

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

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF TATA TECHNOLOGIES LIMITED****Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements**

- 1 We have audited the accompanying consolidated Ind AS financial statements of Tata Technologies Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its share of loss of its joint venture for the year ended March 31, 2018 (refer Note 40 (a) to the attached consolidated financial statements). The consolidated Ind AS financial statements comprise the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

- 2 The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its joint venture in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

- 3 Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
- 4 We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made

by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

- 6 We are also responsible to 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 ability of the Group and of its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause Group and its joint venture to cease to continue as a going concern.
- 7 We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

- 8 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its joint venture as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

- 9 We did not audit the financial statements of 5 subsidiaries whose financial statements reflect total assets of ₹ 1,950.96 crores as at March 31, 2018, total revenues of ₹ 1,117.04 crores and net cash inflows amounting to ₹ 2.35 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- 10 We did not audit the financial statements of 8 subsidiaries whose financial statements reflect total assets of ₹ 145.25 crores as at March 31, 2018, total revenues of ₹ 53.74 crores and net cash inflows of ₹ 9.74 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.
- 11 Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.
- 12 The consolidated Ind AS financial statements of the Company for the year ended 31 March 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 15, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 13 As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

- b) In our opinion, proper books of account as required by law are maintained by the Holding Company, and its subsidiaries included in the Group including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries included in the Group including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group— Refer Note 33 to the consolidated Ind AS financial statements.
 - ii. The Group including its joint venture did not have any material foreseeable losses on long term contracts including derivative contracts during the year ended March 31, 2018.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its joint venture incorporated in India during the year ended March 31, 2018.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

Swapnil Dakshindas
Partner
Membership Number 113896

Mumbai, April 20, 2018

For **BSR & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 (f) of the Independent Auditors' Report of even date to the members of Tata Technologies Limited on the consolidated financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act ("the Act")

- 1 In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Tata Technologies Limited (hereinafter referred to as "the Holding Company) and its joint venture, which is a company incorporated in India, as of that date. The Holding Company does not have any subsidiaries incorporated in India.

Management's Responsibility for Internal Financial Controls

- 2 The Board of Directors of the Holding company and its joint venture, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- 4 Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- 5 We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

- 6 A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

- 7 Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

- 8 In our opinion, the Holding Company and its joint venture, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

- 9 Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 1 joint venture, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

Swapnil Dakshindas
Partner
Membership Number 113896

Mumbai, April 20, 2018

For **BSR & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Consolidated Balance Sheet

(Amount in ₹ Crore)

| Particulars | Note No. | As at March 31, 2018 | As at March 31, 2017 |
|---|----------|-------------------------|-------------------------|
| I. ASSETS | | | |
| (1) Non-current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 119.09 | 117.02 |
| (b) Capital work-in-progress | | 0.11 | 3.00 |
| (c) Goodwill | 4 | 656.20 | 580.00 |
| (d) Other Intangible assets | 5 | 77.32 | 66.15 |
| (e) Intangible assets under development | 5 | 12.54 | 7.43 |
| (f) Investments in joint venture | 6 | - | - |
| (g) Financial assets: | | | |
| (i) Investments | 7 | 36.79 | 35.09 |
| (ii) Loans | 8 | 11.05 | 10.71 |
| (iii) Other bank balances | 13 | 3.25 | - |
| (iv) Other financial assets | 14 | 0.04 | 0.04 |
| (h) Deferred tax assets (net) | 9 | 12.78 | 26.83 |
| (i) Income tax assets (net) | 9 | 9.32 | 9.27 |
| (j) Other non-current assets | 10 | 26.68 | 9.08 |
| Total Non-current Assets | | 965.17 | 864.62 |
| (2) Current Assets | | | |
| (a) Inventories | | 1.25 | 0.02 |
| (b) Financial assets: | | | |
| (i) Investments | 7 | - | 185.35 |
| (ii) Trade receivables | 11 | 605.05 | 525.96 |
| (iii) Cash and cash equivalents | 12 | 243.79 | 201.74 |
| (iv) Other bank balances | 13 | 13.02 | 103.86 |
| (v) Loans | 8 | 86.40 | 8.64 |
| (vi) Other financial assets | 14 | 166.92 | 156.99 |
| (c) Current tax assets (net) | 9 | 31.05 | 45.53 |
| (d) Other current assets | 10 | 90.51 | 32.41 |
| Total Current Assets | | 1,237.99 | 1,260.50 |
| Total assets | | 2,203.16 | 2,125.12 |
| II. EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity Share capital | 15 | 42.10 | 42.10 |
| (b) Other Equity | 16 | 1,508.38 | 1,378.93 |
| Total Equity | | 1,550.48 | 1,421.03 |
| Liabilities | | | |
| (2) Non-current Liabilities | | | |
| (a) Financial Liabilities: | | | |
| (i) Borrowings | 17 | - | 0.05 |
| (ii) Trade payables | 18 | 0.14 | 0.10 |
| (iii) Other financial liabilities | 19 | 0.88 | 2.93 |
| (b) Provisions | 20 | 24.46 | 21.93 |
| (c) Other non-current liabilities | 21 | - | 0.03 |
| Total Non-current liabilities | | 25.48 | 25.04 |
| (3) Current Liabilities | | | |
| (a) Financial Liabilities: | | | |
| (i) Borrowings | 17 | 67.37 | 149.98 |
| (ii) Trade payables | 18 | 316.57 | 284.21 |
| (iii) Other financial liabilities | 19 | 26.21 | 84.80 |
| (b) Provisions | 20 | 11.92 | 3.95 |
| (c) Current tax liabilities (net) | 9 | 49.37 | 51.27 |
| (d) Other current liabilities | 21 | 155.76 | 104.84 |
| Total Current Liabilities | | 627.20 | 679.05 |
| Total Liabilities | | 652.68 | 704.09 |
| Total Equity and Liabilities | | 2,203.16 | 2,125.12 |

See accompanying notes forming integral part of the Consolidated Financial Statements 1-42

For and on behalf of the Board

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/W -100022

Swapnil Dakshindas
Partner
Membership No: 113896

Date: April 20, 2018
Place: Mumbai

S Ramadorai
Chairman
DIN: 00000002

Gunter Butschek
Director
DIN : 07427375

PB Balaji
Director
DIN : 02762983

Date: April 20, 2018
Place: Mumbai

P P Kadle
Director
DIN: 00016814

Warren Harris
Managing Director
DIN: 02098548

J.K.Gupta
Chief Financial Officer

Rakesh Makhija
Director
DIN: 00117692

Falguni Nayar
Director
DIN: 00003633

Anubhav Kapoor
General Counsel &
Company Secretary

Statement of Consolidated Profit and Loss

(Amount in ₹ Crore)

| Particulars | Note No. | For the year ended | |
|---|----------|--------------------|----------------|
| | | March 31, 2018 | March 31, 2017 |
| I. Revenue from operations | 22 | 2,691.48 | 2,801.95 |
| II. Other income | 23 | 85.67 | 30.37 |
| III. Total Revenue (I + II) | | 2,777.15 | 2,832.32 |
| IV. Expenses : | | | |
| (a) Purchases of traded products | 24 | 336.41 | 320.48 |
| (b) Outsourcing and consultancy charges | | 389.37 | 408.50 |
| (c) Employee benefits expense | 25 | 1,323.25 | 1,283.25 |
| (d) Finance costs | 26 | 4.70 | 4.31 |
| (e) Depreciation and amortisation expense | 27 | 71.43 | 62.84 |
| (f) Other expenses | 28 | 307.13 | 293.07 |
| Total Expenses | | 2,432.29 | 2,372.45 |
| V. Profit before Exceptional items and tax (III-IV) | | 344.86 | 459.87 |
| VI. Exceptional Items (Net) | 29 | 8.33 | 8.25 |
| VII. Share of loss of joint venture | | - | 1.46 |
| VIII. Profit before tax (V - VI-VII) | | 336.53 | 450.16 |
| IX. Tax Expense : | 31 | | |
| (a) Current tax | | 99.05 | 107.64 |
| (b) Deferred Tax | | (8.33) | (8.46) |
| | | 90.72 | 99.18 |
| X. Profit for the year (VIII - IX) | | 245.81 | 350.98 |
| XI. Other comprehensive income: | | | |
| Items that will not be reclassified to profit or loss: | | | |
| (i) Remeasurements of post employment benefit obligations | | (3.12) | (5.06) |
| (ii) Income tax relating to above item | | 1.08 | 1.75 |
| Items that may be reclassified to profit or loss: | | | |
| Exchange differences on translation of foreign operations | | 98.70 | (108.87) |
| XII. Other comprehensive income for the year | | 96.66 | (112.18) |
| XIII. Total comprehensive income for the year (X+XII) | | 342.47 | 238.80 |
| XIV. Earnings Per Equity Share (Face value of ₹ 10 each) | 32 | | |
| Ordinary shares: | | | |
| (i) Basic (₹) | | 58.39 | 83.37 |
| (ii) Diluted (₹) | | 58.37 | 83.33 |

See accompanying notes forming integral part of the Consolidated Financial Statements

1-42

For and on behalf of the Board

As per our report of even date attached

 For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W - 100022

Swapnil Dakshindas

Partner

Membership No: 113896

Date: April 20, 2018

Place: Mumbai

S Ramadorai

Chairman

DIN: 00000002

Guenter Butschek

Director

DIN : 07427375

PB Balaji

Director

DIN : 02762983

Date: April 20, 2018

Place: Mumbai

P P Kadle

Director

DIN: 00016814

Warren Harris

Managing Director

DIN: 02098548

J.K.Gupta

Chief Financial Officer

Rakesh Makhija

Director

DIN: 00117692

Falguni Nayyar

Director

DIN: 00003633

Anubhav Kapoor

General Counsel &

Company Secretary

Consolidated Cash Flow Statement

(Amount in ₹ Crore)

| Particulars | For the Year ended | |
|--|--------------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit for the year | 245.81 | 350.98 |
| Depreciation and amortisation | 71.43 | 62.84 |
| Disallowance of TDS abroad | 0.21 | 0.26 |
| Provision for income tax | 99.05 | 107.64 |
| Provision for deferred tax | (8.33) | (8.46) |
| Dividend income on investments | (0.53) | (1.41) |
| (Profit)/Loss on sale of investments | (0.25) | (5.12) |
| (Profit) / Loss on sale tangible and intangible fixed assets | 0.15 | (0.28) |
| Interest income | (12.64) | (21.18) |
| Finance cost | 4.70 | 4.31 |
| Unrealised exchange loss / (gain) | (4.94) | (1.52) |
| Effect of exchange differences on translation of foreign currency cash & cash equivalent | 1.87 | (1.82) |
| Allowances for expected credit loss (net) | 4.08 | (0.03) |
| Change in fair value of investments | (1.62) | 3.28 |
| Investments in joint venture | - | 0.84 |
| Provision for Impairment in Investment in Joint Venture | - | 1.46 |
| Bad debts written off | - | 0.07 |
| Operating profit before working capital changes | 398.99 | 491.86 |
| Working capital adjustments | | |
| (Increase)/ Decrease in Inventories | (1.23) | (0.02) |
| (Increase)/ Decrease in Trade receivables | (19.84) | (112.46) |
| (Increase)/ Decrease in other current financial assets | 6.08 | (91.85) |
| (Increase)/ Decrease in other current assets | (57.36) | (4.54) |
| (Increase)/ Decrease in non-current loans | (0.34) | (2.66) |
| (Increase)/ Decrease in current loans | 6.16 | (3.14) |
| (Increase)/ Decrease in other non current assets | (15.81) | (2.19) |
| (Decrease)/ Increase in Trade payables | (5.89) | 21.45 |
| (Decrease)/ Increase in other financial liabilities non current | (2.05) | 0.99 |
| (Decrease)/ Increase in other financial liabilities current | (10.58) | 0.44 |
| (Decrease)/ Increase in other liabilities | 41.02 | (4.51) |
| (Decrease)/ Increase in current provisions | 2.32 | (0.48) |
| (Decrease)/ Increase in non-current provisions | (0.59) | 1.55 |
| CASH GENERATED FROM OPERATIONS | 340.88 | 294.44 |
| Income taxes paid (net) | (70.77) | (96.47) |
| NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES | 270.11 | 197.97 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of tangible and intangible fixed assets | 0.18 | 0.33 |
| Dividend received | 0.42 | 0.42 |
| Interest received on bank deposit and others | 3.40 | 10.30 |
| Other Bank Balances | 87.59 | 29.35 |
| Payment for purchase of tangible and intangible fixed assets | (54.58) | (95.29) |
| Inter corporate deposits placed | (1,269.25) | (1,104.00) |
| Inter corporate deposits refunded | 1,191.75 | 1,257.00 |
| Interest received from inter corporate deposit/bonds | 10.51 | 11.30 |
| Purchase of mutual funds | (139.00) | (210.35) |
| Sale of mutual funds | 324.61 | 64.76 |
| Acquisition of Escenda Engineering AB, net of cash (Refer Note 39) | (44.48) | - |
| NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES | 111.15 | (36.18) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Share application money received pending allotment | 0.40 | 0.40 |
| Payments for purchase of shares | (7.66) | (8.89) |
| Proceeds from issue of shares including securities premium | - | 0.22 |
| Interest paid | (4.73) | (4.35) |

Consolidated Cash Flow Statement

(Amount in ₹ Crore)

| Particulars | Note No. | For the Year ended | |
|---|----------|--------------------|-----------------|
| | | March 31, 2018 | March 31, 2017 |
| Dividends paid (including dividend tax) | | (204.85) | (179.86) |
| Proceeds from current borrowings | | 304.80 | 312.98 |
| Repayment of current borrowings | | (403.89) | (383.73) |
| Repayment of non-current borrowings | | (57.70) | (67.41) |
| NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES | | (373.63) | (330.64) |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS | | 7.63 | (168.85) |
| Cash & cash equivalents at the close of the year (Refer Note 12) # | | 243.79 | 201.74 |
| Cash & cash equivalents at the beginning of the year (Refer Note 12) # | | 201.74 | 447.27 |
| Less: Effect of exchange rate changes on cash and cash equivalents | | 1.87 | (1.82) |
| Add: Translation adjustment on cash & bank balances of foreign subsidiaries | | 20.44 | (54.82) |
| Add: Translation adjustment on reserves of foreign subsidiaries | | 15.85 | (23.68) |
| | | 7.63 | (168.85) |

Notes:

- The above Cash Flow Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
- Prior year comparatives have been reclassified to confirm with current year's presentation, where applicable.
- For the purpose of cash flow Cash and cash equivalents comprise :

Cash and Cash Equivalents

(Amount in ₹ Crore)

| | As at | |
|--|----------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Cash on hand | 0.04 | 0.03 |
| Cheques, drafts on hand / funds in transit | 3.23 | 3.54 |
| Current account with banks | 210.15 | 149.52 |
| Bank deposits less than 3 months maturity | 30.37 | 48.65 |
| | 243.79 | 201.74 |

Reconciliation of liabilities arising from financing activities

(Amount in ₹ Crore)

| Particulars | As at March 31, 2017 | Cash flows | Foreign Exchange Movement | As at March 31, 2018 |
|------------------------|-------------------------|------------|------------------------------|-------------------------|
| Current borrowings | 149.98 | (99.09) | 16.48 | 67.37 |
| Non-current borrowings | 67.48 | (57.70) | (9.78) | - |

See accompanying notes forming integral part of the Consolidated Financial Statements 1-42

