

Tata Technologies SRL
Annual Financial Statements
For the year ended March 31, 2018

TATA TECHNOLOGIES SRL, ROMANIA

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TATA TECHNOLOGIES SRL, ROMANIA

DIRECTORS:

Nicolas Sale

**REGISTERED :
OFFICE**

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TATA TECHNOLOGIES SRL , ROMANIA

Notes forming part of financial statements

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

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

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

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

1.1 Use of Estimates

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

1.2 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.

1.3 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

1.4 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.

1.5 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.

1.6 Foreign currency transaction and translation

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

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

1.7 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.

1.8 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.

1.9 Provisions

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.

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, 2018.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2018.

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

Nature of Transaction	Tata Technologies Europe Limited	Tata Technologies Europe Limited	Tata Technologies Inc	Tata Technologies Inc	Tata Technologies Ltd	Tata Technologies Ltd	Tata Technologies Ltd	Tata Technologies Ltd
		(₹)		(₹)		(₹)		(₹)
Financial Services provided by the reporting enterprise								
Sale of Services	GBP 255,647	23,592,289	USD 4,923,434	320,897,169	USD 2,123.34	138,394	USD 13,874.60	904,312
	EUR 3,596,181	290,600,446	EUR 106,596	8,613,817	₹ 5,243,428.41	5,243,428		
	SEK 152,551	1,192,412						
	(GBP 68,480)	(5,735,623)	(USD 1,012,675)	(65,399,788)				
	(EUR 943,564)	(69,538,747)	(EUR 24,917)	(1,836,326)				
	(SEK 413,732)	(3,165,745)						
Dues Receivable by the Reporting enterprise as on the date of the reporting period								
	GBP 64,450	5,947,744	USD 862,385	56,208,107	USD 2,123.34	138,394	USD 13,874.60	904,312
	EUR 840,103	67,887,102	EUR 10,673	67,887,102	₹ 5,243,428.41	5,243,428		
	SEK 112,428	878,791						
	(GBP 49,219)	(4,122,381)	(USD 330,274)	(21,329,494)				
	(EUR 811,310)	(59,791,888)	(EUR 9,068)	(668,310)				
	(SEK 1,320,028)	(10,100,431)						
Dues payable by the Reporting enterprise as on the date of the reporting period								
Dues Payable	GBP 2,012	185,677						
	(GBP 110,401)	(92,446,764)	(RON 52,253)	(846,513)				

(Previous year figures are in brackets)

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 \$ = ₹ 64.85001 as on March 31, 2017. 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 BSR & Co, LLP 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 BSR & Co, LLP and is included in its financial statement.

TATA TECHNOLOGIES SRL. Romania

Balance Sheet as at March 31, 2018

Particulars	Note No	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
		March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
I. ASSETS					
(1) Non-current Assets					
(a) Property, Plant and Equipment	1	132,085	8,608,959	144,468	9,368,768
(b) Goodwill		11,652	759,461	11,652	755,645
(c) Other Intangible assets	2	53,699	3,499,964	86,297	5,596,348
Financial assets:					
(d) - Other Loans and advances	3	2,884	187,959	1,497	97,090
Total Non-current Assets		200,320	13,056,343	243,914	15,817,851
(2) Current Assets					
(a) Financial assets:					
(ii) Trade receivables	4	1,620,919	105,647,462	1,156,502	74,999,142
(iii) Cash and cash equivalents	5	2,576,139	167,906,318	1,575,987	102,202,803
(v) Other Loans and advances	3	153	9,969	2,402	155,746
(b) Current tax assets (net)		-	-	9,964	646,153
(c) Other current assets	6	1,218,277	79,404,239	444,938	28,854,227
Total Current Assets		5,415,487	352,967,988	3,189,793	206,858,071
Total Assets		5,615,807	366,024,330	3,433,706	222,675,922
II. EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity Share capital	7	1,355,600	88,354,611	1,355,600	87,910,652
(b) Other Equity	8	2,792,261	181,992,634	1,408,584	91,346,686
Total Equity		4,147,861	270,347,245	2,764,184	179,257,338
Liabilities					
(2) Current Liabilities					
(a) Financial liabilities:					
(ii) Trade payables	9	873,437	56,928,421	545,605	35,382,586
(b) Provisions	10	146,725	9,563,185	96,393	6,251,100
(c) Current tax liabilities (net)		70,063	4,566,567	-	-
(d) Other current liabilities	11	377,721	24,618,912	27,523	1,784,898
Total Current Liabilities		1,467,946	95,677,085	669,522	43,418,584
Total Liabilities		1,467,946	95,677,085	669,522	43,418,584
Total Equity and Liabilities		5,615,807	366,024,330	3,433,706	222,675,922

