

ANNUAL REPORT OF
TATA TECHNOLOGIES (CANADA) INC

TATA TECHNOLOGIES (CANADA) INC, CANADA

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TATA TECHNOLOGIES (CANADA) INC, CANADA

DIRECTORS:

1. Mr. Warren Harris
2. Mr. Ron Bienkowski

REGISTERED: OFFICE

4510, Rhodes Drive, Unit 300,
Windsor, Ontario,
Canada, N8W 5K5

TO THE MEMBERS OF

Tata Technologies (Canada) Inc.

The Directors hereby present the Twenty sixth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2015.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2015 are as follows:

	(In US\$)	(In ₹)
Income	1,150,167	71,882,590
Profit for the year after taxes	320,471	20,028,648

2. OPERATIONS

Tata Technologies (Canada) Inc., a wholly owned subsidiary of Tata Technologies Inc, provides services in the field of engineering automation, engineering design services, PLM products and related IT services to their respective customer bases, comprising primarily manufacturers and their suppliers in the international automotive and aerospace markets. During the year the company registered a turnover of US \$ 1,150,167 (₹ 71,882,590) and a profit after tax of US \$ 320,471 (₹ 20,028,648)

3. CHANGE IN SHARE CAPITAL

During the year, no changes have occurred in the authorized and paid up capital of the Company.

4. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

5. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2015, which have had a material effect on the financial position of the Company.

6. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

7. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

8. AUDIT

The Company is not required to obtain an audit opinion on the financial of the Company as per local regulations. Hence, during the year, no statutory audit has been conducted.

9. 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:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. they have, in selection of the accounting policies, 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 loss of the Company for that year;
3. 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;
4. they have prepared the annual accounts on a "going concern basis".
5. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers 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.

On behalf of the Board of Directors

Warren Harris
Ron Bienkowski

Director
Director

Rupesh Chamedia

Place:
Date :

TATA TECHNOLOGIES (CANADA) INC., CANADA
Balance Sheet as at MARCH 31, 2015

		(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
Particulars	Note No.	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	1,000	62,498	1,000	59,890
(b) Reserves and Surplus	2	965,456	60,338,601	787,023	47,134,814
		966,456	60,401,098	788,023	47,194,704
(2) Current Liabilities					
(a) Trade Payables		2,783,931	173,988,756	2,886,370	172,864,720
(b) Other Current Liabilities	3	717,631	44,850,164	600,097	35,939,806
(c) Current income tax liabilities				-	
		3,501,562	218,838,920	3,486,467	208,804,526
		4,468,018	279,240,018	4,274,490	255,999,230
II. ASSETS					
(1) CURRENT ASSETS					
(a) Trade Receivables	4	4,262,436	266,391,593	3,876,993	232,193,121
(b) Cash and Bank Balances	5	128,810	8,050,334	332,997	19,943,169
(c) Other Current Assets	6	8,370	523,109	62,092	3,718,707
(d) Short-term loans and advances	7	2,081	130,076	2,408	144,233
(e) Current income tax assets		66,321	4,144,907	-	-
		4,468,018	279,240,018	4,274,490	255,999,230
		4,468,018	279,240,018	4,274,490	255,999,230

Significant Accounting Policies 14

For and on behalf of the Board of Directors

Rupesh Chamedia
Finance Controller

Warren Harris
Ron Bienkowski

Director
Director

Date:
Place:

TATA TECHNOLOGIES (CANADA) INC., CANADA
Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Note No.	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
		Year ended March 31, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2014
I. Revenue from Operations	8	565,097	35,317,123	1,008,282	60,386,034
II. Other Income	9	585,071	36,565,467	393,444	23,563,353
III. Total Revenue (I + II)		1,150,167	71,882,590	1,401,726	83,949,388
IV. Expenses :					
(a) Cost of Traded Products	10	73,150	4,571,687	320,376	19,187,334
(b) Consultancy fees, Softwares and others	11	107,344	6,708,757	155,877	9,335,445
(c) Employee Benefit Expense	12	469,448	29,339,326	539,683	32,321,628
(e) Depreciation and amortisation Expense		-	-	997	59,683
(f) Other Expenses	13	65,263	4,078,771	69,784	4,179,301
Total Expenses		715,205	44,698,541	1,086,717	65,083,391
V. Profit Before Tax (III - IV)		434,962	27,184,049	315,010	18,865,996
VI. Tax Expense :					
(a) Current Tax		114,491	7,155,401	234,030	14,016,060
		114,491	7,155,401	234,030	14,016,060
VII. Profit from continuing operations (V - VI)		320,471	20,028,648	80,980	4,849,937

Significant Accounting Policies

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For and on behalf of the Board of Directors

Rupesh Chamedia
Finance Controller

Warren Harris
Ron Bienkowski

Director
Director

Date:
Place:

TATA TECHNOLOGIES (CANADA) INC., CANADA
Cash Flow Statement for the year ended March 31, 2015

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after Taxation	320,471	20,028,648	80,980	4,849,875
Depreciation and amortization	-	-	997	59,683
Provision for Income Tax	114,491	7,155,401	234,030	14,016,060
Unrealised exchange Loss / (Gain)	-	-	38	2,301
Operating profit before Working Capital Changes	434,962	27,184,049	316,045	18,927,919
Adjustments for :				
Income Accrued				
Trade Receivables	(385,443)	(24,089,213)	(191,111)	(11,445,619)
Advance to Supplier, Contractors & Others	-	-	944	56,536
Deposits	327	20,438	80	4,772
Unbilled Revenue	-	-	4,568	273,578
Prepaid Expenses	1,315	82,192	3,460	207,207
Trade Payables	(102,439)	(6,402,186)	276,012	16,530,332
Other Current Liabilities	117,534	7,345,606	(66,370)	(3,974,903)
Advance Tax / Tax Deducted at Source	(128,405)	(8,024,997)	(70,595)	(4,227,926)
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(62,148)	(3,884,112)	273,033	16,351,896
 NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	 (62,148)	 (3,884,112)	 273,033	 16,351,896
Cash & Cash equivalent at the close of the year as per Schedule 5	128,810	8,050,334	332,997	19,943,169
Cash & Cash equivalent at the close of the year as per Schedule 5	332,997	20,811,458	123,716	7,409,358
Translation Reserve	(142,038)	(8,877,012)	(63,752)	(3,818,085)
	(62,148)	(3,884,112)	273,033	16,351,896

For and on behalf of the Board of Directors

Rupesh Chamedia
Finance Controller

Warren Harris
Ron Bienkowski

Director
Director

Date:
Place:

TATA TECHNOLOGIES (CANADA) INC., CANADA
Notes forming part of financial statements

Note - 1

	(Amount in USD) March 31, 2015	(Amount in ₹) March 31, 2015	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014
SHARE CAPITAL				
Authorised :				
Unlimited Ordinary share with no par value	-	-	-	-
	-	-	-	-
Issued, subscribed and fully paid :				
One ordinary Share with no par value	1,000	62,498	1,000	59,280
	1,000	62,498	1,000	59,280

TATA TECHNOLOGIES (CANADA) INC., CANADA
Notes forming part of financial statements

Note - 2

RESERVES AND SURPLUS		(Amount in USD)					
Particulars		As at March 31, 2014	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2015
(a) Translation Reserves		(106,258.63)	(142,038.07)	-	-	-	(248,296.70)
(b) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	893,281.74	320,471.19	0	-	-	1,213,752.93
		787,023.11	178,433.12	-	-	-	965,456.23
Notes:-							
		2014-2015		2013-2014			
		<i>Additions</i>	<i>Deductions</i>	<i>Additions</i>	<i>Deductions</i>		
(i) Changes in Statement of Profit and Loss :		320,471	-	80,980	-		
(a) Profit for the year		320,471	-	80,980	-		