For and on behalf of the Board

 As per our report of even date
attached
For **B S R & Co. LLP**

 Chartered Accountants
Firm Registration No: 101248W/W -
100022

Swapnil Dakshindas
Partner
Membership No: 113896

S Ramadorai
Chairman
DIN: 00000002

Guenter Butschek
Director
DIN : 07427375

PB Balaji
Director
DIN : 02762983

P P Kadle
Director
DIN: 00016814

Warren Harris
Managing Director
DIN: 02098548

J.K.Gupta
Chief Financial
Officer

Rakesh Makhija
Director
DIN: 00117692

Falguni Nayar
Director
DIN: 00003633

Anubhav Kapoor
General Counsel &
Company Secretary

 Date: April 20, 2018
Place: Mumbai

 Date: April 20, 2018
Place: Mumbai

Consolidated Statement of Changes in equity

(Amount in ₹ Crore)

| Particulars | Part A - Equity Share Capital | Part B - Other Equity | | | | | | | Total Other Equity |
|---|-------------------------------|---|--|-----------------|---------------|---|--------------------------------------|--|--------------------|
| | Equity Share Capital | Reserves and Surplus | | | | | Items of Other Comprehensive Income | | |
| | | Share application money pending allotment | Securities Premium Reserve (Refer Note (ii) below) | General reserve | Legal reserve | Retained earnings (Refer Note (ii) below) | Foreign Currency Translation Reserve | OCI on Unamortised actuarial gain losses | |
| Balance as at April 1, 2016 | 43.02 | 0.19 | 350.52 | 134.83 | 1.05 | 777.69 | 96.16 | (1.19) | 1,359.25 |
| Profit for the year | - | - | - | - | - | 350.98 | - | - | 350.98 |
| Accumulated excess of Income over expenditure of the ESOP Trusts (refer note (i) below) | - | - | - | - | - | 11.78 | - | - | 11.78 |
| Other comprehensive income for the year (net of tax) | - | - | - | - | - | - | (108.87) | (3.31) | (112.18) |
| Total comprehensive income for the year | 43.02 | 0.19 | 350.52 | 134.83 | 1.05 | 1,140.45 | (12.71) | (4.50) | 1,609.82 |
| Issue of equity shares under employee share option plan | 0.01 | (0.19) | 0.40 | - | - | - | - | - | 0.20 |
| Dividend paid (₹40 per share) (including dividend tax) | - | - | - | - | - | (180.17) | - | - | (180.17) |
| Issue of equity shares under employee share option pending allotment | - | 0.40 | - | - | - | - | - | - | 0.40 |
| Shares held by ESOP Trusts pending allotment to eligible employees and premium thereon | (0.93) | - | (51.32) | - | - | - | - | - | (51.32) |
| Transfer to General reserve | - | - | - | 0.24 | - | (0.24) | - | - | - |
| Balance as at March 31, 2017 | 42.10 | 0.40 | 299.60 | 135.07 | 1.05 | 960.04 | (12.71) | (4.50) | 1,378.93 |
| Balance as at April 1, 2017 | 42.10 | 0.40 | 299.60 | 135.07 | 1.05 | 960.04 | (12.71) | (4.50) | 1,378.93 |
| Profit for the year | - | - | - | - | - | 245.81 | - | - | 245.81 |
| Other comprehensive income for the year (net of tax) | - | - | - | - | - | - | 98.70 | (2.04) | 96.66 |
| Total comprehensive income for the year | 42.10 | 0.40 | 299.60 | 135.07 | 1.05 | 1,205.85 | 85.99 | (6.54) | 1,721.40 |
| Issue of equity shares under employee share option plan | 0.01 | (0.40) | 0.39 | - | - | - | - | - | (0.01) |
| Dividend paid (₹15 per share) (including dividend tax) | - | - | - | - | - | (205.75) | - | - | (205.75) |
| Issue of equity shares under employee share option pending allotment | - | 0.40 | - | - | - | - | - | - | 0.40 |
| Shares held by ESOP Trusts pending allotment to eligible employees and premium thereon | (0.01) | - | (7.66) | - | - | - | - | - | (7.66) |
| Balance as at March 31, 2018 | 42.10 | 0.40 | 292.33 | 135.07 | 1.05 | 1,000.10 | 85.99 | (6.54) | 1,508.38 |

Note:

- (i) Company has consolidated the ESOP Trusts, set up for administration, management and implementation of the various employee share based payment schemes of the Company, with effect from April 1, 2016. The accumulated excess of income over the expenditure of the trusts, as at March 31, 2016, has accordingly been added to retained earnings of the Group. (Refer Note 40 (b))
- (ii) The Company has reduced the Share Capital by ₹ 0.01 crore (Previous Year- ₹ 0.93 crore) and Securities Premium Account by ₹ 7.66 crore (Previous Year- ₹ 51.32 crore) for 10,000 shares of ₹ 10 each (Previous Year- 930,501 shares of ₹ 10 each) held by the ESOP Trusts, pending allotment to the eligible employees.

See accompanying notes forming integral part of the Consolidated Financial Statements 1-42

For and on behalf of the Board

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/W-100022

Swapnil Dakshindas
Partner
Membership No: 113896

Date: April 20, 2018
Place: Mumbai

S Ramadorai
Chairman
DIN: 00000002

Guenter Butschek
Director
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Falguni Nayar
Director
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Anubhav Kapoor
General Counsel & Company Secretary

Notes forming part of the Consolidated Financial Statements

Company overview and Significant Accounting Policies

1. Company overview

TATA Technologies Limited ("TTL or the Company ") was incorporated on August 22, 1994 as a Private Limited Company in the name of Core Software Systems Private Limited. The name of the Company was subsequently changed to Tata Technologies (India) Limited. On February 8, 2001, the Company changed its name from Tata Technologies (India) Limited to Tata Technologies Limited. The Company's range of services includes IT Consultancy, SAP implementation and maintenance, providing networking solutions, CAD/CAM engineering & design consultancy. The Company is headquartered in Pune, India. The Company has six offices located at Mumbai, Lucknow, Jamshedpur, Bangalore, Chennai, Hyderabad and one branch office located in Japan that enables it to provide high quality, cost-effective services to clients.

The Company provides Engineering and Design services (E&D) and Product Lifecycle Management (PLM) products and services, primarily to manufacturers and their suppliers in the international automotive, aerospace and engineering markets. The offshore capabilities of the Company in the field of engineering automation services combined with the high-end onshore strengths of subsidiaries are expected to offer a strong and seamless onshore/offshore delivery capability to the international customers in the automotive, aerospace and engineering industries.

TTL together with its subsidiaries and joint venture is herein after referred to as the "Group".

During October 2005, the Company incorporated a wholly owned subsidiary in Thailand to cater the need of automotive companies in Thailand and South East Asian countries. Also during October 2005 the Company acquired, through its subsidiary, 100% equity of INCAT International Plc., UK which had various subsidiaries in US, Europe, Japan and Singapore. A reorganization of various entities under INCAT was undertaken, to have a single representative legal entity in each country in which the Company operates, to improve operational efficiency. The Company now has a global presence, through its subsidiaries, in US, UK, Germany, Mexico, Canada, Singapore, South Korea, Netherlands, Thailand, China and Sweden.

In December, 2005, the Company acquired 100% stake in Tata Technologies Pte Ltd. a Singapore based Company.

In October 2006, the Company sold its 100% equity stake in Tata Technologies (Thailand) Ltd. to its wholly owned subsidiary viz. Tata Technologies Pte Ltd., Singapore at a value determined by an independent valuer.

During May 2013, the Group acquired US based engineering services company – Cambric Holdings Inc. The Group has also set up a wholly owned subsidiary in China in March 2014.

In April, 2017, the Group acquired 100% stake in Escenda Engineering AB, a Sweden based Company.

The Company is the subsidiary of Tata Motors Limited (which is the Holding Company).

2. Summary of Significant Accounting Policies

2.1. Basis of Preparation

(i) Statement of compliance

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) which are measured at fair value;
- defined benefit plans - plan assets measured at fair value;
- share- based payments and
- assets and liabilities arising in a business combination

(iii) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current -non current classification of assets and liabilities.

(iv) Use of estimates

The preparation of the financial statements requires management to make judgments, 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 those estimates.

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

Critical accounting estimates:

a) Useful lives of Property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

b) Impairment of goodwill

Goodwill is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

c) Business Combination

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets (including useful life estimates) and liability acquired, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

d) Income Taxes

The major tax jurisdictions for the Company are India, United Kingdom and the United States of America. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

e) Deferred Taxes

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carryforwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

f) Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

g) Revenue Recognition and unbilled revenue (to the extent of projects where revenue is recognised on percentage completion method)

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

h) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**2.2 Basis of consolidation
Subsidiaries**

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Investment in Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are incorporated in these financial statements using the equity method of accounting as described below.

Equity method of accounting

An interest in a joint venture is accounted for using the equity method from the date in which the investee becomes a joint venture and is recognized initially at cost. The consolidated financial statements include the Company's share of profits or losses and equity movements of equity accounted investees, from the date joint control commences until the date joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments in the nature of net investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

When the Company transacts with a joint venture of the Company, unrealized profits and losses are eliminated to the extent of the Company's interest in its joint venture.

Treasury Shares:

When any entity within the Group (Tata Technologies Limited and its subsidiaries) purchases the Company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from share premium.

2.3 Foreign currency transaction and translation

(i) Functional and presentation currency.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign-currency denominated monetary assets and liabilities are re-instated into the functional currency 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. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

(iii) Foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the Balance Sheet
- Income and expense items are translated at the average exchange rates for the respective months (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognized in other comprehensive income and held in foreign currency translation

reserve (FCTR), a component of equity. When a foreign operation is disposed of, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal.

2.4 Revenue recognition

Revenue is measured at fair value of consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, discounts, value added taxes and other amounts collected on behalf of third parties.

The company recognised revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below.

(i) Time and material contracts:

Revenue from services on time and materials contracts is recognized when services are rendered and related costs are incurred i.e. based on certification of time sheets as per the terms of specific contracts.

(ii) Fixed price contracts:

Revenues from fixed price contracts are recognized using percentage of completion method. Percentage of completion is determined based on efforts or costs incurred to date as a percentage of total estimated efforts or costs required to complete the project. The efforts or cost expended are used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of income in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

(iii) Multiple element arrangements:

'Revenue from contracts with multiple-element arrangements are recognized using the guidance in Ind AS 18, Revenue. The Company allocates the arrangement consideration to separately identifiable components based on their relative fair values or on the residual method. Fair values are determined based on sale prices for the components when it is regularly sold separately, third-party prices for similar components or cost plus an appropriate business-specific profit margin related to the relevant component.

(iv) Products:

Revenue from sale of hardware, third party licenses and support are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(v) Interest income:

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

(vi) Dividend income:

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

(vii) Export incentive:

Export incentives/entitlements are recognized in the Statement of Profit & Loss when the right to receive credit as per the terms of the entitlement and certainty of its realization is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(viii) Research and Development Expenditure Credit (RDEC):

The Group receives income-related incentives principally for credits in respect of qualifying research and development expenditure. An incentive is not recognised in the Consolidated Income Statement until there is reasonable assurance that the Group will comply with its conditions and that the incentive will be received. Incentives are presented in the Consolidated Income Statement as other income. Incentives are not normally received until after qualification conditions have been met and the related expenditure has been incurred.

2.5 Property, plant and equipment

(i) Recognition and measurement:

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when discarded/scrapped.

All other repairs and maintenance costs are charged to profit and loss in the reporting period in which they occur.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(ii) Depreciation:

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

| Type of Asset | Useful life |
|-------------------------|--|
| Lease hold improvements | Lower of Lease period or estimated useful life |
| Buildings | 15 to 25 years |
| Plant and machinery | 1 to 21 years |
| Computer equipment's | 1 to 4 years |
| Vehicles | 3 to 11 years |
| Furniture & fixtures | 1 to 21 years |
| Software | 1 to 4 years |

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

2.6. Intangible assets

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

Internally generated intangible asset arising from development activity is recognised at cost on demonstration of its technical feasibility, the intention and ability of the Company to complete, use or sell it, only if, it is probable that the asset would generate future economic benefit and the expenditure attributable to the said assets during its development can be measured reliably.

Software not exceeding ₹ 25,000 is charged off to the statement of profit and loss.

2.7. Business combination

The Company accounts for its business combinations under acquisition method of accounting under the provisions of IND AS 103, Business Combinations. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders (if any) is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

2.8. Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate:

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits and
- the availability of adequate resources to complete the development.

2.9. Financial instruments

(a) Financial assets:

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics.

For investments in debt instruments, this will depend on business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(ii) Initial recognition:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(iii) Measurement:

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

Cash and cash equivalents:

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI):

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income."

Financial assets at fair value through profit or loss (FVTPL):

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Impairment of financial assets:

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(v) Derecognition of financial assets:

The Company derecognizes a financial asset when

- the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109.
- retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to extent of continuing involvement in the financial asset.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost :

Borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability

are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iv) Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency.

The Company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counterparty is primarily a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

2.10. Impairment-Non Financial assets

Intangible assets and property, plant and equipment

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statement.

As at March 31, 2018, none of the Company's property, plant and equipment and intangible assets were considered impaired.

2.11. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are determined at present value based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

2.12. Earnings per equity share:

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted average number of shares during the period adjusted for treasury shares held and dilutive potential shares, except where the result would be anti-dilutive.

2.13. Inventories:

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

2.14. Taxation

Income tax comprises current and deferred taxes. Income tax expense is recognized in the income statement except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss, or where they arise from the initial accounting for business combination.

(i) Current income tax:

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

(ii) Deferred income tax:

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(iii) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred tax asset if there is convincing evidence that the Company will pay normal income tax in the future.

2.15. Employee benefits:

(i) Post-employment benefit plans:

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

The Company has the following employee benefit plans:

a. Provident fund

Eligible employees of the Company receive benefits from a provident fund, which is a defined contribution plan. Both, the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Tata Technologies (India) Limited Employees Provident Fund (PF Trust). PF Trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the PF Trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

b. Superannuation

The Company has two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be a member of either plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company account for superannuation benefits payable in future under the plan based on an estimated basis for the period end and on an independent actuarial valuation as on the Balance Sheet date.

Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit or Loss in the period of plan amendment.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Company contribute up to 15% of the eligible employees' basic salary to the trust every year. Such contributions are recognized as an expense when incurred. The Company has no further obligation beyond this contribution.

c. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts. The Company account for the liability for gratuity benefits payable in the future based on an estimated basis for the period end and on an independent actuarial valuation under Projected Unit Cost method as on the Balance Sheet date.

Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit or Loss in the period of plan amendment.

Costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognized in profit or loss.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

d. Bhavishya Kalyan Yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of the Company. The benefits of the plan include pension in certain cases, payable up to the date of normal superannuation had the employee been in service, to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased / disabled employee under the plan equals 50% of the basic salary drawn at the time of death or accident or a specified amount, whichever is greater. The Company account for the liability for BKY benefits payable in the future based on an estimated basis for the period end and on an independent actuarial valuation under Projected Unit Cost method as on the Balance Sheet date.

Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit or Loss in the period of plan amendment.

Costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognized in profit or loss.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

e. Post-retirement medicare scheme

Under this unfunded scheme, employees of the Company receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The Company account for the liability for post-retirement medical scheme based on an estimated

basis for the period end and on an independent actuarial valuation under Projected Unit Cost method at the year end.

Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit or Loss in the period of plan amendment.

Costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognized in profit or loss.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(ii) Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on number of days of unutilized leave at each balance sheet date based on an estimated basis for the period end and on an independent actuarial valuation under Projected Unit Cost method at the year end.

