

ANNUAL REPORT OF TATA TECHNOLOGIES PTE LTD

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

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DIRECTORS' STATEMENT

The Directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2017.

In the opinion of the Directors, the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The Directors in office at the date of this statement are:

WILLIAM CHAN KWOK WAH
PRAVEEN PURUSHOTTAM KADLE
PATRICK RAYMON MCGOLDRICK

ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any arrangement, to which the Company is a party, whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTEREST IN SHARES

No Director of the Company who held office at the end of the financial year, had, according to the register required to be kept under Section 164 of the Companies Act, Cap. 50, an interest in shares of the Company at beginning or end of the year.

SHARE OPTIONS

- **Share Options Granted**

No option was granted during the financial year to take up unissued shares of the Company.

- **Share Options Exercised**

During the financial year, there were no shares issued by virtue of the exercise of options to take up unissued shares of the Company.

DIRECTORS' STATEMENT

SHARE OPTIONS – (Cont'd)

- **Unissued Shares Under Option**

There were no unissued shares of the Company under option as at the end of the financial year.

CARRYING VALUE OF SUBSIDIARIES

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

AUDITORS

The auditors, Messrs. H. WEE & CO., have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD

PATRICK RAYMON MCGOLDRICK
DIRECTOR

WILLIAM CHAN KWOK WAH
DIRECTOR

DATED: 3 May 2017

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **TATA TECHNOLOGIES PTE LTD** (the Company), which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

CARRYING VALUE OF SUBSIDIARIES

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

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

Our opinion is not modified in respect of this matter.

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

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

(Continuation from Page 3)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

H. WEE & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

SINGAPORE
3 May 2017

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	NOTE	2017		2016	
		US\$	₹	US\$	₹
REVENUES					
Sales	3	4,717,480	305,928,625	3,804,820	252,059,813
Commission	3	-	-	(68,437)	(4,533,780)
Dividend income from subsidiary company		618,706	40,123,090	-	-
Gain from disposal of plant and equipment		149	9,663	-	-
Other revenues	18	40,542	2,629,149	32,346	2,142,842
Total revenues		5,376,877	348,690,528	3,768,729	249,668,874
COSTS AND EXPENSES					
Purchases and related direct cost expenses		4,010,766	260,098,215	3,245,149	214,983,008
Amortisation of trade marks	7	21,983	1,425,598	18,915	1,253,071
Bad debts written off		42,271	2,741,275	-	-
Depreciation	8	29,190	1,892,972	32,853	2,176,429
Director's fees		3,630	235,406	3,706	-
Director's remuneration		276,297	17,917,863	287,839	19,068,614
Exchange difference		19,738	1,280,009	(114,464)	(7,582,954)
Salaries and employee benefits		1,152,268	74,724,591	914,790	60,602,550
Other operating expenses	18	424,143	27,505,678	385,277	25,523,638
Total costs and expenses		5,980,286	387,821,607	4,774,065	316,269,870
(LOSS) BEFORE TAXATION		(603,409)	(39,131,080)	(1,005,336)	(66,600,996)
Taxation	19	14,325	928,976	(26,040)	(1,725,085)
(LOSS) FOR THE YEAR		(589,084)	(38,202,103)	(1,031,376)	(68,326,081)
OTHER COMPREHENSIVE INCOME:					
<u>Item that may be reclassified subsequently to profit or loss:</u>					
Foreign currency translation		38,372	2,488,425	(61,368)	(4,065,477)
OTHER COMPREHENSIVE INCOME/(LOSS), net of tax		38,372	2,488,425	(61,368)	(4,065,477)
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR		(550,712)	(35,713,679)	(1,092,744)	(72,391,557)

