

ANNUAL REPORT OF  
TATA TECHNOLOGIES MEXICO SA DE CV,  
MEXICO

# **TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO**

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## **TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO**

### **DIRECTORS:**

1. Mr. Patrick McGoldrick
2. Mr. Warren Harris
3. Mr. Fernando Oviedo Pastrana

### **REGISTERED: OFFICE**

Blvd, Independencia, #1600, Ote.  
Local C-46, C.P., 27100 Torreon,  
Coahuila, Mexico

## **TO THE MEMBERS OF Tata Technologies de Mexico, S.A. de C.V.**

The Directors hereby present the Sixteenth 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	2,671,579	166,967,034
Profit for the year	57,692	3,605,583

### **2. OPERATIONS**

Tata Technologies de Mexico, S.A. de C.V. is a subsidiary of Tata Technologies Inc., a Michigan company. The Company operates in Mexico under the Tata Technologies trade name. Tata Technologies provides services in the field of engineering automation, offering 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 \$ 2,671,579 (₹166,967,034) and a profit of US \$57,692 (₹3,605,583)

### **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 as per local regulations. Therefore, the financial statements of the Company for the year ended March 31, 2015 has not been audited.

## **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;**

<b>Patrick McGoldrick</b>	<b>Director</b>
<b>Warren Harris</b>	<b>Director</b>
<b>Fernando Oviedo Pastrana</b>	<b>Director</b>

**Rupesh Chamedia**  
**Finance Controller**

**Place:**  
**Date:**

**TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO**  
Balance Sheet as at Mar 31, 2015

Particulars	Note No.	(Amount in USD) March 31, 2015	(Amount in ₹) March 31, 2015	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>					
(1) <b>Shareholders' Funds</b>					
(a) Share Capital	1	155,354	9,709,237	155,354	9,304,151
(b) Reserves and Surplus	2	432,924	27,056,696	480,943	28,803,597
		<b>588,278</b>	<b>36,765,933</b>	<b>636,297</b>	<b>38,107,748</b>
(2) <b>Current Liabilities</b>					
(a) Trade Payables		851,445	53,213,177	528,180	31,632,705
(b) Other Current Liabilities	3	193,271	12,078,929	365,470	21,887,974
(c) Current income tax liabilities		19,918	1,244,811	4,972	297,844
		<b>1,064,633</b>	<b>66,536,917</b>	<b>898,622</b>	<b>53,818,523</b>
		<b>1,652,912</b>	<b>103,302,850</b>	<b>1,534,918</b>	<b>91,926,271</b>
<b>II. ASSETS</b>					
(1) <b>Non-current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	4	4,987	311,695	3,830	229,379
		<b>4,987</b>	<b>311,695</b>	<b>3,830</b>	<b>229,379</b>
(2) <b>Current Assets</b>					
(a) Trade Receivables	5	742,649	46,413,702	673,724	40,349,334
(b) Cash and Bank Balances	6	495,465	30,965,303	446,483	26,739,886
(c) Other Current Assets	7	407,292	25,454,750	406,049	24,318,294
(d) Short-term loans and advances	8	2,519	157,400	4,832	289,378
		<b>1,647,924</b>	<b>102,991,155</b>	<b>1,531,089</b>	<b>91,696,892</b>
		<b>1,652,912</b>	<b>103,302,850</b>	<b>1,534,918.52</b>	<b>91,926,271</b>
Significant Accounting Policies	16				

For and on behalf of the Board of Directors

Rupesh Chamedia  
Finance Controller

Patrick McGoldrick  
Warren Harris  
Fernando Oviedo Pastrana

Director  
Director  
Director

Place:  
Date:

**TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO**  
**Profit and Loss Statement for the year ended Mar 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	9	2,551,124	159,438,887	3,039,734	182,049,659.68
II. Other Income	10	120,455	7,528,146	45,636	616,198.03
III. <b>Total Revenue (I + II)</b>		<b>2,671,579</b>	<b>166,967,034</b>	<b>3,085,370</b>	<b>182,665,858</b>
IV. Expenses :					
(a) Cost of Traded Products	11	1,638,910	102,427,750	1,647,265	98,654,724.01
(b) Consultancy fees, Softwares and others	12	212,010	13,250,105	571,750	34242123.67
(c) Employee Benefit Expense	13	593,804	37,111,242	706,077	42286937.16
(d) Finance Cost	14	329	20,571	-	
(e) Depreciation and amortisation Expense	4	3,360	209,961	5,799	347,306.90
(f) Other Expenses	15	147,100	9,193,375	136,433	6,054,023.17
<b>Total Expenses</b>		<b>2,595,512</b>	<b>162,213,004</b>	<b>3,067,324</b>	<b>181,585,115</b>
V. <b>Profit / (Loss) Before Tax (III-IV)</b>		<b>76,068</b>	<b>4,754,030</b>	<b>18,045</b>	<b>1,080,743</b>
VI. Tax Expense :					
(a) Current Tax		18,376	1,148,447	5,633	337,339.41
VII. <b>Profit / (Loss) from continuing operations (V- VI )</b>		<b>57,692</b>	<b>3,605,583</b>	<b>12,413</b>	<b>743,403</b>

For and on behalf of the Board of Directors

Rupesh Chamedia  
Finance Controller

Place:  
Date:

Patrick McGoldrick  
Warren Harris  
Fernando Oviedo Pastrana

Director  
Director  
Director

**TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO**  
**Cash Flow Statement for the year ended March 31, 2015**

	(Amount in USD) March 31, 2015	(Amount in ₹) March 31, 2015	(Amount in USD) March 31, 2014	(Amount in ₹) March 31, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit after Taxation and Extraordinary Items	57,692	3,605,583	12,413	743,348
Depreciation and amortization	3,360	209,961	5,799	347,307
Provision for Income Tax	18,376	1,148,447	5,633	337,339
Interest Income	(7,047)	(440,409)	(10,289)	(616,198)
Finance Costs	329	20,571	-	-
Unrealised exchange Loss / (Gain)	758	47,403	330	19,749
Operating profit before Working Capital Changes	73,468	4,591,555	13,886	831,547
<b>Adjustments for :</b>				
Trade Receivables	(68,925)	(4,307,633)	214,743	12,860,871
Advance to Supplier, Contractors & Others	10,939	683,649	67,789	4,059,904
Loans and Advances employees	2,080	129,996	660	39,503
Deposits	233	14,581	102	6,112
Unbilled Revenue	(1,243)	(77,680)	-	-
Prepaid Expenses	4,044	252,737	1,846	110,579
Trade Payables	323,265	20,203,199.07	(160,290)	(9,599,763)
Other Current Liabilities	(172,199)	(10,762,007)	(195,130)	(11,686,326)
Advance Tax / Tax Deducted at Source	(18,413)	(1,150,760)	(26,338)	(1,577,377)
<b>NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>153,249</b>	<b>9,577,638</b>	<b>(82,731)</b>	<b>(4,954,952)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Received	7,047	440,409	10,289	616,198
Payment for Purchase of Fixed Assets	(5,275)	(329,662)	(4,064)	(243,234)
<b>NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>	<b>1,772</b>	<b>110,747</b>	<b>6,225</b>	<b>372,964</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Paid	(329)	(20,571)	-	-
<b>NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	<b>(329)</b>	<b>(20,571)</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>154,691</b>	<b>9,667,813</b>	<b>(76,507)</b>	<b>(4,581,988)</b>
Cash & Cash equivalent at the close of the year as per Schedule 6	495,465	30,965,303	446,483	26,739,886
Cash & Cash equivalents at the beginning of the year as per Schedule 6	446,483	27,904,091	565,958	33,895,217
Translation Reserve	(105,710)	(6,606,601)	(42,968)	(2,573,344)
	<b>154,691</b>	<b>9,667,813</b>	<b>(76,507)</b>	<b>(4,581,988)</b>

For and on behalf of the Board of Directors

Rupesh Chamedia  
Finance Controller

Patrick McGoldrick  
Warren Harris  
Fernando Oviedo Pastrana

Director  
Director  
Director

Place:  
Date:



**TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO**  
Notes forming part of financial statements

Note -1

**SHARE CAPITAL**

Issued, subscribed and fully paid :

1,763,465 Ordinary Shares

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
	155,354	9,709,237	155,354	9,304,151
	<b>155,354</b>	<b>9,709,237</b>	<b>155,354</b>	<b>9,304,151</b>

**TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO**  
Notes forming part of financial statements

Note - 2

**RESERVES AND SURPLUS**

		(Amount in USD)			
Particulars	As at March 31, 2014	Additions	Deductions	Adjustments	As at Mar 31, 2015
(a) Translation Reserves	(93,717.60)	(105,709.85)	-	-	(199,427.45)
(b) Surplus i.e. balance in statement of Profit and Loss [Note (i) below]	574,660.28	57,691.63	-	-	632,351.91
	<b>480,942.68</b>	<b>(48,018.22)</b>	<b>-</b>	<b>-</b>	<b>432,924.46</b>

Notes:-

(i) **Changes in Statement of Profit and Loss :**  
(a) Profit/(Loss) for the year

2014-2015		2013-2014	
Additions	Deductions	Additions	Deductions
57,692		12,413	
<b>57,692</b>	<b>-</b>	<b>12,413</b>	<b>-</b>

Note - 2

**RESERVES AND SURPLUS**

		(Amount in ₹)			
Particulars	As at March 31, 2014	Additions	Deductions	Adjustments	As at Mar 31, 2015
(a) Translation Reserves	(5,857,116)	(6,606,601)	-	-	(12,463,718)
(b) Surplus i.e. balance in statement of Profit and Loss [Note (i) below]	35,914,831	3,605,583	-	-	39,520,412
	<b>30,057,714</b>	<b>(3,001,019)</b>	<b>-</b>	<b>-</b>	<b>27,056,694</b>

Notes:-

(i) **Changes in Statement of Profit and Loss :**  
Profit/(Loss) for the year

2014-2015		2013-2014	
Additions	Deductions	Additions	Deductions
3,605,583	-	743,404	-
<b>3,605,583</b>	<b>-</b>	<b>743,404</b>	<b>-</b>

**TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO**  
**Notes forming part of financial statements**

**Note - 3**

**OTHER CURRENT LIABILITIES**

- (a) Income received in advance  
(b) Statutory dues

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
	15,373	960,756	27,989.78	1,676,308
	177,898	11,118,173	337,479.81	20,211,666
	<b>193,271</b>	<b>12,078,929</b>	<b>365,469.59</b>	<b>21,887,974</b>

**Note - 4**

Note - 4											(Amount in USD)		
Sr. No	FIXED ASSETS	Cost as at April 1, 2014	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2015	Accumulated depreciation up to March 31, 2014	Depreciation for the year ended March 31, 2015	Deductions	Translation Adjustments	Accumulated depreciation up to March 31, 2015	Net Book Value as at Mar 31, 2015	Net Book Value as at Mar 31, 2014
TANGIBLE ASSETS													
(a)	Computers	47,821	5,275	-	(7,510)	45,587	45,693	2,909	-	(6,951)	41,651	3,936	2,128
(b)	Furniture and fixtures	11,080	-	-	(1,611)	9,468	10,653	143	-	(1,564)	9,231	238	427
(c)	Office equipments	6,552	-	-	(953)	5,599	5,277	308	-	(800)	4,785	814	1,275
(d)	Leasehold improvement	3,248	-	-	(472)	2,775	3,248	-	-	(472)	2,775	-	-
Total		68,701	5,275	-	(10,546)	63,429	64,870	3,360	-	(9,788)	58,442	4,987	3,831