2.16 Share based payments

Share-based compensation benefits are provided to the employees via the Employee Stock Option Plan 2001 (TTESOP 2001) and the various Employee Share Purchase Plans. All share based payment schemes of the company are administered through trusts set up by the Company for this purpose.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

2.17 Dividends

Dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors as per Ind AS 10.

2.18 Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Assets taken on finance lease

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Assets taken on operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

Deposits provided to lessors: The Company is generally required to pay refundable security deposits in order to obtain property leases from various lessors. Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments.

Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense.

2.19 Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

2.20 Exceptional items

The Company considers exceptional items to be those which derive from events or transactions which are significant for separate disclosure by virtue of their size or incidence in order for the user to obtain a proper understanding of the Company's financial performance. These items include, but are not limited to, acquisition costs, impairment charges, reorganisation costs and profits and losses on disposal of subsidiaries and other one off items which meet this definition. To provide a better understanding of the underlying results of the period, exceptional items are reported separately in the Statement of Profit and Loss.

2.21 Recent Accounting Pronouncements

Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") had notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The company is evaluating the requirements of the amendments and the impact on the financial statements is being evaluated.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") had notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The company is evaluating the requirements of the amendments and the impact on the financial statements is being evaluated.

Notes forming part of the Consolidated Financial Statements
3 Property, plant and equipment

(Amount in ₹ Crore)

| (i) Particulars | Building | Plant & Machinery and Equipments Owned | Plant & Machinery and Equipments Leased | Computers | Furniture and fixtures | Vehicles | Leasehold Improvements | Total |
|--|--------------|--|---|---------------|------------------------|-------------|------------------------|---------------|
| Gross carrying value as of April 1, 2016 | 14.82 | 17.09 | 0.07 | 62.25 | 15.44 | 1.73 | 13.36 | 124.76 |
| Additions | 2.53 | 17.00 | 0.03 | 23.74 | 1.91 | 0.10 | 10.59 | 55.90 |
| Currency translation differences | - | - | (0.03) | (3.65) | (0.93) | (0.03) | (0.47) | (5.11) |
| Disposals | - | (0.09) | - | (0.11) | - | (0.29) | - | (0.49) |
| Gross carrying value as of March 31, 2017 | 17.35 | 34.00 | 0.07 | 82.23 | 16.42 | 1.51 | 23.48 | 175.06 |
| Accumulated depreciation as of April 1, 2016 | 1.21 | 1.96 | 0.03 | 20.58 | 3.82 | 0.61 | 2.53 | 30.74 |
| Depreciation for the year | 1.21 | 2.26 | 0.03 | 23.11 | 2.75 | 0.49 | 2.09 | 31.94 |
| Currency translation differences | - | (0.02) | (0.02) | (2.84) | (0.86) | (0.04) | (0.48) | (4.26) |
| Accumulated depreciation on disposals | - | (0.01) | - | (0.08) | - | (0.29) | - | (0.38) |
| Accumulated depreciation as of March 31, 2017 | 2.42 | 4.19 | 0.04 | 40.77 | 5.71 | 0.77 | 4.14 | 58.04 |
| Net carrying value as of March 31, 2017 | 14.93 | 29.81 | 0.03 | 41.46 | 10.71 | 0.74 | 19.34 | 117.02 |
| Gross carrying value as of April 1, 2017 | 17.35 | 34.00 | 0.07 | 82.23 | 16.42 | 1.51 | 23.48 | 175.06 |
| Additions | 0.40 | 2.05 | - | 16.06 | 10.50 | 1.23 | 2.81 | 33.05 |
| Acquisitions through business combinations | - | 0.21 | - | 0.21 | 0.28 | - | 0.10 | 0.80 |
| Currency translation differences | - | 2.19 | 0.02 | 4.89 | 0.85 | 0.01 | 1.88 | 9.84 |
| Disposals | - | (0.06) | - | (0.72) | (0.31) | - | (0.80) | (1.89) |
| Other adjustments* | - | (0.91) | - | 0.91 | - | - | - | - |
| Gross carrying value as of March 31, 2018 | 17.75 | 37.48 | 0.09 | 103.58 | 27.74 | 2.75 | 27.47 | 216.86 |
| Accumulated depreciation as of April 1, 2017 | 2.42 | 4.19 | 0.04 | 40.77 | 5.71 | 0.77 | 4.14 | 58.04 |
| Depreciation for the year | 1.28 | 4.14 | - | 26.08 | 3.04 | 0.48 | 2.60 | 37.62 |
| Acquisitions through business combinations | - | 0.07 | - | 0.17 | 0.14 | - | 0.03 | 0.41 |
| Currency translation differences | - | 0.15 | 0.02 | 1.59 | 0.79 | 0.20 | 0.51 | 3.26 |
| Accumulated depreciation on disposals | - | (0.05) | - | (0.66) | (0.05) | - | (0.80) | (1.56) |
| Other adjustments* | - | (0.51) | - | 0.51 | - | - | - | - |
| Accumulated depreciation as of March 31, 2018 | 3.70 | 7.99 | 0.06 | 68.46 | 9.63 | 1.45 | 6.48 | 97.77 |
| Net carrying value as of March 31, 2018 | 14.05 | 29.49 | 0.03 | 35.12 | 18.11 | 1.30 | 20.99 | 119.09 |

* Assets regrouped during the year

(i) Contractual obligations: The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 4.55 Crore as at March 31, 2018 (₹ 8.83 Crore as at March 31, 2017).

Notes forming part of the Consolidated Financial Statements

3 (ii) Leases

The Company has taken land, office premises, plant and equipment, computers and furniture and fixtures under operating leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases entered into by the Company:

(Amount in ₹ Crore)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|------------------------|------------------------|
| | Minimum Lease Payments | Minimum Lease Payments |
| Not later than one year | 34.90 | 33.71 |
| Later than one year but not later than five years | 71.10 | 72.34 |
| Later than five years | 99.67 | 105.35 |
| Total minimum lease commitments | 205.67 | 211.40 |
| Less: future finance charges | - | - |
| Present value of minimum lease payments | 205.67 | 211.40 |

Total operating lease rent expenses were ₹ 49.94 crore for the year ended March 31, 2018; ₹ 41.02 crore for the year ended March 31, 2017.

4 Goodwill

4 (i) Goodwill Movement

(Amount in ₹ Crore)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--|----------------------|----------------------|
| As at the beginning of the year | 580.00 | 650.93 |
| Goodwill on acquisition of Escenda Holding AB (formerly known as Tescab Holding AB) (Refer Note 39(a)) | 20.54 | - |
| Translation difference | 55.66 | (70.93) |
| Balance as at the end of the year | 656.20 | 580.00 |

4 (ii) Goodwill Impairment

As at March 31, 2018, goodwill of ₹ 656.20 crore (₹ 580 crore as at March 31, 2017) has been allocated to a single cash generating unit – information technology services. The recoverable amount of the cash generating unit, as at March 31, 2018, has been determined based on fair value less cost to sell. Fair value has been determined based on capitalization of operating earnings before interest, tax, depreciation and amortization (operating EBITDA) after considering profits from normal business operations and adjustments for non-recurring/non-operating income/expenses, if any. The capitalization factor is the EV/EBITDA multiple of comparable companies, adjusted for specific factors such as product and customer concentration, historical revenue, EBITDA growth etc. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

As at March 31, 2017, the recoverable amount of the cash generating unit was determined based on value in use. Value in use was determined based on future cash flows, after considering the then existing economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions. Management believes that the recoverable amount under both of the methods is sufficiently higher than the carrying amount of the cash generating unit due to which there is no impairment of goodwill.

Notes forming part of the Consolidated Financial Statements
**5. Other Intangible assets
(Other than internally generated)**

(Amount in ₹ Crore)

| (i) Other Intangible Asset | Copyrights | Software Licenses | Customer Relationship | Total |
|--|-------------|-------------------|-----------------------|---------------|
| Gross carrying value as of April 1, 2016 | 1.21 | 95.79 | - | 97.00 |
| Additions | 0.22 | 31.50 | - | 31.72 |
| Currency translation differences | (0.03) | (2.43) | - | (2.46) |
| Disposal | - | - | - | - |
| Gross carrying value as of March 31 2017 | 1.40 | 124.86 | - | 126.26 |
| Accumulated amortisation as of April 1, 2016 | 0.13 | 31.14 | - | 31.27 |
| Amortization for the year | 0.15 | 30.75 | - | 30.90 |
| Currency translation differences | (0.01) | (2.05) | - | (2.06) |
| Accumulated amortisation on disposals | - | - | - | - |
| Accumulated amortisation as of March 31, 2017 | 0.27 | 59.84 | - | 60.11 |
| Net carrying value as of March 31 2017 | 1.13 | 65.02 | - | 66.15 |
| Gross carrying value as of April 1, 2017 | 1.40 | 124.86 | - | 126.26 |
| Additions | 0.07 | 19.95 | - | 20.02 |
| Acquisitions through business combinations | - | 0.90 | 22.31 | 23.21 |
| Currency translation differences | 0.01 | 2.43 | 1.92 | 4.36 |
| Disposal | - | (0.09) | - | (0.09) |
| Gross carrying value as of March 31, 2018 | 1.48 | 148.05 | 24.23 | 173.76 |
| Accumulated amortisation as of April 1, 2017 | 0.27 | 59.84 | - | 60.11 |
| Amortization for the year | 0.16 | 32.23 | 1.42 | 33.81 |
| Acquisitions through business combinations | - | 0.46 | - | 0.46 |
| Currency translation differences | 0.01 | 1.74 | 0.40 | 2.15 |
| Accumulated amortisation on disposals | - | (0.09) | - | (0.09) |
| Accumulated amortisation as of March 31, 2018 | 0.44 | 94.18 | 1.82 | 96.44 |
| Net carrying value as of March 31, 2018 | 1.04 | 53.87 | 22.41 | 77.32 |

(i) Details of Intangible assets under development are as under:

(Amount in ₹ Crore)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--------------------------------------|----------------------|----------------------|
| Balance at the beginning of the year | 7.43 | - |
| Addition during the year | 24.11 | 35.12 |
| Capitalized during the year | (19.00) | (27.69) |
| Balance at the end of the year | 12.54 | 7.43 |

(ii) Contractual obligation : The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 8.67 Crore as at March 31, 2018 (₹ 3.27 Crore as at March 31, 2017).

6. Investment In Joint Ventures
Joint venture:

(i) Details of the Company's material joint venture as at March 31, 2018 are as follows

| Name of joint venture | Principal place of the business | % of holding | |
|--------------------------------------|---------------------------------|----------------|----------------|
| | | March 31, 2018 | March 31, 2017 |
| TATA HAL Technologies Limited (THTL) | India | 50% | 50% |

The Company has a joint venture with Hindustan Aeronautics Ltd., TATA HAL Technologies Ltd (THTL) for providing engineering and design solutions and services in the domain of aerostructures for aerospace industry. The summarized financial information in respect of THTL that is accounted for using the equity method is set forth below.

Notes forming part of the Consolidated Financial Statements

(ii) Summarised financial information of the company in respect of the Company's joint venture is set out below:

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| Current assets | 2.42 | 4.08 |
| Non-current assets | 0.89 | 0.79 |
| Current liabilities | 2.70 | 2.89 |
| Non-current liabilities | 0.37 | 0.30 |
| The above amounts of assets and liabilities include the following: | | |
| Cash and cash equivalents | 0.84 | 0.59 |
| Non-current financial liabilities | - | 0.30 |
| Share of net assets of joint venture | 0.12 | 0.84 |
| Less: Additional loss provision on an estimated basis | - | (0.84) |
| Carrying amount of the Company's interest in joint venture | - | - |

(Amount in ₹ Crore)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| Revenue | 5.84 | 5.05 |
| Net income/(loss) | (1.43) | (2.91) |
| Other comprehensive income | (0.01) | - |
| Total comprehensive income for the year | (1.44) | (2.91) |
| The above net income includes the following: | | |
| Depreciation and amortization | (0.12) | (0.18) |
| Interest income | 0.04 | 0.04 |
| Interest expense | (0.23) | (0.15) |
| Total | (0.31) | (0.29) |

(iii) Reconciliation of above summarized financial information to the carrying amount of the interest in the joint venture recognized in the consolidated financial statements:

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Net assets of the joint venture | 0.24 | 1.68 |
| Proportion of the Company's interest in joint venture | 0.12 | 0.84 |
| Carrying amount of the Company's interest in joint venture | 0.12 | 0.84 |

(Amount in ₹ Crore)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| Summary of Company's share of profit/(loss) in equity accounted investees: | (0.71) | (1.46) |

(iv) Having regard to the future business strategy/plans of the joint venture and considering their current financial position, the Company recognized a provision for impairment loss of ₹ 0.84 crores during the year ended March 31, 2017, in respect of its investment in joint venture.

| | | |
|--|------|------|
| Aggregate book value of unquoted investments | 5.07 | 5.07 |
| Aggregate value of impairment | 5.07 | 5.07 |

Notes forming part of the Consolidated Financial Statements
7 INVESTMENTS

(Amount in ₹ Crore)

| | As at March 31, 2018 | | As at March 31, 2017 | |
|--|-------------------------|--------------|-------------------------|---------------|
| | Unit | Amount | Unit | Amount |
| NON-CURRENT | | | | |
| Quoted: | | | | |
| i) Investments - measured at Fair value through profit or loss (FVTPL) | | | | |
| Investments in mutual funds | | | | |
| ICICI Prudential Fixed Maturity Plan Sr 80-1227 Days Plan Q Direct Plan Cumulative | 5,000,000 | 5.37 | 5,000,000 | 5.03 |
| Reliance Fixed Horizon Fund - XXXIII - Series 6- Direct Growth Plan | 5,000,000 | 5.36 | 5,000,000 | 5.01 |
| DSP BlackRock FMP - Series 205 - 37M- Direct Growth | 5,000,000 | 5.36 | 5,000,000 | 5.03 |
| IDFC Fixed Term Plan Series 131-Direct- Growth | 5,000,000 | 5.35 | 5,000,000 | 5.01 |
| Kotak FMP Series 202 - 1144 Days- Direct Plan-Growth | 5,000,000 | 5.35 | 5,000,000 | 5.01 |
| Total | | 26.79 | | 25.09 |
| ii) Investments carried at amortised cost - Investment in Debentures (See Note-1 below) | | | | |
| Tata Motors Finance Limited | 100 | 5.00 | 100 | 5.00 |
| | | 5.00 | | 5.00 |
| Unquoted: | | | | |
| i) Investments carried at amortised cost - Investment in Preference Shares (See Note-2 below) | | | | |
| Tata Capital Limited | 33,333 | 5.00 | 33,333 | 5.00 |
| Total | | 5.00 | | 5.00 |
| Total Non-current Investments | | 36.79 | | 35.09 |
| Current | | | | |
| Unquoted: | | | | |
| Investment carried at Fair value through Profit and Loss (FVTPL) | | | | |
| IDFC Cash Fund -Direct Plan -Growth | - | - | 101,291 | 20.01 |
| DSP BlackRock Liquidity Fund - Direct Plan - Growth | - | - | 64,524 | 15.01 |
| Kotak Floater Short Term-Direct-Growth | - | - | 58,095 | 15.51 |
| L&T Liquid Fund - Direct Plan - Growth | - | - | 67,294 | 15.01 |
| TATA Money Market Fund Direct Plan-Growth | - | - | 58,561 | 15.01 |
| ICICI Prudential Money Market Fund-Direct Plan-Growth | - | - | 667,040 | 15.01 |
| UTI Money Market Fund Institutional Plan-Direct-Growth | - | - | 80,941 | 14.77 |
| Axis Liquid Fund-Direct-Growth | - | - | 83,268 | 15.02 |
| IDFC Ultra Short Term Fund-Direct-Growth | - | - | 6,478,698 | 15.00 |
| Reliance Money Manager Fund-Direct Growth Plan Growth Option | - | - | 65,890 | 15.00 |
| ICICI Prudential Flexible Income-Direct Plan-Growth | - | - | 479,887 | 15.00 |
| Axis Treasury Advantage Fund-Direct-Growth | - | - | 81,252 | 15.00 |
| | | - | | 185.35 |
| Total Current Investments | | - | | 185.35 |
| Aggregate book value of quoted investments | | 31.79 | | 30.09 |
| Aggregate market value of quoted investments | | 31.79 | | 30.09 |
| Aggregate book value of unquoted investments | | 5.00 | | 190.35 |
| Aggregate value of impairment | | - | | - |

Note:

- The debentures carry interest at 11% per annum payable annually and mature in September,2021.
- The Preference shares bears dividend at 12.5% per annum payable annually and mature in September,2019.

