

# **TATA TECHNOLOGIES INC.**

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## **TATA TECHNOLOGIES INC.**

### **DIRECTORS:**

1. Praveen P Kadle
2. Warren Harris
3. Sonal Ramrakhiani

### **REGISTERED: OFFICE**

6001 Cass Avenue Suite 600 Detroit,  
MI USA-48202

**TO THE MEMBERS OF  
Tata Technologies Inc.**

The Directors hereby present the Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2020.

**1. FINANCIAL RESULTS**

| Particulars         | (In USD)    |
|---------------------|-------------|
| Income              | 118,113,984 |
| Profit for the year | 1,371,405   |

**2. OPERATING RESULTS**

During the year the company registered a turnover of USD 118,113,984 and a profit of USD 1,371,405.

**3. REVIEW OF OPERATIONS**

The Company has continued its focus on its core competency of providing engineering, research and development; product lifecycle management; connected enterprise IT; technical workforce staffing; training; and digital engineering application (PLM software) solutions with future growth in its core competency to capture a greater market share in the country.

**4. SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

The Company has shifted its registered office from 41050 W. Eleven Mile Road, Novi, Michigan 48375 to 6001 Cass Avenue, Suite 600 Detroit, Michigan 48202 USA on October 07, 2019.

**5. PRINCIPAL ACTIVITIES**

The principal activities of the Company during the financial year were engineering services outsourcing and product development IT services to the manufacturing industry. The Company provides engineering, research and development; product lifecycle management; connected enterprise IT; technical workforce staffing; training; and digital engineering application (PLM software) solutions to various customers primarily of manufacturers and suppliers in the automotive, aerospace and industrial heavy machinery verticals.

**6. POST BALANCE SHEET EVENTS**

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2020, which have had a material effect on the financial position of the Company.

## **7. SUBSIDIARY COMPANIES**

In December 2019, the Company as the shareholder of Tata Technologies de Mexico, S.A. De C.V., (“TT Mexico”) passed a resolution for voluntary liquidation of the Mexico entity.

Cambric GmbH a subsidiary of Tata Technologies Inc. is currently under liquidation.

## **8. FUTURE DEVELOPMENT PROSPECTS AND BUSINESS STRATEGIES**

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

## **9. ENVIRONMENTAL ISSUES**

The Company’s operations are not regulated by any significant environmental regulations.

## **10. 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.

## **11. 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 Board of Directors**

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**Praveen P Kadle**

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**Warren Harris**

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**Sonal Ramrakhiani**

**Date:**

**Place:**

## **TATA TECHNOLOGIES INC.**

### **Notes forming part of financial statements**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **1.1 Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

The transition was carried out from Accounting principles generally accepted in India, which was the previous GAAP (referred as "previous GAAP"), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 which was followed upto the year ended March 31, 2016. The date of transition to Ind AS is April 1, 2015.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

##### **1.2 Critical accounting estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from year to year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made.

##### **1.3 Revenue recognition**

Revenue is measured at fair value of consideration received or receivable.

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 as per the terms of specific contracts. Revenues from fixed price contracts are recognized when collectability of the resulting receivable is reasonably assured or percentage of completion method depending on terms of the contract. The percentage of completion is determined on the degree of the cost incurred. Foreseeable losses on such contracts are recognized when probable. Revenue accrued from the end of the last billing to the balance sheet date is recognized as unbilled revenue.

Revenue from third party software products and hardware sale is recognized upon delivery.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **1.4 Fixed assets and depreciation**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

| Type of Asset           | Useful life  |
|-------------------------|--------------|
| Lease hold improvements | 3 to 5 years |
| Computer equipment's    | 3 years      |
| Vehicles                | 4 years      |
| Furniture & fixtures    | 3 years      |
| Software                | 3 years      |

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end with the effect of any changes in the estimate accounted for on a prospective basis.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the statement of profit and loss.

#### **1.5 Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the statement of profit and loss.

#### **1.6 Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost of inventories are ascertained on a first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

#### **1.7 Taxation**

Current income tax expense 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. 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 these assets.

## 1.8 Foreign currency transaction and translation

Foreign-currency denominated monetary assets and liabilities are re-instated at exchange rates at the balance sheet date. The gains or losses resulting from such translations are included in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. The functional currency of the Company and its foreign branch is the Indian Rupee.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit/loss for the year in which the transaction is settled and is charged to the statement of Profit & Loss. Revenue, expense and cash-flow items denominated in foreign currencies are re-instated using the exchange rate in effect on the date of the transaction.

