016 amounted to ₹ 6.18 Crore (₹ 6.18 Crore as on March 31, 2015) relating to the subsidiaries. Accordingly, balance amount of ₹ 23.16 Crore relating to the subsidiaries is continued to be disclosed separately as Securities Premium Account for adjustment on consolidation.

### Note 5

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
(l) Long term maturity of finance lease obligations # (Refer Note 5 (i)) (Secured against fixed assets obtained under finance lease arrangements)	-	-
	<u>-</u>	<u>-</u>

## Notes forming part of Financial Statements

### Note 5(i) Long term maturity of finance lease obligations

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Total of Minimum lease payments</b>		
Not later than one year	-	0.05
Later than one year and not later than five years	-	-
	-	0.05
<b>Less: Interest</b>	-	-
	-	0.05
<b>Present Value of Minimum lease payments</b>		
Not later than one year	-	0.05
Later than one year and not later than five years	-	-
	-	0.05

The company had entered into finance lease arrangements for servers.

### Note 6

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>DEFERRED TAX LIABILITIES (NET)</b>		
<b>Tax effect of items constituting deferred tax liabilities :</b>		
On difference between book balance and tax balance of fixed assets	9.68	10.39
<b>Sub-total</b>	9.68	10.39
<b>Deferred tax assets:</b>		
Provision for expenses disallowed under section 43B of The Income Tax Act,1961	6.09	5.91
Provision for doubtful debts	0.98	0.39
<b>Sub-total</b>	7.07	6.30
<b>Deferred tax liabilities (net)</b>	2.61	4.09

### Note 7

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>LONG - TERM PROVISIONS</b>		
(a) Provision for employee benefits (Refer Note 7(i) & 7(ii))	15.31	14.85
	15.31	14.85

**Note 7(i) :** Defined benefits plans / long term compensated absences as per actuarial valuations as on March 31, 2016 (Amount in ₹ Crore)

	Gratuity (Funded)					Superannuation (Partially Unfunded)					Compensated absences (Unfunded)					Post-retirement Medicare scheme (Unfunded)					BKY (Unfunded)					
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012	
<b>i Components of employer expense</b>																										
Employer Service cost	3.88	3.22	2.71	2.30	2.25	0.20	0.24	0.25	0.25	0.24	1.58	1.43	1.52	1.20	0.88	0.47	0.95	0.69	0.11	0.08	0.42	0.30	0.31	0.24	0.16	
Interest cost	2.57	2.44	1.77	1.52	1.16	0.43	0.42	0.39	0.37	0.35	0.47	0.49	0.36	0.35	0.29	0.54	0.32	0.22	0.16	0.17	0.22	0.19	0.14	0.12	0.09	
Expected return on plan assets	(2.50)	(1.90)	(1.75)	(1.66)	(1.25)	(0.60)	(0.54)	(0.49)	(0.41)	(0.41)	0.09	0.62	0.93	0.36	1.05	(0.35)	2.10	0.10	0.67	(0.17)	-	-	-	-	-	
Actuarial Losses/(Gains)	1.92	0.47	3.42	0.34	2.84	0.22	(0.61)	0.07	(0.78)	0.51	0.09	0.62	0.93	0.36	1.05	(0.35)	2.10	0.10	0.67	(0.17)	0.13	0.21	0.02	(0.08)	0.21	
<b>Total expense / (income) recognised in the Statement of Profit &amp; Loss in note 22 under item:</b>	<b>5.87</b>	<b>4.23</b>	<b>6.15</b>	<b>2.50</b>	<b>5.00</b>	<b>0.25</b>	<b>(0.49)</b>	<b>0.22</b>	<b>(0.57)</b>	<b>0.69</b>	<b>2.14</b>	<b>2.54</b>	<b>2.81</b>	<b>1.91</b>	<b>2.22</b>	<b>0.66</b>	<b>3.37</b>	<b>1.01</b>	<b>0.94</b>	<b>0.07</b>	<b>0.77</b>	<b>0.70</b>	<b>0.47</b>	<b>0.28</b>	<b>0.46</b>	
			(d)					(c)			(a)							(e)					(e)			
<b>ii Actual Contribution and Benefit Payments</b>																										
Actual benefit payments	4.56	2.84	1.35	1.16	1.39	0.92	-	0.14	0.19	-	2.06	1.77	1.84	1.60	1.42	0.13	0.22	0.15	0.17	0.12	0.07	0.06	0.06	0.06	0.07	
Actual Contributions	5.84	6.47	(1.05)	1.77	9.91	0.18	0.24	0.24	0.25	0.24	2.06	1.77	1.84	1.60	1.42	0.13	0.22	0.15	0.17	0.11	0.07	0.06	0.06	0.06	0.07	
<b>iii Net asset/(liability) recognised in balance sheet</b>																										
Present Value of Defined Benefit Obligation	33.14	34.41	27.94	21.89	18.44	7.33	6.83	6.40	5.85	5.61	6.91	6.96	6.19	5.22	4.92	6.56	6.76	3.61	2.74	1.97	3.40	2.77	2.13	1.72	1.50	
Fair value of plan assets	29.35	30.66	21.94	23.11	20.38	8.25	7.82	6.67	6.11	5.05	6.91	6.96	6.19	5.22	4.92	6.56	6.76	3.61	2.74	1.97	3.40	2.77	2.13	1.72	1.50	
<b>Net asset/(liability) recognised in balance sheet</b>	<b>(3.79)</b>	<b>(3.75)</b>	<b>(6.00)</b>	<b>1.22</b>	<b>1.93</b>	<b>0.92</b>	<b>0.99</b>	<b>0.27</b>	<b>0.26</b>	<b>(0.56)</b>	<b>(6.91)</b>	<b>(6.96)</b>	<b>(6.19)</b>	<b>(5.22)</b>	<b>(4.92)</b>	<b>(0.91)</b>	<b>1.05</b>	<b>0.19</b>	<b>(0.28)</b>	<b>0.17</b>	<b>(3.40)</b>	<b>(2.77)</b>	<b>(2.13)</b>	<b>(1.72)</b>	<b>(1.50)</b>	
Experience adjustment on plan liabilities	2.23	(0.09)	1.58	(1.02)	(2.54)	0.79	(0.09)	0.05	0.07	0.15	0.09	0.21	(0.80)	(0.36)	(1.12)	(0.91)	1.05	0.19	(0.28)	0.17	0.13	0.07	0.06	0.01	(0.22)	
Experience adjustment on plan assets	0.31	0.51	0.51	0.46	(0.78)	0.58	0.05	0.03	0.59	(0.67)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>iv Change in Defined Benefit Obligations (DBO)</b>																										
Present Value of DBO at beginning of year	34.41	27.94	21.89	18.44	14.37	6.83	6.40	5.85	5.61	5.17	6.96	6.19	5.23	4.92	4.14	6.76	3.61	2.74	1.97	2.01	2.77	2.13	1.72	1.50	1.11	
Employer Service cost	3.88	3.22	2.71	2.30	2.25	0.20	0.24	0.25	0.25	0.24	1.58	1.43	1.52	1.20	0.88	0.47	0.95	0.69	0.11	0.08	0.42	0.30	0.31	0.24	0.16	
Interest cost	2.57	2.44	1.77	1.52	1.16	0.43	0.42	0.39	0.37	0.35	0.47	0.49	0.36	0.35	0.29	0.54	0.32	0.22	0.16	0.17	0.22	0.19	0.14	0.12	0.09	
Actuarial (gains)/ losses	2.24	3.65	2.92	0.79	2.05	0.79	(0.09)	0.05	(0.19)	(0.15)	0.09	0.62	0.93	0.36	1.03	(0.35)	2.10	0.10	0.67	(0.17)	0.13	0.21	0.02	(0.08)	0.21	
Benefits paid	(4.56)	(2.84)	(1.35)	(1.16)	(1.39)	(0.92)	(0.14)	(0.14)	(0.19)	-	(2.06)	(1.77)	(1.84)	(1.60)	(1.42)	(0.13)	(0.22)	(0.15)	(0.17)	(0.12)	(0.07)	(0.06)	(0.06)	(0.06)	(0.07)	
Transfer to/ (From) Holding company (Net)	(5.40)	-	-	-	-	-	-	-	-	-	(0.13)	-	-	-	-	(0.73)	-	-	-	-	(0.07)	-	-	-	-	
<b>Present Value of DBO at the end of year</b>	<b>33.14</b>	<b>34.41</b>	<b>27.94</b>	<b>21.89</b>	<b>18.44</b>	<b>7.33</b>	<b>6.83</b>	<b>6.40</b>	<b>5.85</b>	<b>5.61</b>	<b>6.91</b>	<b>6.96</b>	<b>6.20</b>	<b>5.23</b>	<b>4.92</b>	<b>6.56</b>	<b>6.76</b>	<b>3.60</b>	<b>2.74</b>	<b>1.96</b>	<b>3.40</b>	<b>2.77</b>	<b>2.13</b>	<b>1.72</b>	<b>1.50</b>	
<b>v Change in Fair Value of Assets</b>																										
Plan assets at beginning of year	30.66	21.94	23.11	20.39	11.39	7.82	6.67	6.11	5.05	5.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Actual return on plan assets	2.81	5.09	1.23	2.11	0.47	1.17	1.05	0.46	1.00	(0.25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Actual Company contributions	5.84	6.47	(1.05)	1.77	9.91	0.18	0.24	0.24	0.25	0.24	2.06	1.77	1.84	1.60	1.42	0.13	0.22	0.15	0.17	0.11	0.07	0.06	0.06	0.06	0.07	
Benefits paid	(4.56)	(2.84)	(1.35)	(1.16)	(1.39)	(0.92)	(0.14)	(0.14)	(0.19)	-	(2.06)	(1.77)	(1.84)	(1.60)	(1.42)	(0.13)	(0.22)	(0.15)	(0.17)	(0.12)	(0.07)	(0.06)	(0.06)	(0.06)	(0.07)	
Transfer to/ (From) holding company (Net)	(5.40)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Plan assets at the end of year</b>	<b>29.35</b>	<b>30.66</b>	<b>21.94</b>	<b>23.11</b>	<b>20.38</b>	<b>8.25</b>	<b>7.82</b>	<b>6.67</b>	<b>6.11</b>	<b>5.05</b>	<b>8.25</b>	<b>7.82</b>	<b>6.67</b>	<b>6.11</b>	<b>5.05</b>	<b>8.25</b>	<b>7.82</b>	<b>6.67</b>	<b>6.11</b>	<b>5.05</b>	<b>8.25</b>	<b>7.82</b>	<b>6.67</b>	<b>6.11</b>	<b>5.05</b>	
<b>vi Actuarial Assumptions</b>																										
Discount Rate	8.00%	8.00%	9.20%	8%	9%	6.75%	6.75%	6.75%	7%	7%	8%	8.00%	9.20%	8%	9%	8%	8.00%	9.20%	8%	9%	8%	8.00%	9.20%	8%	9%	
Expected Return on plan assets	8.00%	8%	8%	8%	8%	8%	8%	8%	8%	8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Salary escalation	5%-6.2%	5%-6.2%	5%-6.2%	4%	5%	N/A	N/A	N/A	N/A	N/A	5%-6.2%	5%-6.2%	5%-6.2%	4%	5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Medical cost inflation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>vii The major categories of plan assets as percentage of total plan assets</b>																										
Debt securities	100%	100%	98%	99%	74%	100%	100%	100%	100%	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Balances with banks	0%	0%	2%	1%	26%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
<b>viii Effect of one percentage point change in assumed Medical inflation rate</b>																										
DBO as at 31 March																										
Service cost for the year	0.81	N/A	N/A	N/A	2.02	0.81	0.79	0.34	0.44	2.02	0.81	0.79	0.34	0.44	2.02	0.81	0.79	0.34	0.44	2.02	0.81	0.79	0.34	0.44	2.02	
Interest cost for the year	N/A	N/A	N/A	N/A	0.08	N/A	N/A	N/A	0.08	0.07	N/A	N/A	N/A	0.08	0.07	N/A	N/A	N/A	N/A	0.08	0.07	N/A	N/A	N/A	0.08	
	N/A	N/A	N/A	N/A	0.16	N/A	N/A	N/A	0.16	0.16	N/A	N/A	N/A	0.16	0.16	N/A	N/A	N/A	N/A	0.16	0.16	N/A	N/A	N/A	0.16	

## Notes forming part of Financial Statements

### Note 7 (ii) :

#### Defined Contribution Plans-

The Company's contribution to defined contribution plan aggregated ₹ 19.25 crores (P.Y. ₹ 18.57 crores) for the year March 31, 2016 has been recognised in the statement of Profit and Loss

- (a) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.
- (b) The assumption of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (c) Also refer note 2(k) for brief description of employee benefit schemes.
- (d) The company expects to contribute ₹ 5.31 crores to the fully funded pension plans in the year 2016-17

### Note 8

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>OTHER CURRENT LIABILITIES</b>		
(a) Interest accrued but not due on borrowings	0.07	0.04
(b) Current maturities of finance lease obligations (Refer Note 5(i))	-	0.05
(c) Unclaimed / unpaid dividends	1.69	1.37
(d) Statutory remittances (withholding taxes, VAT, etc.)	8.93	4.84
(e) Advance and progress payments	0.34	1.43
(f) Provision for employee benefits (Refer Note 7(i) & 7(ii))	3.79	3.76
	<b>14.82</b>	<b>11.49</b>

### Note 9

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>SHORT-TERM PROVISIONS</b>		
(a) Provision for Employee benefits (Refer Note 7(i) & 7(ii))	1.56	1.64
(b) Provision for Final Dividend	86.05	258.15
(c) Provision for Tax on Dividend	17.52	52.55
	<b>105.13</b>	<b>312.34</b>

## Notes forming part of financial statements

### Note 10

		(Amount in ₹ Crore)									
	FIXED ASSETS	Cost as at April 1, 2015	Additions	Deductions	Cost as at March 31, 2016	Accumulated depreciation up to April 1, 2015	Depreciation for the year ended March 31, 2016	Deductions	Accumulated depreciation up to March 31, 2016	Net Book Value as at March 31, 2016	Net Book Value as at March 31, 2015
[A]	<b>TANGIBLE ASSETS</b>										
(a)	Leasehold land	4.09 (4.09)	- (-)	- (-)	4.09 (4.09)	0.61 (0.57)	0.04 (0.04)	- (-)	0.65 (0.61)	3.44 (3.48)	3.48 (3.52)
(b)	Buildings	24.11 (22.83)	0.72 (1.28)	- (-)	24.83 (24.11)	9.50 (8.51)	1.21 (0.99)	- (-)	10.71 (9.50)	14.12 (14.61)	14.61 (14.32)
(c)	Plant & machinery and equipments - Owned	21.47 (19.69)	4.22 (1.80)	0.03 (0.02)	25.66 (21.47)	8.63 (7.11)	1.96 (1.53)	0.02 (0.01)	10.57 (8.63)	15.09 (12.84)	12.84 (12.58)
(d)	Plant & machinery and equipments - Leased	0.43 (0.43)	- (-)	- (-)	0.43 (0.43)	0.43 (0.36)	- (0.07)	- (-)	0.43 (0.43)	- (-)	- (0.07)
(e)	Office equipments	4.91 (3.92)	2.16 (0.99)	0.06 (-)	7.01 (4.91)	2.66 (0.98)	1.10 (1.68)	0.06 (-)	3.70 (2.66)	3.31 (2.25)	2.25 (2.94)
(f)	Computers	84.10 (70.77)	18.39 (16.11)	5.76 (2.78)	96.73 (84.10)	56.33 (45.12)	14.67 (13.99)	5.75 (2.78)	65.25 (56.33)	31.48 (27.77)	27.77 (25.65)
(g)	Furniture and fixtures	10.49 (9.74)	2.76 (0.75)	0.13 (-)	13.12 (10.49)	4.43 (3.81)	1.68 (0.62)	0.13 (-)	5.98 (4.43)	7.14 (6.06)	6.06 (5.93)
(h)	Vehicles	1.95 (2.08)	- (0.29)	0.29 (0.42)	1.66 (1.95)	1.19 (1.12)	0.37 (0.47)	0.25 (0.40)	1.31 (1.19)	0.35 (0.76)	0.76 (0.96)
(l)	Leasehold improvements	10.91 (10.32)	4.12 (0.59)	- (-)	15.03 (10.91)	3.45 (2.21)	1.56 (1.24)	- (-)	5.01 (3.45)	10.02 (7.46)	7.46 (8.11)
	Total	162.46 (143.87)	32.37 (21.81)	6.27 (3.22)	188.56 (162.46)	87.23 (69.79)	22.59 (20.63)	6.21 (3.19)	103.61 (87.23)	84.95 (75.23)	75.23

**Notes:** (i) Capital Commitment : The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 8.17 Crore as at March 31, 2016 (as at March 31, 2015 : ₹ 20.10 Crore).  
(ii) Previous year's figures are shown in the brackets

## Notes forming part of Financial Statements

### Note 11

(Amount in ₹ Crore)

	Cost as at April 1, 2015	Additions	Deductions	Cost as at March 31, 2016	Accumulated amortisation up to April 1, 2015	Amortisation for the year ended March 31, 2016	Deductions	Accumulated amortisation up to March 31, 2016	Net Book Value as at March 31, 2016	Net Book Value as at March 31, 2015
<b>[B] INTANGIBLE ASSETS</b> (Other than internally generated)										
(a) Software licenses	131.02 (106.09)	39.29 (24.93)	- (-)	170.31 (131.02)	86.33 (66.70)	25.14 (19.63)	- (-)	111.47 (86.33)	58.84 (44.69)	44.69 (39.39)
Total	131.02 (106.09)	39.29 (24.93)	- (-)	170.31 (131.02)	86.33 (66.70)	25.14 (19.63)	- (-)	111.47 (86.33)	58.84 (44.69)	44.69 (39.39)

**Notes:** (i) Capital Commitment : The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 4.25 Crore as at March 31, 2016 (as at March 31, 2015: ₹ 8.53 Crore).