Notes forming part of the Consolidated Financial Statements

8 Loans

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| NON-CURRENT (Unsecured, considered good) | | |
| (a) Security deposits | 6.38 | 5.94 |
| (b) Loans to employees | 4.67 | 4.77 |
| Total | 11.05 | 10.71 |
| CURRENT (Unsecured, considered good) | | |
| (a) Loans to related parties (Refer Note 38 (b)) | | |
| - Inter corporate deposits | 77.50 | - |
| (b) Security deposits | 0.32 | 0.78 |
| (c) Loans to employees | 8.58 | 7.86 |
| Total | 86.40 | 8.64 |

9 (i) Income tax assets/ (liabilities)

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| Non-current Income Tax Assets (Net) | 9.32 | 9.27 |
| Current Income Tax Assets (Net) | 31.05 | 45.53 |
| Income Tax Liabilities (Net) | 49.37 | 51.27 |
| Net income tax assets /(liability) | (9.00) | 3.53 |

9 (ii) Movement in income tax assets/(liabilities)

The gross movement in income tax assets/(liabilities) for the year ended March 31, 2018 and March 31, 2017 is as follows:

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Net Income Tax Assets /(Liability) at beginning | 3.53 | 12.80 |
| Income Tax Paid (Net) | 86.52 | 98.37 |
| Current Income Tax Expense | (99.05) | (107.64) |
| Net Income Tax Assets /(Liability) at the end | (9.00) | 3.53 |

Notes forming part of the Consolidated Financial Statements
9 (iii) DEFERRED TAX ASSETS (NET)

(Amount in ₹ Crore)

| Significant components and movements in deferred tax assets and liabilities for the year ended March 31, 2018: | As of April 1, 2017 | Recognized in statement of profit and loss | Recognized in/reclassified from other comprehensive income | MAT Credit Utilisation | Acquisition of subsidiary | Currency Translation impact | As of March 31, 2018 |
|--|---------------------|--|--|------------------------|---------------------------|-----------------------------|----------------------|
| Deferred tax assets: | | | | | | | |
| Depreciation carry forwards | 3.45 | (1.04) | - | | - | 0.03 | 2.44 |
| Expenses deductible in future years: | 2.13 | - | - | | - | - | 2.13 |
| Provisions, allowances for doubtful receivables and others | 1.01 | 1.08 | - | | - | 0.04 | 2.13 |
| Compensated absences and retirement benefits | 7.92 | 3.94 | 1.08 | | - | 0.30 | 13.24 |
| Minimum alternate tax (MAT) Credit | 22.28 | - | - | (18.50) | - | - | 3.78 |
| Remeasurements of post employment benefit obligations | 1.56 | - | - | | - | - | 1.56 |
| Others | 2.18 | (0.58) | - | | - | - | 1.60 |
| Total deferred tax assets | 40.53 | 3.40 | 1.08 | (18.50) | - | 0.37 | 26.88 |
| Deferred tax liabilities: | | | | | | | |
| Property, plant and equipment and Intangible assets | 8.60 | (2.99) | - | | - | - | 5.61 |
| Amortisation of Customer intangibles | - | (0.50) | - | | 5.33 | 0.02 | 4.85 |
| Gain/Loss on Change in Fair Value of Investments (MTM on Investments) | 0.06 | 0.56 | - | | - | - | 0.62 |
| Derivative financial instruments | 0.52 | (0.90) | - | | - | - | (0.38) |
| Others | 4.52 | (1.10) | - | | - | (0.02) | 3.40 |
| Total deferred tax liabilities | 13.70 | (4.93) | - | - | 5.33 | - | 14.10 |
| Net assets/(liabilities) | 26.83 | 8.33 | 1.08 | (18.50) | (5.33) | 0.37 | 12.78 |

Notes forming part of the Consolidated Financial Statements

(Amount in ₹ Crore)

| Movement in deferred tax assets and liabilities for the year ended March 31, 2017: | As of April 1, 2016 | Recognized in statement of profit and loss | Recognized in/reclassified from other comprehensive income | MAT Credit Utilisation | Acquisition of subsidiary | Currency Translation impact | As of March 31, 2017 |
|--|---------------------|--|--|------------------------|---------------------------|-----------------------------|----------------------|
| Deferred tax assets: | | | | | | | |
| Depreciation carry forwards | 3.61 | (0.10) | - | | - | (0.06) | 3.45 |
| Expenses deductible in future years: | 2.13 | - | - | | - | - | 2.13 |
| Provisions, allowances for doubtful receivables and others | 1.02 | 0.07 | - | | - | (0.08) | 1.01 |
| Compensated absences and retirement benefits | 5.36 | 1.16 | 1.75 | | - | (0.35) | 7.92 |
| Minimum alternate tax carry-forward | 17.46 | 4.82 | - | | - | - | 22.28 |
| Remeasurements of post employment benefit obligations | 1.56 | - | - | | - | - | 1.56 |
| Others | 4.30 | (2.10) | - | | - | (0.02) | 2.18 |
| Total deferred tax assets | 35.44 | 3.85 | 1.75 | - | - | (0.51) | 40.53 |
| Deferred tax liabilities: | | | | | | | |
| Property, plant and equipment and Intangible assets | 9.69 | (1.09) | - | | - | - | 8.60 |
| Gain/Loss on Change in Fair Value of Investments (MTM on Investments) | 1.19 | (1.13) | - | | - | - | 0.06 |
| Derivative financial instruments | 0.15 | 0.37 | - | | - | - | 0.52 |
| Others | 7.31 | (2.76) | - | | - | (0.03) | 4.52 |
| Total deferred tax liabilities | 18.34 | (4.61) | - | | - | (0.03) | 13.70 |
| Net assets/(liabilities) | 17.10 | 8.46 | 1.75 | - | - | (0.48) | 26.83 |

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, deferred income tax liabilities on cumulative earnings of subsidiaries amounting to ₹ 978.36 crore and ₹ 792.65 crore as of March 31, 2018 and March 31, 2017, respectively has not been recognized. Further, it is not practicable to estimate the amount of the unrecognized deferred tax liabilities for these undistributed earnings.

Notes forming part of the Consolidated Financial Statements
10 Other Assets

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| NON-CURRENT | | |
| (Unsecured, considered good) | | |
| (a) Prepaid expenses | 2.22 | 2.63 |
| (b) Prepaid lease rentals | 3.30 | 3.34 |
| (c) Research and Development Expenditure Credit receivable (Refer note 23) | 19.47 | - |
| (d) Deposits with government authorities | 1.25 | 2.03 |
| (e) Prepaid Defined Benefit Scheme | 0.44 | 1.08 |
| Total | 26.68 | 9.08 |
| CURRENT | | |
| (Unsecured, considered good) | | |
| Advances other than capital advances: | | |
| (a) Advances to suppliers and contractors | 12.12 | 4.44 |
| Others: | | |
| (b) Prepaid expenses | 34.26 | 20.29 |
| (c) Prepaid lease rentals | 0.04 | 0.04 |
| (d) Research and Development Expenditure Credit receivable (Refer note 23) | 41.60 | - |
| (e) Deposits with government authorities | 1.29 | 0.61 |
| (f) Balances with government authorities | 1.20 | 7.03 |
| Total | 90.51 | 32.41 |

11 TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---------------------------------------|-------------------------|-------------------------|
| Considered good | 605.05 | 525.96 |
| Considered doubtful | 13.05 | 8.89 |
| | 618.10 | 534.85 |
| Less : Expected credit loss allowance | 13.05 | 8.89 |
| | 605.05 | 525.96 |

In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of receivables that are due and rates used in the provision matrix.

12 CASH AND CASH EQUIVALENTS

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| (a) Balances with banks: | | |
| - Current account with banks | 210.15 | 149.52 |
| - Deposits with maturity of less than three months | 30.37 | 48.65 |
| (b) Cheques, drafts on hand/funds in transit | 3.23 | 3.54 |
| (c) Cash on hand | 0.04 | 0.03 |
| | 243.79 | 201.74 |

Notes forming part of the Consolidated Financial Statements

13 OTHER BANK BALANCES

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| NON-CURRENT | | |
| (a) Earmarked balance with banks (Refer note 13(i)) | 3.25 | - |
| | <u>3.25</u> | <u>-</u> |
| CURRENT | | |
| (a) Earmarked balance with banks (Refer note 13(i)) | 9.29 | 1.98 |
| (b) Bank deposits | 3.46 | 101.61 |
| (c) Deposits pledged/lien with banks (Refer note 13(ii)) | 0.27 | 0.27 |
| | <u>13.02</u> | <u>103.86</u> |

Notes :

- (i) Earmarked balance pertain to:
Includes unclaimed dividend
Amounts in Escrow account for deferred consideration payable
Balances earmarked for Employees' Deposit Linked Insurance Benefit
- (ii) Deposits have been kept with bank as security for bank guarantee.

14 OTHER FINANCIAL ASSETS

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| NON-CURRENT | | |
| (a) Deposits pledged/lien with banks | 0.04 | 0.04 |
| | <u>0.04</u> | <u>0.04</u> |
| CURRENT | | |
| (a) Interest accrued on deposits and investments | 0.38 | 1.96 |
| (b) Bills of Exchange | 11.21 | 9.65 |
| (c) Derivative carried at fair value through Profit & Loss - Foreign currency forward cover | 0.01 | 2.79 |
| (d) Unbilled revenue | 154.30 | 142.12 |
| (e) Receivable from related parties for reimbursement of expenses (Refer note 38(b)) | 1.02 | 0.47 |
| | <u>166.92</u> | <u>156.99</u> |

15 EQUITY SHARE CAPITAL

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| (a) Authorised : | | |
| (i) 60,000,000 equity shares of ₹ 10/- each (as at March 31, 2017: 60,000,000 equity shares of ₹ 10/- each) | 60.00 | 60.00 |
| (ii) 700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each (P.Y. 700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each) | 0.70 | 0.70 |
| Total | <u>60.70</u> | <u>60.70</u> |
| (b) Issued,Subscribed and Fully paid up capital: | | |
| 43,037,514 equity shares of ₹ 10/- each (43,031,326 equity shares of ₹ 10/- each as at March 31, 2017) | 43.04 | 43.03 |
| Less: Shares held by ESOP Trusts pending allotment to eligible employees (940,501 equity shares of ₹ 10 each), (930,501 equity shares of ₹ 10/- each as at March 31, 2017) | (0.94) | (0.93) |
| Adjusted issued and subscribed share capital | <u>42.10</u> | <u>42.10</u> |

Notes forming part of the Consolidated Financial Statements
(c) The movement of number of shares and share capital

(Amount in ₹ Crore)

| Particulars | No of shares | Amount in ₹ Crore |
|--|-------------------|-------------------|
| Equity shares | 43,024,638 | 43.02 |
| Number of shares as at April 1, 2016 | | |
| Add: Shares issued under ESOP scheme | 6,688 | 0.01 |
| Less: Shares held by ESOP Trusts pending allotment to eligible employees | 930,501 | 0.93 |
| Number of shares as at March 31, 2017 | 42,100,825 | 42.10 |
| Add: Shares issued under ESOP scheme | 6,188 | 0.01 |
| Less: Increase in shares held by ESOP Trusts pending allotment to eligible employees | 10,000 | 0.01 |
| Number of shares as at March 31, 2018 | 42,097,013 | 42.10 |

(d) Rights, preferences and restrictions attached to shares :

(i) Ordinary Shares

The Company has only one class of shares having par value of 10/- per share. Each holder of equity share is entitled to one vote per share and in the event of liquidation, has rights proportionate to their shareholdings over the residual assets after paying out all the liabilities.

(e) Shares in the Company held by each shareholder holding more than 5% shares (including shares held by the Holding Company, its subsidiaries and associates)

| Particulars | As at March 31, 2018 No. of Shares | % Holding | As at March 31, 2017 No. of Shares | % Holding |
|--|---------------------------------------|---------------|---------------------------------------|-----------|
| Equity Shares | | | | |
| (a) Tata Motors Limited (Parent Company) | 30,300,600 | 71.98% | 30,300,600 | 71.97% |
| (b) Alpha TC Holdings Pte Ltd. | 3,746,505 | 8.90% | 3,746,505 | 8.90% |
| | 34,047,105 | 80.88% | 34,047,105 | 80.87% |

(f) Information regarding issue of shares in the last five years

- (a) The Company has not issued any shares without payment being received in cash.
 (b) The Company has not issued any bonus shares.
 (c) The Company has not undertaken any buy-back of shares.

(g) Shares reserved for issue under options:

Option activity during the year/period under the plan is given as below

(Amount in ₹ Crore)

| Number of options granted, exercised and forfeited | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Options granted, beginning of the year | 19,738 | 30,114 |
| Granted during the year | - | - |
| Exercised during the year | (6,188) | (9,876) |
| Expired during the year | - | - |
| Forfeited during the year | - | (500) |
| Option exercisable at the year | 13,550 | 19,738 |
| Weighted average share price at the date of exercise | ₹ 645 | ₹ 645 |
| Weighted average remaining contractual life (in years) | 9 | 7 |
| Range of exercise prices | ₹ 60 to ₹ 645 | ₹ 60 to ₹ 645 |

During the fiscal year 2014-15, the Compensation Committee of the Board of Directors, Company had granted 30,000 options to the eligible employees. The options vest over 4-5 years and are exercisable during a maximum period of 11 years from the date of vesting. In terms of the ESOP plan, the options were granted at the exercise price equivalent to the fair value of the underlying shares. The Company has accounted the above options at fair value.

Notes forming part of the Consolidated Financial Statements

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 4 & 5 years, an expected dividend rate of 3.88% on the underlying equity shares, a risk free rate of 7.81% and volatility in the share price of 37.5% since the company being closely held and its shares not being freely traded. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur.

(h) Stock based incentive schemes by Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) and Zedra Corporate Services (Guernsey) Limited

To manage and implement various stock based incentive programs for employees of the Company, the Company has formed Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) and Zedra Corporate Services (Guernsey) Limited for employees of the Company and its subsidiaries. Since shares of the Company are not listed on Stock Exchange, Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) and Zedra Corporate Services (Guernsey) Limited purchase the shares from employees and ex-employees of the Company. The shares so purchased by the Trusts are reissued to the employees through various stock based incentive schemes from time to time. These shares are issued at their fair values on the date of grant which is determined on the basis of latest audited balance sheet of the Company. Some of the ESPPs require the employees to offer the shares to trusts on cessation of employment for which the trusts have retained a first right of refusal. No employee has been allocated more than 1% of the issued capital of the Company.