## 1.9 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 and Loss Account.

## 1.10 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are determined at present value based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

## 1.11 Related Party Transactions

| Nature of Transactions                        | Tata Technologies Europe Limited | Tata Technologies Limited | Tata Technologies Pte.Ltd | Cambric Shangai | Tata Technologies (Thailand) Limited | Jaguar & Land Rover | Tata Technologies Mexico | Tata Technologies Romania |
|---|----------------------------------|---------------------------|---------------------------|-----------------|--------------------------------------|---------------------|--------------------------|---------------------------|
| Expenses Paid                                 | 561,992                          | 18,522,862                | -                         | 4,537           | 92,115                               | -                   | -                        | 7,900,779                 |
| Income Received from Sale of Services & Goods | 62,565                           | 278,836                   | 6,000                     | 1,435           | -                                    | 1,784,981           | 49,856                   | 525,567                   |
| Dues Payable & Outstanding                    | 70,664                           | 3,260,929                 | -                         | -               | 469                                  | -                   | -                        | 1,426,192                 |
| Dues Receivable & Outstanding                 | 914                              | 58,946                    | -                         | 2,734           | -                                    | 498,083             | 24,796                   | 8,650                     |

**TATA TECHNOLOGIES INC.**  
**Balance Sheet as on March 31, 2020**

| Particulars                                |    | Note No | March 31, 2020    | (Amount in USD)<br>March 31, 2019 |
|--|----|---------|-------------------|-----------------------------------|
| <b>I. ASSETS</b>                           |    |         |                   |                                   |
| <b>(1) Non-current Assets</b>              |    |         |                   |                                   |
| (a) Property, Plant and Equipment          | 1  |         | 1,466,892         | 206,416                           |
| (b) Capital work-in-progress               |    |         | -                 | 37,500                            |
| (c) Right to Use Assets                    | 2  |         | 4,590,191         | -                                 |
| (d) Goodwill                               |    |         | 32,958,695        | 32,958,695                        |
| (e) Other Intangible assets                | 3  |         | 83,709            | 58,445                            |
| (f) Financial assets:                      |    |         |                   |                                   |
| (i) Investments in Subsidiaries            |    |         | 2,886,005         | 2,886,005                         |
| (iii) Other Loans and advances             | 4  |         | 37,896            | 24,300                            |
| (g) Deferred tax assets (net)              | DT |         | 1,074,230         | 1,116,695                         |
| <b>Total Non-current Assets</b>            |    |         | <b>43,097,619</b> | <b>37,288,056</b>                 |
| <b>(2) Current Assets</b>                  |    |         |                   |                                   |
| (a) Financial assets:                      |    |         |                   |                                   |
| (i) Trade receivables                      | 5  |         | 22,963,581        | 19,772,323                        |
| (ii) Cash and cash equivalents             | 6  |         | 3,576,310         | 7,808,863                         |
| (iii) Other Loans and advances             | 4  |         | 192,580           | 148,444                           |
| (b) Current tax assets (net)               |    |         | 457,979           | 715,011                           |
| (c) Other current assets                   | 7  |         | 6,364,369         | 4,840,954                         |
| <b>Total Current Assets</b>                |    |         | <b>33,554,819</b> | <b>33,285,594</b>                 |
| <b>Total Assets</b>                        |    |         | <b>76,652,437</b> | <b>70,573,651</b>                 |
| <b>II. EQUITY AND LIABILITIES</b>          |    |         |                   |                                   |
| <b>(1) Equity</b>                          |    |         |                   |                                   |
| (a) Equity Share capital                   | 8  |         | 119,704,220       | 119,704,220                       |
| (b) Other Equity                           | 9  |         | (62,421,890)      | (63,793,295)                      |
| <b>Total Equity</b>                        |    |         | <b>57,282,330</b> | <b>55,910,925</b>                 |
| <b>Liabilities</b>                         |    |         |                   |                                   |
| <b>(2) Non-current Liabilities</b>         |    |         |                   |                                   |
| (a) Financial liabilities:                 |    |         |                   |                                   |
| (i) Lease liabilities                      |    |         | 4,274,973         | -                                 |
| <b>Total Non-current Liabilities</b>       |    |         | <b>4,274,973</b>  | <b>-</b>                          |
| <b>(3) Current Liabilities</b>             |    |         |                   |                                   |
| (a) Financial liabilities:                 |    |         |                   |                                   |
| (i) Trade payables                         | 10 |         | 12,282,594        | 12,264,098                        |
| (ii) Lease Liabilities                     |    |         | 471,090           | -                                 |
| (b) Other current liabilities              | 11 |         | 2,341,451         | 2,398,628                         |
| <b>Total Current Liabilities</b>           |    |         | <b>15,095,135</b> | <b>14,662,726</b>                 |
| <b>Total Liabilities</b>                   |    |         | <b>19,370,108</b> | <b>14,662,726</b>                 |
| <b>Total Equity and Liabilities</b>        |    |         | <b>76,652,437</b> | <b>70,573,651</b>                 |
| Notes forming part of Financial Statements |    | 1-17    |                   |                                   |