(ii) Previous year's figures are shown in the brackets.

## Notes forming part of Financial Statements

### Note 12

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>NON - CURRENT INVESTMENTS</b>		
<b>Trade Investments</b>		
<b>Investments in Equity instruments (Unquoted at cost)</b>		
<b>(i) Subsidiaries</b>		
(a) Tata Technologies Inc. (150,000 (P.Y. 150,000) shares of non-voting Class 'A' common stock with no Par value)	15.57	15.57
(b) Tata Technologies Pte Ltd, Singapore, a 100% subsidiary company (86,463,759 (P.Y. 86,463,759) ordinary shares with no par value)	203.34	203.34
<b>(ii) Joint Ventures</b>		
Tata HAL Technologies Ltd (formerly known as INCAT HAL Aerostructures Ltd) 5,070,000 (P.Y. 5,070,000) equity shares of 10 each fully paid (50% JV with HAL)	5.07	5.07
<b>Other Investments (Quoted)*</b>		
<b>(i) Investment in Debentures</b>		
<b>Tata Motors Finance Limited</b> 100 (P.Y. 100) 11% Non Convertible Debentures of ₹ 0.05 Crore each fully paid	5.00	5.00
<b>(ii) Investments in Mutual Funds</b>		
Birla Sun Life Fixed Term Plan - Series JY (1099 Days) Direct Plan-Growth	-	5.00
ICICI Prudential Fixed Maturity Plan Series 72-(366 Days)-Plan K-Direct Plan Growth	-	5.00
* (Note: Market value of quoted investments based on last traded information ₹ 5.12 Crore ( P.Y. ₹ 16.23 Crore)		
<b>Other Investments (Unquoted)</b>		
<b>(i) Investment in Preference Shares</b>		
<b>Tata Capital Limited</b> 33,333 (P.Y. 33,333) Cumulative redeemable non participating preference shares of 1,500 each fully paid	5.00	5.00
	<b>233.98</b>	<b>243.98</b>

### Note 13

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>LONG - TERM LOANS AND ADVANCES</b>		
(a) Security deposits	5.66	4.55
(b) Loans to employees	1.08	0.90
(c) Loans to others	1.92	6.94
(d) Capital advances	-	0.78
(e) Prepaid expenses	0.27	0.38
(f) Deposits with government and others	1.35	1.35
(g) MAT Credit Entitlement	17.46	5.02
	<b>27.74</b>	<b>19.92</b>

## Notes forming part of Financial Statements

### Note 14

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>CURRENT INVESTMENTS - OTHERS</b>		
<b>(a) Investments in Mutual Funds (Unquoted)</b>		
Birla Sun Life Cash Plus - Direct - Growth	-	10.00
Reliance Short Term Fund - Direct Monthly Dividend Plan	3.20	3.05
IDFC Cash Fund - Direct - Growth	-	13.00
L & T Liquid Fund - Direct - Growth	-	15.00
Kotak Liquid Scheme Plan A - Direct - Growth	-	8.50
HDFC Short Term Opportunities Fund - Direct Plan Fortnightly dividend	9.05	7.06
Birla Sun Life Short Term Fund - Monthly Dividend -Direct Plan	10.67	9.07
Kotak Bond Short Term Plan - Direct Monthly Dividend Reinvestment	-	4.05
Tata Short Term Bond Fund- Direct Plan-Forthnightly Dividend	9.34	7.54
Axis Short Term Fund - Direct Monthly Dividend -STDM	9.61	8.08
Religare Invesco Short Term Fund - Monthly Dividend	1.60	1.52
SBI Magnum Insta Cash Fund Liquid Floater	-	10.00
Axis Banking Debt Fund	-	20.00
UTI Banking & PSU Debt Fund	-	5.00
TATA Money Market Fund Direct Plan-Growth	-	10.00
ICICI Prudential Money Market Fund-Direct Plan-Growth	-	20.00
IDFC Money Manager Fund-Treasury Plan-Growth	-	20.00
Reliance Money Manager Fund-Direct Growth Plan Growth Option	-	10.00
HDFC Floating Rate Income Fund-Short Term Plan-Direct Plan-Wholesale-Growth	-	10.00
Birla Sun Life Saving Fund-Direct Plan-Growth	-	15.00
SBI Ultra Short Term Debt Fund-Direct Plan-Growth	-	15.00
ICICI Prudential Flexible Income-Direct Plan-Growth	-	15.00
Reliance Liquid Fund Treasury Plan Direct Growth	-	20.00
	<b>43.47</b>	<b>256.87</b>
<b>(b) Investments in Mutual Funds (Quoted)*</b>		
Reliance Yearly Interval Fund-Series1-Direct Plan-Growth	5.00	5.00
Birla Sun Life Fixed Term Plan-Series JY (1099 Days) Direct Plan-Growth	5.00	-
ICICI Prudential Fixed Maturity Plan Series 72-(366 Days)-Plan K Direct Plan-Growth	5.00	-
	<b>15.00</b>	<b>5.00</b>
	<b>58.47</b>	<b>261.87</b>

\* (Note: Market value of quoted investments ₹ 18.11 Crore ( P.Y. ₹ 5.57 Crore))

## Notes forming part of Financial Statements

### Note 15

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>TRADE RECEIVABLES</b> (Unsecured, considered good unless otherwise stated)		
(a) <b>Trade receivables due for a period exceeding six months</b>		
Considered good	1.05	0.19
Considered doubtful	2.90	1.15
	<u>3.95</u>	<u>1.34</u>
Less : Allowances for doubtful debts	2.90	1.15
	<u>1.05</u>	<u>0.19</u>
(b) <b>Other Trade receivables</b>		
Considered good	193.33	125.90
Considered doubtful	-	-
	<u>193.33</u>	<u>125.90</u>
Less : Allowances for doubtful debts	-	-
	<u>193.33</u>	<u>125.90</u>
	<u>194.38</u>	<u>126.09</u>

### Note 16

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>CASH AND BANK BALANCES</b>		
(A) <b>Cash and Cash Equivalents</b>		
(a) Cash on hand	0.02	0.02
(b) Cheques, drafts on hand/funds in transit (Refer note 16 (ii)& (iii))	1.32	3.22
(c) Current account with banks (Refer note 16 (i))	81.81	74.06
	<u>83.15</u>	<u>77.30</u>
(B) <b>Other bank balances (with more than 3 months but less than 12 months maturity)</b>		
(a) Earmarked balance with banks	1.69	1.37
	<u>1.69</u>	<u>1.37</u>
(C) <b>Other bank balances (with more than 12 months maturity)</b>		
(a) Pledged/lien with banks	0.31	0.30
	<u>0.31</u>	<u>0.30</u>
	<u>85.15</u>	<u>78.97</u>
Notes :		
(i) In foreign currencies	80.44	67.75
(ii) Cheques, drafts on hand	0.07	0.94
(iii) Remittances in transit	1.25	2.28

## Notes forming part of financial statements

### Note 17

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>OTHER CURRENT ASSETS</b>		
(a) Interest accrued on deposits and investments	0.32	0.30
(b) Bills of Exchange	26.11	4.87
(c) Unbilled revenue	17.58	5.80
(d) Advances to suppliers and contractors	1.30	2.98
(e) Prepaid expenses	8.28	7.27
(f) Others (VAT, Service tax, other taxes recoverables, etc.)	2.27	1.91
	<b>55.86</b>	<b>23.13</b>

### Note 18

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured (considered good, unless otherwise stated)</b>		
(a) Inter corporate deposits (Refer Note 25 (vi) (b))	153.00	196.50
(b) Loans and advances to related parties	2.86	16.37
(c) Security deposits	0.46	0.02
(d) Loans and advances employees	0.54	0.43
Less : Allowances for doubtful loans and advances	-	(0.04)
(e) Deposits with government and others	0.12	0.07
	<b>156.98</b>	<b>213.35</b>

### Note 19

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>REVENUE FROM OPERATIONS</b>		
(a) Sale of products	164.79	148.62
(b) Sale of services	917.50	835.12
(c) Commission income	0.02	1.44
	<b>1,082.31</b>	<b>985.18</b>

## Notes forming part of financial statements

### Note 20

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>OTHER INCOME</b>		
(a) Interest income-others	13.22	21.99
(b) Interest income-Long term investments	0.55	0.55
(c) Dividend income - Other current investments	2.40	6.65
(d) Dividend income - Non current investments	0.83	0.42
(e) Foreign currency gain (net)	2.78	-
(f) Doubtful debts written back	-	0.86
(g) Profit on sale of investments (net)	2.68	7.11
(h) Other non-operating income *	1.02	2.03
	<u>23.48</u>	<u>39.61</u>

\* Other non operating income includes provisions no longer required, written back - 0.88

### Note 21

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>CONSULTANCY FEES, SOFTWARES AND OTHERS</b>		
(a) Outsourcing charges	11.96	15.74
(b) Software-internal use	6.12	5.77
(c) Professional fees	38.37	31.30
	<u>56.45</u>	<u>52.81</u>

### Note 22\*

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>EMPLOYEE BENEFIT EXPENSE</b>		
(a) Salaries and wages	450.51	423.53
(b) Contribution to provident fund	14.80	13.75
(c) Contribution to superannuation scheme	4.51	4.10
(d) Contribution to gratuity fund	5.87	4.23
(e) Staff welfare expenses	21.85	20.62
	<u>497.54</u>	<u>466.23</u>

\* (Refer Note 7(i) & 7 (ii))

### Note 23

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>FINANCE COSTS</b>		
<b>Interest Expense</b>		
- Interest on short term borrowings	1.07	1.36
- Interest on long term borrowings	-	0.01
	<u>1.07</u>	<u>1.37</u>

## Notes forming part of financial statements

### Note 24

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>OTHER EXPENSES</b>		
(a) Repairs & maintenance		
- Buildings	0.42	0.36
- Plant & machinery	2.18	1.37
- Others	6.31	4.56
(b) Rent*	12.85	8.98
(c) Rates and taxes	0.59	0.51
(d) Provision for wealth tax	-	0.01
(e) Insurance	0.33	0.36
(f) Business promotion expenses	2.80	2.31
(g) Office expenses	5.49	4.82
(h) Travelling & conveyance	19.46	17.64
(i) Power & fuel	8.36	4.63
(j) Water charges	0.66	0.62
(k) Auditors remuneration**	0.57	0.46
(l) Staff training and seminar expenses	3.11	2.14
(m) Staff recruitment expenses	1.68	1.98
(n) Commission to others	-	5.80
(o) AMC charges	22.14	17.98
(p) Communication expenses	8.88	7.14
(q) Loss on dimunition of current investments	-	0.03
(r) Allowances for doubtful debts	1.75	0.25
(s) Foreign currency loss (net)	-	2.22
(t) CSR Expenditure	5.14	3.61
(u) Miscellaneous expenses	1.77	1.26
	<b>104.49</b>	<b>89.04</b>

### \*Obligations under operating lease

(Amount in ₹ Crore)

Obligation towards non-cancellable lease	Year ended March 31, 2016	Year ended March 31, 2015
<b>Lease obligations</b>		
Dues not later than one year	6.33	3.88
Due later than one year but not later than five years	6.89	5.41
	<b>13.22</b>	<b>9.29</b>
Lease payments recognised in the statement of profit and loss for the year	<b>12.85</b>	<b>8.98</b>

The Company has entered into operating lease arrangements for office premises.

### \*\*Auditors' Remuneration (Excluding Service tax)

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
i) For services as auditors, including quarterly audits	0.35	0.35
ii) For Tax audit	0.04	0.04
iii) For other attest services	0.16	0.05
iv) Reimbursement of out-of-pocket expenses	0.02	0.02
	<b>0.57</b>	<b>0.46</b>

## Additional information to the Financial Statements

### Note 25

#### Note 25 (i): Earning per Share

(Amount in ₹ Crore)

Particulars			Year Ended March 31, 2016	Year Ended March 31, 2015
(a)	Profit after tax	₹ Crore	222.63	202.85
(b)	The weighted average number of Ordinary Shares for Basic EPS	Nos.	43,024,638	43,024,638
(c)	The nominal value per Ordinary Share	₹	10.00	10.00
(d)	Earnings Per Share (Basic)	₹	51.75	47.15
(e)	Profit after tax for Diluted EPS	₹ Crore	222.63	202.85
(f)	The weighted average number of Ordinary Shares for Basic EPS	Nos.	43,024,638	43,024,638
(g)	Add: Adjustment for Employee Stock Options	Nos.	30,114	33,301
(h)	The weighted average number of Ordinary Shares for Diluted EPS	Nos.	43,054,752	43,057,939
(i)	Earnings Per Shares (Diluted)	₹	51.71	47.11

#### Note 25 (ii): Contingent Liabilities

(Amount in ₹ Crore)

Particulars		As at March 31, 2016	As at March 31, 2015
(a)	Bills discounted	148.78	127.07
(b)	Bonus related to retrospective period*	14.19	-
(c)	Income Tax demands disputed in appeals	2.05	2.05
(d)	Sales Tax demands disputed in appeals	21.81	21.81
(e)	Service Tax demands disputed in appeals	5.31	9.50

\*Bonus pertaining to period retrospective to the notification date 01.01.2016 not provided, pending similar cases contesting retrospective applicability of the said notification in the Honorable High Courts of Kerala, Karnataka, Tamil Nadu and Gujarat.

As on March 31, 2016, the company's management does not expect any outflow in respect of these pending litigations related to direct and indirect tax matters stated above.

#### Note 25 (iii): Derivative transactions

The Company uses forward exchange contracts to hedge its exposure in foreign currency.

The information on derivative instruments is as follows:

1. Derivative instruments outstanding as at March 31, 2016:

Particulars	As At	Bought/sold		Amount in Foreign currency in crore	Amount in ₹ crore
Forward Exchange contracts	March 31, 2016	Sold	GBP/USD	GBP 0.85	80.66
		Sold	GBP/INR	GBP 0.05	4.77
		Sold	USD/INR	USD 0.35	23.19
		Sold	EUR/USD	EUR 0.05	4.07
	March 31, 2015	Sold	GBP/USD	GBP 0.55	50.85
		Sold	USD/INR	USD 0.67	41.87

## Additional information to the Financial Statements

### 2. Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2016

(Amount in Crore)

Particulars	Currency	As At March 31, 2016		As At March 31, 2015	
		Amount in Foreign Currency	Equivalent Amount in ₹	Amount in Foreign Currency	Equivalent Amount in ₹
Trade Receivables	EUR	-	-	0.04	2.37
	CAD	0.00	0.18	0.00	0.04
	GBP	-	-	0.01	1.34
	USD	-	-	0.51	32.12
	ZAR	0.01	0.04	0.02	0.08
	CNY	1.14	11.66	0.10	1.02
	SGD	0.02	0.84	0.01	0.26
	NZD	0.00	0.00	-	-
	SEK	0.05	0.42	-	-
Loans & Advances	EUR	-	-	0.00	0.05
	GBP	0.01	1.19	-	-
	THB	0.05	0.09	0.02	0.04
	USD	0.01	0.56	0.11	6.75
	SGD	0.00	0.07	-	-
Trade Payables	EUR	0.00	0.22	0.00	0.22
	GBP	0.00	0.10	0.00	0.03
	SGD	-	-	0.00	0.02
	THB	0.84	1.58	0.89	1.71
	USD	0.08	5.51	0.08	5.23
Unsecured Loan	USD	0.22	14.64	1.50	93.75
Current account with Bank (including cheques in hand/money in transit)	USD	0.71	47.14	1.01	62.93
	EUR	-	-	0.00	0.29
	GBP	0.05	5.21	0.07	6.81

**Note 25 (iv) Dues to micro, small and medium scale enterprises**

Based on and to the extent of the available information there are no amounts outstanding overdue for more than 45 days to such suppliers. This has been relied upon by the auditors.

**Note 25 (v) Segment Reporting**

Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS 17) on Segment Reporting as notified under the Companies (Accounting Standard) Rules, 2014.