(i) Shares allocated under Employee Stock Purchase Program are as follows

(Amount in ₹ Crore)

| Scheme Name | No. of Shares | Price Per share ₹ |
|---|---------------|-------------------|
| Tata Technologies Employee Stock Purchase Program 2008 | 290,500 | 145 |
| Tata Technologies Employee Stock Purchase Program 2009 | 18,800 | 196 |
| Tata Technologies Employees Stock Purchase Program- Series III (ESPP- Series III) | 52,251 | 196 |
| Employees Stock Purchase Program- Series IV (ESPP – Series IV) | 47,600 | 223 |
| Employees Stock Purchase Program- Series V (ESPP – Series V) | 22,500 | 417 |
| Employees Stock Purchase Program- Series VI (ESPP – Series VI) | 81,400 | 645 |
| Employee Stock Ownership Program for INCAT Employees 2006 | 217,165 | 135 |
| Employee Stock Ownership Program for INCAT Key Employees 2007 | 600,000 | 135 |
| Employee Stock Ownership Program for INCAT General Employees 2007 | 148,066 | 145 |
| Employee Stock Ownership Program 2009 (ESO 2009) | 88,067 | 196 |
| Employee Stock Ownership Program 2010 (ESO 2010) | 709,000 | 223 |
| Employee Stock Ownership Program 2012 (ESO 2012) | 60,000 | 417 |
| Employee Stock Ownership Program 2015 (ESO 2015) | 70,000 | 645 |

(j) Status of shares held by both Trust:

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Tata Technologies Limited Employees Stock Option Trust | 49,486 | 46,986 |
| Zedra Corporate Services (Guernsey) Limited | 891,015 | 883,515 |
| | <u>940,501</u> | <u>930,501</u> |

Notes forming part of the Consolidated Financial Statements
16 (a) Other Equity :

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| Share application money pending allotment | 0.40 | 0.40 |
| Securities Premium Reserve | 292.33 | 299.60 |
| General reserve | 135.07 | 135.07 |
| Legal reserve | 1.05 | 1.05 |
| Retained earnings | 1,000.10 | 960.04 |
| Items of other comprehensive income | 79.45 | (17.21) |
| | <u>1,508.38</u> | <u>1,378.93</u> |

16 (b) Movement in other equity

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| Share application money pending allotment | | |
| Balance at the beginning of the year | 0.40 | 0.19 |
| Issue of equity shares under employee share option plan | (0.40) | (0.19) |
| Issue of equity shares under employee share option pending allotment | 0.40 | 0.40 |
| Balance as at the end of the year | <u>0.40</u> | <u>0.40</u> |
| Securities premium account | | |
| Balance as at the beginning of the year | 299.60 | 350.52 |
| Add: Received during the year on exercise of stock options issued to employees | 0.39 | 0.40 |
| Less: Premium on shares held by ESOP Trusts | (7.66) | (51.32) |
| Balance as at the end of the year | <u>292.33</u> | <u>299.60</u> |
| General reserve | | |
| Balance as at the beginning of the year | 135.07 | 134.83 |
| Add : Transferred from Retained earnings | - | 0.24 |
| Balance as at the end of the year | <u>135.07</u> | <u>135.07</u> |
| Legal reserve | | |
| Balance as at the beginning of the year | 1.05 | 1.05 |
| Add : Transferred from Retained earnings | - | - |
| Balance as at the end of the year | <u>1.05</u> | <u>1.05</u> |
| Retained earnings | | |
| Balance as at the beginning of the year | 960.04 | 777.69 |
| Add: Accumulated excess of Income over expenditure of the ESOP Trusts (Refer Note 40 (b)) | - | 11.78 |
| Add: Profit for the year | 245.81 | 350.98 |
| Less: Dividends, including taxes thereon | (205.75) | (180.17) |
| Less: Transferred from General reserve | - | (0.24) |
| Balance as at the end of the year | <u>1,000.10</u> | <u>960.04</u> |
| Other Components of Equity: | | |
| Balance as at the beginning of the year | (17.21) | 94.97 |
| Remeasurements of post employment benefits obligations (net of tax effect) | (2.04) | (3.31) |
| Add: Exchange differences on translation of foreign operations | 98.70 | (108.87) |
| Balance as at the end of the year | <u>79.45</u> | <u>(17.21)</u> |

Notes forming part of the Consolidated Financial Statements

Notes:

(i) Securities premium account

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

During 2010, based on the approval of Shareholders of the Company at the Extra-Ordinary General Meeting held on March 5, 2010 and the Order of the Honourable High Court of Judicature at Mumbai dated April 16, 2010, the Company had utilized balance in the securities premium account to the tune of ₹ 46.66 Crore towards one time charges/cost (including change in accounting policy for provision for doubtful debts) incurred by the Company and its subsidiary companies. The amounts relating to the Company amounting to ₹ 17.32 Crore had been adjusted to the Securities Premium Account. An amount of ₹ 29.34 Crore equivalent to the total amount of adjustments relating to the subsidiaries had been identified and segregated from the balance in the Securities Premium Account for adjustment on consolidation. Of this total adjustment made ₹ 1.58 Crore and ₹ 16.58 Crore related to provision for doubtful debts of the Company and its subsidiary companies respectively on account of change in accounting with regard to provision for doubtful debts. Excess provisions for doubtful debts on account of the subsequent collections are being written back to the Securities Premium Account. Upto March 31, 2018, the subsidiary companies have realized ₹ 6.18 crores (March 31, 2017 ₹ 6.18 crores) which has been added back to the securities premium account.

(ii) General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

(iii) Legal reserve

The Company has created this reserve based on the local requirements of the Romanian Law. Since the Company has reached maximum amount that can be transferred as required by the Law, there are no further transfers during financial years 2016-17 and 2017-18.

(iv) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

Notes forming part of the Consolidated Financial Statements
17 Borrowings

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---------------------------|-------------------------|-------------------------|
| NON-CURRENT | | |
| Unsecured: | | |
| Term Loans | | |
| From Banks | - | 0.05 |
| Total | <u>-</u> | <u>0.05</u> |
| CURRENT | | |
| Unsecured | | |
| Loans repayable on demand | | |
| From Banks | 67.37 | 149.98 |
| Total | <u>67.37</u> | <u>149.98</u> |

18 Trade Payables

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| NON CURRENT | | |
| Trade payables | | |
| (a) Total outstanding dues of creditors other than micro enterprises and small enterprises | 0.14 | 0.10 |
| (b) Total outstanding dues of micro enterprises and small enterprises * | - | - |
| Total | <u>0.14</u> | <u>0.10</u> |
| CURRENT | | |
| Trade payables | | |
| (a) Total outstanding dues of creditors other than micro enterprises and small enterprises | 313.92 | 280.54 |
| (b) Total outstanding dues of micro enterprises and small enterprises * | 2.65 | 3.67 |
| Total | <u>316.57</u> | <u>284.21</u> |

Note:

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

*Amount outstanding to suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006 shown above has been determined to the extent of confirmation received from suppliers and on the basis of information available with the Company. This has been relied upon by the auditors. There are no overdue amounts to supplier.

Notes forming part of the Consolidated Financial Statements

19 Other Financial Liabilities

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| NON-CURRENT | | |
| (a) Retention Bonus payable | 0.88 | 2.93 |
| Total | <u>0.88</u> | <u>2.93</u> |
| CURRENT | | |
| (a) Interest accrued but not due on borrowings | - | 0.03 |
| (b) Current maturities of long term debt | - | 67.43 |
| (c) Unpaid dividends | 2.88 | 1.98 |
| (d) Derivative carried at fair value through P&L | | |
| - Foreign currency forward cover | 1.15 | 0.44 |
| (e) Provision for employee benefits | 7.51 | 4.68 |
| (f) Retention Bonus payable | 2.44 | 0.16 |
| (g) Capital creditors | 9.52 | 10.05 |
| (h) Other financial liabilities (Refer note 39(e)) | 2.71 | 0.03 |
| Total | <u>26.21</u> | <u>84.80</u> |

20 Provisions

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| NON CURRENT | | |
| (a) Provision for Employee Benefits (Refer note 35) | 24.46 | 21.93 |
| Total | <u>24.46</u> | <u>21.93</u> |
| CURRENT | | |
| (a) Provision for Employee Benefits (Refer note 35) | 11.92 | 3.95 |
| Total | <u>11.92</u> | <u>3.95</u> |

21 Other Liabilities

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| NON CURRENT | | |
| (a) Unearned Revenue | - | 0.03 |
| Total | <u>-</u> | <u>0.03</u> |
| CURRENT | | |
| (a) Unearned Revenue | 85.56 | 48.63 |
| (b) Statutory remittances (withholding taxes, Provident Fund, VAT,GST etc.) | 67.88 | 53.89 |
| (c) Advance and progress payments | 2.32 | 2.32 |
| Total | <u>155.76</u> | <u>104.84</u> |

Notes forming part of the Consolidated Financial Statements
22 Revenue From Operations

(Amount in ₹ Crore)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|-----------------------|------------------------------|------------------------------|
| (a) Sale of products | 447.01 | 440.92 |
| (b) Sale of services | 2,229.33 | 2,347.06 |
| (c) Export Incentive | 13.86 | 13.15 |
| (d) Commission income | 1.28 | 0.82 |
| Total | 2,691.48 | 2,801.95 |

23 Other Income

(Amount in ₹ Crore)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| (a) Interest Income | | |
| (i) Interest income-others | 12.09 | 20.63 |
| (ii) Interest income on debentures | 0.55 | 0.55 |
| (b) Dividend income | | |
| All dividends from investments designated as FVTPL | | |
| (i) Dividend income - mutual funds | 0.11 | 0.99 |
| (ii) Dividend income - Non current investments | 0.42 | 0.42 |
| (c) Other gains and losses | | |
| (i) Change in fair value of investments measured at FVTPL - mutual fund units (net) | 1.62 | (3.28) |
| (ii) Fair value gain/(loss) on derivatives not designated as hedges (net) | (2.61) | 1.47 |
| (d) Other non-operating income | | |
| (i) Research and Development Expenditure Credit (Refer below note) | 60.09 | - |
| (ii) Foreign currency gain/ (loss) (Net) | 9.84 | (3.65) |
| (iii) Other non-operating income | 3.31 | 8.12 |
| (iv) Profit on sale of investments measured at FVTPL - mutual fund units (net) | 0.25 | 5.12 |
| Total | 85.67 | 30.37 |

Note:

During the year ended 31 March 2014 legislation was enacted to allow UK companies to elect for the Research and Development Expenditure Credit (RDEC) on qualifying expenditure incurred since 1 April 2013, instead of the previous superdeduction rules. In the year ended 31 March 2018, as a result of this election, £6.6 million (₹ 60.09 crore) (2017-18: £2.1 million (₹ 17.95 crore), 2016-17: £2.6 million (₹ 25.90 crore), 2015-16: £1.9 million (₹ 16.24 crore) of the RDEC has been recognised.

24 Purchase Of Traded Products

(Amount in ₹ Crore)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|----------------------|------------------------------|------------------------------|
| Purchase of products | 336.41 | 320.48 |
| Total | 336.41 | 320.48 |

Notes forming part of the Consolidated Financial Statements

25 Employee Benefits Expense

(Amount in ₹ Crore)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| (a) Salaries and wages | 1,233.69 | 1,208.48 |
| (b) Contribution to Provident and other funds | 55.72 | 44.38 |
| (c) Staff welfare Expenses | 33.84 | 30.39 |
| Total | <u>1,323.25</u> | <u>1,283.25</u> |

26 Finance Costs

(Amount in ₹ Crore)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--------------|------------------------------|------------------------------|
| Interest | 4.70 | 4.31 |
| Total | <u>4.70</u> | <u>4.31</u> |

27 Depreciation And Amortisation Expense

(Amount in ₹ Crore)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|------------------|------------------------------|------------------------------|
| (a) Depreciation | 37.62 | 31.94 |
| (b) Amortisation | 33.81 | 30.90 |
| Total | <u>71.43</u> | <u>62.84</u> |

Notes forming part of the Consolidated Financial Statements
28 Other Expenses

(Amount in ₹ Crore)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| (a) Repairs & maintenance | | |
| - Buildings | 4.73 | 4.03 |
| - Plant & Machinery | 0.85 | 1.71 |
| - Others | 7.34 | 7.00 |
| (b) Rent | 49.94 | 41.02 |
| (c) Rates and taxes | 5.98 | 4.51 |
| (d) Insurance | 4.30 | 4.84 |
| (e) Overseas marketing expenses | 2.31 | 1.93 |
| (f) Advertisement and publicity | 0.95 | 0.35 |
| (g) Business promotion expenses | 0.88 | 2.52 |
| (h) Office expenses | 14.34 | 16.44 |
| (i) Traveling & conveyance | 64.17 | 75.04 |
| (j) Power & fuel | 7.84 | 8.04 |
| (k) Water charges | 2.87 | 2.05 |
| (l) Auditors remuneration (refer note 30 (a)) | 2.30 | 2.94 |
| (m) Staff training and seminar expenses | 2.90 | 3.52 |
| (n) Staff recruitment expenses | 8.92 | 10.61 |
| (o) AMC charges | 35.88 | 31.00 |
| (p) Software-internal use | 27.74 | 23.77 |
| (q) Professional fees | 24.52 | 22.45 |
| (r) Training costs | 1.30 | 0.92 |
| (s) Communication expenses | 17.95 | 16.88 |
| (t) Bad debts written off | - | 0.07 |
| (u) Allowances for expected credit loss (net) | 4.08 | (0.03) |
| (v) Corporate social responsibility (refer note 30 (b)) | 5.28 | 4.77 |
| (w) Miscellaneous expenses | 9.76 | 6.69 |
| Total | 307.13 | 293.07 |

29 Exceptional Items

(Amount in ₹ Crore)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| (a) Deferred consideration (Also refer Note 39 (e)) | 5.97 | - |
| (b) Acquisition related expenditure (Also refer Note 39 (e)) | 1.93 | - |
| (c) Retrospective statutory benefits expense (Also refer Note 33 (i)) | - | 5.55 |
| (d) Reclassification of Translation Reserve on liquidation of subsidiary | 0.43 | 1.86 |
| (e) Provision for Impairment in Investment in Joint Venture (Also refer Note 6 (iv)) | - | 0.84 |
| Total | 8.33 | 8.25 |

Notes forming part of the Consolidated Financial Statements

30 (a) Payment to auditors

(Amount in ₹ Crore)

| Particulars | Year ended March 31, 2018* | Year ended March 31, 2017 |
|---|-------------------------------|------------------------------|
| For Holding Company | | |
| i) For statutory audit, including quarterly audits | 0.63 | 0.57 |
| ii) For Tax audit | - | 0.06 |
| iii) For other attest services | - | 0.39 |
| iv) Reimbursement of out-of-pocket expenses | 0.02 | - |
| Sub-Total | <u>0.65</u> | <u>1.02</u> |
| For Subsidiaries & Joint venture | | |
| i) For services as auditors, including quarterly audits | 1.65 | 1.45 |
| ii) For Tax audit | - | - |
| ii) For other attest services | - | 0.47 |
| iii) Reimbursement of out-of-pocket expenses | - | - |
| Sub-Total | <u>1.65</u> | <u>1.92</u> |
| Total | <u>2.30</u> | <u>2.94</u> |

*Includes remuneration paid to erstwhile auditors

30 (b) Corporate social responsibility expenditure

(Amount in ₹ Crore)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| Gross amount required to be spent | 5.28 | 5.16 |
| Total | <u>5.28</u> | <u>5.16</u> |
| Amount spent during the year on | - | - |
| (a) Construction/ acquisition of any asset | - | - |
| (b) On purposes other than (a) above | 5.28 | 5.16 |
| Total | <u>5.28</u> | <u>5.16</u> |

31 Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non- assessable and non-deductible items. It also explains significant estimates made in relation to Company's tax positions

(Amount in ₹ Crore)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| i) | | |
| Income tax expense | | |
| Current tax on profits for the year | 99.05 | 107.64 |
| Total current tax expense | <u>99.05</u> | <u>107.64</u> |
| Deferred tax | | |
| Decrease / (increase) in deferred tax assets | (3.89) | (3.84) |
| (Decrease) / increase in deferred tax liabilities | (4.44) | (4.62) |
| Total deferred tax expense / (benefit) | <u>(8.33)</u> | <u>(8.46)</u> |
| Income tax expense | <u>90.72</u> | <u>99.18</u> |

Notes forming part of the Consolidated Financial Statements

The company has benefited from certain tax incentives that the Government of India has provided to the units registered under the Special Economic Zones Act 2005 (SEZ). SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Up to 50% of such profits or gains are also available for deduction for five years subject to certain conditions.

