

**ANNUAL REPORT OF
CAMBRIC CONSULTING SRL,
ROMANIA**

TATA TECHNOLOGIES SRL, ROMANIA

| | |
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TATA TECHNOLOGIES SRL, ROMANIA

SOLE ADMINISTRATOR

Mr. Timothy P. Hayes

**REGISTERED:
OFFICE**

Str. Branduselor, No. 84
Brasov, 500397
Romania

TO THE MEMBERS OF TATA TECHNOLOGIES SRL, ROMANIA

The Directors hereby present the Eighteenth 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 | 8,864,189 | 553,989,654 |
| Profit for the year | 263,591 | 16,473,813 |

2. OPERATIONS

Cambric Consulting Romania is an engineering production entity with locations in Brasov, Craiova, and Iasi Romania. The entity is 100% dedicated to providing engineering services to Cambric entities. It was formed in 1997. It does not perform individual sales and marketing and only has management responsibility specific to its operations.

During the year the company registered a turnover of US \$ 8,864,189 (₹553,989,654) and a profit of US \$263,591 (₹16,473,813)

3. 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.

4. 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.

5. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

6. 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.

7. 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.

8. 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. The name of the Company was renamed to Tata Technologies SRL, Romania effective February 4, 2015.

9. 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;

Mr. Timothy P. Hayes Sole Administrator

Place:

Date:

TATA TECHNOLOGIES SRL, ROMANIA

Balance Sheet as at March 31, 2015

| Particulars | Note No. | (Amount in \$) | (Amount in ₹) | (Amount in \$) | (Amount in ₹) |
|------------------------------------|----------|------------------|-------------------|------------------|-------------------|
| | | March 31, 2015 | March 31, 2015 | March 31, 2014 | March 31, 2014 |
| I. EQUITY AND LIABILITIES | | | | | |
| (1) Shareholders' Funds | | | | | |
| (a) Share Capital | 1 | 1,355,600 | 84,721,590 | 1,355,600 | 81,186,864 |
| (b) Reserves and Surplus | 2 | (864,589) | (54,034,645) | (1,035,093) | (61,991,719) |
| | | 491,010 | 30,686,945 | 320,506 | 19,195,145 |
| (2) Current Liabilities | | | | | |
| (a) Trade Payables | | 457,418 | 28,587,321 | 617,999 | 37,011,767 |
| (b) Short-term Provisions | 3 | 112,701 | 7,043,514 | 107,367 | 6,430,194 |
| (c) Current income tax liabilities | | 14,736 | 920,963 | 14,740 | 882,786 |
| | | 584,854 | 36,551,798 | 740,106 | 44,324,748 |
| | | 1,075,865 | 67,238,743 | 1,060,612 | 63,519,893 |
| II. ASSETS | | | | | |
| (1) Non-current Assets | | | | | |
| (a) Fixed Assets | | | | | |
| (i) Tangible Assets | 4 | 98,778 | 6,173,371 | 158,886 | 9,515,683 |
| (ii) Intangible Assets | 5 | 9,137 | 571,044 | 268 | 16,022 |
| (iii) Capital Work-in-progress | | - | - | 13,367 | 800,520 |
| | | 107,916 | 6,744,414 | 172,521 | 10,332,225 |
| (b) Goodwill on acquisition | | 11,652 | 728,233 | 11,652 | 697,829 |
| | | 119,568 | 7,472,647 | 184,173 | 11,030,054 |
| (2) Current Assets | | | | | |
| (a) Trade Receivables | 6 | 786,002 | 49,123,153 | 698,608 | 41,839,612 |
| (b) Cash and Bank Balances | 7 | 178,511 | 11,156,481 | 112,601 | 6,743,658 |
| (c) Other Current Assets | 8 | (8,358) | (522,325) | 65,051 | 3,895,890 |
| (d) Short-term loans and advances | 9 | 141 | 8,788 | 178 | 10,679 |
| | | 956,297 | 59,766,096 | 876,438 | 52,489,839 |
| | | 1,075,865 | 67,238,743 | 1,060,612 | 63,519,893 |

Significant Accounting Policies

10

For and on behalf of the Board

Timothy P Hayes
Sole Administrator

Date:

Place:

TATA TECHNOLOGIES SRL, ROMANIA
Profit and Loss Statement for the year ended March 31, 2015

| Particulars | Note No. | (Amount in \$) | (Amount in ₹) | (Amount in \$) | (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 | A | 8,854,285 | 553,370,659 | 7,255,484 | 434,530,950 |
| II. Other Income | B | 9,904 | 618,995 | 11,984 | 717,734 |
| III. Total Revenue | | 8,864,189 | 553,989,654 | 7,267,468 | 435,248,684 |
| IV. Expenses : | | | | | |
| (a) Consultancy fees, Softwares and others | C | 1,558,778 | 97,419,747 | 1,445,305 | 86,559,290 |
| (b) Employee Benefit Expense | D | 5,993,899 | 374,603,674 | 4,793,244 | 287,067,394 |
| (c) Depreciation and amortisation Expense | 4&5 | 115,258 | 7,203,348 | 154,579 | 9,257,730 |
| (d) Other Expenses | E | 866,885 | 54,178,148 | 646,114 | 38,695,784 |
| Total Expenses | | 8,534,820 | 533,404,917 | 7,039,242 | 421,580,198 |
| V. Profit Before Tax (III - IV) | | 329,368 | 20,584,737 | 228,226 | 13,668,486 |
| VI. Tax Expense : | | | | | |
| (a) Current Tax | | 65,777 | 4,110,925 | 50,233 | 3,008,437 |
| VII. Profit from continuing operations (V - VI) | | 263,591 | 16,473,813 | 177,993 | 10,660,049 |

Significant Accounting Policies

10

For and on behalf of the Board

Timothy P. Hayes
Sole Administrator

Date:
Place:

TATA TECHNOLOGIES SRL, ROMANIA
Cash Flow Statement for the year ended MAR 31, 2015

| | (Amount in \$) | (Amount in ₹) |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2015 | Year ended March 31, 2015 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit after Taxation | 263,591 | 16,473,750 |
| Depreciation and amortization | 115,258 | 7,203,348 |
| Provision for Income Tax | 65,777 | 4,110,925 |
| Interest Income | (5,415) | (338,448) |
| Operating profit before Working Capital Changes | 439,211 | 27,449,574 |
| Adjustments for : | | |
| Trade Receivables | (87,394) | (5,461,922) |
| Loans and advances | 38 | 2,356 |
| Statutory dues | 73,641 | 4,602,374 |
| Prepaid Expenses | (233) | (14,539) |
| Trade Payables | (160,580) | (10,035,869) |
| Short Term Provision | 5,334 | 333,361 |
| Advance Tax / Tax Deducted at Source | (65,781.56) | (4,111,183) |
| NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES | 204,235 | 12,764,153 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Interest Received | 5,415 | 338,448 |
| Payment for Purchase of Fixed Assets | (50,653) | (3,165,690) |
| NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES | (45,238) | (2,827,242) |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS | 158,997 | 9,936,911 |
| Cash & Cash equivalent at the close of the year as per Schedule 7 | 178,511 | 11,156,481 |
| Cash & Cash equivalents at the beginning of the year as per Schedule 7 | 112,601 | 7,037,264 |
| | (93,086) | (5,817,693) |
| | 158,997 | 9,936,911 |

For and on behalf of the Board

Timothy P. Hayes
Sole Administrator

Date:
Place:

TATA TECHNOLOGIES SRL, ROMANIA
Notes forming part of Financial Statements

Note -1

SHARE CAPITAL

Issued, subscribed and fully paid :

| | (Amount in \$) March 31, 2015 | (Amount in ₹) March 31, 2015 | (Amount in \$) March 31, 2014 | (Amount in ₹) March 31, 2014 |
|--|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| 307,382 Equity interests of 10 RON per Equity interest | 1,355,600 | 84,721,590 | 1,355,600 | 81,186,864 |
| | 1,355,600 | 84,721,590 | 1,355,600 | 81,186,864 |

TATA TECHNOLOGIES SRL, ROMANIA
Notes forming part of Financial Statements

Note -2

RESERVES AND SURPLUS

| Particulars | As at March 31, 2014 | Additions | Deductions | Adjustments | Translation Adjustment | (Amount in \$) As at Mar 31, 2015 |
|---|----------------------------|----------------|---------------|-------------|---------------------------|--|
| (a) Translation Reserves | 124,394 | (93,086) | - | - | - | 31,308 |
| (b) Surplus i.e. balance in statement of Profit and Loss [Note (i) below] | (1,504,644) | 263,591 | 18,234 | - | - | (1,259,287) |
| (c) General Reserve | 285,711 | | | | | 285,711 |
| (d) Legal Reserves [Note (ii) below] | 59,445 | 18,234 | - | - | - | 77,679 |
| | (1,035,093) | 188,738 | 18,234 | - | - | (864,589) |