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	NOTE	2017		2016	
		US\$	₹	US\$	₹
SHARE CAPITAL	4	54,000,000	3,501,900,540	54,000,000	3,577,365,000
CAPITAL RESERVE	5	45,935,488	2,978,916,856	45,935,488	3,043,111,241
CURRENCY TRANSLATION RESERVE	6	3,342,904	216,787,358	3,304,532	218,916,984
RETAINED EARNINGS		8,544,822	554,131,792	9,133,906	605,098,438
		<u>111,823,214</u>	<u>7,251,736,546</u>	<u>112,373,926</u>	<u>7,444,491,662</u>
Represented by:					
INTANGIBLE ASSETS	7	165,340	10,722,301	153,938	10,198,008
PLANT AND EQUIPMENT	8	100,161	6,495,442	122,358	8,105,912
SUBSIDIARY COMPANIES	9	106,852,458	6,929,382,970	106,852,458	7,078,708,211
CURRENT ASSETS					
Trade debtors	10	892,941	57,907,233	703,262	46,589,349
Trade debtors - related companies	11	102,809	6,667,165	218,343	14,464,678
Other debtors	12	64,090	4,156,237	127,825	8,468,087
Fixed deposits	13	3,817,790	247,583,720	-	-
Bank and cash balances	13	714,503	46,335,527	5,101,219	337,943,006
		<u>5,592,133</u>	<u>362,649,881</u>	<u>6,150,649</u>	<u>407,465,119</u>
Less: CURRENT LIABILITIES					
Trade creditors	14	642,506	41,666,521	466,449	30,901,080
Trade creditor-related company	15	231,545	15,015,696	354,307	23,471,953
Other creditors	16	5,293	343,251	5,000	331,238
Amount due to subsidiaries	9	-	-	8,561	-
Provision for taxation		7,534.00	488,579.98	71,160.00	4,714,172.10
		<u>886,878</u>	<u>57,514,047</u>	<u>905,477</u>	<u>59,985,588</u>
NET CURRENT ASSETS		4,705,255	305,135,834	5,245,172	347,479,531
NON CURRENT LIABILITIES	17	-	-	-	-
Deferred tax liabilities		<u>111,823,214</u>	<u>7,251,736,546</u>	<u>112,373,926</u>	<u>7,444,491,662</u>

THE ATTACHED NOTES TO THE ACCOUNTS
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	SHARE CAPITAL		CAPITAL RESERVE		CURRENCY TRANSLATION RESERVE		RETAINED EARNINGS/ ACCUMULATED (LOSSES)		TOTAL EQUITY	
	US\$	₹	US\$	₹	US\$	₹	US\$	₹	US\$	₹
Balance at 1 April 2015	54,000,000	3,577,365,000	45,935,488	3,043,111,241	3,365,900	222,982,460	10,165,282	673,424,518	113,466,670	7,516,883,221
Total comprehensive income for the year	-	-	-	-	(61,368)	(4,065,477)	(1,031,376)	(68,326,082)	(1,092,744)	(72,391,559)
Balance at 31 March 2016	54,000,000	3,577,365,000	45,935,488	3,043,111,241	3,304,532	218,916,984	9,133,906	605,098,438	112,373,926	7,444,491,662
Balance at 31 March 2016	54,000,000	3,501,900,540	45,935,488	2,978,916,856	3,304,532	214,298,933	9,133,906	592,333,895	112,373,926	7,287,450,225
Total comprehensive (loss) for the year	-	-	-	-	38,372	2,488,425	(589,084)	(38,202,103)	(550,712)	(35,713,679)
Balance at 31 March 2017	54,000,000	3,501,900,540	45,935,488	2,978,916,856	3,342,904	216,787,358	8,544,822	554,131,792	111,823,214	7,251,736,546