(ii) **Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate in India:**

(Amount in ₹ Crore)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| Profit before taxes | 336.53 | 450.16 |
| Income tax expense at tax rates applicable to individual entities | 102.85 | 134.06 |
| Additional deduction for patent, research and product development cost | (2.21) | - |
| Impact of change in US Tax Regulations | 5.40 | - |
| Effect of income exempt from tax | (0.18) | (0.49) |
| Effect of non deductible expenses | 6.49 | 5.56 |
| Income taxed at higher/(lower) rates | (23.15) | (45.43) |
| Others | 1.52 | 5.46 |
| Total tax expense | 90.72 | 99.18 |

(iii) **Amounts recognised in OCI**

(Amount in ₹ Crore)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| | Deferred tax | Deferred tax |
| Income tax relating to items that will not be reclassified to profit and loss | 1.08 | 1.75 |
| Total | 1.08 | 1.75 |

(iv) **Tax losses**

(Amount in ₹ Crore)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| Unused tax losses on which no deferred tax asset has been recognised | 5.38 | 5.38 |
| Potential tax benefit @ 23.072% | 1.24 | 1.24 |

Capital losses pertain to A.Y. 2014-2015 - ₹ 4.12 crore A.Y. 2015 - 2016 ₹ 1.26 crore. Deferred tax asset was not recognised on unused capital losses since there was lack of reasonable certainty of taxable capital profits to utilize this deferred tax asset. The losses can be carried forward for a period of 8 years as per local tax regulations.

Notes forming part of the Consolidated Financial Statements

(v) Changes in tax rate -

The tax rate in USA has been reduced from 42% to 21% effective from 01.01.2018

Impact of the change in the US Tax Regulations (The Tax Cuts and Jobs Act) on the tax expense for the current year:

| Particulars of change | Amount in ₹ Crore |
|--|-------------------|
| Deferred tax charge due to reduction in tax rate | 1.40 |
| Saving in current tax due to reduction in tax rate | (0.50) |
| Mandatory transition tax – on deemed repatriation of existing earnings and profits of controlled foreign corporations* | 2.50 |
| Total | 3.40 |

* Includes E&P in respect of Cambric GmbH, Cambric Romania and Tata Technologies Mexico. Company has elected to pay this amount over 8 years in accordance with the regulations

32 Earning per Share

(Amount in ₹ Crore)

| Particulars | | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|---------|------------------------------|------------------------------|
| Earnings Per Share | | | |
| (a) Profit attributable to equity shareholders | ₹ Crore | 245.81 | 350.98 |
| (b) The weighted average number of Ordinary equity shares outstanding during the year* | Nos. | 42,097,013 | 42,100,825 |
| (c) The nominal value per Ordinary Share | ₹ | 10.00 | 10.00 |
| (d) Earnings Per Share (Basic) | ₹ | 58.39 | 83.37 |
| (e) The weighted average number of Ordinary equity shares outstanding during the year* | Nos. | 42,097,013 | 42,100,825 |
| (f) Add: Adjustment for Employee Stock Options (Refer Note 15 (g)) | Nos. | 13,550 | 19,738 |
| (g) The weighted average number of Ordinary outstanding for diluted EPS | Nos. | 42,110,563 | 42,120,563 |
| (h) Earnings Per Shares (Diluted) | ₹ | 58.37 | 83.33 |

* The above no. of shares are after adjusting shares held by ESOP Trusts pending allotment to eligible employees being 940,501 shares as of March 31, 2018 and 930,501 shares as of March 31, 2017.

33 Contingent Liabilities

(Amount in ₹ Crore)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| (a) Bonus related to retrospective period (Refer note (i)) | 7.82 | 7.82 |
| (b) Income Tax demands disputed in appeals (Refer note (ii)) | 2.76 | 2.76 |
| (c) Sales Tax demands disputed in appeals | 0.00 | 21.81 |
| (d) Service Tax demands disputed in appeals (Refer note (iii)) | 5.46 | 5.40 |

Notes:

- (i) Statutory bonus at the revised rates pertaining to period retrospective to the notification dated on 01.01.2016 (i.e. from 01.04.2014 to 31.12.2015) was not provided pending similar cases contesting retrospective applicability of the said notification in various Honourable High Courts. During November 2016, considering the industry practices, the management after internal deliberations decided to and has paid the incremental bonus covering the fiscal year of the said notification i.e. from 01.04.2015 to 31.12.2015

Notes forming part of the Consolidated Financial Statements

aggregating to ₹ 5.55 crores, which has been presented as exceptional item in the financials for the year ended 31.03.2017. The incremental bonus for the FY 2014-15 is continued as contingent liability pending similar cases contesting retrospective applicability of the said notification in various Honourable High Courts.

- (ii) The Company has ongoing disputes with Income Tax Authorities relating to tax treatment of certain items. These mainly include disallowed expenses, the tax treatment of certain expenses claimed by the Company as deductions and the computation of certain allowances.
- (iii) Pertains to disputes in relation to tax on reverse charge mechanism.
- (iv) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on the receipt of the judgements/decisions pending with various forums/authorities.
- (v) The Company does not expect any reimbursements in respect of the above contingent liabilities.

34 Segment Reporting

Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end engineering & designing solutions. Based on the "management approach" as defined in IndAS108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and areas set out in the significant accounting policies.

Tata Technologies Limited provides IT Consultancy, SAP implementation and maintenance, networking solutions, CAD/CAM engineering & design consultancy services in the automotive, industrial heavy machinery & aerospace verticals. The customers in these verticals are located at US / Europe / APAC region and to enable the company to serve their specific needs the company has set up legal entities in the respective geographies. The business is structured in such a way that the entire customer front ending and bidding process is carried out by these legal entities.

The Group thus drives business mainly through its subsidiaries. While management reviews performance for above verticals, they also review the risks and rewards in each geography. The risk and rewards of the company are directly affected by geographical location of its customers (i.e. place where its services are rendered). Decisions such as pricing, allocation of resources, allocation of assets etc. are taken based on opportunities in the respective geography. Since costs are incurred and accounted as per subsidiary set up and manpower skill sets are interchangeable, bottom line performance is reviewed with Geography being primary indicator and dominant source of risk and return.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous. The cost incurred during the year to acquire Segment fixed assets, Depreciation / Amortisation and non-cash expenses are not attributable to any reportable segment

Geographical information on revenue and business segment revenue information is collated based on location of individual customers invoiced or in relation to which the revenue is otherwise recognized.

Notes forming part of the Consolidated Financial Statements

Geographic Segments

Year ended March 31, 2018 & March 31, 2017

(Amount in ₹ Crore)

| Particulars | India | UK | NA | Rest of Europe | Rest of the World | Total |
|--|--------|----------|---------|----------------|-------------------|----------|
| (a) Segment Revenue | | | | | | |
| Total Segment Revenue | 725.13 | 1,006.22 | 754.07 | 304.49 | 297.22 | 3,087.13 |
| | 716.87 | 1,180.44 | 834.31 | 260.46 | 248.15 | 3,240.23 |
| Inter Segment Revenue | (3.29) | (213.27) | (80.45) | (57.23) | (41.39) | (395.64) |
| | (9.09) | (228.54) | (94.11) | (66.96) | (39.58) | (438.28) |
| Revenue from External Customers | 721.84 | 792.94 | 673.62 | 247.25 | 255.83 | 2,691.48 |
| | 707.79 | 951.90 | 740.20 | 193.51 | 208.57 | 2,801.95 |
| (b) Segment Results | 199.43 | 123.63 | 57.52 | (27.79) | 44.29 | 397.09 |
| | 201.74 | 210.03 | 69.04 | 26.54 | 41.53 | 548.88 |
| Unallocated Corporate Expenses (Net) | | | | | | (132.60) |
| | | | | | | (120.79) |
| Interest/Other Income | | | | | | 84.54 |
| | | | | | | 34.69 |
| Finance Cost | | | | | | (4.70) |
| | | | | | | (4.31) |
| Dividend Income | | | | | | 0.53 |
| | | | | | | 1.41 |
| Exceptional Items | | | | | | (8.33) |
| | | | | | | (8.25) |
| Profit before share of Equity accounted investees (net of tax) | | | | | | 336.53 |
| | | | | | | 451.62 |
| Share of loss in Joint Venture | | | | | | - |
| | | | | | | (1.46) |
| Profit before Tax | | | | | | 336.53 |
| | | | | | | 450.16 |
| Income Tax | | | | | | (99.05) |
| | | | | | | (107.64) |
| Deferred Tax | | | | | | 8.33 |
| | | | | | | 8.46 |
| Profit/(Loss) after Tax | | | | | | 245.81 |
| | | | | | | 350.98 |

Revenue of approximately ₹ 1,175.56 crores (Previous Year- ₹ 1,295.53 crores) are derived from two major customers. These revenues are attributed to the India and UK segment.

Notes forming part of the Consolidated Financial Statements
35 Employee benefit plans
35.1 Defined contribution plans

The Company's contribution to defined contribution plan for the year ended March 31, 2018 has been recognised in the statement of Profit and Loss as follows.

(Amount in ₹ Crore)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|-------------------------------------|------------------------------|------------------------------|
| Contribution to provident fund | 16.44 | 15.89 |
| Contribution to superannuation fund | 4.25 | 4.33 |
| | 20.69 | 20.22 |

35.2 Defined benefit plans

Defined benefits plans / long term compensated absences:

The principal assumptions used for the purposes of the actuarial valuations were as follows.

| | Gratuity (Funded) | | Bhavishya Kalyan Yojana (BKY)(Unfunded) | | Superannuation (Partly Funded) | | Post Retirement Medicare Scheme (Unfunded) | | Compensated Absence (Unfunded) | |
|-------------------------------------|----------------------|----------------------|---|----------------------|--------------------------------|----------------------|--|----------------------|--------------------------------|----------------------|
| | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 |
| Discount rate(s) | 7.7% | 7.5% | 7.7% | 7.5% | 6.75% | 6.75% | 7.7% | 7.3% | 7.7% | 7.5% |
| Expected rate(s) of salary increase | 5.75%-6% | 4%-5.5% | 5.75%-6% | 4%-5.5% | - | - | - | - | 5.75%-6% | 4%-5.5% |
| Medical inflation rate | - | - | - | - | - | - | 6.00% | 6.00% | - | - |
| Withdrawal rate: | | | | | | | | | | |
| Age | | | | | | | | | | |
| 20 - 34 years | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| 35 - 40 years | 8% | 8% | 8% | 8% | 8% | 8% | 8% | 8% | 8% | 8% |
| 41 - 50 years | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% |
| 51 - 60 years | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |

Amounts recognised in standalone statement of profit and loss in respect of these defined benefit plans are as follows.

(Amount in ₹ Crore)

| | Gratuity (Funded) | | Bhavishya Kalyan Yojana (BKY)(Unfunded) | | Superannuation (Partly Funded) | | Post Retirement Medicare Scheme (Unfunded) | | Compensated Absence (Unfunded) | |
|--|----------------------|----------------------|---|----------------------|--------------------------------|----------------------|--|----------------------|--------------------------------|----------------------|
| | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 |
| Service cost: | | | | | | | | | | |
| Current service cost | 5.73 | 4.10 | 0.75 | 0.44 | 0.19 | 0.18 | 1.04 | 0.50 | 3.80 | 1.75 |
| Net interest expense | 0.12 | 0.15 | 0.39 | 0.27 | (0.08) | (0.07) | 0.78 | 0.51 | (0.76) | 0.32 |
| Components of defined benefit costs recognised in profit or loss | 5.85 | 4.25 | 1.14 | 0.71 | 0.11 | 0.11 | 1.82 | 1.01 | 3.04 | 2.07 |
| Remeasurement on the net defined benefit liability: | | | | | | | | | | |
| Return on plan assets (excluding amounts included in net interest expense) | 1.50 | (0.92) | - | - | 0.26 | 0.03 | - | - | - | - |
| Actuarial (gains) / losses arising from changes in demographic assumptions. | - | (1.81) | - | 0.85 | - | - | - | 2.17 | - | - |
| Actuarial (gains) / losses arising from changes in financial assumptions | (0.02) | 1.73 | (0.05) | 0.26 | - | - | 0.18 | 1.16 | - | - |
| Actuarial (gains) / losses arising from experience adjustments | 1.78 | 1.51 | (0.39) | 0.07 | 0.35 | (0.16) | (0.49) | 0.17 | - | - |
| Others | | | | | | | | | | |
| Components of defined benefit costs recognised in other comprehensive income | 3.26 | 0.51 | (0.44) | 1.18 | 0.61 | (0.13) | (0.31) | 3.50 | - | - |
| Total | 9.11 | 4.76 | 0.70 | 1.89 | 0.72 | (0.02) | 1.51 | 4.51 | 3.04 | 2.07 |

The current service cost and the net interest expense for the period are included in the 'Employee benefits expense' line item in the standalone statement of profit and loss.

Notes forming part of the Consolidated Financial Statements

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the standalone balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(Amount in ₹ Crore)

| | Gratuity (Funded) | | Bhavishya Kalyan Yojana (BKY)(Unfunded) | | Superannuation (Partly Funded) | | Post Retirement Medicare Scheme (Unfunded) | | Compensated Absence (Unfunded) | |
|--|----------------------|----------------------|---|----------------------|--------------------------------|----------------------|--|----------------------|--------------------------------|----------------------|
| | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 |
| Present value of funded defined benefit obligation | (44.06) | (37.83) | (5.82) | (5.22) | (5.32) | (6.34) | (12.00) | (10.80) | (8.02) | (7.07) |
| Fair value of plan assets | 36.55 | 33.15 | - | - | 5.76 | 7.42 | - | - | - | - |
| Funded status | (7.51) | (4.68) | (5.82) | (5.22) | 0.44 | 1.08 | (12.00) | (10.80) | (8.02) | (7.07) |
| Restrictions on asset recognised | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - |
| Net liability arising from defined benefit obligation | (7.51) | (4.68) | (5.82) | (5.22) | 0.44 | 1.08 | (12.00) | (10.80) | (8.02) | (7.07) |

Movements in the present value of the defined benefit obligation are as follows.