Notes forming part of Financial Statements

1-16

For and on behalf of the Board

Nicolas Sale

Date :

Place:

TATA TECHNOLOGIES SRL. Romania
Profit and Loss Statement for the year ended March 31, 2018

Particulars	Note No	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
		March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
I. Revenue from Operations	12	10,207,249	665,283,045	8,390,019	544,092,786
II. Other Income	13	4,039	263,232	85,114	5,519,667
III. Total Income (I + II)		10,211,287	665,546,277	8,475,133	549,612,453
IV. Expenses :					
(a) Cost of traded products		-	-	-	-
(b) Consultancy fees, softwares and others	14	1,091,693	71,153,840	914,993	59,337,302
(c) Employee benefits expense	15	6,093,046	397,129,573	5,402,320	350,340,526
(e) Depreciation and amortisation expense	1 & 2	139,018	9,060,825	126,631	8,212,012
(f) Other expenses	16	1,556,500	101,448,776	1,348,083	87,423,191
Total expenses (IV)		8,880,257	578,793,015	7,792,027	505,313,031
V. Profit before tax (III-IV)		1,331,031	86,753,262	683,106	44,299,422
VI Tax Expense :					
(a) Current Tax		310,710	20,251,299	55,275	3,584,604
		310,710	20,251,299	55,275	3,584,604
VII. Profit after Tax (V-VI)		1,020,321	66,501,963	627,831	40,714,818
VIII. Other Comprehensive Income :					
(i) Exchange differences on translation of foreign operations		363,356	23,682,620	(204,448)	(13,258,484)
IX. Other Comprehensive Income for the year:		363,356	23,682,620	(204,448)	(13,258,484)
X. Profit for the year (VIII+IX)		1,383,676	90,184,584	423,382	27,456,334
In terms of our report attached					
Notes forming part of Standalone Financial Statements	1-16				

For and on behalf of the Board

Nicolas Sale

Date :

Place:

TATA TECHNOLOGIES SRL. Romania
Consolidated Cash Flow Statement for

	(Amount in USD) March 31, 2018	(Amount in ₹) March 31, 2018	(Amount in USD) March 31, 2017	(Amount in ₹) March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after Taxation and Extraordinary Items	1,020,321	66,501,963	627,831	40,714,818
Depreciation and amortization	139,018	9,060,825	126,631	8,212,012
Provision for Income Tax	310,710	20,251,299	55,275	3,584,604
(Profit)/Loss on Sale of Tangible and Intangible Fixed Assets	-	-	6,082	394,422
	<hr/>	<hr/>	<hr/>	<hr/>
Operating profit before Working Capital Changes	1,470,048	95,814,087	815,819	52,905,856
Adjustments for :				
Trade Receivables	(464,417)	(30,269,541)	(31,014)	(2,011,290)
Income received in advance	352,863	22,998,755	(113,441)	(7,356,629)
Advance to Supplier, Contractors & Others	(15)	(980)	5,617	364,278
Loans and advances	862	56,199	52,230	3,387,092
Unbilled Revenue	(492,905)	(32,126,346)	(313,875)	(20,354,808)
Prepaid Expenses	(280,418)	(18,276,969)	(35,706)	(2,315,549)
Trade Payables	327,830	21,367,090	34,721	2,251,618
Statutory dues	(2,665)	(173,690)	(7,911)	(513,008)
Short Term Provision	50,332	3,280,529	(19,257)	(1,248,836)
Advance Tax / Tax Deducted at Source	(230,683)	(15,035,315)	(258,299)	(16,750,722)
	<hr/>	<hr/>	<hr/>	<hr/>
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES	730,833	47,633,819	128,883	8,358,002
CASH FLOW FROM INVESTING ACTIVITIES				
Payment for Purchase of Fixed Assets	(94,036)	(6,129,030)	(166,108)	(10,772,134)
NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES	<hr/>	<hr/>	<hr/>	<hr/>
	(94,036)	(6,129,030)	(166,108)	(10,772,134)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS				
	636,796	41,504,789	(37,226)	(2,414,131)
Cash & Cash equivalent at the close of the year as per Schedule 8	2,576,139	167,906,318	1,575,987	102,202,803
Less: Bank Deposits with original maturity over three months for the year	-	-	-	-
Cash & Cash equivalents at the beginning of the year as per Schedule 8	1,575,987	102,718,908	1,817,662	117,875,418
Less: Bank Deposits with original maturity over three months for the previous year	-	-	-	-
Translation Reserve	363,356	23,682,620	(204,448)	(13,258,484)
Effect of exchange rate changes on cash and cash equivalents				
	<hr/>	<hr/>	<hr/>	<hr/>
	636,796	41,504,789	(37,226)	(2,414,131)