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	2017		2016	
	US\$	₹	US\$	₹
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit before taxation	(603,409)	(39,131,079)	(1,005,336)	(66,600,996)
Adjustments for:				
Amortisation of trade marks	21,983	1,425,598	18,915	1,253,071
Bad debts written off	42,271	2,741,275	-	-
Depreciation of plant and equipment	29,190	1,892,972	32,853	2,176,429
Gain from disposal of plant and equipment	(149)	(9,663)	-	-
Interest income	(26,789)	(1,737,267)	(18,449)	(1,222,200)
Currency translation differences	38,372	2,488,425	(61,368)	(4,065,477)
Unrealised exchange differences	36,613	2,374,353	74,360	4,926,164
Operating profit before working capital changes	(461,918)	(29,955,386)	(959,025)	(63,533,008)
(Increase)/Decrease in debtors	(49,966)	(3,240,296)	34,136	2,261,425
(Decrease)/Increase in amount due (to)/from subsidiaries - trade	(8,561)	(555,181)	752,508	49,851,774
Increase/(Decrease) in creditors	57,199	3,709,356	(24,449)	(1,619,685)
Cash generated from operation	(463,246)	(30,041,507)	(196,830)	(13,039,494)
Interest income	26,789	1,737,266	18,449	1,222,199
Tax paid	(49,301)	(3,197,170)	(85,165)	(5,641,968)
Net cash flow (used in) operating activities	(485,758)	(31,501,412)	(263,546)	(17,459,265)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of intangible assets	(33,385)	(2,165,018)	(46,767)	(3,098,197)
Proceed from disposal of plant and equipment	290	18,807	-	-
Purchase of plant and equipment	(7,134)	(462,640)	(11,984)	(793,910)
Loan to subsidiaries-repayment	-	-	126,652	8,390,378
Net cash flow from/(used in) investing activities	(40,229)	(2,608,851)	67,901	4,498,271
NET CHANGE IN CASH AND CASH EQUIVALENTS	(525,987)	(34,110,263)	(195,645)	(12,960,993)
Effect of exchange rates changes on cash and cash equivalents	(42,939)	(2,784,595)	(88,309)	(5,850,250)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,101,219	330,814,102	5,385,173	356,754,249
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 13)	4,532,293	293,919,244	5,101,219	337,943,006

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

NOTES TO THE ACCOUNTS - 31 MARCH 2017

The notes on pages 9 to 28 form an integral part of and should be read in conjunction with these accounts.

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

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

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

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

Investment in subsidiaries

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

Allowances for receivables

The Company makes allowances for bad and doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, past collection history of each customer and on-going dealings with them. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed. The carrying amounts of the Company's trade and other receivables are disclosed in Notes 10, 11 and 12 respectively.

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

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

(b) New Standards and Interpretations Not Yet Adopted

New standards, amendments to standards and interpretations that are not yet effective for the year ended 31 March 2017 have not been applied in preparing these financial statements. None of these are expected to have a significant impact on the financial statements of the Company.

NOTES TO THE ACCOUNTS - 31 MARCH 2017

1 SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

(c) Consolidation

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

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

(d) Intangible Assets

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

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

(e) Plant and Equipment and Depreciation

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

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

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

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

(f) Subsidiary Companies

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

NOTES TO THE ACCOUNTS - 31 MARCH 2017

1 SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

(g) Financial Assets

(i) Classification

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

Loans and receivables

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

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

(ii) Recognition and derecognition

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

(iii) Initial measurement

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

(iv) Subsequent measurement

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

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

(v) Impairment of Assets

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

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

NOTES TO THE ACCOUNTS - 31 MARCH 2017

1 SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

(h) Cash and Cash Equivalents

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

(i) Financial Liabilities

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

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

(j) Provision

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

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

(k) Foreign Currency

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

(l) Income Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

NOTES TO THE ACCOUNTS - 31 MARCH 2017

1 SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

(m) Revenue Recognition

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

(i) Sales of good

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

(ii) Services rendered

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

(iii) Commission income

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

(iv) Interest income

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

(n) Employee Benefits

(i) Pension obligations

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

(ii) Employee leave entitlement

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

(o) Operating Lease

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

NOTES TO THE ACCOUNTS - 31 MARCH 2017

1 SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

(p) Related Parties

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

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

2 GENERAL

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

The Company has a branch in Korea.

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

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

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

The registered office of the Company is located at 8 Shenton Way, #34-01 AXA Tower, Singapore 068811.

The financial statements of the Company were authorised by the Board of Directors on 3 May 2017.

3 REVENUES

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

Sales represent invoiced value after trade discounts.

Previous year's commission represented commission income not receivable written back.