(Amount in ₹ Crore)

| | Gratuity (Funded) | | Bhavishya Kalyan Yojana (BKY)(Unfunded) | | Superannuation (Partly Funded) | | Post Retirement Medicare Scheme (Unfunded) | | Compensated Absence (Unfunded) | |
|--|----------------------|----------------------|---|----------------------|--------------------------------|----------------------|--|----------------------|--------------------------------|----------------------|
| | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 |
| Opening defined benefit obligation | 37.83 | 33.14 | 5.22 | 3.41 | 6.34 | 7.33 | 10.80 | 6.56 | 7.07 | 6.90 |
| Current service cost | 5.73 | 4.10 | 0.75 | 0.44 | 0.19 | 0.18 | 1.04 | 0.50 | 3.80 | 1.75 |
| Interest cost | 2.70 | 2.52 | 0.39 | 0.27 | 0.42 | 0.45 | 0.78 | 0.51 | 0.45 | 0.48 |
| Remeasurement (gains)/losses: Actuarial gains and losses arising from changes in demographic assumptions | - | (1.81) | - | 0.85 | - | - | - | 2.17 | - | - |
| Actuarial gains and losses arising from changes in financial assumptions | (0.02) | 1.73 | (0.05) | 0.26 | - | - | 0.18 | 1.16 | - | - |
| Actuarial gains and losses arising from experience adjustments | 1.78 | 1.51 | (0.39) | 0.07 | 0.35 | (0.16) | (0.49) | 0.17 | - | - |
| Others - | - | - | - | - | - | - | - | (1.22) | (0.16) | - |
| Benefits paid | (3.95) | (3.36) | (0.10) | (0.08) | (1.98) | (1.46) | (0.31) | (0.27) | (2.08) | (1.90) |
| Closing defined benefit obligation | 44.06 | 37.83 | 5.82 | 5.22 | 5.32 | 6.34 | 12.00 | 10.80 | 8.02 | 7.07 |

Movements in the fair value of the plan assets are as follows.

(Amount in ₹ Crore)

| | Gratuity (Funded) | | Bhavishya Kalyan Yojana (BKY)(Unfunded) | | Superannuation (Partly Funded) | | Post Retirement Medicare Scheme (Unfunded) | | Compensated Absence (Unfunded) | |
|---|----------------------|----------------------|---|----------------------|--------------------------------|----------------------|--|----------------------|--------------------------------|----------------------|
| | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 |
| Opening fair value of plan assets | 33.15 | 29.35 | - | - | 7.42 | 8.26 | - | - | - | - |
| Interest income | 2.57 | 2.37 | - | - | 0.49 | 0.51 | - | - | - | - |
| Remeasurement gain (loss): Return on plan assets (excluding amounts included in net interest expense) | (1.50) | 0.92 | - | - | (0.26) | (0.03) | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - |
| Contributions from the employer | 6.28 | 3.88 | 0.10 | 0.08 | 0.09 | 0.14 | 0.30 | 0.28 | 2.08 | 1.90 |
| Benefits paid | (3.95) | (3.37) | (0.10) | (0.08) | (1.98) | (1.46) | (0.30) | (0.28) | (2.08) | (1.90) |
| Closing fair value of plan assets | 36.55 | 33.15 | - | - | 5.76 | 7.42 | - | - | - | - |

Notes forming part of the Consolidated Financial Statements

Other benefits relating to the subsidiaries / JVs:

Compensated Absences and Gratuity - Charged to Statement of Profit & Loss during the year - ₹ 4.88 Crore (2016-17 ₹ 0.46 Crore) liabilities outstanding as at the year end ₹ 10.55 Crore (2016-17 ₹ 2.78 crore)

The major categories of plan assets as percentage of total plan assets:

| | Gratuity (Funded) | | Bhavishya Kalyan Yojana (BKY)(Unfunded) | | Superannuation (Partly Funded) | | Post Retirement Medicare Scheme (Unfunded) | | Compensated Absence (Unfunded) | |
|---------------------|-------------------|---------|---|-----|--------------------------------|---------|--|-----|--------------------------------|-----|
| | | | | | | | | | | |
| Debt securities | 100.00% | 100.00% | N/A | N/A | 100.00% | 100.00% | N/A | N/A | N/A | N/A |
| Balances with banks | 0.00% | 0.00% | N/A | N/A | 0.00% | 0.00% | N/A | N/A | N/A | N/A |

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the

| Assumption | Discount Rate | Salary Escalation Rate | Discount Rate | Salary Escalation Rate | Discount Rate | Salary Escalation Rate | Discount Rate | Medical Cost |
|---|---------------|------------------------|---------------|------------------------|---------------|------------------------|---------------|--------------|
| Change in Assumption | | | | | | | | |
| Increase by 1% | 8.70% | Defined | 8.70% | Defined | 7.75% | Defined | 8.70% | 7.00% |
| Decrease by 1% | 6.70% | Defined | 6.70% | Defined | 5.75% | Defined | 6.70% | 5.00% |
| Impact on defined benefit obligation | | | | | | | | |
| Increase by 1% | (3.55) | 4.02 | (0.54) | 0.28 | - | N.A. | (1.86) | 2.01 |
| Decrease by 1% | 4.15 | (3.56) | 0.62 | (0.26) | - | N.A. | 2.38 | (1.62) |
| Impact on service cost and interest cost | | | | | | | | |
| Increase by 1% | (0.46) | 0.52 | (0.08) | 0.05 | - | N.A. | (0.20) | 0.21 |
| Decrease by 1% | 0.54 | (0.46) | 0.09 | (0.04) | - | N.A. | 0.26 | (0.17) |

Maturity profile of defined benefit obligation:

Amount in ₹ Crore

| | Gratuity (Funded) | Bhavishya Kalyan Yojana (BKY) (Unfunded) | Superannuation (Partly Funded) | Post Retirement Medicare Scheme (Unfunded) | Compensated Absence (Unfunded) |
|---------------|-------------------|--|--------------------------------|--|--------------------------------|
| Within 1 Year | 4.33 | 0.21 | 0.44 | 0.29 | 0.93 |
| 1-2 years | 4.66 | 0.30 | 0.13 | 0.29 | 0.84 |
| 2-3 years | 5.60 | 0.38 | 0.12 | 0.29 | 0.83 |
| 3-4 years | 5.55 | 0.46 | - | 0.31 | 0.69 |
| 4-5 years | 5.62 | 0.55 | 0.07 | 0.31 | 0.65 |
| 5-10 years | 27.51 | 3.91 | 0.04 | 1.77 | 2.67 |

Notes forming part of the Consolidated Financial Statements

Employee benefit plans

The plans typically expose the company to the actuarial risks such as: investments risk, interest risks, longevity risk and salary risk

| | |
|-----------------|--|
| Investment risk | The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

No other post-retirement benefits are provided to these employees.

In respect of the plan in India, the actuarial valuation of the plan assets and the present value of the defined benefit obligation are carried out for March 31, 2018 by Willis Towers Watson, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, are measured using the projected unit credit method on a proportionate basis.

The fair value of plan assets are majorly balance mix of investments in government securities and other debt instruments. The Trust activities are managed by mix of professional employees representing management and employees.

36 Capital Management

The Group's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders.

The Group's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

As Group's cash and bank balances are higher than net debt, hence the debt ratio is not applicable.

No changes were made in the objectives, policies or processes for managing capital of the Group during the current year and previous year.

Notes forming part of the Consolidated Financial Statements
Dividends

(Amount in ₹ Crore)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| (i) Equity shares | | |
| Interim dividend declared during the year aggregating ₹ 40 per fully paid equity share* | 205.75 | 180.17 |
| (ii) Dividends not recognised at the end of the reporting period | | |
| In addition to the above dividends, the directors have recommended the payment of a final dividend of ₹ 15 per fully paid equity share on April 20, 2018. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting* | 76.43 | - |

* The above amounts are arrived after adjusting shares held by ESOP Trusts pending allotment to eligible employees being 940,501 shares as of March 31, 2018 and 930,501 shares as of March 31, 2017.

37.1 Categories of financial instruments

(Amount in ₹ Crore)

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | FVTPL | Amortised cost | FVTPL | Amortised cost |
| Financial assets | | | | |
| Investments : | | | | |
| - mutual funds* | 26.79 | - | 210.44 | - |
| - debentures | - | 5.00 | - | 5.00 |
| - preference shares | - | 5.00 | - | 5.00 |
| Security deposits | - | 6.70 | - | 6.72 |
| Loans to related parties- Inter-corporate deposits | - | 77.50 | - | - |
| Bills of exchange | - | 11.21 | - | 9.65 |
| Derivative financial assets | 0.01 | - | 2.79 | - |
| Unbilled revenue | - | 154.30 | - | 142.12 |
| Trade receivables | - | 605.05 | - | 525.96 |
| Cash and cash equivalents | - | 243.79 | - | 201.74 |
| Other bank balances | - | 16.27 | - | 103.86 |
| Others | - | 14.69 | - | 15.10 |
| Total financial assets | 26.80 | 1,139.51 | 213.23 | 1,015.15 |
| Financial liabilities | | | | |
| Borrowings | - | 67.37 | - | 150.06 |
| Trade payables | - | 316.71 | - | 284.31 |
| Derivative financial liability | 1.15 | - | 0.44 | - |
| Others | - | 25.94 | - | 87.26 |
| Total financial liabilities | 1.15 | 410.02 | 0.44 | 521.63 |

Notes forming part of the Consolidated Financial Statements

37.2 (a) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

(Amount in ₹ Crore)

| Particulars | As at March 31, 2018 | Fair value measurement at end of reporting year | | |
|---|-------------------------|---|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | |
| Investments in Mutual Funds | 26.79 | 26.79 | - | - |
| Derivative Financial instrument- Foreign currency forward contracts | 0.01 | - | 0.01 | - |
| Financial Liabilities | | | | |
| Derivative Financial instrument- Foreign currency forward contracts | 1.15 | - | 1.15 | - |

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017.

(Amount in ₹ Crore)

| Particulars | As at March 31, 2017 | Fair value measurement at end of reporting year | | |
|---|-------------------------|---|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | |
| Investments in Mutual Funds | 210.44 | 25.09 | 185.35 | - |
| Derivative Financial instrument- Foreign currency forward contracts | 2.79 | - | 2.79 | - |
| Financial Liabilities | | | | |
| Derivative Financial instrument- Foreign currency forward contracts | 0.44 | - | 0.44 | - |

* Based on Net Asset Value (NAV) as published daily by respective Fund Houses.

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie prices) or indirectly (ie derived from prices)

Level 3 Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

37.2 (b) Valuation technique used to determine fair value

The following methods and assumptions were used to estimate the fair value of the level 2 financial instruments included in the above tables:

- Investments in mutual funds: The fair value is derived based on the closing Net Asset value published by the respective mutual fund houses.
- Derivative instruments: The Company enters into foreign currency forward contracts with banks with investment grade credit ratings. These are valued using the forward pricing valuation technique, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and foreign exchange spot and forward rates.

37.2 (c) As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-

- Trade receivables
- Cash and Cash Equivalent
- Other Bank Balances

Notes forming part of the Consolidated Financial Statements

4. Loans
5. Borrowings
6. Trade payables
7. Other financial liabilities (except derivatives)
8. Other financial assets (except derivatives)

37.3 Financial risk management

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.

Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

37.4 Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

37.5 Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, Great Britain Pounds, Euro and Swedish Krona, against the respective functional currencies of Tata Technologies Limited and its subsidiaries.

The Group, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies. For further details with respect to Foreign Currency Risk (other than risk arising from derivatives) refer below details.

Furthermore, any movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenues from its international operations. Any weakening of the functional currency may impact the Group's cost of imports and cost of borrowings and consequently may increase the cost of financing the Group's capital expenditures.

The Group uses forward exchange contracts to hedge its exposure in foreign currency. The information on derivative instruments is as follows:

Notes forming part of the Consolidated Financial Statements

Derivative instruments outstanding as at March 31, 2018 & March 31, 2017 are as follows:

| | As At | Bought/sold | | Amount in Crore | Amount in ₹ Crore |
|----------------------------|----------------|-------------|---------|--------------------|----------------------|
| Forward Exchange contracts | March 31, 2018 | Sold | USD/INR | USD 0.29 | 18.58 |
| | | Sold | GBP/INR | GBP 1.00 | 92.28 |
| | March 31, 2017 | Sold | GBP/USD | GBP 0.82 | 66.35 |
| | | Sold | EUR/USD | EUR 0.08 | 5.47 |
| | | Sold | USD/INR | USD 0.91 | 58.69 |
| | | Sold | SEK/USD | SEK 2.03 | 14.74 |
| | | Sold | CNY/USD | CNY 0.88 | 8.25 |
| | | Sold | GBP/SEK | GBP 0.35 | 27.92 |
| | | Sold | CNY/GBP | CNY 0.67 | 6.32 |
| | | Sold | SEK/GBP | SEK 5.77 | 41.80 |
| | | Sold | USD/GBP | USD 0.24 | 15.72 |

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Not later than one month | 6.19 | 83.26 |
| Later than one month and not later than three months | 58.53 | 160.27 |
| Later than three months and not later than one year | 46.14 | 1.73 |
| | 110.86 | 245.26 |

Notes forming part of the Consolidated Financial Statements
Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2018 and March 31, 2017

(Amount in ₹ Crore)

| Particulars | Currency | As at March 31, 2018 | | As at March 31, 2017 | |
|---|----------|----------------------------|--------------------------|----------------------------|--------------------------|
| | | Amount in Foreign Currency | Equivalent amount in INR | Amount in Foreign Currency | Equivalent amount in INR |
| Financial Assets: | | | | | |
| Trade Receivables and unbilled revenue* | EUR | 0.55 | 44.75 | 0.51 | 35.11 |
| | GBP | 0.61 | 56.06 | 0.78 | 63.33 |
| | USD | 1.30 | 84.85 | 0.17 | 10.88 |
| | SGD | 0.10 | 5.17 | 0.05 | 2.53 |
| | RON | 0.00 | 0.08 | 0.00 | 0.04 |
| | CAD | - | - | 0.02 | 0.80 |
| | CNY | 1.16 | 11.98 | 0.35 | 3.28 |
| | JPY | 0.03 | 0.02 | - | - |
| | THB | 0.69 | 1.44 | - | - |
| | CHF | 0.01 | 0.69 | - | - |
| | ZAR | 0.01 | 0.05 | 0.00 | 0.02 |
| | SEK | 1.63 | 12.75 | 3.64 | 26.39 |
| Loans & Advances* | EUR | 0.00 | 0.23 | - | - |
| | GBP | 0.00 | 0.01 | - | - |
| Current account with Bank (including cheques in hand/money in transit) | USD | 0.43 | 28.10 | 0.22 | 14.52 |
| | EUR | 0.12 | 9.73 | 0.07 | 4.82 |
| | GBP | 0.09 | 8.59 | 0.03 | 2.15 |
| | SGD | 0.01 | 0.64 | 0.03 | 1.24 |
| | CAD | 0.00 | 0.02 | - | - |
| | CNY | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | | - | 265.16 | - | 165.11 |
| Financial Liabilities: | | | | | |
| Trade Payables* | EUR | 0.16 | 13.09 | 0.15 | 10.51 |
| | SGD | 0.01 | 0.52 | 0.00 | 0.14 |
| | INR | 0.83 | 0.83 | 0.53 | 0.53 |
| | USD | 0.69 | 45.21 | 0.14 | 9.33 |
| | SEK | 0.03 | 0.26 | 0.21 | 1.51 |
| | GBP | 0.06 | 5.88 | 0.04 | 3.24 |
| | THB | 0.19 | 0.41 | 0.57 | 1.08 |
| | CAD | - | - | 0.01 | 0.37 |
| | AED | 0.00 | 0.01 | - | - |
| | CNY | 0.02 | 0.22 | 0.04 | 0.40 |
| Unsecured Loan | USD | - | - | 0.04 | 2.46 |
| Total | | | 66.43 | | 29.57 |

* The above balances are before considering intra-company balances elimination on consolidation.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net income before tax by approximately ₹ 26.52 crores as at March 31, 2018 (₹ 16.51 crores as at March 31, 2017) and ₹ 6.64 crores as at March 31, 2018 (₹ 2.96 crores as at March 31, 2017) for financial assets and financial liabilities respectively.