Notes forming part of Standalone Financial Statements

For and on behalf of the Board

Nicolas Sale

Date :

Place:

TATA TECHNOLOGIES SRL. Romania
Notes forming part of the Financial Statements

1 Property, Plant and Equipment	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	As at	As at	As at	As at
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
(i) Carrying amounts of:				
Plant & Machinery and Equipments - Owned	84,735	5,522,797	83,630	5,423,380
Furniture and fixtures	40,107	2,614,049	51,501	3,339,868
Leasehold Improvements	7,243	472,097	9,337	605,520
	132,085	8,608,943	144,468	9,368,768

Property, plant and equipment	(Amt in USD)			
	Plant & Machinery and Equipments - owned	Furniture and fixtures	Leasehold Improvements	Total
Cost as of April 1, 2017	765,629	108,366	98,781	972,777
Additions	53,649	7,060		60,710
Currency translation differences	95,005	14,131	12,920	122,056
Disposal	(129,351)	(984)		(130,335)
Cost as of March 31, 2018	784,932	128,574	111,701	1,025,207
Accumulated depreciation as of April 1, 2017	682,000	56,865	89,443	828,308
Depreciation for the year	61,056	24,232	3,189	88,478
Currency translation differences	86,493	8,354	11,825	106,672
Disposal	(129,351)	(984)		(130,335)
Accumulated depreciation as of March 31 2018	700,198	88,467	104,457	893,122
Net carrying amount as of March 31, 2018	84,735	40,107	7,243	132,085
Cost as of April 1, 2016	780,442	48,378	94,739	923,560
Additions	48,510	63,914	11,730	124,154
Currency translation differences	12	(3,926)	(7,688)	(11,603)
Disposal	(63,335)	-	-	(63,335)
Cost as of March 31, 2017	765,629	108,366	98,781	972,777
Accumulated depreciation as of April 1, 2016	669,693	40,815	94,739	805,247
Depreciation for the year	69,571	20,183	2,497	92,251
Currency translation differences	(12)	(4,133)	(7,793)	(11,937)
Disposal	(57,253)	-	-	(57,253)
Accumulated depreciation as of March 31, 2017	682,000	56,865	89,443	828,308
Net carrying amount as of March 31, 2017	83,630	51,501	9,337	144,468

(Amt in ₹)

Property, plant and equipment	Plant & Machinery and Equipments - owned	Furniture and fixtures	Leasehold Improvements	Total
Cost as of April 1, 2017	49,901,792	7,063,026	6,438,300	63,403,117
Additions	3,496,731	460,172	-	3,956,903
Currency translation differences	6,192,214	921,036	842,063	7,955,313
Disposal	(8,430,798)	(64,132)	-	(8,494,929)
Cost as of March 31, 2018	51,159,939	8,380,102	7,280,363	66,820,404
Accumulated depreciation as of April 1, 2017	44,451,062	3,706,319	5,829,672	53,987,053
Depreciation for the year	3,979,475	1,579,390	207,878	5,766,743
Currency translation differences	5,637,403	544,475	770,716	6,952,594
Disposal	(8,430,798)	(64,132)	-	(8,494,929)
Accumulated depreciation as of March 31 2018	45,637,142	5,766,053	6,808,266	58,211,461
Net carrying amount as of March 31, 2018	5,522,797	2,614,049	472,097	8,608,943
Cost as of April 1, 2016	50,611,426	3,137,299	6,143,795	59,892,520
Additions	3,145,859	4,144,803	760,687	8,051,349
Currency translation differences	778	(254,600)	(498,564)	(752,386)
Disposal	(4,107,255)	-	-	(4,107,255)
Cost as of March 31, 2017	49,650,807	7,027,502	6,405,918	63,084,227
Accumulated depreciation as of April 1, 2016	43,429,387	2,646,840	6,143,795	52,220,022
Depreciation for the year	4,511,658	1,308,861	161,930	5,982,449
Currency translation differences	(778)	(268,068)	(505,328)	(774,174)
Disposal	(3,712,840)	-	-	(3,712,840)
Accumulated depreciation as of March 31, 2017	44,227,427	3,687,634	5,800,397	53,715,458
Net carrying amount as of March 31, 2017	5,423,380	3,339,868	605,520	9,368,768