For and on behalf of the Board of Directors

Praveen P Kadle  
Warren Harris  
Sonal Ramrakhiani

Date :  
Place :



**TATA TECHNOLOGIES INC.**  
**Profit and Loss Statement for the period ended**

| Particulars   | Note No | YTD                |                    |
|---|---------|--------------------|--------------------|
|   |         | March 31, 2020     | March 31, 2019     |
| I. Revenue from Operations                            | 12      | 117,962,733        | 103,843,209        |
| II. Other Income                                      | 13      | 151,251            | 105,375            |
| III. <b>Total Income (I + II)</b>                     |         | <b>118,113,984</b> | <b>103,948,584</b> |
| IV. Expenses :  |         |                    |                    |
| (a) Cost of traded products                           |         | 31,425,324         | 27,644,737         |
| (b) Consultancy fees, softwares and others            | 14      | 30,814,106         | 22,751,954         |
| (c) Employee benefits expense                         | 15      | 44,087,658         | 42,526,242         |
| (d) Finance costs                                     | 16      | 121,011            | -                  |
| (e) Depreciation and amortisation expense             | 1 & 2   | 723,057            | 273,910            |
| (f) Other expenses                                    | 17      | 6,077,763          | 8,268,776          |
| <b>Total expenses (IV)</b>                            |         | <b>113,248,919</b> | <b>101,465,619</b> |
| V. <b>Profit / (Loss) Before Tax</b>                  |         | <b>4,865,065</b>   | <b>2,482,965</b>   |
| VI. Tax Expense :                                     |         |                    |                    |
| (a) Current Tax                                       |         | 3,412,354          | 1,831,075          |
| (b) Earlier Year                                      |         | 38,841             | (79,993)           |
| (b) Deferred Tax                                      |         | 42,465             | (905,282)          |
|   |         | <b>3,493,660</b>   | <b>845,800</b>     |
| VII. <b>Profit after Tax (V-VI)</b>                   |         | <b>1,371,405</b>   | <b>1,637,165</b>   |
| Notes forming part of Standalone Financial Statements | 1-17    |                    |                    |

For and on behalf of the Board of Directors

Praveen P Kadle  
Warren Harris  
Sonal Ramrakhiani

Date :  
Place :

**TATA TECHNOLOGIES INC**  
**Cash Flow Statement for the period ended**

|  | (Amount in USD)       |                       |
|--|-----------------------|-----------------------|
|  | <b>March 31, 2020</b> | <b>March 31, 2019</b> |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                             |                       |                       |
| Net Profit after Taxation and Extraordinary Items                      | 1,371,405             | 1,637,165             |
| Depreciation and amortization  | 723,057               | 273,910               |
| Provision for Income Tax   | 3,412,354             | 1,831,075             |
| Provision for Deferred Tax   | 42,465                | (905,282)             |
| (Profit)/Loss on Sale of Tangible and Intangible Fixed Assets          | (2,800)               | -                     |
| Interest Income  | (1,472)               | (214)                 |
| Allowances for doubtful debts  | 1,098,870             | 3,360,616             |
| Operating profit before Working Capital Changes                        | 6,643,879             | 6,197,270             |
| Adjustments for :  |                       |                       |
| Income Accrued   |                       |                       |
| Trade Receivables  | (4,290,128)           | 379,019               |
| Advance to Supplier, Contractors & Others                              | (529,806)             | (64,486)              |
| Loans and advances   | (57,733)              | (73,393)              |
| Unbilled Revenue   | (852,617)             | (1,008,785)           |
| Prepaid Expenses   | (140,992)             | (297,984)             |
| Trade Payables   | 18,496                | 364,836               |
| Other Current Liabilities  | (57,177)              | 799,670               |
| Lease Liabilities  | 4,746,063             | -                     |
| Deferred Tax Asset/Liability   | -                     | (1)                   |
| Advance Tax / Tax Deducted at Source                                   | (3,155,322)           | (2,467,338)           |
| <b>NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>     | <b>2,324,663</b>      | <b>3,828,807</b>      |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                             |                       |                       |
| Interest Received  | 1,472                 | 214                   |
| Proceeds from sale of Tangible and Intangible Assets                   | 2,800                 | -                     |
| Payment for Purchase of Fixed Assets                                   | (6,561,488)           | (152,542)             |
| <b>NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>     | <b>(6,557,216)</b>    | <b>(152,328)</b>      |
| <b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>        | <b>(4,232,553)</b>    | <b>3,676,479</b>      |
| Cash & Cash equivalent at the close of the year as per Schedule 8      | 3,576,310             | 7,808,863             |
| Cash & Cash equivalents at the beginning of the year as per Schedule 8 | 7,808,863             | 4,132,384             |
|  | <b>(4,232,553)</b>    | <b>3,676,479</b>      |