Note - 2

RESERVES AND SURPLUS		(Amount in ₹)					
Particulars		As at March 31, 2014	Additions	Deductions	Adjustments	Translation Adjustment	As at Mar 31, 2015
(a) Translation Reserves		(6,640,899)	(8,877,024)	-	-	-	(15,517,923)
(b) Surplus i.e. balance in statement of Profit and Loss	[Note (i) below]	55,827,876	20,028,648	-	-	-	75,856,524
		49,186,977	11,151,624	-	-	-	60,338,601
Notes:-							
		2014-2015		2013-2014			
		<i>Additions</i>	<i>Deductions</i>	<i>Additions</i>	<i>Deductions</i>		
(i) Changes in Statement of Profit and Loss :		20,028,648	-	4,849,937	-		
(a) Profit for the year		20,028,648	-	4,849,937	-		

TATA TECHNOLOGIES (CANADA) INC., CANADA
Notes forming part of financial statements

Note - 3

OTHER CURRENT LIABILITIES

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
(a) Income received in advance	3,922	245,121	565,329	33,857,547
(b) Statutory dues	3,270	204,360	34,768	2,082,259
(c) Advance and Progress payments	710,439	44,400,683	-	-
	717,631	44,850,164	600,097	35,939,806

Note - 4

Note - 5

Note - 6

Note - 7

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TATA TECHNOLOGIES (CANADA) INC., CANADA
Notes forming part of financial statements

Note- 8

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2014
REVENUE FROM OPERATIONS				
(a) Sale of Products	114,722	7,169,849	423,261	25,349,122
(b) Sale of Services	355,379	22,210,296	450,848	27,001,278
(c) Commission Income	94,995	5,936,978	134,173	8,035,634
	565,097	35,317,123	1,008,282	60,386,034

Note- 9

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2014
OTHER INCOME				
(a) Foreign Currency Gain	423,430	26,463,310	220,699	13,217,651
(b) Other non-operating Income	161,641	10,102,157	172,745	10,345,702
	585,071	36,565,467	393,444	23,563,353

Note- 10

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2014
COST OF TRADED PRODUCTS				
(a) Purchase of Products	73,150	4,571,687	311,609	18,662,264
(b) Change in Stock in Trade	-	-	8,767	525,070
	73,150	4,571,687	320,376	19,187,333

Note- 11

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2015	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2014
CONSULTANCY FEES, SOFTWARES AND OTHERS				
(a) Outsourcing Charges	91,538	5,720,909	137,142	8,213,394
(b) Software-internal use	14,749	921,798	12,594	754,325
(c) Professional Fees	1,057	66,050	6,140	367,726
	107,344	6,708,757	155,877	9,335,445

TATA TECHNOLOGIES (CANADA) INC., CANADA
Notes forming part of financial statements

Note- 12

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31,	Year ended March 31,	Year ended March 31,	Year ended
	2015	2015	2014	March 31, 2014
EMPLOYEE BENEFIT EXPENSE				
(a) Salaries and Wages	469,448	29,339,326	539,683	32,321,628
	469,448	29,339,326	539,683	32,321,628

Note- 13

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31,	Year ended March 31,	Year ended March 31,	Year ended
	2015	2015	2014	March 31, 2014
OTHER EXPENSES				
(a) Repairs & Maintenance				
- Buildings	8,365	522,785	11,317	677,776
(b) Rent	9,274	579,587	12,191	730,121
(c) Rates and Taxes	2,857	178,583	(188)	(11,279)
(d) Office Expenses	184	11,486	451	27,094
(e) Travelling & Conveyance	10,101	631,305	14,824	887,835
(f) Power & Fuel	2,699	168,658	1,939	116,104
(g) Water Charges	-	-	1,055	63,194
(h) Staff Recruitment Expenses	-	-	261	15,630
(i) Communication Expenses	2,169	135,544	3,967	237,600
(j) Miscellaneous Expenses	29,614	1,850,821	23,965	1,435,226
	65,263	4,078,771	69,784	4,179,301

Twenty sixth annual report 2014-15.