2 Other Intangible Assets
(Other than internally generated)

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	As at	As at	As at	As at
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
(i) Carrying amounts of:				
Software Licenses	53,699	3,499,964	86,297	5,596,348
	53,699	3,499,964	86,297	5,596,348

	(Amt in USD)	
Property, plant and equipment	Software Licenses	Total
Cost as of April 1, 2017	314,096	314,096
Additions	8,661	8,661
Currency translation differences	40,752	40,752
Disposal	(8,276)	(8,276)
Cost as of March 31, 2018	355,233	355,233
Accumulated depreciation as of April 1, 2017	227,800	227,800
Depreciation for the year	50,540	50,540
Currency translation differences	31,471	31,471
Disposal	(8,276)	(8,276)
Accumulated depreciation as of March 31 2018	301,535	301,535
Net carrying amount as of March 31, 2018	53,699	53,699
		-
Cost as of April 1, 2016	291,121	291,121
Additions	46,600	46,600
Currency translation differences	(23,625)	(23,625)
Disposal	-	-
Cost as of March 31, 2017	314,096	314,096
Accumulated depreciation as of April 1, 2016	212,064	212,064
Depreciation for the year	34,380	34,380
Currency translation differences	(18,645)	(18,645)
Disposal	-	-
Accumulated depreciation as of March 31, 2017	227,800	227,800
Net carrying amount as of March 31, 2017	86,297	86,297

	(Amt in ₹)	
Property, plant and equipment	Software Licenses	Total
Cost as of April 1, 2017	20,471,995	20,471,995
Additions	564,494	564,494
Currency translation differences	2,656,126	2,656,126
Disposal	(539,435)	(539,435)
Cost as of March 31, 2018	23,153,181	23,153,181
Accumulated amortisation as of April 1, 2017	14,847,437	14,847,437
amortisation for the year	3,294,082	3,294,082
Currency translation differences	2,051,185	2,051,185
Disposal	(539,435)	(539,435)
Accumulated amortisation as of March 31 2018	19,653,269	19,653,269
Net carrying amount as of March 31, 2018	3,499,913	3,499,913
	-	-
Cost as of April 1, 2016	18,879,230	18,879,230
Additions	3,021,979	3,021,979
Currency translation differences	(1,532,092)	(1,532,092)
Disposal	-	-
Cost as of March 31, 2017	20,369,117	20,369,117
Accumulated amortisation as of April 1, 2016	13,752,368	13,752,368
amortisation for the year	2,229,548	2,229,548
Currency translation differences	(1,209,147)	(1,209,147)
Disposal	-	-
Accumulated amortisation as of March 31, 2017	14,772,770	14,772,770
Net carrying amount as of March 31, 2017	5,596,348	5,596,348

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	As at	As at	As at	As at
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
3 OTHER LOANS AND ADVANCES				
Unsecured (Considered good)				
NON-CURRENT				
Security deposits- at amortised cost	2,884	187,959	1,497	97,090
Total	2,884	187,959	1,497	97,090
CURRENT				
Security deposits- at amortised cost	153	9,969	135	8,772
(c) Loans and advances employees	-	-	2,266	146,974
Total	153	9,969	2,402	155,746