For and on behalf of the Board of Directors

Praveen P Kadle  
Warren Harris  
Sonal Ramrakhiani

Date :  
Place :

**TATA TECHNOLOGIES INC**  
**Notes forming part of the Financial Statements**

**1 Property, Plant and Equipment**

Amount in USD

|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| (i) Carrying amounts of:                  |                         |                         |
| Plant & Machinery and Equipments - Leased | 173,112                 | 8,465                   |
| Computers                                 | 190,977                 | 182,503                 |
| Furniture and fixtures                    | 508,114                 | 15,448                  |
| Leasehold Improvements                    | 594,689                 | -                       |
|   | <b>1,466,892</b>        | <b>206,416</b>          |

(Amt in USD )

| Property, plant and equipment                 | Office Equipments | Computers        | Furniture and<br>fixtures | Vehicles      | Leasehold<br>Improvements | Total            |
|---|-------------------|------------------|---------------------------|---------------|---------------------------|------------------|
| Cost as of April 1, 2019                      | 47,258            | 1,454,991        | 188,161                   | 25,743        | 666,339                   | 2,382,492        |
| Additions                                     | 200,375           | 141,279          | 528,717                   |               | 623,747                   | 1,494,118        |
| Currency translation differences              |                   | -                | -                         | -             | -                         | -                |
| Disposal                                      | (23,260)          | (341,417)        | -                         | (6,441)       | (207,189)                 | (578,306)        |
| Cost as of Mar 31, 2020                       | <b>224,372</b>    | <b>1,254,854</b> | <b>716,877</b>            | <b>19,302</b> | <b>1,082,898</b>          | <b>3,298,304</b> |
| Accumulated depreciation as of April 1, 2019  | 38,792            | 1,272,489        | 172,713                   | 25,743        | 666,339                   | 2,176,076        |
| Depreciation for the year                     | 35,728            | 132,805          | 36,051                    | -             | 29,058                    | 233,642          |
| Disposal                                      | (23,260)          | (341,417)        | -                         | (6,441)       | (207,189)                 | (578,306)        |
| Accumulated depreciation as of Mar 31 2020    | <b>51,260</b>     | <b>1,063,877</b> | <b>208,763</b>            | <b>19,302</b> | <b>488,209</b>            | <b>1,831,412</b> |
| Net carrying amount as of Mar 31, 2020        | <b>173,112</b>    | <b>190,977</b>   | <b>508,114</b>            | <b>-</b>      | <b>594,689</b>            | <b>1,466,892</b> |
| Cost as of April 1, 2018                      | 59,986            | 1,754,692        | 185,722                   | 25,743        | 666,339                   | 2,692,483        |
| Additions                                     | 7,882             | 104,722          | 2,439                     |               |                           | 115,042          |
| Disposal                                      | (20,610)          | (404,423)        | -                         | -             | -                         | (425,033)        |
| Cost as of March 31, 2019                     | <b>47,258</b>     | <b>1,454,991</b> | <b>188,161</b>            | <b>25,743</b> | <b>666,339</b>            | <b>2,382,492</b> |
| Accumulated depreciation as of April 1, 2018  | 56,929            | 1,480,863        | 155,562                   | 23,917        | 666,023                   | 2,383,294        |
| Depreciation for the year                     | 2,474             | 196,048          | 17,151                    | 1,826         | 317                       | 217,816          |
| Disposal                                      | (20,610)          | (404,423)        | -                         | -             | -                         | (425,033)        |
| Accumulated depreciation as of March 31, 2019 | <b>38,792</b>     | <b>1,272,489</b> | <b>172,713</b>            | <b>25,743</b> | <b>666,339</b>            | <b>2,176,076</b> |
| Net carrying amount as of March 31, 2019      | <b>8,465</b>      | <b>182,503</b>   | <b>15,448</b>             | <b>-</b>      | <b>-</b>                  | <b>206,416</b>   |

**TATA TECHNOLOGIES INC**  
**Notes forming part of the Financial Statements**

(Amount in USD)

|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>2 Right To Use Assets</b>                  |                         |                         |
| Leased Premises                               | 4,590,191               | -                       |
|   | <b>4,590,191</b>        | <b>-</b>                |
|   |                         | (Amt in USD)            |
| <b>Right To Use Assets</b>                    | <b>Leased Premises</b>  | <b>Total</b>            |
| Cost as of April 1, 2019                      | -                       | -                       |
| Additions                                     | 5,019,826               | 5,019,826               |
| Cost as of March 31, 2020                     | <b>5,019,826</b>        | <b>5,019,826</b>        |
| Accumulated amortisation as of April 1, 2019  | -                       | -                       |
| Amortization for the year                     | 429,635                 | 429,635                 |
| Accumulated amortisation as of March 31, 2020 | <b>429,635</b>          | <b>429,635</b>          |
| Net carrying amount as of March 31, 2020      | <b>4,590,191</b>        | <b>4,590,191</b>        |