## Additional information to the Financial Statements

### Note 25 (vi) Related Party Disclosures for the year ended March 31, 2016.

#### a) Related party and their relationship

1	Parent Company	Tata Motors Limited
2	Subsidiary	Tata Technologies Pte.Limited, Singapore
3	Indirect Subsidiaries	<ol style="list-style-type: none"> <li>1 Tata Technologies (Thailand) Limited</li> <li>2 INCAT International Plc.</li> <li>3 Tata Technologies Europe Limited</li> <li>4 INCAT GmbH (under liquidation)</li> <li>5 Tata Technologies Inc (Subsidiary of Tata Technoloies Europe Limited w.e.f March 20, 2015)</li> <li>6 Tata Technologies de Mexico, S.A. de C.V.</li> <li>7 Tata Technologies (Canada) Inc.</li> <li>8 Cambric Holdings Inc. (Merged into Tata Technologies Inc w.e.f January 1, 2015)</li> <li>9 Cambric Corporation, Delaware (Merged into Tata Technologies Inc w.e.f January 1, 2015)</li> <li>10 Cambric Limited, Bahama</li> <li>11 Cambric UK Ltd.</li> <li>12 Cambric Managed Services Inc, Utah (Dissolved w.e.f September 29, 2014)</li> <li>13 Cambric GmbH</li> <li>14 Midwest Managed Services, Utah</li> <li>15 Tata Technolgies SRL, Romania (erstwhile Cambric Consulting SRL was renamed w.e.f February 4, 2015)</li> <li>16 Cambric Manufacturing Technologies (Shanghai) Co. Ltd. (incorporated on March 10, 2014)</li> </ol>
4	Fellow subsidiaries	<ol style="list-style-type: none"> <li>1 Concorde Motors (India) Ltd.</li> <li>2 Sheba Properties Ltd.</li> <li>3 TAL Manufacturing Solutions Ltd.</li> <li>4 Tata Motors European Technical Centre PLC</li> <li>5 Tata Motors Insurance Broking &amp; Advisory Services Ltd.</li> <li>6 Tata Motors Finance Ltd.</li> <li>7 TML Holdings Pte. Ltd.</li> <li>8 TML Distribution Company Ltd.</li> <li>9 Tata Hispano Motors Carrocera S.A.</li> <li>10 Tata Hispano Motors Carroceries Maghreb S.A.</li> <li>11 TML Drivelines Ltd.</li> <li>12 PT Tata Motors Indonesia</li> <li>13 Trilix S.r.l.</li> <li>14 Tata Precision Industries Pte. Ltd.</li> <li>15 Tata Marcopolo Motors Ltd.</li> <li>16 Jaguar Land Rover Automotive Plc</li> <li>17 Jaguar Land Rover Limited</li> <li>18 Jaguar Land Rover Austria GmbH</li> <li>19 Jaguar Land Rover Japan Limited</li> <li>20 JLR Nominee Company Limited</li> <li>21 Jaguar Land Rover Deutschland GmbH</li> <li>22 Jaguar Land Rover North America LLC</li> <li>23 Jaguar Land Rover Nederland BV</li> <li>24 Jaguar Land Rover Portugal - Veículos e Peças, Lda.</li> <li>25 Jaguar Land Rover Australia Pty Ltd.</li> <li>26 Jaguar Land Rover Italia Spa</li> <li>27 Jaguar Land Rover Korea Company Limited</li> <li>28 Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd.</li> <li>29 Jaguar Land Rover Canada ULC</li> <li>30 Jaguar Land Rover France, SAS</li> <li>31 Jaguar Land Rover (South Africa) (Pty) Ltd.</li> </ol>

## Additional information to the Financial Statements

	32	Jaguar e Land Rover Brasil Importacao e Comercia de Veiculos Ltda
	33	Limited Liability Company "Jaguar Land Rover" (Russia)
	34	Jaguar Land Rover (South Africa) Holdings Limited
	35	Jaguar Land Rover India Limited
	36	Jaguar Land Rover Espana SL
	37	Jaguar Land Rover Belux NV
	38	Jaguar Cars South Africa (Pty) Ltd.
	39	The Jaguar Collection Limited
	40	Jaguar Cars Limited
	41	Jaguar Land Rover Holdings Limited
	42	Land Rover Exports Limited
	43	Land Rover Ireland Ltd.
	44	Land Rover Parts Ltd. (Dissolved with effect from July 14, 2015)
	45	The Daimler Motor Company Ltd.
	46	Daimler Transport Vehicles Ltd.
	47	S.S. Cars Ltd.
	48	The Lanchester Motor Company Ltd.
	49	Shanghai Jaguar Land Rover Automotive Services Company Limited
	50	Jaguar Land Rover Pension Trustee Limited
	51	JDHT Limited
	52	Silkplan Limited (Acquired by Jaguar Land Rover Limited on April 16,2015)
	53	Jaguar Land Rover Slovakia s.r.o. (Incorporated w.e.f. November 9,2015)
	54	Jaguar Land Rover Singapore Pte Ltd (Incorporated w.e.f. November 25,2015)
	55	Tata Daewoo Commercial Vehicle Co. Ltd.
	56	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.
	57	Tata Motors (Thailand) Limited
	58	Tata Motors (SA) (Proprietary) Ltd.
	59	Tata Motors Finance Solutions Ltd (Converted from Private Limited w.e.f June 4, 2015)
	60	TMNL Motor Services Nigeria Limited (Incorporated w.e.f. September 2,2015)
	61	PT Tata Motors Distribusi Indonesia
5	Joint Venture	TATA HAL Technologies Limited
6	Associates and Joint Venture of Parent Company	1 Tata Cummins Private Limited 2 Tata Precision Industries (India) Ltd. 3 Fiat India Automobiles Private Limited 4 Spark44 (JV) Ltd. 5 Jaguar Cars Finance Ltd. 6 Automobile Corporation of Goa Ltd 7 Nita Co Ltd 8 Cherry Jaguar Land Rover Automotive Co. Limited 9 Tata Hitachi Construction Machinery Company Pvt. Limited 10 Tata AutoComp Systems Ltd 11 Chery Jaguar Land Rover Auto Sales Company Limited
7	Key Management Personnel	1 Mr. Warren Harris, Managing Director (w.e.f. September 8, 2014) 2 Mr. S Venkateswarlu, Chief Financial Officer (w.e.f May 28, 2014) 3 Mr. Anubhav Kapoor, Company Secretary

## Additional information to the Financial Statements

Note 25 (vi) Related Party Disclosures for the year ended March 31, 2016.

### b) Transactions with related parties

(Amount in ₹ Crore)

Particulars	Parent Company	Fellow subsidiaries	Subsidiaries	Joint Venture	Associates & Joint Venture of Parent company	Key Management Personnel	Total
Purchase of products	- (-)	- (0.01)	0.17 (0.65)	- (-)	- (-)	- (-)	0.17 (0.66)
Sale of products	59.58 (41.48)	1.70 (1.48)	3.34 (1.21)	0.49 (0.88)	1.11 (1.51)	- (-)	66.22 (46.56)
Services received	1.36 (2.50)	1.38 (1.23)	11.15 (14.80)	0.94 (4.39)	- (-)	- (-)	14.83 (22.92)
Services rendered	464.34 (456.88)	18.73 (16.85)	357.42 (285.77)	0.10 (-)	6.98 (3.19)	- (-)	847.57 (762.69)
Finance placed (including loans, equity & ICD)	1,168.80 (985.90)	- (-)	- (-)	- (-)	- (-)	- (-)	1,168.80 (985.90)
Finance received back (including loans, equity & ICD)	1,147.30 (884.40)	- (0.00)	- (-)	- (-)	- (-)	- (-)	1,147.30 (884.40)
Dividend paid	106.05 (281.80)	- (-)	- (-)	- (-)	- (-)	- (-)	106.05 (281.80)
Interest paid / (received)(net)	(10.21) (-15.95)	(0.55) (-0.55)	- (-)	- (-)	- (-)	- (-)	(10.76) (-16.50)
Remuneration	- (-)	- (-)	- (-)	- (-)	- (-)	1.18 (1.53)	1.18 (1.53)
Amount receivable	52.49 (31.44)	6.22 (3.54)	95.18 (78.56)	- (0.31)	4.28 (1.26)	- (-)	158.17 (115.11)
Amount payable (including advance received)	3.86 (3.29)	0.00 (-)	6.18 (6.73)	- (0.67)	- (-)	- (-)	10.04 (10.69)
Amount receivable (in respect of loans and bonds)	123.00 (101.50)	5.29 (5.29)	- (-)	- (-)	- (-)	- (-)	128.29 (106.79)
Amount payable (in respect of ICD, Bonds on account payables)	- (-)	- (0.00)	- (-)	- (-)	- (-)	- (-)	- (0.00)

The above transactions are excluding reimbursement of expenses

\* Previous year's figures are shown in the brackets

#### Disclosure of material transactions:

##### Purchase of Goods:

Tata Technologies Inc. ₹ 0.17 crore (March 31, 2015 ₹ 0.65 crore)

##### Services received:

Tata Technologies Thailand Limited ₹ 5.66 crore (March 31, 2015 ₹ 6.79 crore)

Tata Technologies Inc. Limited ₹ 4.99 crore (March 31, 2015 ₹ 1.76 crore)

##### Services rendered:

Tata Technologies Europe Limited ₹ 266.66 crore (March 31, 2015 ₹ 209.97 crore)

## Additional information to the Financial Statements

### Note 25 (vii)

The Company has a joint venture with Hindustan Aeronautics Ltd., TATA HAL Technologies Ltd (THTL) for providing engineering and design solutions and services in the domain of aerostructures for aerospace industry. The Company has an investment of ₹5.07 crores as at March 31, 2016, representing 50% shareholding in THTL.

The proportionate share of assets and liabilities as on March 31, 2016 and income and expenditure for the year ended March 31, 2016 of THTL are given below.

(Amount in ₹ Crore)

Particulars	As on March 31, 2016	As on March 31, 2015	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>RESERVES AND SURPLUS</b>			<b>INCOME</b>		
Profit & Loss	(2.77)	(2.94)	Service Income	3.12	6.21
	(2.77)	(2.94)	Sale of Product	1.32	-
<b>NON-CURRENT LIABILITIES</b>	0.11	0.10	Other income	0.29	0.12
<b>CURRENT LIABILITIES</b>	1.11	0.73	<b>Sub Total</b>	<b>4.73</b>	<b>6.33</b>
	(1.55)	(2.11)			
<b>NON-CURRENT ASSETS</b>			<b>EXPENDITURE</b>		
Net Block (including CWIP)	0.15	0.31	Cost of Traded Items & Services	0.80	0.03
Long Term Loans and Advances	0.13	0.44	Salary & other general expenses	3.52	5.38
Other non current assets	0.27	0.07	Depreciation	0.18	0.23
<b>Sub Total</b>	<b>0.55</b>	<b>0.82</b>	Income tax	0.05	-
<b>CURRENT ASSETS</b>			<b>Sub Total</b>	<b>4.55</b>	<b>5.64</b>
Trade Receivables	2.01	1.77			
Cash and Cash Equivalents	0.79	0.17			
Short Term loans and advances	0.08	0.03			
Other Current Assets	0.09	0.17			
<b>Sub Total</b>	<b>2.97</b>	<b>2.14</b>			
<b>Total</b>	<b>3.52</b>	<b>2.96</b>			

### Note 25 (viii) Information regarding earnings and expenditure in foreign currency

(Amount in ₹ Crore)

Particulars	2015-16	2014-15
<b>Earnings in foreign currency</b>		
Services & Products	372.43	307.18
Commission	-	0.06
<b>Sub Total</b>	<b>372.43</b>	<b>307.24</b>
<b>CIF Value of imports</b>		
Capital Goods	10.99	9.15
Revenue Items (Inventories)	1.53	1.28
<b>Sub Total</b>	<b>12.52</b>	<b>10.43</b>
<b>Expenditure in foreign currency:</b>		
Travel / Training Expenses	3.69	4.15
Software Services	11.85	10.57
Interest	0.86	0.68
Commission	-	5.80
Other Expenses	0.25	0.45
<b>Sub Total</b>	<b>16.65</b>	<b>21.65</b>

## Additional information to the Financial Statements

### Note 25 (ix) Remittances in Foreign Currency for Dividend

The particulars of dividends remitted in foreign currencies to non-resident shareholders are as under:

Particulars		2015 - 2016	2014 - 2015
<b>Number of non-resident shareholders</b>			
FY 2013-14 - Final dividend	No.	-	18
FY 2014-15 - Interim dividend	No.	-	18
FY 2014-15 - Final dividend	No.	17	-
FY 2015-16 - Interim dividend	No.	17	-
<b>Number of shares held by them</b>			
FY 2013-14 - Final dividend	No.	-	7,251,902
FY 2014-15 - Interim dividend	No.	-	7,251,902
FY 2014-15 - Final dividend	No.	7,246,902	-
FY 2015-16 - Interim dividend	No.	7,246,902	-
<b>Gross amount of dividend</b>			
FY 2013-14 - Final dividend	₹ Crore	-	13.05
FY 2014-15 - Interim dividend	₹ Crore	-	10.88
FY 2014-15 - Final dividend	₹ Crore	43.48	-
FY 2015-16 - Interim dividend	₹ Crore	10.87	-

### Note 25 (x) Quantitative Details & Value of Inventories Traded

(Amount in ₹ Crore)

Description		Opening stock	Purchases	Sales	Closing Stock
<b>Networking Items</b>	<b>Value</b>	<b>0.66</b>	<b>1.30</b>	<b>0.73</b>	-
	Value	(-)	(-)	(-)	(-)
	<b>Qty</b>	<b>460</b>	<b>263</b>	<b>723</b>	-
	Qty	(-)	(-)	(-)	(-)
<b>Software &amp; End user Licenses</b>	<b>Value</b>	<b>0.09</b>	<b>131.92</b>	<b>164.05</b>	-
	Value	(-)	(98.24)	(122.12)	(-)
	<b>Qty</b>	<b>213</b>	<b>7,206</b>	<b>7,419</b>	-
	Qty	(-)	(12,595)	(12,595)	(-)
<b>Total</b>	<b>Value</b>	<b>0.75</b>	<b>133.22</b>	<b>164.79</b>	-
	Value	(-)	(98.24)	(122.12)	(-)
	<b>Qty</b>	<b>673</b>	<b>7,469</b>	<b>8,142</b>	-
	Qty	(-)	(12,595)	(12,595)	(-)

Previous year figures are shown in brackets.

**Note 25 (xi) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications / disclosures.**

## Independent Auditors' Report

### TO THE MEMBERS OF TATA TECHNOLOGIES LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **TATA TECHNOLOGIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, 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 consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Holding Company, as aforesaid.

#### Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, 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 explanations given to us, 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 and its jointly controlled entity as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matters

- (a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 863.11 crore as at 31st March, 2016, total revenues of ₹ 1,170.60 crore, and net cash inflows amounting to ₹ 67.81 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. 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 consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (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 relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and its jointly controlled entity incorporated in India, none of the directors of the Holding company and its jointly controlled entity incorporated in India 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 and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and its jointly controlled entity incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's / jointly controlled entity incorporated in India. Internal financial controls over financial reporting on the operating effectiveness of the Holding company's / jointly controlled entity's incorporated in India internal financial controls over financial reporting.

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity. Refer Note 27(ii) to the consolidated financial statements.
- ii. The Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its jointly controlled entity incorporated in India.

**Sunil S Kothari**  
Partner  
(Membership No. 208238)

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

Date: May 13, 2016  
Place: Mumbai

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **TATA TECHNOLOGIES LIMITED** (hereinafter referred to as "the Holding Company") and jointly controlled entity, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its jointly controlled entity, which are companies incorporated in India, are 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 (ICAI). 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 the respective 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.

#### Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance 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 judgement, 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 and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 and to the best of our information and according to the explanations given to us, the Holding Company and its jointly controlled entity, which are companies incorporated in India, have, 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.

#### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 1 jointly controlled entity, which is incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**Sunil S Kothari**  
Partner  
(Membership No. 208238)

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

Date: May 13, 2016  
Place: Mumbai

## Consolidated Balance Sheet as at March 31, 2016

(Amount in ₹ Crore)

Particulars	Note No.	March 31, 2016	March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	3	43.02	43.02
(b) Reserves and surplus	4	1,253.47	1,022.14
		<u>1,296.49</u>	<u>1,065.16</u>
<b>(2) Share application money pending allotment</b>		0.19	-
<b>(3) Non-current Liabilities</b>			
(a) Long-term borrowings	5	79.56	154.14
(b) Deferred tax liabilities (Net)	6	2.61	4.22
(c) Trade payables			
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2.35	1.59
(d) Long-term provisions	7	15.42	14.96
		<u>99.94</u>	<u>174.91</u>
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	8	236.87	131.25
(b) Trade payables			
- Total outstanding dues of creditors other than micro enterprises and small enterprises		303.98	351.12
- Total outstanding dues of micro enterprises and small enterprises		2.06	3.44
(c) Other current liabilities	9	204.72	201.89
(d) Short-term provisions	10	108.31	316.22
(e) Income tax liabilities (Net)		37.39	43.85
		<u>893.33</u>	<u>1,047.77</u>
		<u>2,289.95</u>	<u>2,287.84</u>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	97.45	86.01
(ii) Intangible assets	12	65.78	50.63
(iii) Capital work-in-progress		5.26	3.16
(iv) Intangible assets under development		-	3.71
		<u>168.49</u>	<u>143.51</u>
(b) Goodwill			
(i) Goodwill on consolidation (Refer Note 27 (iii) (a))		479.07	461.21
(ii) Goodwill on acquisition (Refer Note 27 (iii) (b))		171.86	162.14
		<u>650.93</u>	<u>623.35</u>
(c) Non-current investments	13	10.00	20.00
(d) Deferred tax assets (Net)	6	3.57	10.26
(e) Long-term loans and advances	14	63.38	58.46
(f) Income tax assets (Net)		37.53	33.65
(g) Other non current assets		0.93	0.99
		<u>934.83</u>	<u>890.22</u>
<b>(2) Current Assets</b>			
(a) Current investments	15	58.47	261.87
(b) Inventories (Traded)		-	0.75
(c) Trade receivables	16	447.11	363.42
(d) Cash and bank balances	17	581.37	485.33
(e) Other current assets	18	94.11	78.07
(f) Short-term loans and advances	19	161.20	201.30
(g) Current income tax assets		12.86	6.88
		<u>1,355.12</u>	<u>1,397.62</u>
		<u>2,289.95</u>	<u>2,287.84</u>
Significant Accounting Policies	2		
Accompanying Notes to the Financial Statements	27		

### For and on behalf of the Board

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Sunil S Kothari**  
Partner

Date: May 13, 2016  
Place: Mumbai

**S Ramadorai**  
Chairman  
DIN: 00000002

**C Ramakrishnan**  
Director  
DIN: 00020076

**S Venkateswarlu**  
Chief Financial Officer

Date: May 13, 2016  
Place: Mumbai

**P P Kadle**  
Director  
DIN: 00016814

**Warren Harris**  
Managing Director  
DIN: 02098548

**Anubhav Kapoor**  
Company Secretary

**Rakesh Makhija**  
Director  
DIN: 00117692

**Falguni Nayar**  
Director  
DIN: 00003633

## Statement of Consolidated Profit and Loss for the year ended March 31, 2016

(Amount in ₹ Crore)

Particulars	Note No	Year ended March 31, 2016	Year ended March 31, 2015
<b>I. Revenue from operations</b>	20	<b>2,686.20</b>	2,594.20
<b>II. Other income</b>	21	<b>27.40</b>	50.03
<b>III. Total Revenue (I + II)</b>		<b>2,713.60</b>	2,644.23
<b>IV. Expenses :</b>			
(a) Cost of traded products	22	<b>372.48</b>	437.97
(b) Consultancy fees, softwares and others	23	<b>388.36</b>	367.53
(c) Employee benefits expense	24	<b>1,200.51</b>	1,153.92
(d) Finance costs	25	<b>6.25</b>	8.99
(e) Depreciation and amortisation expense	11 & 12	<b>58.75</b>	51.22
(f) Other expenses	26	<b>226.36</b>	194.84
<b>Total Expenses</b>		<b>2,252.71</b>	2,214.47
<b>V. Profit before tax (III - IV)</b>		<b>460.89</b>	429.76
<b>VI. Tax Expense :</b>			
(a) Current tax		<b>85.97</b>	95.58
(b) MAT Credit Entitlement		<b>(12.44)</b>	(5.02)
(c) Deferred tax		<b>5.70</b>	5.13
		<b>79.23</b>	95.69
<b>VII. Profit after tax (V - VI)</b>		<b>381.66</b>	334.07
<b>VIII. Earnings Per Equity Share : (Refer Note 27(i))</b>			
(i) Basic		<b>88.70</b>	77.64
(ii) Diluted		<b>88.64</b>	77.58
Significant Accounting Policies	2		
Accompanying Notes to the Financial Statements	27		

### For and on behalf of the Board

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Sunil S Kothari**  
Partner

Date: May 13, 2016  
Place: Mumbai

**S Ramadorai**  
Chairman  
DIN: 00000002

**C Ramakrishnan**  
Director  
DIN: 00020076

**S Venkateswarlu**  
Chief Financial Officer

Date: May 13, 2016  
Place: Mumbai

**P P Kadle**  
Director  
DIN: 00016814

**Warren Harris**  
Managing Director  
DIN: 02098548

**Anubhav Kapoor**  
Company Secretary

**Rakesh Makhija**  
Director  
DIN: 00117692

**Falguni Nayar**  
Director  
DIN: 00003633

## Consolidated Cash Flow Statement for the year ended March 31, 2016

(Amount in ₹ Crore)

Consolidated Cash Flow Statement for the	Year ended March 31, 2016	Year ended March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit after taxation	381.66	334.07
Depreciation and amortisation	58.75	51.22
Disallowance of TDS abroad	0.30	0.23
Provision for wealth tax	-	0.01
Provision for income tax and MAT entitlement	73.53	90.56
Provision for deferred tax	5.70	5.13
Dividend income on investments	(3.23)	(7.07)
(Profit)/Loss on sale of investments	(2.68)	(7.11)
(Profit) / Loss on sale of tangible and intangible fixed assets	(0.01)	(0.02)
Finance cost	6.25	8.99
Interest income	(18.53)	(26.38)
Unrealised exchange loss / (gain)	0.61	(0.90)
Effect of exchange differences on translation of foreign currency cash & cash equivalent	(4.21)	(4.33)
Allowances for doubtful debts	1.68	2.38
Operating profit before working capital changes	499.82	446.78
<b>Adjustments for :</b>		
Inventories	0.75	(0.75)
Trade receivables	(70.84)	(58.26)
Other current assets	(14.93)	(3.55)
Short term loans and advances	(3.40)	2.13
Long term loans and advances	(12.78)	(9.33)
Other Non current Assets	0.06	-
Trade payables	(69.52)	(17.56)
Other current liabilities	(2.49)	11.68
Short term provision	(0.78)	(1.10)
Long term provision	0.30	(2.79)
<b>CASH GENERATED FROM OPERATIONS</b>	326.19	367.25
Income taxes paid (net)	(91.32)	(68.48)
<b>NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES</b>	234.87	298.77
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of tangible and intangible fixed assets	17.14	0.38
Dividend received	0.83	0.42
Income from sale of investment	2.68	7.08
Interest received on bank deposit and others	6.87	3.08
Payment for purchase of tangible and intangible fixed assets	(91.46)	(60.98)
Inter corporate deposits placed	(1,198.80)	(1,080.90)
Inter corporate deposits refunded	1,242.30	884.40
Loans to others	8.34	(8.86)
Interest received from inter corporate deposit	11.28	21.30
Purchase of mutual funds	(169.90)	(668.13)
Sale of mutual funds	385.70	895.82
Addition to fixed deposit with banks (net) having maturity over three months	(216.83)	(165.52)
Repayment of fixed deposit with banks (net) having maturity over three months	248.60	5.99
<b>NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>	246.75	(165.92)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share application money received pending allotment	0.19	-
Interest paid	(6.22)	(9.14)
Dividends paid (including dividend tax)	(388.06)	(166.42)
Proceeds from short term borrowings	683.60	218.30
Repayment of short term borrowings	(579.66)	(220.49)
Proceeds from long term borrowings	-	231.05
Repayment of long term borrowings	(79.59)	(291.66)
<b>NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	(369.74)	(238.36)
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	111.88	(105.51)
Cash & Bank balances at the close of the year (Refer Note 17) #	581.37	485.33
Less: Bank deposits with original maturity over three months for the year	131.70	163.46
Cash & Bank balances at the beginning of the year (Refer Note 17) #	485.33	465.45
Less: Bank deposits with original maturity over three months for the year	163.46	3.93
Less: Effect of exchange rate changes on cash and cash equivalents	(4.21)	(4.33)
Add: Translation adjustment on cash & bank balances of foreign subsidiaries	16.36	(20.16)
Add: Translation adjustment on reserves of foreign subsidiaries	(4.65)	(18.31)
	111.88	(105.51)
<b># Cash &amp; Bank balances comprise :</b>		
<b>a) Cash and Cash Equivalents</b>		
Cash on hand	0.04	0.04
Cheques, drafts on hand / funds in transit	1.32	3.39
Current account with banks	446.55	307.86
Bank deposits less than 3 months maturity	-	9.14
<b>b) Other bank balances (with more than 3 months but less than 12 months maturity)</b>		
Earmarked balance with banks	1.69	1.37
Bank deposits	131.39	163.16
<b>c) Other bank balances (with more than 12 months maturity)</b>		
Pledged/lien with banks	0.31	0.30
Bank deposits	0.07	0.07
	581.37	485.33

### For and on behalf of the Board

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Sunil S Kothari**  
Partner

Date: May 13, 2016  
Place: Mumbai

**S Ramadorai**  
Chairman  
DIN : 00000002

**C Ramakrishnan**  
Director  
DIN : 00020076

**S Venkateswarlu**  
Chief Financial Officer

**P P Kadle**  
Director  
DIN : 00016814

**Warren Harris**  
Managing Director  
DIN : 02098548

**Anubhav Kapoor**  
Company Secretary

**Rakesh Makhija**  
Director  
DIN : 00117692

**Falguni Nayyar**  
Director  
DIN : 00003633

Mumbai, May 13, 2016

## Notes forming part of Consolidated Financial Statements

### Note 1

#### Company Overview

TATA Technologies Limited ("TTL or the Company") was incorporated on August 22, 1994 as a Private Limited Company in the name of Core Software Systems Private Limited. The name of the Company was subsequently changed to Tata Technologies (India) Limited. On February 8, 2001, the Company changed its name from Tata Technologies (India) Limited to Tata Technologies Limited. The Company's range of services includes IT Consultancy, SAP implementation and maintenance, providing networking solutions, CAD/CAM engineering & design consultancy. The Company is headquartered in Pune, India. The Company has five offices located at Mumbai, Lucknow, Jamshedpur, Bangalore, and Chennai and one branch office located in Japan that enables it to provide high quality, cost-effective services to clients.

During October 2005, the Company incorporated a wholly owned subsidiary in Thailand to cater the need of automotive companies in Thailand and South East Asian countries. Also during October 2005 the Company acquired, through its subsidiary, 100% equity of INCAT International Plc., UK which had various subsidiaries in US, Europe, Japan and Singapore. A reorganization of various entities under INCAT was undertaken, to have a single representative legal entity in each country in which the Company operates, to improve operational efficiency. The Company now has a global presence, through its subsidiaries, in US, UK, Germany, Mexico, Canada, Singapore, South Korea, Netherlands, Thailand and China.

In December, 2005, the Company acquired 100% stake in Tata Technologies Pte Ltd. a Singapore based Company.

In October 2006, the Company sold its 100% equity stake in Tata Technologies (Thailand) Ltd. to its wholly owned subsidiary viz. Tata Technologies Pte Ltd., Singapore at a value determined by an independent valuer.

During May 2013 the group acquired US based engineering services company - Cambric Holdings Inc. The Group has also set up a wholly owned subsidiary in China in March-2014.

The Company provides Engineering and Design services (E&D) and Product Lifecycle Management (PLM) products and services, primarily to manufacturers and their suppliers in the international automotive, aerospace and engineering markets. The offshore capabilities of the Company in the field of engineering automation services combined with the high-end onshore strengths of subsidiaries are expected to offer a strong and seamless onshore/offshore delivery capability to the international customers in the automotive, aerospace and engineering industries.

### Note 2

#### Significant Accounting Policies

**a. Basis of consolidation**

The consolidated financial statements relate to the Company, its subsidiary companies and joint venture. The Company, its subsidiaries and joint venture constitute the Group.

**b. Basis of accounting**

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

**c. Principles of consolidation**

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

- a) The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard on Consolidated Financial Statements issued under Companies (Accounting Standards) Rules, 2006.
- b) The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses have been fully eliminated. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.
- c) The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus'; in the consolidated financial statements.
- d) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- e) For the purpose of consolidation, the financial statements of foreign subsidiaries have been translated into its immediate parent companies currency and the same has been on the following basis:
  - All income and expenses items are converted at the average rate of exchange applicable for the year. All assets and liabilities are translated at the closing rate as on the balance sheet date. The resulting exchange differences on account of translation at the year end are transferred to translation reserve.
- f) The financial statements of the joint venture company has been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line item in the consolidated financial statements.

**d. Subsidiary and joint venture Companies considered in the consolidated financial statements:**

The following subsidiary companies are considered in the consolidated financial statements

Sr. No	Name of the Subsidiary Company	Country of Incorporation	% of holding either directly or through subsidiary as at	
			March 31, 2016	March 31, 2015
	<b>Direct Subsidiary</b>			
1	TATA Technologies Pte. Ltd.	Singapore	100	100
	<b>Indirect Subsidiaries</b>			
2	Tata Technologies (Thailand) Limited	Thailand	100	100
3	Cambric Manufacturing Technologies (Shanghai) Co. Ltd.	China	100	100
4	INCAT International Plc.	UK	100	100
5	Tata Technologies Europe Limited	UK	100	100
6	INCAT GmbH (in process of liquidation)	Germany	100	100
7	Tata Technologies Inc. ** ###	USA	99.81	99.81
8	Tata Technologies (Canada) Inc. **	Canada	99.81	99.81
9	Tata Technologies de Mexico, S.A. de C.V **	Mexico	99.81	99.81
10	Cambric Holdings Inc. ##	Delaware, USA	-	100
11	Cambric Corporation, Delaware ##	Delaware, USA	-	100
12	Cambric Limited, Bahamas ##	Bahamas	100	100
13	Cambric UK Ltd. ##	UK	100	100
14	Cambric Managed Services, Utah ## (Dissolved w.e.f. September 29, 2014)	Utah, USA	100	100
15	Cambric GmbH ##	Germany	100	100
16	Midwest Managed Services, Utah ##	Utah, USA	100	100
17	Tata Technolgies SRL, Romania ## (erstwhile Cambric Consulting SRL was renamed w.e.f. February 4, 2015)	Romania	100	100

\*\* For these subsidiaries though the holding is 99.81 %, the indirect voting power is 100%.

## Due to acquisition of Cambric Holdings Inc., these subsidiaries have become indirect subsidiaries of the Company w.e.f. May 01, 2013. Effective from January 1, 2015 Cambric Corporation Delaware has been merged with Cambric Holdings Inc., which inturn has been merged with Tata Technologies Inc.

### Became subsidiary of Tata Technologies Europe Limited w.e.f. March 20, 2015

**e. The following joint venture company is considered in the consolidated financial statements:**

Sr. no	Name of the Joint Venture Company	Country of Incorporation	% of holding either directly or through subsidiary as at	
			March 31, 2016	March 31, 2015
1	TATA HAL Technologies Limited	India	50	50

**f. Conversion into Indian Rupees**

For the purpose of consolidation, the financial statements of foreign subsidiaries have been translated into its immediate parent companies currency and the same has been on the following basis:

All income and expenses items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the balance sheet date. The resulting exchange differences on account of translation at the period end are transferred to translation reserve.

**g. Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent

liabilities as at the date of financial statements.

Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

## h. Revenue recognition

Revenue from services on time and materials contracts is recognized when services are rendered and related costs are incurred i.e. based on certification of time sheets and billed to clients as per the terms of specific contracts. In case of fixed price contracts, revenue is recognized over the life of the contract based on milestones achieved as specified in the contracts or by proportionate completion method on the basis of the work completed. Foreseeable losses on such contracts are recognized when probable.

Revenue from rendering Annual Maintenance Services (SAP-ERP) is recognized proportionately over the period in which services are rendered.

Revenue from third party software products and hardware sale is recognized upon delivery.

Income from interest and rent is recognized on time proportion basis.

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

Commission Income on sale of PLM products is recognized upon delivery of products by the vendor to the end user.

## i. Fixed assets

Tangible assets are stated at cost, less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition. Direct costs are capitalized till the assets are ready for use and include financing costs relating to any borrowing attributable to the acquisition of qualifying fixed assets. Capital work in progress and Intangible assets in progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

Software not exceeding ₹ 25,000 is charged off to the Statement of Profit & Loss. Acquired goodwill is carried at cost and assessed for impairment at each year end.

## j. Depreciation/amortisation

Depreciation/amortisation is provided on Straight Line Method (SLM) over the estimated useful lives of the assets. Estimated useful lives of assets are as follows:

Type of Asset	Useful life
Leasehold land	Lease period
Lease hold improvements	Lease period
IT equipment on lease	Lease period
Buildings	15 to 25 years
Plant and machinery	1 to 21 years
Computer equipments	1 to 4 years
Vehicles	3 to 11 years
Furniture & fixtures	1 to 21 years
Software	1 to 4 years

Depreciation/amortisation on additions to Fixed Assets is provided from the month of acquisition of the Asset. Depreciation/amortisation on Assets sold / scrapped during the period is provided for prior to the month of sale / scrap as the case may be.

The Company charges 100% Depreciation/amortisation on assets individually costing less than ₹ 5,000 in the year of purchase.

**k. Leases**

Assets leased by the Company in its capacity as lessee, where the Company has substantially transferred all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating lease. Lease payments under operating leases are recognized in the Statement of Profit & Loss on a straight line basis.