NOTES TO THE ACCOUNTS - 31 MARCH 2017

4 SHARE CAPITAL

	2017		2016	
	No. of Shares	US\$	₹	
Ordinary shares				
Issued and fully paid				
Balance at beginning of year	86,463,759	86,463,759	54,000,000	3,501,900,540
Balance at end of year	86,463,759	86,463,759	54,000,000	3,501,900,540

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

5 CAPITAL RESERVE

Capital reserve of the Company was derived as follows:

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

The carrying values of these investments as at 31 March 2006 in the respective holding company's audited accounts were adopted for this in specie dividend, i.e. US\$85,935,488 (₹5,572,917,256) for INCAT International Plc and US\$6,840,817 (₹443,627,051) for iKnowledge Solutions Inc. As the surplus of the in specie dividend over the cost of investment arose from a group restructuring shortly after the investment was made, the Directors are of the opinion this surplus is capital in nature hence it has been taken to the Capital Reserve.

During the financial year ended 31 March 2015, on 12 February 2015, the Company disposed of its entire interest of 885,520 Class B shares in Tata Technologies, Inc for a total consideration of 697 shares in Tata Technologies Europe Limited which were valued at US\$19,449,000 (₹1,261,267,844). Capital reserve of US\$6,840,817 (₹443,627,051) was realised in the income statement on disposal of the subsidiary.

	2017		2016	
	US\$	₹	US\$	₹
Balance at beginning and end of year	45,935,488	2,978,916,856	45,935,488	3,043,111,241

6 CURRENCY TRANSLATION RESERVE

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

NOTES TO THE ACCOUNTS - 31 MARCH 2017

7 INTANGIBLE ASSETS

	2017		2016	
	US\$	₹	US\$	₹
Trade marks, at cost				
At 1 April	205,395	13,319,868	158,628	10,508,708
Additions	33,385	2,165,018	46,767	3,098,197
At 31 March	238,780	15,484,885	205,395	13,606,905
Less: Amortisation	73,440	4,762,585	51,457	3,408,898
	165,340	10,722,301	153,938	10,198,008
Analysis of amortisation				
At 1 April	51,457	3,336,987	32,542	2,155,826
Current year's amortisation	21,983	1,425,598	18,915	1,253,071
At 31 March	73,440	4,762,585	51,457	3,408,898

8 PLANT AND EQUIPMENT

	Computer equipment US\$	Office furniture & equipment US\$	Motor vehicle US\$	Total US\$	Computer equipment ₹	Office furniture & equipment ₹	Motor vehicle ₹	Total ₹
COST								
At 1.4.2015	141,132	122,800	181,632	445,564	9,152,412	7,963,581	11,778,837	28,894,830
Additions	11,122	862	-	11,984	721,263	55,901	-	777,164
Disposals	-	(37)	-	(37)	-	(2,399)	-	(2,399)
At 31.3.2016	152,254	123,625	181,632	457,511	9,873,674	8,017,082	11,778,837	29,669,594
Additions	7,047	87	-	7,134	456,998	5,642	-	462,640
Disposals	(105,452)	(94,349)	-	(199,801)	(6,838,563)	(6,118,534)	-	(12,957,096)
At 31.3.2017	53,849	29,363	181,632	264,844	3,492,110	1,904,191	11,778,837	17,175,137
ACCUMULATED DEPRECIATION								
At 1.4.2015	125,823	114,456	62,058	302,337	8,159,623	7,422,473	4,024,462	19,606,557
Additions	11,695	2,995	18,163	32,853	758,421	194,226	1,177,871	2,130,516
Disposals	-	(37)	-	(37)	-	(2,399)	-	(2,399)
At 31.3.2016	137,518	117,414	80,221	335,153	8,918,044	7,614,299	5,202,334	21,734,674
Additions	8,241	2,786	18,163	29,190	534,429	180,671	1,177,875	1,892,974
Disposals	(105,447)	(94,213)	-	(199,660)	(6,838,239)	(6,109,714)	-	(12,947,953)
At 31.3.2017	40,312	25,987	98,384	164,683	2,614,234	1,685,256	6,380,208	10,679,695
NET BOOK VALUE								
At 31.3.2017	13,537	3,376	83,248	100,161	877,876	218,935	5,398,633	6,495,442
At 31.3.2016	14,736	6,211	101,411	122,358	976,223	411,463	6,718,225	8,105,912