(Amount in USD)

|                                   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------|-------------------------|-------------------------|
| <b>3 Other Intangible assets</b>  |                         |                         |
| (Other than internally generated) |                         |                         |
| (i) Carrying amount of:           |                         |                         |
| Software Licenses                 | 75,654                  | 50,390                  |
| Copyrights                        | 8,056                   | 8,056                   |
|                                   | <b>83,709</b>           | <b>58,445</b>           |

(Amt in USD)

|   | Software Licenses | Copyrights   | Total            |
|---|-------------------|--------------|------------------|
| <b>Intangible assets</b>                      |                   |              |                  |
| Cost as of April 1, 2019                      | 2,168,105         | 8,056        | 2,176,161        |
| Additions                                     | 85,044            | -            | 85,044           |
| Cost as of March 31, 2020                     | <b>2,253,149</b>  | <b>8,056</b> | <b>2,261,205</b> |
| Accumulated amortisation as of April 1, 2019  | 2,117,716         | -            | 2,117,716        |
| Amortization for the year                     | 59,780            | -            | 59,780           |
| Accumulated amortisation as of June 30, 2019  | <b>2,177,496</b>  | <b>-</b>     | <b>2,177,496</b> |
| Net carrying amount as of June 30, 2019       | <b>75,654</b>     | <b>8,056</b> | <b>83,709</b>    |
| Cost as of April 1, 2018                      | 2,168,105         | 8,056        | 2,176,161        |
| Cost as of March 31, 2019                     | 2,168,105         | 8,056        | 2,176,161        |
| Accumulated amortisation as of April 1, 2018  | 2,061,622         | -            | 2,061,622        |
| Amortization for the year                     | 56,094            | -            | 56,094           |
| Accumulated amortisation as of March 31, 2019 | <b>2,117,716</b>  | <b>-</b>     | <b>2,117,716</b> |
| Net carrying amount as of March 31, 2019      | <b>50,390</b>     | <b>8,056</b> | <b>58,445</b>    |

**TATA TECHNOLOGIES INC**  
**Notes forming part of the Financial Statements**

|                                    |                                       | <b>Amount in USD</b>  |                       |
|------------------------------------|---------------------------------------|-----------------------|-----------------------|
|                                    |                                       | <b>As at</b>          | <b>As at</b>          |
|                                    |                                       | <b>March 31, 2020</b> | <b>March 31, 2019</b> |
| <b>4 OTHER LOANS AND ADVANCES</b>  |                                       |                       |                       |
| <b>Unsecured (Considered good)</b> |                                       |                       |                       |
| <b>NON-CURRENT</b>                 |                                       |                       |                       |
|                                    | Security deposits- at amortised cost  | 37,896                | 24,300                |
| <b>Total</b>                       |                                       | <b>37,896</b>         | <b>24,300</b>         |
| <b>CURRENT</b>                     |                                       |                       |                       |
| (a)                                | Loans and advances to related parties |                       |                       |
|                                    | Security deposits- at amortised cost  | 67,709                | 83,194                |
| (b)                                | Loans and advances employees          | 124,871               | 65,250                |
| <b>Total</b>                       |                                       | <b>192,580</b>        | <b>148,444</b>        |

|   |   | <b>(Amount in USD)</b> |                       |
|---|---|------------------------|-----------------------|
|   |   | <b>As at</b>           | <b>As at</b>          |
|   |   | <b>March 31, 2020</b>  | <b>March 31, 2019</b> |
| <b>5 TRADE RECEIVABLES</b>                                  |   |                        |                       |
| <b>(Unsecured, considered good unless otherwise stated)</b> |   |                        |                       |
| (a)   | Trade receivables due for a period exceeding six months |                        |                       |
|   | Considered good   | 258,943                | 229,691               |
|   | Considered significant increase in credit Risk          | 4,230,148              | 1,963,639             |
|   | Considered doubtful                                     | 920,758                | 915,801               |
|   |   | <b>5,409,849</b>       | <b>3,109,131</b>      |
|   | Less : Expected credit loss allowance                   | 5,150,906              | 2,879,440             |
|   |   | 258,943                | 229,691               |
| (b)   | Other Trade receivables                                 |                        |                       |
|   | Considered good   | 22,704,638             | 19,542,632            |
|   | Considered significant increase in credit Risk          | -                      | 1,172,596             |
|   |   | <b>22,704,638</b>      | <b>20,715,228</b>     |
|   | Less : Expected credit loss allowance                   | -                      | 1,172,596             |
|   |   | 22,704,638             | 19,542,632            |
|   |   | <b>22,963,581</b>      | <b>19,772,323</b>     |

The average credit period on sales of goods and services is 30-60 days.