TATA TECHNOLOGIES SRL. Romania
Notes forming part of the Financial Statements

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	As at	As at	As at	As at
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
4 TRADE RECEIVABLES				
(Unsecured, considered good unless otherwise stated)				
(a) Trade receivables due for a period exceeding six months				
Considered good	-	-	-	-
Considered doubtful	-	-	-	-
Less : Expected credit loss allowance	-	-	-	-
(b) Other Trade receivables				
Considered good	1,620,919	1,620,919	1,156,502	74,999,142
Considered doubtful	-	-	-	-
Less : Expected credit loss allowance	-	-	-	-
	1,620,919	1,620,919	1,156,502	74,999,142
	1,620,919	1,620,919	1,156,502	74,999,142

The average credit period on sales of goods and services is 30-60 days. Before accepting any new Customer, it is ensured that the Credit limit is in order to the customers and all The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The expected credit loss allowance is based on the ageing of the days the receivables are due and rates are given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing

Debts over due for a period greater than 180 days and less than 364 days
Debts over due for a period greater than 364 days

5 CASH AND CASH EQUIVALENTS

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

	As at	As at	As at	As at
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
Cash on hand	2,081	2,081	1,708	110,735
Current account with banks <i>(Refer note 11 (i))</i>	2,574,058	2,574,058	1,574,280	102,092,068
	2,576,139	2,576,139	1,575,987	102,202,803
Notes :				
<i>In foreign currencies</i>	2,576,139	2,576,139	1,575,987	102,202,803

	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
6 OTHER ASSETS:				
CURRENT		-		
Unbilled revenue	842,051	54,882,767	349,145	22,642,108
Advances to suppliers and contractors	15	980	-	-
Prepaid expenses	376,211	24,520,491	95,793	6,212,120
Total	1,218,277	79,404,239	444,938	28,854,227

	(Amount in USD) As at March 31, 2018	(Amount in ₹) As at March 31, 2018	(Amount in USD) As at March 31, 2017	(Amount in ₹) As at March 31, 2017
7 Equity Share Capital				
(b) Issued,Subscribed and Fully paid up capital:	1,355,600	88,354,611	1,355,600	87,910,652
Total	1,355,600	88,354,611	1,355,600	87,910,652

(Amount in USD)

8. Other Equity	Equity Share Capital	Reserves and Surplus				Total equity
		General Reserve	Retained earnings	Legal Reserve	Translation Reserve	
Balance as at April 1, 2016	1,355,600	285,711	431,825	170,200	97,465	2,340,801
Income for the year	-	-	627,831	-	(204,448)	423,383
Other comprehensive income/(loss) for the year & tax effect thereon	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	1,355,600	285,711	1,059,656	170,200	(106,983)	2,764,184
Dividend paid (including dividend tax)	-	-	-	-	-	-
Balance as at March 31, 2017	1,355,600	285,711	1,059,656	170,200	(106,983)	2,764,184
Balance as at April 1, 2017	1,355,600	285,711	1,059,656	170,200	(106,983)	2,764,184
Income for the year	-	-	1,020,321	-	363,356	1,383,676
Other comprehensive income/(loss) for the year & tax effect thereon	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	1,355,600	285,711	2,079,977	170,200	256,373	4,147,861
Dividend paid (including dividend tax)	-	-	-	-	-	-
Balance as at March 31, 2018	1,355,600	285,711	2,079,977	170,200	256,373	4,147,861

(Amount in ₹)

Other Equity	Equity Share Capital	Reserves and Surplus				Total equity
		General Reserve	Retained earnings	Legal Reserve	Translation Reserve	
Balance as at April 1, 2016	87,910,652	18,528,390	28,003,859	11,037,495	6,320,608	151,801,004
Income for the year	-	-	40,714,818	-	(13,258,484)	27,456,334
Other comprehensive income/(loss) for the year & tax effect thereon	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	87,910,652	18,528,390	68,718,677	11,037,495	(6,937,876)	179,257,338
Dividend paid (including dividend tax)	-	-	-	-	-	-
Balance as at March 31, 2017	87,910,652	18,528,390	68,718,677	11,037,495	(6,937,876)	179,257,338
Balance as at April 1, 2017	88,354,611	18,621,960	69,065,740	11,093,236	(6,972,886)	180,162,661
Income for the year	-	-	66,501,963	-	23,682,620	90,184,584
Other comprehensive income/(loss) for the year & tax effect thereon	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	88,354,611	18,621,960	135,567,703	11,093,236	16,709,735	270,347,245
Dividend paid (including dividend tax)	-	-	-	-	-	-
Balance as at March 31, 2018	88,354,611	18,621,960	135,567,703	11,093,236	16,709,735	270,347,245