Notes:-

(i) **Changes in Statement of Profit and Loss :**

| | 2014-2015 | 2013-2014 | |
|----------------|---------------|-------------------|-----------------|
| Additions | Deductions | Additions | Deductions |
| 263,591 | | 177,993 | |
| - | 18,234 | - | 15,644 |
| 263,591 | 18,234 | 177,992.81 | - |
| | | | 41084.00 |

(ii) **Changes in Legal Reserve :**

| | 2014-2015 | 2013-2014 | |
|---------------|------------|---------------|------------|
| Additions | Deductions | Additions | Deductions |
| 59,445 | - | 43,801 | - |
| 18,234 | | 15,644 | |
| 77,679 | - | 59,445 | - |

RESERVES AND SURPLUS

| Particulars | As at March 31, 2014 | Additions | Deductions | Adjustments | Translation Adjustment | (Amount in ₹) As at Mar 31, 2015 |
|---|----------------------------|-------------------|------------------|-------------|---------------------------|---|
| (a) Translation Reserves | 7,774,319 | (5,817,651) | - | - | - | 1,956,668 |
| (b) Surplus i.e. balance in statement of Profit and Loss [Note (i) below] | (94,036,475) | 16,473,750 | 1,139,579 | - | - | (78,702,304) |
| (c) General Reserve | 17,856,251 | - | - | - | - | 17,856,251 |
| (d) Legal Reserves | 3,715,181 | 1,139,560 | - | - | - | 4,854,741 |
| | (64,690,724) | 11,795,659 | 1,139,579 | - | - | (54,034,645) |

Notes:-

(i) **Changes in Statement of Profit and Loss :**

| | 2014-2015 | 2013-2014 | |
|-------------------|------------------|-------------------|----------------|
| Additions | Deductions | Additions | Deductions |
| 16,473,813 | - | 11,124,106 | |
| - | 1,139,579 | - | 977,711 |
| 16,473,813 | 1,139,579 | 11,124,106 | 977,711 |

(ii) **Changes in Legal Reserve :**

| | 2014-2015 | 2013-2014 | |
|------------------|------------|------------------|------------|
| Additions | Deductions | Additions | Deductions |
| 3,715,181 | - | 2,737,470 | - |
| 1,139,560 | | 977,711 | |
| 4,854,741 | - | 3,715,181 | - |

TATA TECHNOLOGIES SRL, ROMANIA
Notes forming part of Financial Statements

Note -3

SHORT-TERM PROVISIONS

(a) Provision for Employee benefits

| | (Amount in \$) | (Amount in ₹) | (Amount in \$) | (Amount in ₹) |
|--|----------------|------------------|----------------|------------------|
| | March 31, 2015 | March 31, 2015 | March 31, 2014 | March 31, 2014 |
| | 112,701 | 7,043,514 | 107,367 | 6,430,194 |
| | 112,701 | 7,043,514 | 107,367 | 6,430,194 |

TATA TECHNOLOGIES SRL, ROMANIA
Notes forming part of Financial Statements

Note - 4

| | | | | | | | | | | | | (Amount in \$) |
|--------------------------------------|--------------------------|---------------|----------------|-------------------------|-------------------------|--|-------------------------------------|----------------|-------------------------|--|-----------------------------------|-----------------------------------|
| FIXED ASSETS | Cost as at April 1, 2014 | Additions | Deductions | Translation Adjustments | Cost as at Mar 31, 2015 | Accumulated depreciation as at April 1, 2014 | Depreciation for the year 2014-2015 | Deductions | Translation Adjustments | Accumulated depreciation / amortisation up to Mar 31, 2015 | Net Book Value as at Mar 31, 2015 | Net Book Value as at Mar 31, 2014 |
| [A] TANGIBLE ASSETS | | | | | | | | | | | | |
| (a) Plant & Machinery and Equipments | 1,105,007 | 70,390 | 272,385 | (233,084) | 669,928 | 967,456 | 96,305 | 272,385 | (218,659) | 572,718 | 97,210 | 137,552 |
| (b) Furniture and fixtures | 173,014 | - | 9,794 | (36,495) | 126,726 | 152,167 | 17,538 | 9,794 | (34,754) | 125,158 | 1,568 | 20,847 |
| Total | 1,278,022 | 70,390 | 282,179 | (269,579) | 796,654 | 1,119,623 | 113,844 | 282,179 | (253,413) | 697,876 | 98,778 | 158,399 |