**i. Foreign Currency transactions and translations of foreign operations**

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Statement of Profit & Loss.

Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

All foreign operations have been identified as non-integral to the operations of the Company. The translations of functional currency into reporting currency is performed for balance sheet accounts using the exchange rates in effect at the balance sheet date and for the revenue and expense accounts using appropriate average exchange rates for the respective periods. The gains or losses resulting from such translations are accumulated in a foreign currency translation reserve.

Premium or discount on forward contracts is amortised over the life of such contract and is recognized as income or expense in the Statement of Profit & Loss.

**m. Investments**

Investments are classified into current investments and long term investments.

Current investments are carried at lower of cost and market value. Any reduction in carrying amount and reversals of such reductions are charged or credited to the Statement of Profit and Loss.

Long term investments are stated at cost less provision for diminution in the value of such investments. Diminution in value is provided for where the management is of the opinion that the diminution is other than temporary in nature.

**n. Impairment of Assets**

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the Statement of Profit & Loss.

**o. Inventories**

Inventories comprising of traded software and hardware products are valued at lower of cost or net realizable value.

**p. Employee Benefits**

**(i) Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established as trust. The Company accounts for the liability for gratuity benefits payable in future based on independent actuarial valuation as on Balance Sheet date.

**(ii) Superannuation**

The Company has two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be member of either plan.

Employees who are the members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company account for superannuation benefits payable in future under the plan based on an estimated basis for the period end and on the independent actuarial valuation at the year end.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary.

The Company maintains separate irrevocable trusts for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' salary to the trust every year. Such contributions are recognized as an expense when incurred. The Company has no further obligation beyond this contribution.

**(iii) Bhavishya Kalyan Yojana (BKY)**

Bhavishya Kalyan Yojana is an unfunded defined benefit plan. The benefits of the plan accrue to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased /disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is higher. The Company accounts for the liability for BKY benefits payable based on the independent actuarial valuation as on the Balance Sheet date.

**(iv) Post-retirement Medicare Scheme**

Under this Scheme employees get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. The Company account for the liability for post-retirement medical scheme based on the independent actuarial valuation as on the Balance Sheet date.

**(v) Provident Fund**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The provident fund contributions, as specified under the law, are paid to the provident fund set up as irrevocable trust by the

Company and pension amount is paid to Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme. The contributions paid during the period are charged to Statement of Profit and Loss.

**(vi) Compensated absences**

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on number of days of unutilized leave at each balance sheet date based on an independent actuarial valuation as on Balance Sheet date.

**q. Taxation**

Current income tax expense comprises taxes on income from operations in India and foreign tax jurisdictions. Income tax payable in India is determined in accordance with the provisions of Income Tax Act, 1961. Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences 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 the tax laws that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

**r. Employee Stock Options \Employee Stock Purchase Program:**

In accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India (SEBI), the Company introduced Employee Stock Option Plan 2001(TTESOP 2001) in 2000-01. As per the Plan, the options were granted at fair value as determined by an independent valuer as on the date of the grant and hence no compensation cost has been recognized.

The Company has also introduced Employee Stock Purchase Program offering to select employees, to purchase shares of the Company held by 'Tata Technologies Limited - Employee Stock Option Trust'. As per the plan the shares are offered at the fair value as determined by an independent valuer and hence no compensation cost has been recognized.

**s. Earnings per share**

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax and include the post-tax effect of any extra-ordinary items. The number of shares used in computing basic earnings per share, is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the shares considered for deriving basic earnings per share and also number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

**t. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a

qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

**u. Provisions, contingent liabilities and contingent assets**

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements

**v. Segment Reporting.**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance

The Company is engaged mainly in the business of providing information technology services. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standards) Rules, 2006, are considered to constitute one single primary segment.

With respect to secondary segment reporting i.e. based on geographic segments, the accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue & expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Expenses which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated expenses". Fixed assets used in the company's businesses or liabilities contracted have not been identified to any of the reportable segments, as fixed assets and services are used interchangeably between reportable assets..

**NOTE -3**

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>SHARE CAPITAL</b>		
<b>Authorised :</b>		
60,000,000 equity shares of ₹ 10/- each (P.Y. 60,000,000 equity shares of ₹ 10/- each)	<b>60.00</b>	60.00
700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each (P.Y. 700,000 0.01% Cumulative Non-participative Compulsorily Convertible Preference Shares of ₹ 10/- each)	<b>0.70</b>	0.70
	<b>60.70</b>	60.70
<b>Issued, subscribed and fully paid :</b>		
43,024,638 equity shares of ₹ 10/- each (P.Y. 43,024,638 equity shares of ₹ 10/- each)	<b>43.02</b>	43.02
	<b>43.02</b>	43.02

## Notes forming part of Consolidated Financial Statements

**Note 3(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year :**

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount in ₹ crore	No. of Shares	Amount in ₹ crore
<b>Equity shares</b>				
Number of shares as at April 1, 2015	43,024,638	43.02	43,024,138	43.02
Add: Shares issued under ESOP scheme	-	-	500	0.00
Number of shares as at March 31, 2016	<u>43,024,638</u>	<u>43.02</u>	<u>43,024,638</u>	<u>43.02</u>

**Note 3(ii) Shares in the Company held by each shareholder holding more than 5 percent shares**

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity Shares</b>				
(a) Tata Motors Limited (Holding Company)	30,300,600	70.43	30,300,600	70.43
(b) Alpha TC Holdings Pte Ltd.	<u>3,746,505</u>	<u>8.71</u>	<u>3,746,505</u>	<u>8.71</u>
	<u>34,047,105</u>	<u>79.14</u>	<u>34,047,105</u>	<u>79.14</u>

**Note 3(iii) Equity shares of ₹ 10/- each allocated towards employee stock options granted/available for grant as at March 31, 2016 - 60,171 shares (60,171 shares as at March 31, 2015).**

**Note 3(iv) Option activity during the year under the plan is given as below**

Number of options granted, exercised and forfeited	As at March 31, 2016	As at March 31, 2015
Options granted, beginning of the year	33,301	14,051
Granted during the year	-	30,000
Exercised during the year	(3,000)	(500)
Forfeited during the year	(187)	(10,250)
Option exercisable at the year end	30,114	33,301
Weighted average share price at the date of exercise	₹ 645	₹ 645

During the previous year ended March 31, 2015, the Compensation Committee of the Board of Directors of the Company had granted 30,000 options to the eligible employees. The options vest over 4-5 years and are exercisable during a maximum period of 11 years from the date of vesting. In terms of the ESOP plan, the options were granted at the exercise price equivalent to the fair value of the underlying shares. The Company has accounted the above options using the intrinsic value method and thus there is no amount charged to the statement of profit and loss.

The guidance note issued by the ICAI requires the disclosure of pro forma net results and EPS both basic & diluted, had the Company adopted the fair value method. Had the Company accounted these options under

## Notes forming part of Consolidated Financial Statements

fair value method, amortising the stock compensation expense there on over the vesting period, the impact for the year ended March 31, 2016 on the reported profit would be reduction (Charge) of ₹ 0.13 crore (previous year NIL) and on the reported basic & diluted EPS would be reduction of ₹ 0.03 (previous year NIL).

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 4 & 5 years, an expected dividend rate of 3.88% on the underlying equity shares, a risk free rate of 7.81% and volatility in the share price of 37.5% since the company being closely held and its shares not being freely traded. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur.

**Note 3 (v)** The Company has only one class of shares having par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share and in the event of liquidation, has rights proportionate to their shareholdings over the residual assets after paying out all the liabilities.

### Note 4

#### RESERVES AND SURPLUS

(Amount in ₹ Crore)

Particulars		As at March 31, 2015	Additions	Deductions	As at March 31, 2016
(a)	Securities Premium Account [Note 4 (iv)]	350.51	0.01	-	350.52
(b)	Capital Reserve	0.63	-	-	0.63
(c)	Translation Reserves	65.18	30.91	-	96.09
(d)	General Reserve [Note 4 (i)]	111.83	23.00	-	134.83
(e)	Legal Reserve [Note 4 (ii)]	0.44	0.61	-	1.05
(f)	Surplus i.e. balance in statement of Profit and Loss [Note 4 (iii)]	493.55	381.66	204.86	670.35
		1,022.14	436.19	204.86	1,253.47

#### Note 4(i) Changes in General Reserve :

(Amount in ₹ Crore)

Particulars	2015-16		2014-15	
	Additions	Deductions	Additions	Deductions
(a) Transferred from Statement of Profit and Loss	23.00	-	21.00	-
	23.00	-	21.00	-

## Notes forming part of Consolidated Financial Statements

### Note 4(ii) Changes in Legal Reserve :

(Amount in ₹ Crore)

Particulars	2015-16		2014-15	
	Additions	Deductions	Additions	Deductions
(a) Opening Legal Reserve	0.44	-	0.33	-
(b) Legal Reserve transferred from current year Retained earnings	0.61	-	0.11	-
	<u>1.05</u>	<u>-</u>	<u>0.44</u>	<u>-</u>

### Note 4(iii) Changes in Statement of Profit and Loss :

(Amount in ₹ Crore)

Particulars	2015-16		2014-15	
	Additions	Deductions	Additions	Deductions
(a) Profit for the year	381.66	-	334.07	-
(b) Final Dividend	-	86.05	-	258.15
(c) Interim Dividend	-	64.54	-	64.53
(d) Tax on Final Dividend	-	17.52	-	52.55
(e) Tax on Interim Dividend	-	13.14	-	11.61
(f) Transferred to General Reserve	-	23.00	-	21.00
(g) Transferred to Legal Reserve	-	0.61	-	0.11
	<u>381.66</u>	<u>204.86</u>	<u>334.07</u>	<u>407.95</u>

### Note 4 (iv)

During 2010, based on the approval of Shareholders of the Company at the Extra-Ordinary General Meeting held on March 5, 2010 and the Order of the Honourable High Court of Judicature at Mumbai dated April 16, 2010, the Company had utilized balance in the securities premium account to the tune of ₹ 46.66 Crore towards one time charges/cost (including change in accounting policy for provision for doubtful debts) incurred by the Company and its subsidiary companies. The amounts relating to the Company amounting to ₹ 17.32 Crore had been adjusted to the Securities Premium Account. An amount of ₹ 29.34 Crore equivalent to the total amount of adjustments relating to the subsidiaries had been identified and segregated from the balance in the Securities Premium Account for adjustment on consolidation. Of this total adjustment made, ₹ 1.58 Crore and ₹ 16.58 Crore related to provision for doubtful debts of the Company and its subsidiary companies respectively on account of change in accounting with regard to provision for doubtful debts.

During the year ended March 31, 2016, the Company and its subsidiary companies have received amounts aggregating to ₹ 0.01 crore (₹ 0.01 crore for the year ended March 31, 2015) against the balances adjusted in the Securities Premium Account as above. Consequently, such excess provisions for doubtful debts on account of the said collections have been written back to the Securities Premium Account.

Since realisation of doubtful debts provided for the adjustments above upto March 31, 2016 amounted to ₹ 6.18 Crore (₹ 6.18 Crore as on March 31, 2015) relating to the subsidiaries. Accordingly, balance amount of ₹ 23.16 Crore relating to the subsidiaries is continued to be disclosed separately as securities premium account for adjustment on consolidation.

## Notes forming part of Consolidated Financial Statements

### Note 5

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>LONG TERM BORROWINGS</b>		
<b>(A) Secured</b>		
<b>a) Others</b>		
(i) Long term maturity of finance lease obligations (Refer Note 5 (i)) # (Secured against fixed assets obtained under finance arrangements)	-	-
	-	-
Notes: # Terms of repayment - Equated Quarterly Installment		
<b>(B) Unsecured</b>		
<b>a) Banks</b>		
(i) Term Loan From Banks		
- Bank of America #	79.56	154.14
Terms of repayment - Current Year - Equated Quarterly Installment upto March'2018		
	79.56	154.14
	79.56	154.14

### Note 5(i) Long term maturity of finance lease obligations

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Total of Minimum lease payments</b>		
Not later than one year	-	0.05
	-	0.05
Less: Interest	-	-
	-	0.05
<b>Present Value of Minimum lease payments</b>		
Not later than one year	-	0.05
	-	0.05

The company has entered into finance lease arrangements for servers.

## Notes forming part of Consolidated Financial Statements

### Note 6

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>DEFERRED TAX ASSET / (LIABILITIES) (NET)</b>		
<b>Tax effect of items constituting deferred tax liabilities :</b>		
On difference between book balance and tax balance of fixed assets	9.68	10.38
Others	3.67	-
Sub-total	13.35	10.38
<b>Deferred tax assets:</b>		
Depreciation in excess of capital allowances	5.18	5.46
Provision for expenses disallowed under section 43B of The Income Tax Act,1961	6.09	5.90
Others	3.04	5.06
Sub-total	14.31	16.42
<b>Deferred Tax Asset (Net)</b>	0.96	6.04

The Components of deferred tax assets (DTA) / deferred tax liabilities (DTL) referred above have been aggregated based on the nature of items across various tax jurisdictions. For the purpose of Balance Sheet disclosure such aggregation has not been made. The break up of the same is as follows:

Deferred tax liabilities	(2.61)	(4.22)
Deferred tax assets	3.57	10.26
<b>Deferred Tax Asset /(Liabilities) Net</b>	<b>0.96</b>	<b>6.04</b>

### Note 7

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>LONG - TERM PROVISIONS</b>		
(a) Provision for Employee Benefits (Refer Note 7(i) & 7(ii))	15.42	14.96
	<b>15.42</b>	<b>14.96</b>



## Notes forming part of Consolidated Financial Statements

### Note 7(ii):

#### Defined Contribution Plans-

The Company's contribution to defined contribution plan aggregated ₹ 34.93 crores (2014-15 ₹ 33.28 crores) for the year ended March 31, 2016 has been recognised in the statement of Profit and Loss.

#### Other benefits relating to the subsidiaries / JVs:

Compensated Absences and Gratuity-Charged to Statement of Profit & Loss during the year- ₹ 0.14 Crore (2014-15 ₹ (0.24) Crore) liabilities outstanding as at the year end ₹ 3.29 Crore (2014-15 ₹ 3.99 crore)

#### Notes:

- (a) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.
- (b) The assumption of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (c) Also refer note 2(k) for brief description of employee benefit schemes.
- (d) The company expects to contribute ₹ 5.31 crore to the fully funded pension plans in the year 2016-17.

### Note 8

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>SHORT TERM BORROWINGS FROM BANKS</b>		
<b>(A) Secured</b>		
Loans repayable on demand - (Refer Note (i))	39.75	37.50
Note (i) :-	<u>39.75</u>	<u>37.50</u>
(a) The loan of USD 6,000,000/- (P.Y. USD 6,000,000) taken from Chase Commercial Bank, the same is repayable on call basis. The loan carries interest rate at Libor+1.75%. [Secured by hypothecation of book debts/accounts receivable and movable fixed assets (excluding certain vehicles)]	39.75	37.50
<b>(B) Unsecured</b>		
Loans repayable on demand	197.12	93.75
	<u>197.12</u>	<u>93.75</u>
	<u>236.87</u>	<u>131.25</u>

### Note 9

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>OTHER CURRENT LIABILITIES</b>		
(a) Interest accrued but not due on borrowings	0.07	0.04
(b) Current maturities of long term debt (Refer Note 5)	79.56	77.01
(c) Current maturities of finance lease obligations (Refer Note 5(i))	-	0.05
(d) Unpaid dividends	1.68	1.37
(e) Income received in advance	71.83	64.63
(f) Statutory dues	44.49	51.67
(g) Advance and progress payments	3.30	3.36
(h) Provision for employee benefits (Refer Note 7(i) & 7(ii))	3.79	3.76
	<u>204.72</u>	<u>201.89</u>

## Notes forming part of Consolidated Financial Statements

### Note 10

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>SHORT-TERM PROVISIONS</b>		
(a) Provision for Employee benefits (Refer Note 7(i) & 7(ii))	4.74	5.52
(b) Provision for Final Dividend	86.05	258.15
(c) Provision for Tax on Dividend	17.52	52.55
	<u>108.31</u>	<u>316.22</u>



## Notes forming part of Consolidated Financial Statements

### Note 12

(Amount in ₹ Crore)

	Cost as at Apr 1, 2015	Additions	Deductions	Translation Adjustments	Cost as at March 31, 2016	Accumulated amortization up to April 1, 2015	Amortization for the year ended March 31, 2016	Deductions	Translation Adjustments	Accumulated amortization up to March 31, 2016	Net Book Value as at March 31, 2016	Net Book Value as at March 31, 2015
<b>[B] INTANGIBLE ASSETS</b> (Other than internally generated)												
(a) Copyrights	1.05 (0.81)	0.31 (0.21)	- (-)	0.06 (0.03)	1.42 (1.05)	0.21 (0.12)	0.12 (0.08)	- (-)	0.01 (0.01)	0.34 (0.21)	1.08 (0.84)	0.84 (0.69)
(b) Software Licenses	167.45 (140.11)	44.35 (28.34)	1.94 (1.28)	1.80 (0.28)	211.66 (167.45)	117.66 (95.09)	29.66 (23.62)	1.94 (1.17)	1.58 (0.12)	146.96 (117.66)	64.70 (49.79)	49.79 (45.02)
Total	168.50 (140.92)	44.66 (28.55)	1.94 (1.28)	1.86 (0.31)	213.08 (168.50)	117.87 (95.21)	29.78 (23.70)	1.94 (1.17)	1.59 (0.13)	147.30 (117.87)	65.78 (50.63)	50.63