(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
As at	As at	As at	As at
March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017

9 Trade Payables**CURRENT**

Trade payables

Total outstanding dues of creditors other than micro enterprises and small enterprises

873,437	56,928,421	545,605	35,382,586
873,437	56,928,421	545,605	35,382,586

Note:

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

CURRENT

Provision for employee benefits

As at	As at	As at	As at
March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
146,725	9,563,185	545,605	35,382,586
146,725	9,563,185	545,605	35,382,586

	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
10 Provisions				
CURRENT				
Provision for employee benefits	146,725	9,563,185	545,605	35,382,586
	146,725	9,563,185	545,605	35,382,586
	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
11 OTHER CURRENT LIABILITIES				
Statutory dues	9,003	586,820	11,668	756,688
Income received in advance	368,719	24,032,158	15,855	1,028,210
Total	377,721	24,618,977	27,523	1,784,898
	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2017
12 REVENUE FROM OPERATIONS				
Sale of services	10,207,249	665,283,045	8,390,019	544,092,786
	10,207,249	665,283,045	8,390,019	544,092,786
	-	-	-	-
	Year ended March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2017
13 OTHER INCOME				
Other non-operating income				
Foreign currency gain (net)	-	-	57,710	3,742,505
Other non-operating income	4,039	4,039	27,404	1,777,162
	4,039	4,039	85,114	5,519,667
	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2017
14 CONSULTANCY FEES, SOFTWARES AND OTHERS				
Outsourcing charges	450,513	29,363,296	886,618	57,497,206
Software-internal use	617,393	40,240,122	6,884	446,446
Professional fees	23,788	1,550,422	21,490	1,393,650
	1,091,693	71,153,840	914,993	59,337,302
	Year ended March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2017
15 EMPLOYEE BENEFIT EXPENSE				
(a) Salaries and wages	5,269,451	343,449,691	4,508,161	292,354,298
(e) Staff welfare expenses	165,028	10,756,105	162,471	10,536,273
(f) Social Security and other benefit plans for Overseas employees	658,567	42,923,778	731,687	47,449,955
	6,093,046	397,129,573	5,402,320	350,340,526

TATA TECHNOLOGIES SRL. Romania
Notes forming part of the Financial Statements

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended	Year ended	Year ended	Year ended
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
16 OTHER EXPENSES				
Repairs & maintenance				
- Buildings	6,602	430,314	21,998	1,426,543
Rent	735,731	47,953,113	624,493	40,498,372
Insurance	1,845	120,257	2,338	151,599
Office Expenses	74,983	4,887,233	240,161	15,574,459
Travelling & Conveyance	518,682	33,806,405	299,845	19,444,976
Power & Fuel	17,844	1,163,039	14,382	932,665
Water Charges	62,765	4,090,887	79,921	5,182,849
Auditors Remuneration	16,357	1,066,097	33,904	2,198,685
Staff Training and Seminar Expenses	-	-	321	20,842
Staff Recruitment Expenses	1,378	89,822	836	54,246
Foreign Currency (Gain)/Loss - (Net)	84,853	5,530,476	-	-
Communication Expenses	26,703	1,740,403	22,812	1,479,346
Miscellaneous Expenses	8,757	570,730	7,072	458,610
	1,556,500	101,448,776	1,348,083	87,423,191

TO THE MEMBERS OF TATA TECHNOLOGIES SRL, ROMANIA

The Directors hereby present the Fifth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2018.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2018 are as follows:

	(In US \$)	(In ₹)
Income	10,211,287	665,546,277
Profit for the year	1,383,676	90,184,584

2. OPERATIONS

Tata Technologies SRL, Romania is an engineering production entity with locations in Brasov, Craiova, and Iasi Romania. The Company was formed in 1997 and was a subsidiary of Cambric Corporation. With the acquisition of Cambric Corp by Tata Technologies in 2013, the company has become subsidiary of Tata Technologies.

During the year the company registered a turnover of US \$ 10,211,287 (₹ 665,546,277) and a registered profit of US \$ 1,383,676 (₹ 90,184,584).

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 2017, 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 for the year ended December 31, 2016. Therefore, the financial statements of the Company for the year ended March 31, 2017 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.

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.

On behalf of the Board of Directors;

Nicolas Sale

Place :

Date :