Note - 4

| | | | | | | | | | | | | (Amount in ₹) |
|--------------------------------------|--------------------------|------------------|-------------------|-------------------------|-------------------------|--|-------------------------------------|-------------------|-------------------------|--|-----------------------------------|-----------------------------------|
| FIXED ASSETS | Cost as at April 1, 2014 | Additions | Deductions | Translation Adjustments | Cost as at Mar 31, 2015 | Accumulated depreciation as at April 1, 2014 | Depreciation for the year 2014-2015 | Deductions | Translation Adjustments | Accumulated depreciation / amortisation up to Mar 31, 2015 | Net Book Value as at Mar 31, 2015 | Net Book Value as at Mar 31, 2014 |
| [A] TANGIBLE ASSETS | | | | | | | | | | | | |
| (a) Plant & Machinery and Equipments | 69,060,201 | 4,399,189 | 17,023,383 | (14,567,194) | 41,868,813 | 60,463,574 | 6,018,849 | 17,023,383 | (13,665,618) | 35,793,421 | 6,075,392 | 8,596,628 |
| (b) Furniture and fixtures | 10,812,950 | - | 612,074 | (2,280,826) | 7,920,049 | 9,510,066 | 1,096,112 | 612,074 | (2,172,032) | 7,822,072 | 97,978 | 1,302,884 |
| Total | 79,873,151 | 4,399,189 | 17,635,458 | (16,848,020) | 49,788,863 | 69,973,639 | 7,114,961 | 17,635,458 | (15,837,650) | 43,615,493 | 6,173,370 | 9,899,512 |

TATA TECHNOLOGIES SRL, ROMANIA
Notes forming part of Financial Statements

Note - 5

| (Amount in \$) | | | | | | | | | | | | | |
|----------------|-------------------|--------------------------|-----------|------------|-------------------------|-------------------------|--|-------------------------------------|------------|-------------------------|---|-----------------------------------|-----------------------------------|
| FIXED ASSETS | | Cost as at April 1, 2014 | Additions | Deductions | Translation Adjustments | Cost as at Mar 31, 2015 | Accumulated amortisation as at April 1, 2014 | Amortisation for the year 2014-2015 | Deductions | Translation Adjustments | Accumulated amortisation up to Mar 31, 2015 | Net Book Value as at Mar 31, 2015 | Net Book Value as at Mar 31, 2014 |
| [B] | INTANGIBLE ASSETS | | | | | | | | | | | | |
| (a) | Software Licenses | 231,659 | 10,126 | 31,869 | (48,865) | 161,051 | 231,392 | 1,414 | 31,870 | (49,023) | 151,914 | 9,137 | 268 |
| | Total | 231,659 | 10,126 | 31,869 | (48,865) | 161,051 | 231,392 | 1,414 | 31,870 | (49,023) | 151,914 | 9,137 | 268 |

Note - 5

| | | (Amount in ₹) | | | | | | | | | | | |
|--------------|-------------------|--------------------------|-----------|------------|-------------------------|-------------------------|--|-------------------------------------|------------|-------------------------|---|-----------------------------------|-----------------------------------|
| FIXED ASSETS | | Cost as at April 1, 2014 | Additions | Deductions | Translation Adjustments | Cost as at Mar 31, 2015 | Accumulated amortisation as at April 1, 2014 | Amortisation for the year 2014-2015 | Deductions | Translation Adjustments | Accumulated amortisation up to Mar 31, 2015 | Net Book Value as at Mar 31, 2015 | Net Book Value as at Mar 31, 2014 |
| [B] | INTANGIBLE ASSETS | | | | | | | | | | | | |
| (a) | Software Licenses | 14,478,135 | 632,848 | 1,991,764 | (3,053,941) | 10,065,278 | 14,461,416 | 88,387 | 1,991,764 | (3,063,804) | 9,494,234 | 571,044 | 268 |
| Total | | 14,478,135 | 632,848 | 1,991,764 | (3,053,941) | 10,065,278 | 14,461,416 | 88,387 | 1,991,764 | (3,063,804) | 9,494,234 | 571,044 | 268 |

TATA TECHNOLOGIES SRL, ROMANIA
Notes forming part of Financial Statements

Note - A

| | (Amount in \$) | (Amount in ₹) | (Amount in \$) | (Amount in ₹) |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Year ended March 31, 2015 | Year ended March 31, 2015 | Year ended March 31, 2014 | Year ended March 31, 2014 |
| REVENUE FROM OPERATIONS | | | | |
| (a) Sale of Services | 8,854,285 | 553,370,659 | 7,255,484 | 434,530,950 |
| | 8,854,285 | 553,370,659 | 7,255,484 | 434,530,950 |