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

NOTES TO THE ACCOUNTS - 31 MARCH 2017

9

SUBSIDIARY COMPANIES

	2017		2016	
	US\$	₹	US\$	₹
Investment in subsidiaries:				
Unquoted shares				
Balance at beginning of year				
- at cost	20,916,969	1,356,465,649	20,916,969	1,385,696,904
- at fair value	85,935,489	5,572,917,321	85,935,489	5,693,011,308
Balance at end of year	106,852,458	6,929,382,971	106,852,458	7,078,708,211
Amount due (to) subsidiaries:				
Trade debts due (to) subsidiary	-	-	(8,561)	(567,145)
	-	-	(8,561)	(567,145)
	106,852,458	6,929,382,970	106,843,897	7,078,141,067

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation & place of business	Percentage		Principal activities
		2017 %	2016 %	
+^Tata Technologies Inc (Sole stockholder of Class B common stock)	Michigan, USA	#96	#96	Information technology & consultancy services
+* INCAT International Plc	United Kingdom	100	100	Information technology & consultancy services
+*Tata Technologies Europe Limited	United Kingdom	7 ##93	7 ##93	Information technology & consultancy services
+*Tata Technologies (Thailand) Limited	Thailand	100	100	Information technology & consultancy services
+*Cambric Manufacturing Technologies (Shanghai) Co. Ltd	China	100	100	Information technology & consultancy services

^Not required to be audited by local laws.

*Audited by other firms.

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

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

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

Cambric Manufacturing Technologies (Shanghai) Co., Ltd has changed its name to Tata Mfg. Technologies Consulting (Shanghai) Limited wef 1 April 2017.

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

NOTES TO THE ACCOUNTS - 31 MARCH 2017

10 TRADE DEBTORS

	2017		2016	
	US\$	₹	US\$	₹
Trade debtors	869,991	56,418,925	703,262	46,589,349
Accrued income	22,950	1,488,308	-	-
	892,941	57,907,233	703,262	46,589,349

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

The ageing analysis of trade debtors is as follows:

	2017		2016	
	US\$	₹	US\$	₹
Current	477,572	30,970,548.98	275,221	18,232,703
30 days	305,959	19,841,444	223,554	14,809,894
60 days	7,804	506,089	18,388	1,218,160
90 days and above^	78,656	5,100,842	186,099	-
	869,991	56,418,925	703,262	46,589,349

^Trade debtors past due but not impaired.

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

	2017		2016	
	US\$	₹	US\$	₹
Singapore Dollar	351,752	22,811,121	474,965	31,465,244
United States Dollar	518,239	33,607,804	228,297	15,124,106
	869,991	56,418,925	703,262	46,589,349

11 TRADE DEBTORS - RELATED COMPANIES

Trade debtors comprise of amounts due from:

	2017		2016	
	US\$	₹	US\$	₹
Immediate holding company	-	-	433	28,685
Related companies	102,809	6,667,165	217,910	14,435,993
	102,809	6,667,165	218,343	14,464,678

NOTES TO THE ACCOUNTS - 31 MARCH 2017

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

The ageing analysis of trade debtors is as follows:

	2017		2016	
	US\$	₹	US\$	₹
Current	102,809	6,667,165	218,343	14,464,678
	102,809	6,667,165	218,343	14,464,678

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

	2017		2016	
	US\$	₹	US\$	₹
Singapore Dollar	-	-	652	43,193
United States Dollar	102,809	6,667,165	217,691	14,421,485
	102,809	6,667,165	218,343	14,464,678