**Notes:** (i) Capital Commitment: The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 4.25 Crore as at March 31, 2016 (as at March 31, 2015: ₹ 8.53 Crore)

(ii) Previous year's figures are shown in the brackets

## Notes forming part of Consolidated Financial Statements

### Note 13

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>NON-CURRENT INVESTMENTS (NON TRADE)</b>		
<b>Other Investments (Quoted) *</b>		
<b>i) Investment in Debentures</b>		
Tata Motors Finance Limited	5.00	5.00
100 (P.Y. 100) 11% Non Convertible Debentures of ₹ 0.05 Crore each fully paid		
<b>ii) Investments in Mutual Funds</b>		
Birla Sun Life Fixed Term Plan - Series JY (1099 Days) Direct Plan - Growth	-	5.00
ICICI Prudential Fixed Maturity Plan Series 72 - (366 Days) - Plan K - Direct Plan - Growth	-	5.00
* (Note: Market value of quoted investments based on last traded information ₹ 5.12 Crore ( P.Y. ₹ 16.23 Crore)		
<b>Other Investments (Unquoted)</b>		
<b>i) Investment in Preference Shares</b>		
Tata Capital Limited		
- 33,333 (P.Y. 33,333) Cumulative redeemable non participating Preference shares of ₹ 1,500 each fully paid	5.00	5.00
	<b>10.00</b>	<b>20.00</b>

### Note 14

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>LONG - TERM LOANS AND ADVANCES</b>		
<b>Unsecured (Considered good)</b>		
(a) Security deposits	6.98	5.55
(b) Loans to employees	2.89	2.66
(c) Loans to others	33.81	42.14
(d) Capital advances	-	0.78
(e) Prepaid expenses	0.28	0.39
(f) Deposits with government and others	1.96	1.92
(g) MAT Credit Entitlement	17.46	5.02
	<b>63.38</b>	<b>58.46</b>

## Notes forming part of Consolidated Financial Statements

### Note 15

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>CURRENT INVESTMENTS - OTHERS</b>		
<b>a) Investments in Mutual Funds (Unquoted)</b>		
Birla Sun Life Cash Plus - Direct - Growth	-	10.00
Reliance Short Term Fund - Direct Monthly Dividend Plan	3.20	3.05
IDFC Cash Fund - Direct - Growth	-	13.00
L & T Liquid Fund - Direct - Growth	-	15.00
Kotak Liquid Scheme Plan A - Direct - Growth	-	8.50
HDFC Short Term Opportunities Fund - Direct Plan Fortnightly dividend	9.05	7.06
Birla Sun Life Short Term Fund - Monthly Dividend -Direct Plan	10.67	9.07
Kotak Bond Short Term Plan - Direct Monthly Dividend Reinvestment	-	4.05
Tata Short Term Bond Fund- Direct Plan-Fortnightly Dividend	9.34	7.54
Axis Short Term Fund - Direct Monthly Dividend -STDM	9.61	8.08
Religare Invesco Short Term Fund - Monthly Dividend	1.60	1.52
SBI Magnum Insta Cash Fund Liquid Floater	-	10.00
Axis Banking Debt Fund	-	20.00
UTI Banking & PSU Debt Fund	-	5.00
TATA Money Market Fund Direct Plan-Growth	-	10.00
ICICI Prudential Money Market Fund-Direct Plan-Growth	-	20.00
IDFC Money Manager Fund-Treasury Plan-Growth	-	20.00
Reliance Money Manager Fund-Direct Growth Plan Growth Option	-	10.00
HDFC Floating Rate Income Fund-Short Term Plan-Direct Plan-Wholesale-Growth	-	10.00
Birla Sun Life Saving Fund-Direct Plan-Growth	-	15.00
SBI Ultra Short Term Debt Fund-Direct Plan-Growth	-	15.00
ICICI Prudential Flexible Income-Direct Plan-Growth	-	15.00
Reliance Liquid Fund Treasury Plan Direct Growth	-	20.00
	<b>43.47</b>	<b>256.87</b>
<b>(b) Investments in Mutual Funds (Quoted)*</b>		
Reliance Yearly Interval Fund-Series1-Direct Plan-Growth	5.00	5.00
Birla Sun Life Fixed Term Plan-Series JY (1099 Days) Direct Plan-Growth	5.00	-
ICICI Prudential Fixed Maturity Plan Series 72 - (366 Days) - Plan K Direct Plan - Growth	5.00	-
* (Note: Market value of quoted investments ₹ 18.11 Crore (P.Y. ₹ 5.57 Crore))	<b>15.00</b>	<b>5.00</b>
	<b>58.47</b>	<b>261.87</b>

## Notes forming part of Consolidated Financial Statements

### Note 16

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>TRADE RECEIVABLES</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
<b>(a) Trade receivables due for a period exceeding six months</b>		
Considered good	2.33	1.24
Considered doubtful	9.24	7.20
	11.57	8.44
Less : Allowances for doubtful debts	9.24	7.20
	2.33	1.24
<b>(b) Other Trade receivables</b>		
Considered good	444.78	362.18
	444.78	362.18
Less : Allowances for doubtful debts	-	-
	444.78	362.18
	447.11	363.42

### Note 17

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>CASH AND BANK BALANCES</b>		
<b>(A) Cash and Cash Equivalents</b>		
(a) Cash on hand	0.04	0.04
(b) Cheques, drafts on hand/funds in transit (Refer note 17 (ii)& (iii))	1.32	3.39
(c) Current account with banks (Refer Note 17 (i))	446.55	307.86
(d) Bank deposits less than 3 months maturity	-	9.14
	447.91	320.43
<b>(B) Other Bank Balances</b>		
(with more than 3 months but less than 12 months maturity)		
(a) Earmarked balance with banks	1.69	1.37
(b) Bank deposits	131.39	163.16
	133.08	164.53
<b>(C) Other Bank Balances (with more than 12 months maturity)</b>		
(a) Pledged/lien with banks	0.31	0.30
(b) Bank deposits	0.07	0.07
	0.38	0.37
	581.37	485.33
Notes:		
(i) In foreign currencies	131.79	115.90
(ii) Remittances in transit	0.07	2.28
(iii) Cheques, drafts on hand	1.25	1.11

## Notes forming part of Consolidated Financial Statements

### Note 18

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>OTHER CURRENT ASSETS</b>		
(a) Interest accrued on deposits and investments	2.69	2.30
(b) Bills of Exchange	26.11	4.87
(c) Unbilled revenue	36.88	27.79
(d) Advances to suppliers and contractors	3.29	6.37
(e) Prepaid expenses	21.84	33.85
(f) Unamortized premium on forward contract	0.01	-
(g) Others (VAT, Service tax, other taxes recoverables etc.)	3.29	2.89
	<u>94.11</u>	<u>78.07</u>

### Note 19

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured (considered good, unless otherwise stated)</b>		
(a) Inter corporate deposits (Refer Note 27(v) (b))	153.00	196.50
(b) Loans and advances to related parties	0.97	1.07
(c) Security deposits	1.61	1.17
(d) Loans and advances employees	5.34	1.87
Less : Allowances for doubtful loans and advances	-	(0.04)
(e) Deposits with government and others	0.28	0.73
	<u>161.20</u>	<u>201.30</u>

### Note 20

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>REVENUE FROM OPERATIONS</b>		
(a) Sale of products	494.87	565.38
(b) Sale of services	2,187.47	2,019.35
(c) Commission income	3.86	9.47
	<u>2,686.20</u>	<u>2,594.20</u>

### Note 21

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>OTHER INCOME</b>		
(a) Interest income-others	17.98	25.83
(b) Interest income-Long term investments	0.55	0.55
(c) Dividend income - Other current investments	2.40	6.65
(d) Dividend income - Non current investments	0.83	0.42
(e) Foreign currency gain (Net)	-	1.46
(f) Doubtful debts written back	-	5.89
(g) Profit on sale of investments (Net)	2.68	7.11
(h) Other non-operating income*	2.96	2.12
	<u>27.40</u>	<u>50.03</u>

\* Other non-operating income includes provisions no longer required, written back - 0.88

## Notes forming part of Consolidated Financial Statements

### Note 22

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>COST OF TRADED PRODUCTS</b>		
(a) Purchase of products	372.48	437.97
	372.48	437.97

### Note 23

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>CONSULTANCY FEES, SOFTWARES AND OTHERS</b>		
(a) Outsourcing charges	316.55	303.10
(b) Software-internal use	17.55	17.32
(c) Professional fees	53.86	46.50
(d) Training costs	0.40	0.61
	388.36	367.53

### Note 24

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>EMPLOYEE BENEFIT EXPENSE</b>		
(a) Salaries and wages	1,132.08	1,086.00
(b) Contribution to provident fund	14.90	14.58
(c) Contribution to superannuation scheme	4.66	4.19
(d) Contribution to gratuity fund	5.91	4.25
(e) Social security and other benefit plans for overseas employees	15.44	13.78
(f) Staff welfare expenses	27.52	31.12
	1,200.51	1,153.92

### Note 25

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>FINANCE COSTS</b>		
(a) Interest on short term borrowings	2.99	4.02
(b) Interest on long term borrowings	3.26	4.97
	6.25	8.99

## Notes forming part of Consolidated Financial Statements

### Note 26

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>OTHER EXPENSES</b>		
(a) Repairs & maintenance		
- Buildings	5.23	4.42
- Plant & machinery	3.33	2.56
- Others	6.38	4.92
(b) Rent*	33.38	32.05
(c) Rates and taxes	6.59	2.70
(d) Provision for wealth tax	-	0.01
(e) Insurance	4.12	4.13
(f) Overseas marketing expenses	1.95	2.12
(g) Advertisement and publicity	0.60	1.06
(h) Business promotion expenses	2.82	2.34
(i) Office expenses	14.77	13.29
(j) Travelling & conveyance	66.75	55.90
(k) Power & fuel	9.31	5.59
(l) Water charges	2.00	2.21
(m) Auditors remuneration**	2.37	2.01
(n) Staff training and seminar expenses	4.23	4.42
(o) Staff recruitment expenses	6.62	5.69
(p) Commission to others	0.01	0.04
(q) Foreign currency loss	0.94	-
(r) AMC charges	23.97	19.97
(s) Communication expenses	16.47	17.16
(t) Loss from investments	-	0.03
(u) Bad debts written off	0.31	0.35
(v) Allowances for doubtful debts	1.68	2.38
(w) CSR Expenditure	3.32	3.61
(x) Miscellaneous expenses (Refer Note 27 (viii))	9.21	5.88
	<b>226.36</b>	<b>194.84</b>

### \*Obligations under operating lease

(Amount in ₹ Crore)

Obligation towards non cancellable lease	Year ended March 31, 2016	Year ended March 31, 2015
<b>Lease obligations</b>		
Dues not later than one year	21.41	34.33
Due later than one year but not later than five years	77.21	17.26
Later than five years	125.74	0.80
	<b>224.36</b>	<b>52.39</b>
Lease payments recognised in the statement of profit and loss for the year	<b>33.38</b>	32.05

The Company has entered into operating lease arrangements for office premises.

## Additional information to the Consolidated Financial Statements

### \*\*Auditors' Remuneration (Excluding Service tax)

(Amount in ₹ Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>For Holding Company</b>		
i) For services as auditors, including quarterly audits	0.35	0.35
ii) For Tax audit/Transfer pricing audit	0.04	0.04
iii) For other attest services	0.16	0.05
iv) Reimbursement of out-of-pocket expenses	0.02	0.02
Sub-Total	0.57	0.46
<b>For Subsidiaries &amp; Joint venture</b>		
i) For services as auditors, including quarterly audits	1.31	1.24
ii) For Tax audit/Transfer pricing audit	0.07	0.07
iii) For other attest services	0.40	0.12
iv) Reimbursement of out-of-pocket expenses	0.02	0.12
Sub-Total	1.80	1.55
Total	2.37	2.01

### Note 27

#### Note 27 (i): Earnings per Share

(Amount in ₹ Crore)

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
(a) Profit after tax	₹ Crore	381.66	334.07
(b) The weighted average number of Ordinary Shares for Basic EPS	Nos.	43,024,638	43,024,638
(c) The nominal value per Ordinary Share	₹	10.00	10.00
(d) Earnings Per Share (Basic)	₹	88.70	77.64
(e) Profit after tax for Diluted EPS	₹ Crore	381.66	334.07
(f) The weighted average number of Ordinary Shares for Basic EPS	Nos.	43,024,638	43,024,638
(g) Add: Adjustment for Employee Stock Options (Refer Note 3 (iv))	Nos.	30,114	33,301
(h) The weighted average number of Ordinary Shares for Diluted EPS	Nos.	43,054,752	43,057,939
(i) Earnings Per Share (Diluted)	₹	88.64	77.58

#### Note 27 (ii): Contingent Liabilities

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Bills discounted	148.78	127.07
(b) Bonus related to retrospective period*	14.22	-
(c) Income Tax demands disputed in appeals	2.05	2.05
(d) Sales Tax demands disputed in appeals	21.81	21.81
(e) Service Tax demands disputed in appeals	5.31	9.50

\*Bonus pertaining to period retrospective to the notification date 01.01.2016 not provided, pending similar cases contesting retrospective applicability of the said notification in the Honorable High Courts of Kerala, Karnataka, Tamil Nadu and Gujarat.

As on March 31, 2016, the company's management does not expect any outflow in respect of these pending litigations related to direct and indirect tax matters stated above.

## Additional information to the Consolidated Financial Statements

### Note 27 (iii): Movement in Goodwill

#### (a) Goodwill on consolidation

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
As at the beginning of the year	461.21	489.98
Translation difference	17.86	(28.77)
As at the end of the year	479.07	461.21

#### (b) Goodwill on acquisition

(Amount in ₹ Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
As at the beginning of the year	162.14	155.37
Translation difference	9.72	6.77
As at the end of the year	171.86	162.14

### Note 27 (iv) Segment Reporting

#### Primary Segment

The complete operations of the Company have been treated as single segment "Information technology services".

#### Secondary Segment

Segment Reporting is made on the basis of geographical location of the customers.

(Amount in ₹ Crore)

Particulars	India	UK	USA	Rest of Europe	Rest of the World	Total
Revenues	713.77	1,039.37	747.14	63.06	122.85	2,686.20
	<i>679.95</i>	<i>975.56</i>	<i>745.80</i>	<i>138.14</i>	<i>54.75</i>	<i>2,594.20</i>
Identifiable operating expenses	508.68	710.96	655.15	47.18	17.54	1,939.51
	<i>478.09</i>	<i>656.74</i>	<i>658.30</i>	<i>104.60</i>	<i>29.31</i>	<i>1,927.04</i>
Allocated expenses	30.10	77.39	6.08	11.35	70.07	194.99
	<i>27.97</i>	<i>89.25</i>	<i>9.44</i>	<i>20.95</i>	<i>10.71</i>	<i>158.32</i>
<b>Segmental operating income</b>	<b>174.95</b>	<b>251.02</b>	<b>85.91</b>	<b>4.53</b>	<b>35.29</b>	<b>551.70</b>
	<i>173.89</i>	<i>229.57</i>	<i>78.06</i>	<i>12.59</i>	<i>14.73</i>	<i>508.84</i>
Unallocable expenses						111.96
						<i>118.67</i>
Other Income						21.15
						<i>39.59</i>
<b>Net profit before taxes</b>						<b>460.89</b>
						<i>429.76</i>
Income taxes						91.67
						<i>100.71</i>
Income taxes - MAT Credit						(12.44)
						<i>(5.02)</i>
<b>Net profit after taxes</b>						<b>381.66</b>
						<i>334.07</i>

Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reported segments, as fixed assets and services are used interchangeably between reported segments

Previous year figures are shown in italic.