**Note - 4**

											(Amount in ₹)		
Sr. No	FIXED ASSETS	Cost as at April 1, 2014	Additions	Deductions	Translation Adjustments	Cost as at Mar 31, 2015	Accumulated depreciation up to March 31, 2014	Depreciation for the year ended March 31, 2015	Deductions	Translation Adjustments	Accumulated depreciation up to March 31, 2015	Net Book Value as at Mar 31, 2015	Net Book Value as at Mar 31, 2014
TANGIBLE ASSETS													
(a)	Computers	2,988,718	329,662	-	(469,334)	2,849,047	2,855,724	181,795	-	(434,445)	2,603,075	245,972	132,994
(b)	Furniture and fixtures	692,468	-	-	(100,711)	591,757	665,764	8,906	-	(97,764)	576,907	14,851	26,704
(c)	Office equipments	409,475	-	-	(59,553)	349,922	329,776	19,260	-	(49,987)	299,049	50,873	79,699
(d)	Leasehold improvement	202,965	-	-	(29,519)	173,446	202,965	-	-	(29,519)	173,446	-	-
Total		4,293,626	329,662	-	(659,117)	3,964,172	4,054,229	209,961	-	(611,714)	3,652,477	311,695	239,397

**Note - 5**

## (Unsecured, considered good unless otherwise stated)

(a) Trade receivables due for a period exceeding six months

Considered good

Considered doubtful

Less : Allowances for doubtful debts

(b) Other Trade Receivables

Considered good

Considered doubtful

Less : Allowances for doubtful debts

**Note - 6**

### CASH AND BANK BALANCES

(a) Current Account with banks

**Note - 7**

### OTHER CURRENT ASSETS

(a) Advances to suppliers and contractors

(b) VAT, other taxes recoverable, statutory deposits and dues from government

(c) Prepaid expenses

(d) Unbilled Revenue

**Note - 8**

## SHORT TERM LOANS AND ADVANCES

(a) Loans and Advances employees

(b) Security Deposits

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**TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO**  
**Notes forming part of financial statements**

**Note - 9**

	(Amount in USD)		(Amount in ₹)		(Amount in USD)		(Amount in ₹)	
	Year ended	March	Year ended	March	Year ended	March	Year ended	March
	31, 2015	31, 2015	31, 2014	31, 2014	31, 2014	31, 2014	31, 2014	31, 2014
<b>REVENUE FROM OPERATIONS</b>								
(a) Sale of Products		2,201,212		137,570,255		2,435,797		145,879,896
(b) Sale of Services		349,912		21,868,632		603,937		36,169,764
		<b>2,551,124</b>		<b>159,438,887</b>		<b>3,039,734</b>		<b>182,049,660</b>

**Note -10**

	(Amount in USD)		(Amount in ₹)		(Amount in USD)		(Amount in ₹)	
	Year ended	March	Year ended	March	Year ended	March	Year ended	March
	31, 2015	31, 2015	31, 2014	31, 2014	31, 2014	31, 2014	31, 2014	31, 2014
<b>OTHER INCOME</b>								
(a) Interest income-Others		7,047		440,409		10,289		616,198
(b) Foreign Currency Gain		113,408		7,087,737		35,347		2,116,926
		<b>120,455</b>		<b>7,528,146</b>		<b>45,636</b>		<b>2,733,124</b>

**Note - 11**

	(Amount in USD)		(Amount in ₹)		(Amount in USD)		(Amount in ₹)	
	Year ended	March	Year ended	March	Year ended	March	Year ended	March
	31, 2015	31, 2015	31, 2014	31, 2014	31, 2014	31, 2014	31, 2014	31, 2014
<b>COST OF TRADED PRODUCTS</b>								
(a) Purchase of Products		1,638,910		102,427,750		1,638,498		98,129,654
(b) Change in Stock in Trade		-		-		8,767		525,070
		<b>1,638,910</b>		<b>102,427,750</b>		<b>1,647,265</b>		<b>98,654,724</b>

**Note - 12**

	(Amount in USD)		(Amount in ₹)		(Amount in USD)		(Amount in ₹)	
	Year ended	March	Year ended	March	Year ended	March	Year ended	March
	31, 2015	31, 2015	31, 2014	31, 2014	31, 2014	31, 2014	31, 2014	31, 2014
<b>CONSULTANCY FEES, SOFTWARES AND OTHERS</b>								
(a) Outsourcing Charges		198,471		12,403,911		563,204		33,730,285
(c) Professional Fees		13,101		818,752		7,428		444,892
(d) Training Costs		439		27,441		1,118		66,947
		<b>212,010</b>		<b>13,250,105</b>		<b>571,750</b>		<b>34,242,124</b>