12 **OTHER DEBTORS**

	2017		2016	
	US\$	₹	US\$	₹
Cost billed in advance	2,690	174,447	9,041	598,944
CPF refundable	13,052	846,422	-	-
Deposits	13,815	895,903	51,427	3,406,910
Prepayments	2,472	160,309	22,623	1,498,717
Staff advances	32,061	2,079,156	44,734	2,963,516
	64,090	4,156,237	127,825	8,468,087

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

	2017		2016	
	US\$	₹	US\$	₹
Singapore Dollar	58,928	3,821,481	94,161	6,237,931

NOTES TO THE ACCOUNTS - 31 MARCH 2017

13 CASH AND CASH EQUIVALENTS

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

	2017		2016	
	US\$	₹	US\$	₹
Fixed deposits	3,817,790	247,583,720	-	-
Bank and cash balances	714,503	46,335,527	5,101,219	337,943,006
	4,532,293	293,919,246	5,101,219	337,943,006

Fixed deposits bear interest at effective interest rates ranging between 0.47% and 1.35% per annum and for a tenure of approximately 7 to 188 days.

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

	2017		2016	
	US\$	₹	US\$	₹
Korean Won	443,258	28,745,286	27,100	1,795,307
Singapore Dollar	192,053	12,454,639	149,420	9,898,701
Sterling Pound	-	-	232,747	15,418,906
United States Dollar	3,896,982	252,719,322	4,691,952	310,830,090
	4,532,293	293,919,246	5,101,219	337,943,005

14 TRADE CREDITORS AND ACCRUALS

	2017		2016	
	US\$	₹	US\$	₹
Trade creditors	200,535	13,004,697	7,928	525,210
Provision for cost of sale	68,518	4,443,393	73,680	4,881,116
Accrued payroll costs	272,311	17,659,371	237,968	15,764,785
Accrued operating expenses	49,560	3,213,966	72,150	4,779,757
GST/VAT payable	51,582	3,345,093	74,723	4,950,212
	642,506	41,666,521	466,449	30,901,080

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

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

	2017		2016	
	US\$	₹	US\$	₹
Australian Dollar	-	-	4,314	285,792
Korean Won	34,689	2,249,582	54,115	3,584,983
Singapore Dollar	326,585	21,179,041	305,655	20,248,880
Sterling Pound	18,979	1,230,788	21,915	1,451,814
United States Dollar	262,253	17,007,110	80,450	5,329,611
	642,506	41,666,521	466,449	30,901,080

NOTES TO THE ACCOUNTS - 31 MARCH 2017

15 TRADE CREDITORS – RELATED COMPANIES

	2017		2016	
	US\$	₹	US\$	₹
Trade creditors comprise of amounts due to :				
Immediate Holding Company	226,647	14,698,060	349,156	23,130,712
Related company	4,898	317,635	5,151	341,241
	231,545	15,015,696	354,307	23,471,953

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

	2017		2016	
	US\$	₹	US\$	₹
New Zealand Dollar	-	-	99	6,559
Singapore Dollar	5,256	340,852	142,678	9,452,061
United States Dollar	226,289	14,674,844	211,530	14,013,334
	231,545	15,015,696	354,307	23,471,953

16 OTHER CREDITORS

	2017		2016	
	US\$	₹	US\$	₹
Unearned Income (Billed in advance)	5,293	343,251	5,000	331,238

17 DEFERRED TAX LIABILITIES

	2017		2016	
	US\$	₹	US\$	₹
Balance at the beginning	-	-	20,000	1,324,950
Transfer (to)/ from Profit	-	-	(20,000)	(1,324,950)
Balance at the end of the year	-	-	-	-

18 REVENUES AND EXPENSES

Other revenues and other operating expenses comprise of:

	2017		2016	
	US\$	₹	US\$	₹
Other revenues				
Interest received	26,789	1,737,267	18,449	1,222,200
Sundry	13,753	891,882.19	13,897	920,641
	40,542	2,629,149	32,346	2,142,842
Other operating expenses				
Legal and professional fee	78,784	5,109,143	90,126	5,970,621
Rates and taxes	55,061	3,570,706	-	-
Rent	90,618	5,876,578	123,187	8,160,831
Repair and maintenance - premises	40,587		3,969	262,936
Travel and transport	88,006	5,707,190	61,153	4,051,234
Others	71,087	4,609,992.66	106,842	7,078,015
	424,143	27,505,678	385,277	25,523,638