Before accepting any new Customer, it is ensured that the Credit limit is in order to the customers and all the required approvals are obtained as per the policy. Credit Limits are reviewed from time to time based on the operations in the customer account.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The expected credit loss allowance is based on the ageing of the days the receivables are due and rates are given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

| <b>Ageing</b>  | <b>Expected credit loss (%)</b> |
|--|---------------------------------|
| Debts over due for a period greater than 180 days and less than 364 days | 50%                             |
| Debts over due for a period greater than 364 days                        | 100%                            |

**6 CASH AND CASH EQUIVALENTS**

For the purpose of statement of cash flows, cash and cash equivalents include the cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

|                |  | <b>(Amount in USD)</b> |                       |
|----------------|--|------------------------|-----------------------|
|                |  | <b>As at</b>           | <b>As at</b>          |
|                |  | <b>March 31, 2020</b>  | <b>March 31, 2019</b> |
|                | Current account with banks (Refer note 11 (i)) | 3,576,310              | 7,808,863             |
|                |  | <b>3,576,310</b>       | <b>7,808,863</b>      |
| <b>Notes :</b> |  |                        |                       |
|                | In foreign currencies                          | 3,576,310              | 7,808,863             |

**TATA TECHNOLOGIES INC**  
Notes forming part of the Financial Statements

**DT - Deferred Tax Reconciliation**

(Amount in USD)

| Significant components of deferred tax assets and liabilities for the year ended June 30, 2019: | Opening balance  | Recognized in the statement of profit or loss | Recognized in/reclassified from other comprehensive income | Currency Translation impact | Acquisition of subsidiary | Closing balance  |
|---|------------------|---|--|-----------------------------|---------------------------|------------------|
| <b>Deferred tax assets:</b>   |                  |   |  |                             |                           |                  |
| Depreciation carry forwards   | 41,852           | (41,852)                                      |  |                             |                           | -                |
| RTU Asset - Interest  |                  | 31,947  |  |                             |                           | <b>31,947</b>    |
| Bad Debts   | 1,071,733        | 288,107                                       |  |                             |                           | <b>1,359,839</b> |
| Deferred Revenue  | 43,400           | 47,167  |  |                             |                           | 90,567           |
| <b>Total deferred tax assets</b>  | <b>1,156,984</b> | <b>325,369</b>                                | -  | -                           | -                         | <b>1,482,353</b> |
| <b>Deferred tax liabilities:</b>  |                  |   |  |                             |                           |                  |
| Depreciation  | -                | 247,196                                       |  |                             |                           | <b>247,196</b>   |
| Property taxes  | 1,291            | (586)   |  |                             |                           | 706              |
| Rent  | 16,020           | (3,189)                                       |  |                             |                           | 12,831           |
| Insurance   | 18,690           | 84,489  |  |                             |                           | 103,179          |
| Translation Difference  | 4,288            | (2,933)                                       |  |                             |                           | 1,355            |
| RTU Assets - Rent payment   | -                | 42,856  |  |                             |                           | 42,856           |
| <b>Total deferred tax liabilities</b>   | <b>40,290</b>    | <b>367,833</b>                                | -  | -                           | -                         | <b>408,123</b>   |
| <b>Net assets/(liabilities)</b>   | <b>1,116,695</b> | <b>(42,465)</b>                               | -  | -                           | -                         | <b>1,074,230</b> |

| Significant components of deferred tax assets and liabilities for the year ended March 31, 2019: | Opening balance | Recognized in profit or loss | Recognized in/reclassified from other comprehensive income | Currency Translation impact | Acquisition of subsidiary | Closing balance  |
|--|-----------------|------------------------------|--|-----------------------------|---------------------------|------------------|
| <b>Deferred tax assets:</b>  |                 |                              |  |                             |                           |                  |
| Depreciation carry forwards  | 7,466           | 34,386                       |  |                             |                           | 41,852           |
| Bad Debts  | 145,198         | 926,534                      |  |                             |                           | 1,071,733        |
| Deferred Revenue   | 44,942          | (1,542)                      |  |                             |                           | 43,400           |
| <b>Total deferred tax assets</b>   | <b>197,606</b>  | <b>959,378</b>               | -  | -                           | -                         | <b>1,156,984</b> |
| <b>Deferred tax liabilities:</b>   |                 |                              |  |                             |                           |                  |
| Property taxes   | 970             | 321                          |  |                             |                           | 1,291            |
| Rent   | 10,251          | 5,769                        |  |                             |                           | 16,020           |
| Insurance  | 15,209          | 3,481                        |  |                             |                           | 18,690           |
| Translation Difference   | (40,236)        | 44,524                       |  |                             |                           | 4,288            |
| <b>Total deferred tax liabilities</b>  | <b>(13,805)</b> | <b>54,095</b>                | -  | -                           | -                         | <b>40,290</b>    |
| <b>Net assets/(liabilities)</b>  | <b>211,412</b>  | <b>905,283</b>               | -  | -                           | -                         | <b>1,116,695</b> |