Tata Technologies (Canada) Inc.

Notes forming part of financial statements

Note 14

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Financial Statements

The financial statements are prepared 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.

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. Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, GST/PST and other sales related taxes.

d. 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. 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.

e. Fixed assets

Fixed 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.

f. Depreciation

Depreciation on Fixed Assets except on Computers & Peripherals (included in Plant & Machinery) is provided on Straight Line Method (SLM) at the rates specified in the schedule XIV to the Companies Act, 1956. In case of Computers & Peripherals, the benefit period is considered to be of four years. Accordingly, depreciation is provided on SLM at the rate of 25% per annum. Depreciation on additions to Fixed Assets is provided from the month of acquisition of the Asset. Depreciation 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 on assets individually costing less than Rs. 5000. The value of leasehold land is amortized over the lease period of 95 years. The value of vehicles acquired on loan is depreciated over a period of 3 & 5 years depending on the term of the Loan agreement. The value of Softwares (Intangibles) is being amortised over its useful life i.e. between 2 to 4 years.

g. 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 lease 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.

h. 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 period-end exchange rates and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Profit & Loss Account.

Premium or discount on forward contracts is amortized over the life of such contract and is recognized as income or expense in the statement of Profit and Loss.

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 profit & loss account.

j. Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

k. Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

l. 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.

m. 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 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.

2. NOTES TO ACCOUNTS

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is US \$ Nil (₹ Nil) as at March 31, 2015 and 2014.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2015 and as at 31st March 2014.

2.3 Obligation towards non-cancellable Operating Lease

Particulars	March 31, 2015 (US \$)	March 31, 2015 (₹)	March 31, 2014 (US \$)	March 31, 2014 (₹)
Lease obligations				
The Total of Minimum lease payments for a period:	10,819	676,184	24,935	1,493,359
Due not later than one year	9,274	579,588	10,951	655,867
Later than one year but not later than five years	1,546	96,598	13,984	837,492
The total charge to the Profit & Loss Account	9,274	579,588	12,191	730,121

2.4 Related Party Disclosures

The summary of related party transactions is as under:

Particulars	Nature of Transaction	TTUS # (\$)	TTUS # (₹)
Income	Income received by the Reporting Enterprise		
	Income received from services	475,547	29,720,487
Expenses	Expenses paid by the Reporting Enterprise		
	Expenses paid	-	-
Payables	Dues Payable by the Reporting Enterprise as on the date of the Reporting Period		
	Due Payable and outstanding on Supplies and Services	2,944,577	184,028,729
Receivables	Dues Receivable by the Reporting Enterprise as on the date of the Reporting Period		
	Dues Receivable on Supplies and Services	3,749,121	234,310,680

TTUS : Tata Technologies Inc., USA (Parent Company)

2.5 Conversion into Indian Rupees

The financial information is expressed in US \$ only in the audited Accounting packs based on which the attached financial statements have been reformatted. . Solely for the convenience of the reader and to meet the requirement of section 129 of the Companies (Accounts) Rules, 2014, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US \$ = ₹ 62.4975 as on March 31, 2015 and 1 US \$ = ₹ 59.8900 as on March 31, 2014. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

2.6 The above Financial Statements are prepared from the internally prepared accounts of the Company. These accounts are audited by Deloitte Haskins & Sells in order to give an audit opinion in relation to the consolidated accounts of the ultimate holding company i.e. Tata Technologies Limited. However, no separate audit report is issued in respect of the Company. An audit report for the ultimate holding company is issued by Deloitte Haskins & Sells and is included in its financial statements.