19 TAXATION

	2017		2016	
	US\$	₹	US\$	₹
Foreign tax	38,560	2,500,616	46,040	3,050,035
Prior year's over provision	(52,885)	(3,429,593)	-	-
Deferred taxation	-	-	(20,000)	(1,324,951)
	(14,325)	(928,976)	26,040	1,725,085

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

	2017		2016	
	US\$	₹	US\$	₹
Accounting loss	(603,409)	(39,131,080)	(1,005,336)	(66,600,997)
Tax at the applicable tax rates of 17%	(102,579)	(6,652,249)	(170,907)	(11,322,161)
Tax effect of:				
- Expenses not deductible for tax purposes	27,882	1,808,148	12,483	826,974
- Income not taxable	(106,365)	(6,897,771)	(594)	(39,351)
- S13(8)	(33,606)	(2,179,349)	(61,214)	(4,055,274)
- Tax relief	(23,480)	(1,522,678)	(31,789)	(2,105,942)
-Carry back current year tax losses to YA2016 under Section 37E	-	-	12,636	837,103
-Tax losses not recognised as deferred tax asset	232,561	15,081,583	233,672	15,480,186
-Deferred taxation	-	-	(20,000)	(1,324,950)
- Others	5,587	362,317	5,713	378,466
Foreign tax	38,560	2,500,616	46,040	3,050,035
Prior year's overprovision	(52,885)	(3,429,593)	-	-
	(14,325)	(928,976)	26,040	1,725,085

The Company has unutilised tax losses and unabsorbed wear and tear allowances of US\$2,758,908 (₹178,915,211) (2016: US\$1,374,534) (₹91,059,441) and US\$18,509 (₹1,200,309) (2016: US\$19,611) (₹1,299,180) respectively for which no deferred tax asset is recognised due to uncertainty of their recoverabilities. The use of these balances is subject to the agreement of the tax authority and compliance with relevant provisions of the Income Tax Act.

NOTES TO THE ACCOUNTS - 31 MARCH 2017

20 RELATED PARTY TRANSACTIONS

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

	2017		2016	
	US\$	₹	US\$	₹
Sales	(1,580,903)	(102,521,575)	1,698,387	112,513,893
Purchases	1,477,307	95,803,374	1,951,331	129,270,800

21 EMPLOYEE BENEFITS

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

	2017		2016	
	US\$	₹	US\$	₹
Staff	91,344	5,923,659	74,770	4,953,326
	91,344	5,923,659	74,770	4,953,326

Compensation of directors and key management personnel

The compensation comprised:

	2017		2016	
	US\$	₹	US\$	₹
Director's fees	3,630	235,406	3,706	245,513
Director's remuneration	276,297	17,917,863	287,839	19,068,614
	279,927	18,153,269	291,545	19,314,127

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

22 OPERATING LEASE COMMITMENTS

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

	2017		2016	
	US\$	₹	US\$	₹
Lease which expires:				
Within one year	20,901	1,355,430	99,586	6,597,324
	20,901	1,355,430	99,586	6,597,324

Rental of premises (net) charged to statement of comprehensive income during the financial year amounted to US\$90,618 (₹5,876,578) (2016: US\$123,187) (₹ 8,160,831).