**TATA TECHNOLOGIES INC**  
**Notes forming part of the Financial Statements**

|                                       | Amount in USD           |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>7 OTHER ASSETS:</b>                |                         |                         |
| <b>CURRENT</b>                        |                         |                         |
| Unbilled revenue                      | 4,813,522               | 3,960,905               |
| Advances to suppliers and contractors | 657,388                 | 127,581                 |
| Prepaid expenses                      | 893,460                 | 752,468                 |
| <b>Total</b>                          | <b>6,364,369</b>        | <b>4,840,954</b>        |

|   | (Amount in USD)         |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>8 Equity Share Capital</b>   |                         |                         |
| <b>(a) Authorised:</b>  |                         |                         |
| (i) 157,900 Shares of non-voting Class A common stock with no par value | 119,704,220             | 119,704,220             |
| (ii) 3,839,020 Shares of Class B common stock with no par value         |                         |                         |
| <b>Total</b>  | <b>119,704,220</b>      | <b>119,704,220</b>      |
| <b>(b) Issued,Subscribed and Fully paid up capital:</b>                 |                         |                         |
| 157,900 Shares of non-voting Class A common stock with no par value     | 119,704,220             | 119,704,220             |
| 3,839,020 Shares of Class B common stock with no par value              |                         |                         |
| <b>Total</b>  | <b>119,704,220</b>      | <b>119,704,220</b>      |

| 9. Other Equity                                | Reserves and Surplus             |                   |                  |                        |                          | (Amount in USD)     |
|--|----------------------------------|-------------------|------------------|------------------------|--------------------------|---------------------|
|  | Securities<br>Premium<br>Reserve | Retained earnings | Capital Reserve  | Translation<br>Reserve | Restructuring<br>Account | Total equity        |
| <b>Balance as at April 1, 2018</b>             | 416,472                          | 21,653,714        | 5,614,930        | (339,310)              | (92,776,266)             | (65,430,460)        |
| Income for the year                            | -                                | 1,637,165         |                  | -                      |                          | 1,637,165           |
| Total comprehensive income/(loss) for the year | 416,472                          | 23,290,879        | 5,614,930        | (339,310)              | (92,776,266)             | (63,793,295)        |
| Reserve transfer from subsidiary due to merger | -                                | -                 |                  |                        |                          | -                   |
| Transfer to legal reserve                      | -                                | -                 |                  |                        |                          | -                   |
| <b>Balance as at March 31, 2019</b>            | <b>416,472</b>                   | <b>23,290,879</b> | <b>5,614,930</b> | <b>(339,310)</b>       | <b>(92,776,266)</b>      | <b>(63,793,295)</b> |
| <b>Balance as at April 1, 2019</b>             | 416,472                          | 23,290,879        | 5,614,930        | (339,310)              | (92,776,266)             | (63,793,295)        |
| Income for the year                            | -                                | 1,371,405         |                  | -                      |                          | 1,371,405           |
| Total comprehensive income/(loss) for the year | 416,472                          | 24,662,283        | 5,614,930        | (339,310)              | (92,776,266)             | (62,421,890)        |
| Reserve transfer from subsidiary due to merger | -                                | -                 |                  |                        |                          | -                   |
| <b>Balance as at March 31, 2020</b>            | <b>416,472</b>                   | <b>24,662,283</b> | <b>5,614,930</b> | <b>(339,310)</b>       | <b>(92,776,266)</b>      | <b>(62,421,890)</b> |

**TATA TECHNOLOGIES INC**  
**Notes forming part of the Financial Statements**

|  |  | (Amount in USD)   |                   |
|--|--|-------------------|-------------------|
|  |  | As at             | As at             |
|  |  | March 31, 2020    | March 31, 2019    |
| <b>10 Trade Payables</b>   |  |                   |                   |
| <b>CURRENT</b>   |  |                   |                   |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |  | 12,282,594        | 12,264,098        |
|  |  | <b>12,282,594</b> | <b>12,264,098</b> |

**Note:**

The average credit period on purchases of good and services ranges from 30 to 75 Days.