Note - B

| | (Amount in \$) | (Amount in ₹) | (Amount in \$) | (Amount in ₹) |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Year ended March 31, 2015 | Year ended March 31, 2015 | Year ended March 31, 2014 | Year ended March 31, 2014 |
| OTHER INCOME | | | | |
| (a) Interest income-Others | 5,415 | 338,448 | 1,027 | 61,522 |
| (b) Other non-operating Income | 4,489 | 280,546 | 10,957 | 656,212 |
| | 9,904 | 618,995 | 11,984 | 717,734 |

Note - C

CONSULTANCY FEES, SOFTWARES AND OTHERS

| | (Amount in \$) | (Amount in ₹) | (Amount in \$) | (Amount in ₹) |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Year ended March 31, 2015 | Year ended March 31, 2015 | Year ended March 31, 2014 | Year ended March 31, 2014 |
| (a) Outsourcing Charges | 1,289,824 | 80,610,803 | 1,423,972 | 85,281,704 |
| (b) Software-internal use | 81,253 | 5,078,135 | 17,994 | 1,077,682 |
| (c) Professional Fees | 187,701 | 11,730,812 | 3,339 | 199,904 |
| | 1,558,778 | 97,419,750 | 1,445,305 | 86,559,290 |

Note - D

| | (Amount in \$) | (Amount in ₹) | (Amount in \$) | (Amount in ₹) |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | Year ended March 31, 2015 | Year ended March 31, 2015 | Year ended March 31, 2014 | Year ended March 31, 2014 |
| EMPLOYEE BENEFIT EXPENSE | | | | |
| (a) Salaries and Wages | 4,892,117 | 305,745,113 | 4,637,972 | 277,768,131 |
| (b) Staff welfare Expenses | 194,167 | 12,134,951 | 155,272 | 9,299,263 |
| (c) Social Security and other benefit plans for Overseas employees | 907,614 | 56,723,610 | | |
| | 5,993,899 | 374,603,674 | 4,793,244 | 287,067,394 |

Note - E

| | (Amount in \$) | (Amount in ₹) | (Amount in \$) | (Amount in ₹) |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | Year ended March 31, 2015 | Year ended March 31, 2015 | Year ended March 31, 2014 | Year ended March 31, 2014 |
| OTHER EXPENSES | | | | |
| (a) Repairs & Maintenance - Building | 7,251 | 453,144 | 2,207 | 132,193 |
| (b) Rent | 355,048 | 22,189,628 | 333,954 | 20,000,499 |
| (c) Rates and Taxes | - | - | 3,130 | 187,452 |
| (d) Insurance | 384 | 23,980 | 372 | 22,283 |
| (e) Overseas Marketing Expenses | - | - | 199 | 11,940 |
| (f) Office Expenses | 252,717 | 15,794,156 | 62,909 | 3,767,648 |
| (g) Travelling & Conveyance | 62,883 | 3,930,011 | 32,039 | 1,918,805 |
| (k) Power & Fuel | 8,991 | 561,915 | - | - |
| (h) Water Charges | 103,624 | 6,476,233 | 137,117 | 8,211,962 |
| (i) Auditors Remuneration | - | - | 8,750 | 524,046 |
| (j) Staff Training and Seminar Expenses | 20,354 | 1,272,103 | 3,737 | 223,789 |
| (k) Staff Recruitment Expenses | 5,618 | 351,113 | 1,175 | 70,389 |
| (l) Foreign Currency (Gain)/Loss - (Net) | 9,534 | 595,861 | 3,793 | 227,170 |
| (m) Communication Expenses | 32,641 | 2,039,954 | 36,486 | 2,185,130 |
| (n) Miscellaneous Expenses | 7,842 | 490,052 | 20,246 | 1,212,478 |
| | 866,885 | 54,178,151 | 646,114 | 38,695,784 |

TATA TECHNOLOGIES SRL , ROMANIA**Notes forming part of financial statements**

Note 10

SIGNIFICANT ACCOUNTING POLICIES**1 Basis of Preparation of Financial Statements**

The financial statements are prepared have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

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.

2.2 Contingent liabilities

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

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 Obligation towards non-cancellable Operating Lease

| Particulars | March 31, 2015 (US \$) | March 31, 2015 (₹) |
|--|---------------------------|-----------------------|
| The Total of Minimum lease payments for a period: | 432,977 | 27,060,009 |
| Due not later than one year | 337,532 | 21,094,903 |
| Later than one year but not later than five years | 95,444 | 5,965,042 |
| The total charge to the Statement of Profit & Loss | 355,048 | 22,189,628 |

2.5 Conversion into Indian Rupees

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

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