## Additional information to the Consolidated Financial Statements

### Note 27 (v) Related Party Disclosures for the year ended March 31, 2016

#### a) Related party and their relationship

1	Parent Company	Tata Motors Limited
2	Fellow subsidiaries	<ol style="list-style-type: none"> <li>1 Concorde Motors (India) Ltd.</li> <li>2 Sheba Properties Ltd.</li> <li>3 TAL Manufacturing Solutions Ltd.</li> <li>4 Tata Motors European Technical Centre PLC</li> <li>5 Tata Motors Insurance Broking &amp; Advisory Services Ltd.</li> <li>6 Tata Motors Finance Ltd.</li> <li>7 TML Holdings Pte. Ltd.</li> <li>8 TML Distribution Company Ltd.</li> <li>9 Tata Hispano Motors Carrocera S.A.</li> <li>10 Tata Hispano Motors Carroceries Maghreb S.A.</li> <li>11 TML Drivelines Ltd.</li> <li>12 PT Tata Motors Indonesia</li> <li>13 Trilix S.r.l.</li> <li>14 Tata Precision Industries Pte. Ltd.</li> <li>15 Tata Marcopolo Motors Ltd.</li> <li>16 Jaguar Land Rover Automotive Plc</li> <li>17 Jaguar Land Rover Limited</li> <li>18 Jaguar Land Rover Austria GmbH</li> <li>19 Jaguar Land Rover Japan Limited</li> <li>20 JLR Nominee Company Limited</li> <li>21 Jaguar Land Rover Deutschland GmbH</li> <li>22 Jaguar Land Rover North America LLC</li> <li>23 Jaguar Land Rover Nederland BV</li> <li>24 Jaguar Land Rover Portugal - Veículos e Peças, Lda.</li> <li>25 Jaguar Land Rover Australia Pty Ltd.</li> <li>26 Jaguar Land Rover Italia Spa</li> <li>27 Jaguar Land Rover Korea Company Limited</li> <li>28 Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd.</li> <li>29 Jaguar Land Rover Canada ULC</li> <li>30 Jaguar Land Rover France, SAS</li> <li>31 Jaguar Land Rover (South Africa) (Pty) Ltd.</li> <li>32 Jaguar e Land Rover Brasil Importacao e Comercia de Veiculos Ltda</li> <li>33 Limited Liability Company "Jaguar Land Rover" (Russia)</li> <li>34 Jaguar Land Rover (South Africa) Holdings Limited</li> <li>35 Jaguar Land Rover India Limited</li> <li>36 Jaguar Land Rover Espana SL</li> <li>37 Jaguar Land Rover Belux NV</li> <li>38 Jaguar Cars South Africa (Pty) Ltd.</li> <li>39 The Jaguar Collection Limited</li> <li>40 Jaguar Cars Limited</li> <li>41 Jaguar Land Rover Holdings Limited</li> <li>42 Land Rover Exports Limited</li> <li>43 Land Rover Ireland Ltd.</li> <li>44 Land Rover Parts Ltd. (Dissolved with effect from July 14, 2015)</li> <li>45 The Daimler Motor Company Ltd.</li> <li>46 Daimler Transport Vehicles Ltd.</li> </ol>

## Additional information to the Consolidated Financial Statements

		47	S.S. Cars Ltd.
		48	The Lanchester Motor Company Ltd.
		49	Shanghai Jaguar Land Rover Automotive Services Company Limited
		50	Jaguar Land Rover Pension Trustee Limited
		51	JDHT Limited
		52	Silkplan Limited (Acquired by Jaguar Land Rover Limited on April 16,2015)
		53	Jaguar Land Rover Slovakia s.r.o. (Incorporated w.e.f. November 9,2015)
		54	Jaguar Land Rover Singapore Pte Ltd (Incorporated w.e.f. November 25,2015)
		55	Tata Daewoo Commercial Vehicle Co. Ltd.
		56	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.
		57	Tata Motors (Thailand) Limited
		58	Tata Motors (SA) (Proprietary) Ltd.
		59	Tata Motors Finance Solutions Ltd (Converted from Private Limited w.e.f June 4, 2015)
		60	TMNL Motor Services Nigeria Limited (Incorporated w.e.f. September 2,2015)
		61	PT Tata Motors Distribusi Indonesia
3	Joint Venture		TATA HAL Technologies Limited
4	Associates and Joint Venture of Parent Company	1	Tata Cummins Private Limited
		2	Tata Precision Industries (India) Ltd.
		3	Fiat India Automobiles Private Limited
		4	Spark44 (JV) Ltd.
		5	Jaguar Cars Finance Ltd.
		6	Automobile Corporation of Goa Ltd
		7	Nita Co Ltd
		8	Cherry Jaguar Land Rover Automotive Co. Limited
		9	Tata Hitachi Construction Machinery Company Pvt. Limited
		10	Tata AutoComp Systems Ltd
		11	Chery Jaguar Land Rover Auto Sales Company Limited
5	Key Management Personnel	1	Mr. Warren Harris, Managing Director (w.e.f. September 8, 2014)
		2	Mr. S Venkateswarlu, Chief Financial Officer (w.e.f. May 28, 2014)
		3	Mr. Anubhav Kapoor, Company Secretary
6	Key Management Personnel in subsidiary companies & Joint Venture	1	Mr. Fernando Oviedo
		2	Mr. Ramesh Indhewat
		3	Mr. Rajarajan Shanmugam
		4	Mr. Timothy Hayes (upto July 25, 2015)

## Additional information to the Consolidated Financial Statements

### Note 27 (v) Related Party Disclosures for the year ended March 31, 2016.

#### b) Transactions with related parties

(Amount in ₹ Crore)

Particulars	Parent Company	Fellow subsidiaries	Joint Venture	Key Management Personnel**	Total
Purchase of products	-	-	-	-	-
	(-)	(0.01)	(-)	(-)	(0.01)
Sale of products	<b>59.58</b>	<b>3.51</b>	<b>0.24</b>	-	<b>63.33</b>
	(41.48)	(3.00)	(0.44)	(-)	(44.92)
Services received	<b>1.36</b>	<b>1.38</b>	<b>1.34</b>	-	<b>4.08</b>
	(2.50)	(23.85)	(2.20)	(-)	(28.55)
Services rendered	<b>464.34</b>	<b>990.99</b>	<b>0.05</b>	-	<b>1,455.38</b>
	(456.88)	(920.81)	(-)	(-)	(1,377.69)
Finance placed (including loans, equity & ICD)	<b>1,168.80</b>	-	-	-	<b>1,168.80</b>
	(985.90)	(-)	(-)	(-)	(985.90)
Finance received back (including loans, equity & ICD)	<b>1,147.30</b>	-	-	-	<b>1,147.30</b>
	(884.40)	(-)	(-)	(-)	(884.40)
Dividend paid	<b>106.05</b>	-	-	-	<b>106.05</b>
	(281.80)	(-)	(-)	(-)	(281.80)
Interest paid / (received)(net)	<b>(10.21)</b>	<b>(0.55)</b>	-	-	<b>(10.76)</b>
	(-15.95)	(-0.55)	(-)	(-)	(-16.50)
Remuneration	-	-	-	<b>8.92</b>	<b>8.92</b>
	(-)	(-)	(-)	(13.93)	(13.93)
Amount receivable	<b>52.49</b>	<b>206.15</b>	-	-	<b>258.64</b>
	(31.44)	(239.85)	(0.16)	(-)	(271.45)
Amount payable	<b>3.86</b>	<b>15.36</b>	<b>0.62</b>	<b>0.97</b>	<b>20.81</b>
	(3.29)	(-)	(0.34)	(2.69)	(6.32)
Amount receivable (in respect of loans and bonds)	<b>123.00</b>	<b>5.29</b>	-	-	<b>128.29</b>
	(101.50)	(5.29)	(-)	(-)	(106.79)
Amount payable (in respect of ICD, Bonds on account payables)	-	-	-	-	-
	(-)	(0.00)	(-)	(-)	(0.00)

The above transactions are excluding reimbursement of expenses

\* Previous year's figures are shown in the brackets

\*\* Includes transactions with the key management personnel in subsidiary companies and joint venture.

Disclosure of material transactions:

**Services Received:**

Tata Motors Finance Limited ₹ 1.38 crore (March 31, 2015 ₹ 1.23 crore)

**Services Rendered:**

Jaguar Land Rover Limited ₹ 947.56 crore (March 31, 2015 ₹ 866.04 crore)

## Additional information to the Consolidated Financial Statements

### Note 27 (vi)

The Company has a joint venture with Hindustan Aeronautics Ltd., viz TATA HAL Technologies Ltd (THTL) for providing engineering and design solutions and services in the domain of aerostructures for aerospace industry. The Company has an investment of ₹ 5.07 crores as at March 31, 2016, representing 50% shareholding in THTL.

The proportionate share of assets and liabilities as on March 31, 2016 and income and expenditure for the year ended March 31, 2016 of THTL are given below.

(Amount in ₹ Crore)

Particulars	As on March 31, 2016	As on March 31, 2015	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
<b>RESERVES AND SURPLUS</b>			<b>INCOME</b>		
Profit & Loss	(2.77)	(2.94)	Service Income	3.12	6.21
	(2.77)	(2.94)	Sale of Product	1.32	-
			Other income	0.29	0.12
			<b>Sub Total</b>	<b>4.73</b>	<b>6.33</b>
<b>NON-CURRENT LIABILITIES</b>	0.11	0.10			
<b>CURRENT LIABILITIES</b>	1.11	0.73			
	(1.55)	(2.11)			
<b>NON-CURRENT ASSETS</b>			<b>EXPENDITURE</b>		
Net Block (including CWIP)	0.15	0.31	Cost of Traded Items & Services	0.80	0.03
Long Term Loans and Advances	0.13	0.44	Salary & other general expenses	3.52	5.38
Other non current assets	0.27	0.07	Depreciation	0.18	0.23
<b>Sub Total</b>	<b>0.55</b>	<b>0.82</b>	Income tax	0.05	-
<b>CURRENT ASSETS</b>			<b>Sub Total</b>	<b>4.55</b>	<b>5.64</b>
Trade Receivables	2.01	1.77			
Cash and Cash Equivalents	0.79	0.17			
Short Term loans and advances	0.08	0.03			
Other Current Assets	0.09	0.17			
<b>Sub Total</b>	<b>2.97</b>	<b>2.14</b>			
<b>Total</b>	<b>3.52</b>	<b>2.96</b>			

### Note 27 (vii) Derivative transactions

The Company uses forward exchange contracts to hedge its exposure in foreign currency. The information on derivative instruments is as follows:

#### 1. Derivative instruments outstanding as at March 31, 2016:

Particulars	As At	Bought/sold		Amount in Foreign currency in crore	Amount in ₹ crore
Forward Exchange contracts	March 31, 2016	Sold	GBP/USD	GBP 0.85	80.66
		Sold	GBP/INR	GBP 0.05	4.77
		Sold	USD/INR	USD 0.35	23.19
		Sold	EUR/USD	EUR 0.05	4.07
		Sold	USD/GBP	USD 0.34	22.19
	March 31, 2015	Sold	GBP/USD	GBP 0.55	50.85
Sold		USD/INR	USD 0.67	41.87	

## Additional information to the Consolidated Financial Statements

### 2. Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2016

(Amount in Crore)

Particulars	Currency	As At March 31, 2016		As At March 31, 2015	
		Amount in Foreign Currency	Equivalent Amount in ₹	Amount in Foreign Currency	Equivalent Amount in ₹
Trade Receivables	EUR	0.37	27.65	0.30	20.12
	GBP	0.01	1.34	0.03	2.32
	USD	0.21	13.89	0.93	58.12
	SGD	0.08	4.02	0.02	1.07
	RON	0.00	0.07	-	-
	CAD	0.01	0.31	0.20	9.80
	CNY	3.48	35.68	0.10	1.02
	NZD	0.00	0.00	-	-
	ZAR	0.01	0.04	0.02	0.08
	SEK	0.18	1.49	-	-
Loans & Advances	EUR	0.01	0.95	0.00	0.09
	GBP	0.01	1.19	-	-
	THB	0.05	0.09	0.02	0.04
	USD	0.05	3.04	0.11	6.78
	SGD	0.00	0.07	-	-
Trade Payables	EUR	0.11	8.59	0.22	14.54
	SGD	0.01	0.72	0.01	0.25
	INR	0.66	0.66	0.46	0.46
	USD	0.22	14.69	0.23	14.26
	SEK	0.09	0.73	-	-
	GBP	0.01	0.60	0.00	0.12
	THB	0.85	1.59	0.89	1.71
	CAD	0.00	0.18	-	-
	NZD	0.00	0.00	-	-
RON	-	-	0.28	4.18	
Unsecured Loan	USD	0.22	14.64	1.50	93.75
Current account with Bank (including cheques in hand/money in transit)	USD	1.01	66.97	1.26	78.58
	EUR	0.11	8.26	0.18	12.41
	GBP	0.17	16.17	0.16	14.57
	SGD	0.19	9.36	0.19	8.61
	AUD	0.00	0.03	0.00	0.03
	CAD	0.00	0.00	0.00	0.06
	NZD	0.00	0.00	-	-
	INR	1.65	1.65	1.65	1.65

\* The above balances are before considering intra-company balances eliminations on consolidation

**Note 27 (viii) Miscellaneous expenses includes the following part of construct and operating leaseback arrangement of an office building in a subsidiary:**

Particulars	Amount (GBP)	Amount (₹ crore)
Building Construction Cost	2,073,322	19.85
Less: Building Construction Cost recovered	(2,073,322)	(19.85)
<b>Net impact</b>	<b>-</b>	<b>-</b>

**Note 27 (ix) Previous years figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications / disclosures.**

## Frequently Asked Questions by Investors:

### 1. Procedure for notifying the change in address

The investor must send a request letter to TSR Darashaw Ltd (TSRDL), mentioning the new address and the pin code along with all the folio numbers, duly signed by the first shareholder, as per the specimen signature registered with TSRDL. TSRDL will then advise about the documents to be submitted for registering the address change.

A computerized acknowledgement will be sent to the Investor's new address confirming the updation of the change in the records.

In case of dematerialized holdings, the Investor must write to his/her Depository Participant immediately and ensure that he or she receives a confirmation of them having noted the Investors' new address.

### 2. Procedure for notifying change of name

Investors notifying the change of name should follow the following procedure:

#### A. Individuals

Please submit the following to TSRDL:

1. Consequent to marriage/divorce/attaining majority, please send an attested copy of the marriage certificate/divorce decree/birth certificate or school leaving certificate as the case may be, duly attested by a Notary Public/Bank Manager under his official seal stating full name, address & registration no. (in case of Notary Public) and full name, designation & name and address of bank (in case of Bank Manager).
2. Prescribed form, available at the office of TSRDL (can also be downloaded from TSRDL website), duly completed and signed by the holder(s). The signature of the Investor whose name is to be changed should be attested by his/her Bank Manager under his/her official seal stating his/her full name, designation and name and address of Bank. The other holders, if any, should sign as per the specimen signature(s) registered with TSRDL.
3. Self-attested copy of the PAN card of the holder(s).
4. Share Certificates in original for necessary endorsements thereon.

#### B. Corporate

For securities held in physical form, please write to TSRDL enclosing an original or certified copy of the Certificate of Incorporation on Change of Name along with the Share Certificates in original for the necessary endorsements thereon.

### 3. What should one do in case he/she does not receive the dividend?

The investor should write to TSRDL on plain paper, mentioning his/her Folio number (all Folio Numbers in case more than one folio), duly signed by the Investor (by all shareholders in case of joint shareholding), as per the specimen signatures recorded with TSRDL. TSRDL will then verify the status of the dividend. In case the Dividend Warrant has been returned to TSRDL or the dividend warrant has not been duly sent, the warrant will be sent to the Investors address as recorded with TSRDL provided the amount has not been transferred to the Investor Education and Protection Fund. In case there is a change in address to be registered, please refer to instructions under the "Procedure for change of address".

### 4. Procedure for renewing a time barred dividend warrant/cheque/dividend

The investor should send the outdated instrument to TSRDL to enable issue of a fresh instrument. The fresh instrument will be mailed to the address as recorded with TSRDL, if the amount reflects an outstanding status in the

records of TSRDL, provided the amount has not been transferred to the Investor Education and Protection Fund. In case there is a change in address to be registered, please refer to instruction under "Procedure for change of address".

**5. Procedure for transfer of Shares**

Transferee(s) need to send the Share Certificate(s) along with the share transfer deed in the prescribed Form 7B, duly filled in, executed and affixed with share transfer stamps, to TSRDL. For Shares, stamp duty @ 0.25% of the consideration of the transfer should be affixed on the transfer deed at the specified place on the back of the form. In case the number of stamps to be affixed exceeds the space provided in the form, extra sheets may be attached to the form on which the stamps can be affixed. Share transfer stamps are available at the offices of the Government Treasury. The transfer deed can also be franked instead of affixing the share transfer stamps. The prescribed Form 7B can be obtained from any Stock Exchange at Re 1/- per form. For securities held in electronic form, the Investor must contact his/her Depository Participant.

**6. Procedure for transmission of Shares**

For transmission of securities in case of legal heir/executor in respect of the sole shareholder who is deceased, please submit the following to TSRDL:

1. An attested copy of the death certificate of the deceased holder along with attested copy of Succession Certificate or Probate of Will or Letter of Administration obtained in respect of the sole holding. Attestation on the above documents should be done by a Notary Public under his official seal stating full name, address & registration no.
2. Relevant certificates for the securities to be transmitted.
3. Prescribed transmission form available with TSRDL duly completed and signed by the legal heir(s)/executor(s) whose signature(s) should be verified by his/her/their Bank Manager under his/her official seal stating his full name, designation with name & address of bank.
4. Self certified copy of the PAN Card of the legal heir(s)/executor(s). In case the Investor does not have any such form of Legal Representation, he/she are requested to write to TSRDL for further advice. For securities held in electronic form, the Investor must contact his/her Depository Participant.