|                                     |  | (Amount in USD)  |                  |
|-------------------------------------|--|------------------|------------------|
|                                     |  | As at            | As at            |
|                                     |  | March 31, 2020   | March 31, 2019   |
| <b>11 OTHER CURRENT LIABILITIES</b> |  |                  |                  |
| Statutory dues                      |  | 152,732          | 472,585          |
| Advance and Progress payments       |  | 14,844           | 56,232           |
| Income received in advance          |  | 2,173,877        | 1,869,812        |
|                                     |  | <b>2,341,451</b> | <b>2,398,628</b> |

|                                   |  | (Amount in USD)    |                    |
|-----------------------------------|--|--------------------|--------------------|
|                                   |  | Period ended       | Period ended       |
|                                   |  | March 31, 2020     | March 31, 2019     |
| <b>12 REVENUE FROM OPERATIONS</b> |  |                    |                    |
| (a) Sale of products              |  | 45,536,695         | 39,016,760         |
| (b) Sale of services              |  | 72,426,038         | 64,826,449         |
|                                   |  | <b>117,962,733</b> | <b>103,843,209</b> |

|                                       |  | (Amount in USD) |                |
|---------------------------------------|--|-----------------|----------------|
|                                       |  | Period ended    | Period ended   |
|                                       |  | March 31, 2020  | March 31, 2019 |
| <b>13 OTHER INCOME</b>                |  |                 |                |
| (a) <b>Interest income</b>            |  |                 |                |
| Interest income-others                |  | 1,472           | 214            |
| (b) <b>Other non-operating income</b> |  |                 |                |
| Other non-operating income            |  | 149,779         | 105,161        |
|                                       |  | <b>151,251</b>  | <b>105,375</b> |

|  |  | Period ended      | Period ended      |
|--|--|-------------------|-------------------|
|  |  | March 31, 2020    | March 31, 2019    |
| <b>14 CONSULTANCY FEES, SOFTWARES AND OTHERS</b> |  |                   |                   |
| Outsourcing charges                              |  | 29,988,634        | 21,906,294        |
| Software-internal use                            |  | 350,398           | 328,617           |
| Professional fees                                |  | 443,798           | 447,165           |
| Training Costs                                   |  | 31,276            | 69,878            |
|  |  | <b>30,814,106</b> | <b>22,751,954</b> |



**TATA TECHNOLOGIES INC**  
**Notes forming part of the Financial Statements**

| (Amount in USD)  |                                |                                |
|--|--------------------------------|--------------------------------|
|  | Period ended<br>March 31, 2020 | Period ended<br>March 31, 2019 |
| <b>15 EMPLOYEE BENEFIT EXPENSE</b>                             |                                |                                |
| Salaries and wages   | 43,855,292                     | 42,311,457                     |
| Staff welfare expenses   | 94,305                         | 94,134                         |
| Social Security and other benefit plans for Overseas employees | 138,062                        | 120,652                        |
|  | <b>44,087,658</b>              | <b>42,526,242</b>              |

| (Amount in USD)               |                                |                                |
|-------------------------------|--------------------------------|--------------------------------|
|                               | Period ended<br>March 31, 2020 | Period ended<br>March 31, 2019 |
| <b>16 FINANCE COSTS</b>       |                                |                                |
| Interest on RTU Leased assets | 121,011                        | -                              |
|                               | <b>121,011</b>                 | <b>-</b>                       |

| (Amount in USD)                      |                                |                                |
|--------------------------------------|--------------------------------|--------------------------------|
|                                      | Period ended<br>March 31, 2020 | Period ended<br>March 31, 2019 |
| <b>17 OTHER EXPENSES</b>             |                                |                                |
| Repairs & maintenance                |                                |                                |
| - Buildings                          | 158,993                        | 195,003                        |
| - Plant & Machinery                  | 55,680                         | 11,563                         |
| - Others                             | -                              | 2,334                          |
| Rent                                 | 333,019                        | 701,329                        |
| Rates and Taxes                      | 131,943                        | 43,444                         |
| Insurance                            | 191,765                        | 189,755                        |
| Overseas Marketing Expenses          | 220,389                        | 106,001                        |
| Royalty Expenses                     | 256,056                        | 130,682                        |
| Business Promotion Expenses          | 7,500                          | 8,014                          |
| Office Expenses                      | 211,049                        | 192,987                        |
| Travelling & Conveyance              | 2,492,605                      | 2,231,232                      |
| Power & Fuel                         | 47,320                         | 68,158                         |
| Water Charges                        | 4,889                          | 9,238                          |
| Auditors Remuneration                | 52,147                         | 58,144                         |
| Staff Training and Seminar Expenses  | 13,942                         | 15,233                         |
| Staff Recruitment Expenses           | 303,343                        | 424,376                        |
| Foreign Currency (Gain)/Loss - (Net) | 8,405                          | 23,638                         |
| Communication Expenses               | 221,107                        | 263,578                        |
| Allowances for doubtful debts        | 1,098,870                      | 3,360,616                      |
| Miscellaneous Expenses               | 268,744                        | 233,451                        |
|                                      | <b>6,077,763</b>               | <b>8,268,776</b>               |