NOTES TO THE ACCOUNTS - 31 MARCH 2017

23 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities can be categorised as follows:

	Loans and receivables		Financial liabilities at amortised cost		Total	
	US\$	₹	US\$	₹	US\$	₹
2017						
Trade debtors	892,941	57,907,233	-	-	892,941	57,907,233
Trade debtors - related companies	102,809	6,667,165	-	-	102,809	6,667,165
Other debtors (excluding prepayments)	58,928	3,821,481	-	-	58,928	3,821,481
Bank and cash balances	4,532,293	293,919,246	-	-	4,532,293	293,919,246
	<u>5,586,971</u>	<u>362,315,125</u>	<u>-</u>	<u>-</u>	<u>5,586,971</u>	<u>362,315,125</u>
		-		-		-
Liabilities		-		-		-
Trade creditors	-	-	590,924	38,321,427	590,924	38,321,427
Trade creditors - related companies	-	-	231,545	15,015,696	231,545	15,015,696
	<u>-</u>	<u>-</u>	<u>822,469</u>	<u>53,337,123</u>	<u>822,469</u>	<u>53,337,123</u>
2016						
Assets						
Trade debtors	703,262	46,589,349	-	-	703,262	46,589,349
Trade debtors - related companies	218,343	14,464,678	-	-	218,343	14,464,678
Other debtors (excluding prepayments)	96,161	6,370,426	-	-	96,161	6,370,426
Bank and cash balances	5,101,219	337,943,006	-	-	5,101,219	337,943,006
	<u>6,118,985</u>	<u>405,367,459</u>	<u>-</u>	<u>-</u>	<u>6,118,985</u>	<u>405,367,459</u>
Liabilities						
Trade creditors	-	-	391,726	25,950,868	391,726	25,950,868
Trade creditor-related company	-	-	354,307	23,471,953	354,307	23,471,953
Amount due to subsidiaries	-	-	8,561	567,145	8,561	567,145
	<u>-</u>	<u>-</u>	<u>754,594</u>	<u>49,989,967</u>	<u>754,594</u>	<u>49,989,967</u>

NOTES TO THE ACCOUNTS - 31 MARCH 2017

24 FINANCIAL RISK MANAGEMENT

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

(i) Credit risk

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

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

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

(ii) Foreign exchange risk

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

Sensitivity analysis for foreign currency risk

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

	2017		2016	
	US\$	₹	US\$	₹
S\$/US\$ (Strengthened 5%)	(13,664)	(886,111)	(2,882)	(190,925)
(Weakened 5%)	13,664	886,111	2,882	190,925
Sterling Pound/US\$ (Strengthened 5%)	949	61,543	(10,255)	(679,368)
(Weakened 5%)	(949)	(61,543)	10,255	679,368

(iii) Interest rate risk

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

(iv) Liquidity risk

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

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

NOTES TO THE ACCOUNTS - 31 MARCH 2017

24 FINANCIAL RISK MANAGEMENT – (Cont'd)

(iv) Liquidity risk – (Cont'd)

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

Contractual maturity analysis

	Within one financial year		After one financial year but within five financial years		Total	
	US\$	₹	US\$	₹	US\$	₹
2017						
Financial assets						
Non-interest bearing	1,749,931	113,483,043	-	-	1,749,931	113,483,043
Variable interest bearing	3,837,040	248,832,082	-	-	3,837,040	248,832,082
	5,586,971	362,315,125	-	-	5,586,971	362,315,125
Financial liabilities						
Non-interest bearing	-	-	822,469	53,337,123	822,469	53,337,123
	-	-	822,469	53,337,123	822,469	53,337,123
2016						
Financial assets						
Non-interest bearing	2,312,412	153,191,514	-	-	2,312,412	153,191,514
Variable interest bearing	3,806,573	252,175,945	-	-	3,806,573	252,175,945
	6,118,985	405,367,459	-	-	6,118,985	405,367,459
Financial liabilities						
Non-interest bearing	754,594	49,989,966	-	-	754,594	49,989,966
	754,594	49,989,966	-	-	754,594	49,989,966

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

(v) Capital Management

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

(vi) Fair Values

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

NOTES TO THE ACCOUNTS - 31 MARCH 2017

25 **HOLDING COMPANIES**

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

26 **CONTINGENT LIABILITIES**

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

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

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

27 **CONVERSION INTO INDIAN RUPEE**

The financial information is expressed in US \$ only in the audited Accounting packs based on which the financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US \$= ₹64.85001 as on March 31, 2017 and 1 US \$= ₹66.24750 as on March 31, 2016. 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.