**TATA TECHNOLOGIES DE MEXICO SA DE CV, MEXICO**  
**Notes forming part of financial statements**

**Note - 13**

	(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
<b>EMPLOYEE BENEFIT EXPENSE</b>				
(a) Salaries and Wages	593,804	37,111,241.74095	706,077	42,286,937
	<b>593,804</b>	<b>37,111,241.74095</b>	<b>706,077</b>	<b>42,286,937</b>

**Note - 14**

	(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
<b>FINANCE COSTS</b>				
(a) Interest Expense				
- Interest on Short Term Borrowings	329	20,571	-	-
	<b>329</b>	<b>20,571</b>	<b>-</b>	<b>-</b>

**Note - 15**

	(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
<b>OTHER EXPENSES</b>				
(a) Repairs & Maintenance				
- Buildings	7,105	444,064	10,163	608,655
(b) Rent	30,309	1,894,251	31,466	1,884,498
(c) Overseas Marketing Expenses	1,813	113,290	5,321	318,652
(d) Office Expenses	3,874	242,145	3,694	221,210
(e) Travelling & Conveyance	48,337	3,020,934	37,687	2,257,103
(f) Water Charges	3,274	204,631	4,904	293,696
(g) Staff Training and Seminar Expenses	163	10,156	-	-
(h) Communication Expenses	15,737	983,526	17,434	1,044,119
(i) Miscellaneous Expenses	36,488	2,280,379	25,764	1,543,016
	<b>147,100</b>	<b>9,193,375</b>	<b>136,433</b>	<b>8,170,949</b>

## **Sixteenth annual report 2014-15**

## **Tata Technologies de Mexico, S.A. de C.V.**

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

Note 16

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **1 Basis of Preparation of Financial Statements**

The financial statements 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.

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

##### **1.2 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.

##### **1.3 Turnover**

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

##### **1.4 Revenue recognition**

The Company acts as a reseller of hardware and software to the worldwide CAE community and provides services which include installation, training, product support, design services and consultancy. Hardware revenues are recognised when the hardware is delivered. Software revenues are recognised when a non-cancellable agreement has been signed and there are no uncertainties surrounding product acceptance, there are no significant vendor obligations, and the fees are fixed and determinable. Training, design services and consulting revenues are recognised as the services are performed. Support agreement revenues are recognised rateably over the support period except where the services of a third party are sold on. In this situation all revenue is recognised upfront.

##### **1.5 Fixed assets and depreciation**

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	Period of lease
Plant and machinery	3–4 years
Furniture and Fixtures	4 years

### **1.6 Leasing**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### **1.7 Inventories**

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

### **1.8 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.

### **1.9 Foreign currency translation**

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 Profit and Loss Account.

### **1.10 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.

### **1.11 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.

## **1.12 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 31st March 2014.

### **2.2 Contingent liabilities**

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

### **2.3 Provision for Taxes**

The provision for taxation pertains to tax liability as applicable to the jurisdictions of the country in which the Company operates. The provision for taxation for the current year has been computed by the management in consultation with the tax advisors to the Company.

### **2.4 Related Party disclosures**

A statement of transactions with related parties has been attached herewith.

<b>Particulars</b>	<b>Nature of Transaction</b>	<b>TTUS # (\$)</b>	<b>TTUS # (₹)</b>
<b>Income</b>	<b>Income received by the Reporting Enterprise</b>	19,610	1,225,554
	Income received from services		
<b>Expenses</b>	<b>Expenses paid by the Reporting Enterprise</b>	240,520	15,031,906
	Expenses paid		
<b>Payables</b>	<b>Dues Payable by the Reporting Enterprise as on the date of the Reporting Period</b>	144,095	9,005,546
	Due Payable and outstanding on Supplies and services		



<b>Receivables</b>	<b>Dues Receivable by the Reporting Enterprise as on the date of the Reporting Period</b>	6,919	432,434
	Dues Receivable on Supplies and Services		

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

## 2.6 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.

**2.7** 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 statement.