**7. Procedure for obtaining duplicate Share Certificate(s) in case of loss/misplacement of original Share Certificate(s)**

The shareholder must immediately inform TSRDL by sending a letter regarding loss of certificates, giving details of folio number and distinctive numbers, duly signed by the first holder as per the specimen signature registered with TSRDL. It is advisable to lodge a complaint with the local Police Station. The Investor must send to TSRDL, an acknowledged copy of the Complaint/FIR for advice on the further course of action.

**The investor should state:**

- Name of the Company in which he/she holds securities.
- The full name and address, as recorded with TSRDL.
- The distinctive number(s) of the certificate(s) that is/are missing.

**8. Procedure for notifying change in bank account details**

The investor must send a request letter to TSR Darashaw Limited, mentioning the New Account number which is to be notified, duly signed by the shareholder (by all shareholders in case of joint shareholding), as per the specimen signatures recorded with TSRDL. The shareholder must also attach a copy of the passbook with the changed bank account details, duly attested by the Bank Manager.

**9. Procedure for splitting or consolidation of Share Certificates**

The shareholder must send a request letter to TSR Darashaw Limited along with the Share Certificates (\*provided

they are under the same folio in case of consolidation), duly signed by the shareholder (by all shareholders in case of joint shareholding), as per the specimen signature recorded with TSRDL. The Share Certificates, after splitting or consolidation, will be sent by TSRDPL to the shareholders at their registered address.

\*In case of consolidation of Share Certificates having different Folios, please follow the procedure for consolidation of folios to facilitate consolidation of Share Certificate.

## **10. Procedure for amalgamation/consolidation of Folios**

In case the shareholder has more than one folio registered with same address and identical names which are in same order, the shareholder must send a request letter to TSR Darashaw Limited along with the certificates pertaining to the folio having the smaller holdings duly signed by the shareholder (by all shareholders in case of joint shareholding), as per the specimen signature recorded with TSRDL. Do not send the certificates pertaining to the larger holdings, in which account the multiple folios are being amalgamated. The prescribed form for amalgamation can be obtained from TSRDL or downloaded from their website. For securities held in electronic form, the Investor must contact his/her Depository Participant.

## **11. Procedure for "Nomination" for shares**

Shareholders who hold the shares singly in physical form and wish to make or change the nomination in respect of the shares held by them as permitted under section 109A of the Act, may submit an application to TSR Darashaw Limited (TSRDL) in the prescribed Form 2B. The said form can be obtained from TSRDL or downloaded from their website.

For securities held in electronic form, the Investor must contact his/her Depository Participant.

## **12. Procedure for transposition/change in order of name for holdings**

The request for change in the order of names of registered holders should be made in the prescribed Transposition form available at the offices of TSRDL (can also be downloaded from TSRDL website). The form is to be signed by all the joint holders as per the specimen signature recorded with TSRDL, and submitted along with the certificates and self-certified copies of the PAN Cards of all the holders.

Note: Investors can transpose full or part of the holdings.

For securities held in electronic form, the Investor must contact his/her Depository Participant.

## **13. Receipt of Annual Report through email**

Shareholders can receive Annual Reports through email. Shareholders are requested to update their email ids with TSRDL or their respective Depository Participants. Shareholders are also requested to dematerialize their shares and update their email ids with their Depository Participants.

## **14. In case of non-receipt of Annual Report**

The shareholder can contact the Secretarial Department of the Company to enquire on the status of dispatch of the Annual Reports. The investor can also find the latest Annual Report of the Company on the website of the Company under the "Investors Relations" section.

## **15. Sale of shares by employees to the Tata Technologies Employee Stock Option Trust**

Any employee who wants to sell his/her shares can sell to the shares to the Tata Technologies Limited Employee Stock Option Trust by writing to the Trust at "[ttesoptrust@tatatechnologies.com](mailto:ttesoptrust@tatatechnologies.com)" stating the reason for the sale of the shares. The Trust will then purchase the shares from the employee subject to the approval of the Stock Allotment Committee. After approval of the Committee, the Trust will then inform the employee about the further documents to be submitted and steps to be taken for the sale of shares.

### Frequently Asked Questions on Dematerialization:

#### 1. What is Demat and what are its benefits?

Dematerialization ('Demat' in short form) signifies conversion of a share certificate from its present physical form to electronic form for the same number of holding.

It offers scope for paperless trading through state-of-the-art technology, whereby share transactions and transfers are processed electronically without involving any share certificate or transfer deed after the share certificates have been converted from physical form to electronic form.

Demat attempts to avoid the time consuming and complex process of getting shares transferred in the name of buyers as well its inherent problems of bad deliveries, delay in processing/fraudulent interception in postal transit, etc.

Dematerialization of shares is optional and an Investor can still hold shares in physical form. The Depositories Act, 1996 has been enacted to regulate the matters related and incidental to the operation of Depositories and demat operations. Two Depositories are in operation - National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

Following are the benefits of demat:

1. Elimination of bad deliveries
2. Elimination of all risk associated with physical certificates
3. No stamp duty on transfers
4. Immediate transfer/trading of securities
5. Faster settlement cycle
6. Faster disbursement of non-cash corporate benefits like rights, bonus etc.
7. SMS alert facility
8. Periodic status reports and information available on internet
9. Ease related to change of address of investor
10. Elimination of problems related to transmission of demat shares
11. Ease in portfolio monitoring
12. Ease in pledging the shares

#### 2. How does the Depository System operate?

The operations in the Depository System involve the participation of a Depository, Depository Participants, Company/Registrars and Investors. The Company is also called the Issuer. A Depository (NSDL and CDSL) is an organization like a Central Bank, i.e. Reserve Bank where the securities belonging to the Investor are held in electronic form, through Depository participants. A Depository Participant is the agent of the Depository and is the medium through which the shares are held in the electronic form. They are also the representatives of the Investor, providing the link between the Investor and the Company through the Depository. To draw analogy, the Depository system functions very much like the banking system. A bank holds funds in accounts whereas; a Depository holds securities in accounts for its clients. A bank transfers funds between accounts whereas; a Depository transfers securities between accounts. In both systems, the transfer of funds or securities happens without the actual handling of funds or securities. Both the banks and the Depository are accountable for safe keeping of funds and securities respectively.

### 3. How to demat ones shares?

First, the Investor will have to open an account with a Depository Participant (DP) and get a unique Client ID number. Thereafter, he/she will have to fill up a Dematerialization Request Form (DRF) provided by the DP and surrender the physical shares, which is to be dematerialized to the DP.

The DP upon receipt of the shares and the DRF will send an electronic request to the Company's Registrar and Share Transfer Agent through the Depository for confirmation of demat. Each request will bear a unique transaction number.

The DP will simultaneously surrender the DRF and the shares to the Company's Registrar and Share Transfer Agent with a covering letter requesting the Registrar and Share Transfer Agent of the Company to confirm demat. The Company's Registrar and Share Transfer Agent after necessary verification of the documents received from the DP will confirm demat to the Depository.

This confirmation will be passed on from the Depository to the DP, which holds the Investors' account.

After receiving this confirmation from the Depository, the DP will credit the account with the shares so dematerialized. The DP will hold the shares in the dematerialized form thereafter on the Investor's behalf and the Investor will become the beneficial owner of these dematerialized shares.

### 4. Can the dematerialized shares be converted back into physical form?

If the Investor is holding shares in electronic form, he/she will still have the option to convert their holding to physical form by submitting a Rematerialization Request Form (RRF) through their DP in the same manner as Dematerialization. Upon receipt of such request from the DP, the Company will issue share certificates for the number of shares so rematerialized.

### 5. What are the charges to be paid to demat one's physical shares? Will the Company pay for it or does the Investor have to pay for it?

The charges differ from DP to DP and therefore the Investor will have to contact his/her DP for the same. The charges for demat have to be borne by the Investor.

### 6. Can the share purchased in physical form be directly given to the DP for dematerialization?

Prior to dematerialization of the shares, they have to be registered in favor of the Investor. Hence, the Investor has to necessarily lodge the share certificates with a duly executed transfer deed with the Company's Registrar and Share Transfer Agent.

### 7. How will the Investor get dividends on dematerialized shares? Will the shareholder get the Annual Report after dematerialization of the shares and would the Investor be able to attend the AGM?

The Depository Participants will give the list of demat account holders and the number of shares held by them in electronic form on the Record date to the Company (Beneficiary Persons, known as Benpos in short). On the basis of Benpos, the Company will issue dividend warrants in favor of the demat account holders.

The rights of the shareholders holding shares in demat form are at par with the holders in physical form. Hence the Investor will be eligible to get the Annual Report and will have the right to attend the AGM as a shareholder.

### 8. What are the chances of any fraud/disputes in using a demat account? Whom should the Investor approach in such cases?

Common risk factors applicable to trading in physical shares like mismatch in signatures, loss in postal transit etc., are absent since the dematerialized shares are traded script less.

However, in the unlikely event of any other dispute, the concerned Depository Custodian viz. NSDL/CSDL or SEBI would have to be approached for resolving such issues.

**9. Can the Investor pledge his/her shares in demat form for the purpose of availing any funding/loan arrangement with the bankers?**

Yes. The Investor will have to contact his/her DP for this.

**Frequently Asked Questions on e-voting:**

**1. I know about voting by 'Postal ballot'. What is e-Voting?**

e-Voting is voting through an electronic system where shareholders can vote on resolutions of companies requiring voting through Postal Ballot as per extant rules and regulations without having the necessity of sending their votes through post. Ministry of Corporate Affairs has authorised NSDL for setting up an electronic platform to facilitate shareholders to cast vote in electronic form. Accordingly, NSDL has set-up an electronic infrastructure to facilitate shareholders to cast votes in electronic form through internet.

**2. How will I benefit from the e-Voting system?**

- i. Ease of operation. With User ID and password, you can login to e-voting system (<https://www.evoting.nsdl.com>) of NSDL through internet and cast your vote from your residence, office etc.
- ii. Sufficient time to vote till the end of voting cycle.
- iii. Elimination of postal ballots getting lost in-transit.
- iv. Paperless mode of casting vote.

**3. Does the e-voting system of NSDL facilitate e-voting for only demat account holders of NSDL?**

The e-voting system of NSDL facilitates voting from all shareholders i.e., shareholders holding shares in physical and demat mode.

**4. How do I register for e-voting facility?**

There is no pre-registration related activity required at your end. The registration details viz., User ID and password will be sent by the Issuer / R&T Agent /NSDL in the following mode:

- I. In case email address of the Sole / First Holder is available with the Issuer/R&T Agent :
  - i. NSDL will generate User ID & password and send the same at the email address provided by issuer/R & T Agent.
  - ii. Using the User ID and password, you will login to the e-Voting system (<https://www.evoting.nsdl.com>) of NSDL.
- II. Others (where email address of the Sole / First Holder is not available with the Issuer/R&T Agent)
  - i. NSDL will generate User ID and password and provide it to the Issuer/R&T Agent.
  - ii. The Issuer/R&T Agent will dispatch the User ID and password in a PIN mailer at the address of the Sole/First Holder.
  - iii. Using the User ID and password, you will login to e-Voting system (<https://www.evoting.nsdl.com>) of NSDL.

**5. If there are demat accounts / shares certificates held by joint holders. In such a case who will cast the vote in e-voting system?**

As, only one of the several joint holders is entitled to exercise voting power, in case of e-voting only first holder is recognized for the purpose of sending user ID & password for e-voting. Accordingly, the vote casted using the User ID and password sent to first holder is recognized on behalf of all the joint holders, as the shareholder who casts the vote through the e-voting services of NSDL is doing so on behalf of all joint holders.

**6. Is there any charge for using e-voting system of NSDL?**

No. Currently, NSDL does not levy any charge on the shareholders for using the e-voting system.

**7. Is there any User manual to understand the login and voting process?**

Yes. You can download the User manual from (<https://www.evoting.nsdl.com>).

**8. Will proxy be able to cast vote in e-voting system?**

e-voting system brings flexibility, convenience and ease of operation for the shareholder to cast vote through internet. Thus, eliminating the need to appoint a proxy.

**9. Once I cast my vote on e-voting system, can I modify my vote before the closing of e-voting cycle?**

No. Vote once casted will be considered final and cannot be modified.

**10. Voting on selective resolutions is permitted in Postal Ballot. Is the same available in the e-voting system as well?**

Yes. Since a shareholder can decide to vote only on some of the resolutions put to vote, the same can also be done in e-voting system as well.

**11. Can I reuse the password received for the first time by me for e-voting?**

No. The e-voting system will force the user to change the password during the first login.

**12. How will the results be made available at the end of the voting period?**

The Scrutinizer will collate the votes downloaded from e-voting system and votes received through other means to declare the final results for the resolutions placed for voting by the Issuer.

**13. How will I know if e-voting website is secured?**

If you are visiting the website with a secure connection, you will be able to identify the website through the site's certificate. A secure or encrypted website address will begin with HTTPS rather than HTTP, and you will see a lock icon in the Address bar. Secure connections use certificates to identify the website and to encrypt your connection so that it will be more difficult for a hacker to view. You can also click the lock icon in the Address bar to see more information about the secured website.

**14. What is the Procedure for e-voting?**

In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

- i. Open email and open PDF file. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii. Click on Shareholder \_ Login
- iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- vii. Select "EVEN" of Tata Technologies Limited.
- viii. Now you are ready for e-voting as Cast Vote page opens.

- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- xiii. If you are already registered with NSDL for e-voting then you can use your existing user-Id and password for casting your vote.



# TATA TECHNOLOGIES

Tata Technologies Limited

Registered Office : 25 Rajiv Gandhi Infotech Park | Hinjawadi | Pune 411 057

## Folio No

Dear Sir,

Re: Recording Bank details for payment of dividend

I, the first/sole holder, have read your letter refer to the letter dated ....., received from Tata Technologies regarding the captioned subject.

The details of my bank account are given in the form appended below, to which you may electronically credit the payment due to me.

I hereby declare that the particulars given below are correct & complete and also undertake to inform any subsequent changes therein.

I am also enclosing a photocopy of blank cancelled cheque of my bank account.

-----

(Signature of the first named holder)

1. Ref. Folio No. \_\_\_\_\_ :

2. Name : \_\_\_\_\_

3. Particulars of the Bank : \_\_\_\_\_

a. Name of the Bank \_\_\_\_\_

b. Branch Address \_\_\_\_\_

c. 9 digit MICR Code No : 

--	--	--	--	--	--	--	--	--	--	--

d. IFSC code : 

--	--	--	--	--	--	--	--	--	--	--	--	--	--

d. Account Type : Saving  Current  Cash Credit   
(please tick)

e. CBSA/c No. : 

--	--	--	--	--	--	--	--	--	--	--	--	--	--

f. Email Address : ..... Telephone No. : .....

(please attach a photocopy of your blank cancelled cheque)

# TATA TECHNOLOGIES

Tata Technologies Limited

Registered Office : 25 Rajiv Gandhi Infotech Park | Hinjawadi | Pune 411 057

## Attendance Slip

Name:

Address:

Folio No:

I hereby record my presence at the TWENTY-SECOND ANNUAL GENERAL MEETING of the Company at 25, Rajiv Gandhi Infotech Park, Hinjawadi, Pune 411 057, at 3:30 p.m. on Wednesday, June 29, 2016.

SIGNATURE

**NOTES:**

1. Member/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over the same duly signed, at the entrance.
2. Member/Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.



# TATA TECHNOLOGIES

Tata Technologies Limited

Registered Office : 25 Rajiv Gandhi Infotech Park | Hinjawadi | Pune 411 057

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]

CIN : U72200PN1994PLC013313

Name of the Company : **Tata Technologies Limited**

Registered office : 25, Rajiv Gandhi Infotech Park, Hinjawadi, Pune 411057

**Name of the member (s):**

**Registered address:**

**E-mail Id:**

**Folio No/ Client Id:**

**DP ID:**

I/We, being member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

1. Name \_\_\_\_\_

Address \_\_\_\_\_

E-mail Id \_\_\_\_\_

Signature \_\_\_\_\_ or failing him

2. Name \_\_\_\_\_

Address \_\_\_\_\_

E-mail Id \_\_\_\_\_

Signature \_\_\_\_\_ or failing him

3. Name \_\_\_\_\_

Address \_\_\_\_\_

E-mail Id \_\_\_\_\_

Signature \_\_\_\_\_



# TATA TECHNOLOGIES

Tata Technologies Limited

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty-Second Annual General Meeting of the Company, to be held on Wednesday, June 29, 2016 at 3:30 p.m. at 25, Rajiv Gandhi Infotech Park, Hinjawadi, Pune 411057 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. \*in favour / \*against
2. \*in favour / \*against
3. \*in favour / \*against
4. \*in favour / \*against
5. \*in favour / \*against

**\*Strike out whichever is not applicable**

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix  
1 Rupee  
Revenue  
Stamp

**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.



# TATA TECHNOLOGIES



**Tata Technologies Limited**  
25 Rajiv Gandhi Infotech Park  
Hinjawadi Pune 411 057 India  
[corporate@tatatechnologies.com](mailto:corporate@tatatechnologies.com)  
[www.tatatechnologies.com](http://www.tatatechnologies.com)