Notes forming part of the Consolidated Financial Statements

37.6 Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term non-convertible bonds and short term loans. Current exposure includes short term loans wherein sensitivity impact is not material.

37.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Movement in the expected credit loss allowance | | |
| Balance at the beginning of the year/period | 8.89 | 9.24 |
| Movement in expected credit allowance on trade receivables | 13.47 | 0.64 |
| Exchange fluctuation | 0.08 | (0.32) |
| Reversal of provisions for debts paid | (9.39) | (0.67) |
| Balance at the end of the year | 13.05 | 8.89 |

37.8 Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2018:

(Amount in ₹ Crore)

| Financial liabilities | Carrying amount | Due in 1st Year | Due in 2nd Year | Due in 3rd to 5th Year | Total contractual cash flows |
|-------------------------------------|----------------------------|----------------------------|------------------------|------------------------|------------------------------|
| (a) Trade payables | 316.71 (284.31) | 316.57 (284.21) | 0.14 (0.10) | - (-) | 316.71 (284.31) |
| (b) Borrowings and interest thereon | 67.37 (150.06) | 67.37 (150.01) | - (0.05) | - (-) | 67.37 (150.06) |
| (c) Derivative liabilities | 1.15 (0.44) | 1.15 (0.44) | - (-) | - (-) | 1.15 (0.44) |
| (d) Other financial liabilities | 25.94 (87.26) | 25.06 (84.33) | 0.88 (2.93) | - (-) | 25.94 (87.26) |
| Total | 411.17 (522.07) | 410.15 (518.99) | 1.02 (3.08) | - (-) | 411.17 (522.07) |

Notes forming part of the Consolidated Financial Statements

38 Related Party Disclosures for the year ended March 31, 2018

a) Related party and their relationship

| | | |
|------------------------------|----|---|
| 1 Parent Company | | Tata Motors Limited |
| 2 Fellow subsidiaries | 1 | Concorde Motors (India) Limited |
| | 2 | TAL Manufacturing Solutions Limited |
| | 3 | Tata Motors European Technical Centre PLC |
| | 4 | Tata Motors Insurance Broking and Advisory Services Limited |
| | 5 | TMF Holdings Limited (Name changed from Tata Motors Finance Limited w.e.f. June 17, 2017) |
| | 6 | TML Holdings Pte. Limited |
| | 7 | TML Distribution Company Limited |
| | 8 | Tata Hispano Motors Carrocera S.A. |
| | 9 | Tata Hispano Motors Carroceries Maghreb SA |
| | 10 | TML Drivelines Limited |
| | 11 | Trilix S.r.l. |
| | 12 | Tata Precision Industries Pte. Limited |
| | 13 | Tata Marcopolo Motors Limited |
| | 14 | Tata Daewoo Commercial Vehicle Company Limited |
| | 15 | Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited |
| | 16 | Tata Motors (Thailand) Limited |
| | 17 | Tata Motors (SA) (Proprietary) Limited |
| | 18 | PT Tata Motors Indonesia |
| | 19 | PT Tata Motors Distribusi Indonesia |
| | 20 | TMNL Motor Services Nigeria Limited |
| | 21 | Jaguar Land Rover Automotive Plc |
| | 22 | Jaguar Land Rover Limited |
| | 23 | Jaguar Land Rover Austria GmbH |
| | 24 | Jaguar Land Rover Japan Limited |
| | 25 | JLR Nominee Company Limited (dormant) |
| | 26 | Jaguar Land Rover Deutschland GmbH |
| | 27 | Jaguar Land Rover North America LLC |
| | 28 | Jaguar Land Rover Nederland BV |
| | 29 | Jaguar Land Rover Portugal - Veículos e Peças, Lda. |
| | 30 | Jaguar Land Rover Australia Pty Limited |
| | 31 | Jaguar Land Rover Italia Spa |
| | 32 | Jaguar Land Rover Korea Company Limited |
| | 33 | Jaguar Land Rover (China) Investment Co. Limited (Renamed from Jaguar Land Rover Automotive Trading (Shanghai) Company Limited w.e.f. November 1, 2016) |
| | 34 | Jaguar Land Rover Canada ULC |
| | 35 | Jaguar Land Rover France, SAS |
| | 36 | Jaguar Land Rover (South Africa) (Pty) Limited |
| | 37 | Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA |
| | 38 | Limited Liability Company "Jaguar Land Rover" (Russia) |
| | 39 | Jaguar Land Rover (South Africa) Holdings Limited |
| | 40 | Jaguar Land Rover India Limited |
| | 41 | Jaguar Land Rover Espana SL |
| | 42 | Jaguar Land Rover Belux NV |
| | 43 | Jaguar Land Rover Holdings Limited |
| | 44 | Jaguar Cars South Africa (Pty) Limited (dormant) |
| | 45 | The Jaguar Collection Limited |
| | 46 | Jaguar Cars Limited (dormant) |
| | 47 | Land Rover Exports Limited (dormant) |
| | 48 | Land Rover Ireland Limited |

Notes forming part of the Consolidated Financial Statements

| | |
|----|--|
| 49 | The Daimler Motor Company Limited (dormant) |
| 50 | Daimler Transport Vehicles Limited (dormant) |
| 51 | S.S. Cars Limited |
| 52 | The Lanchester Motor Company Limited (dormant) |
| 53 | Shanghai Jaguar Land Rover Automotive Services Company Limited |
| 54 | Jaguar Land Rover Pension Trustees Limited (dormant) |
| 55 | Jaguar Land Rover Slovakia s.r.o |
| 56 | Jaguar Land Rover Singapore Pte. Ltd. |
| 57 | Jaguar Racing Limited |
| 58 | InMotion Ventures Limited |
| 59 | InMotion Ventures 1 Limited (Incorporated w.e.f. October 25, 2016) |
| 60 | InMotion Ventures 2 Limited (Incorporated w.e.f. October 25, 2016) |
| 61 | InMotion Ventures 3 Limited (Incorporated w.e.f. October 25, 2016) |
| 62 | Jaguar Land Rover Colombia S.A.S (Incorporated w.e.f. August 22, 2016) |
| 63 | Jaguar Land Rover Ireland (Services) Limited (Incorporated w.e.f. July 28, 2017) |
| 64 | Jaguar Land Rover Taiwan Company Limited (Incorporated w.e.f. November 17, 2017) |
| 65 | Jaguar Land Rover Servicios México, S.A. de C.V. (Servicios GDV Mexico S.A. de C.V. incorporated w.e.f October 2, 2017 and was renamed w.e.f. December 11, 2017) |
| 66 | Jaguar Land Rover México, S.A.P.I. de C.V. (GDV Imports Mexico SAPI de C.V. incorporated w.e.f October 2, 2017 and was renamed w.e.f. December 11, 2017) |
| 67 | Tata Motors Finance Solutions Limited |
| 68 | Tata Motors Finance Limited (Name changed from Sheba Properties Limited w.e.f. June 30, 2017) - (TMF Holdings Limited holds 96.62% and TMFSL holds 3.38 %) |
| 69 | Spark44 (JV) Limited |
| 70 | Spark44 Pty. Ltd. (Sydney, Australia) |
| 71 | Spark44 GmbH (Frankfurt, Germany) |
| 72 | Spark44 LLC (LA & NYC, USA) |
| 73 | Spark44 Shanghai Limited (Shanghai, China) |
| 74 | Spark44 DMCC (Dubai, UAE) |
| 75 | Spark44 Demand Creation Partners Pvt. Limited (Mumbai, India) |
| 76 | Spark44 Limited (London & Birmingham, UK) |
| 77 | Spark44 Singapore Pte. Ltd. (Singapore) |
| 78 | Spark44 Communications SL (Madrid, Spain) |
| 79 | Spark44 S.r.l. (Rome, Italy) |
| 80 | Spark44 Seoul Limited (Korea) |
| 81 | Spark44 Japan K.K. (Tokyo, Japan) |
| 82 | Spark44 Canada Inc (Toronto, Canada) |
| 83 | Spark44 Pty. Limited (South Africa) |

3 Joint Venture

TATA HAL Technologies Limited

4 Associates and Joint Venture of Parent Company

| | |
|----|---|
| 1 | Tata Sons Limited |
| 2 | Jaguar Cars Finance Limited |
| 3 | Automobile Corporation of Goa Limited |
| 4 | Nita Company Limited |
| 5 | Tata Hitachi Construction Machinery Company Private Limited |
| 6 | Tata Precision Industries (India) Limited |
| 7 | Tata AutoComp Systems Limited |
| 8 | Serviplem S.A.U. (Declared voluntary liquidation w.e.f. Feb 21, 2017) |
| 9 | Automotive Skill Training Foundation (Section 25 Company) |
| 10 | Automotive Stampings and Assemblies Limited |
| 11 | Nanjing Tata Autocomp Systems Limited |
| 12 | TACO Engineering (UK) Limited (ceased w.e.f. 11.08.2017) |

Notes forming part of the Consolidated Financial Statements

| | |
|----|--|
| 13 | TACO Engineering Services GmbH |
| 14 | TACO Holdings (Mauritius) Limited |
| 15 | TACO Kunststofftechnik GmbH (excluded from consolidation by TACO from 01.07.2009) (under liquidation w.e.f. 01.07.2009) |
| 16 | TACO Grundstuckverwaltungs GmbH (excluded from consolidation by TACO from 01.07.2009) (under liquidation w.e.f. 01.07.2009) |
| 17 | Ryhpez Holding (Sweden) AB (w.e.f. 08.08.2016) |
| 18 | TitanX Holding AB (w.e.f. 30.12.2016) |
| 19 | TitanX Engine Cooling Holding AB (w.e.f. 30.12.2016) |
| 20 | TitanX Engine Cooling Inc. (w.e.f. 30.12.2016) |
| 21 | TitanX Engine Cooling Kunshan Co. Ltd. (w.e.f. 30.12.2016) |
| 22 | TitanX Engine Cooling AB (w.e.f. 30.12.2016) |
| 23 | TitanX Refrigeração de Motores LTDA (w.e.f. 30.12.2016) |
| 24 | Tata Ficoso Automotive Systems Private Limited (Tata Ficoso Automotive Systems Limited) |
| 25 | Tata AutoComp GY Batteries Private Limited (formerly Tata AutoComp GY Batteries Limited) |
| 26 | Tata Autocomp Hendrickson Suspensions Private Limited (formerly Taco Hendrickson Suspensions Private Limited) |
| 27 | Air International TTR Thermal Systems Limited |
| 28 | Tata Autocomp Katcon Exhaust System Private Limited (formerly Katcon India Private Limited) |
| 29 | TM Automotive Seating Systems Private Limited |
| 30 | Tata Toyo Radiator Limited |
| 31 | TACO Sasken Automotive Electronics Limited (excluded from consolidation by TACO from 01.10.2010) (under liquidation w.e.f. 30.09.2010) |
| 32 | Tata Cummins Private Limited |
| 33 | Fiat India Automobiles Private Limited |
| 34 | Chery Jaguar Land Rover Automotive Company Limited |
| 35 | Chery Jaguar Land Rover Auto Sales Company Limited (100% Subsidiaries of Chery Jaguar Land Rover Automotive Company Limited) |
| 36 | JT Special Vehicles Pvt. Limited (Incorporated as a JV with effect from July 13, 2016 with Jayem Automotives Pvt. Limited) |
| 37 | Ewart Investments Limited |
| 38 | Tata Limited |
| 39 | Tata AIA Life Insurance Company Limited |
| 40 | Tata AIG General Insurance Company Limited |
| 41 | Indian Rotorcraft Limited |
| 42 | Panatone Finvest Limited |
| 43 | TS Investments Limited |
| 44 | Tata SIA Airlines Limited |
| 45 | Infiniti Retail Limited |
| 46 | Tata Incorporated |
| 47 | Tata Business Support Services Limited |
| 48 | TBSS Healthcare TPA Services Limited (Amalgamated with Tata Business Support Services Limited pursuant to the order dated 30.11.2016 of the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh. Effective Date: 23.03.2017. Appointed Date: 01.04.2016) |
| 49 | Global Information Services Private Limited (formerly Global Information Services Limited) (ceased to be an associate and is a subsidiary w.e.f. 13.05.2016) (Amalgamated with Tata Business Support Services Limited pursuant to the order dated 09.03.2017 of the Hon'ble National Company Law Tribunal bench at Mumbai. Effective Date: 23.03.2017. Appointed Date: 01.04.2016) |
| 50 | Tata Investment Corporation Limited |
| 51 | Simto Investment Company Limited |
| 52 | Tata Asset Management Limited |

Notes forming part of the Consolidated Financial Statements

| | |
|----|--|
| 53 | Tata Asset Management (Mauritius) Private Limited |
| 54 | Tata Pension Management Limited |
| 55 | Tata Consulting Engineers Limited |
| 56 | Ecofirst Services Limited |
| 57 | TCE QSTP-LLC (in liquidation) |
| 58 | Tata International AG, Zug |
| 59 | Tata AG, Zug |
| 60 | TRIF Investment Management Limited |
| 61 | Tata Petrodyne Limited |
| 62 | Belida B.V. |
| 63 | Dian Energy B.V. |
| 64 | Merangin B.V. |
| 65 | Meruap B.V. |
| 66 | Tata Advanced Systems Limited |
| 67 | Aurora Integrated Systems Private Limited |
| 68 | HELA Systems Private Limited |
| 69 | Nova Integrated Systems Limited |
| 70 | TASEC Limited (formerly TAS-AGT Systems Limited) |
| 71 | TASL Aerostructures Private Limited |
| 72 | Tata Lockheed Martin Aerostructures Limited |
| 73 | Tata Sikorsky Aerospace Limited (formerly Tata Aerospace Systems Limited) |
| 74 | Tata Boeing Aerospace Limited (formerly Tata Aerospace Limited) |
| 75 | Tata Capital Limited |
| 76 | India Collections Management Limited (Amalgamated with Tata Capital Limited w.e.f. 16.05.2016, Appointed Date: 01.04.2015) |
| 77 | Tata Capital Advisors Pte. Limited |
| 78 | Tata Capital Financial Services Limited |
| 79 | Tata Capital Forex Limited (formerly TT Holdings & Services Limited) |
| 80 | TATA Capital General Partners LLP |
| 81 | Tata Capital Growth Fund I |
| 82 | Tata Capital Healthcare General Partners LLP |
| 83 | Tata Capital Housing Finance Limited |
| 84 | Tata Capital Markets Pte. Limited |
| 85 | Tata Capital Plc |
| 86 | Tata Capital Pte. Limited |
| 87 | Tata Cleantech Capital Limited |
| 88 | Tata Infrastructure Capital Limited (Amalgamated with Tata Capital Limited w.e.f. 16.05.2016, Appointed Date: 01.04.2015) |
| 89 | Tata Opportunities General Partners LLP |
| 90 | Tata Securities Limited |
| 91 | TC Travel and Services Limited |
| 92 | Tata Housing Development Company Limited |
| 93 | Apex Realty Private Limited |
| 94 | Ardent Properties Private Limited |
| 95 | Concept Developers & Leasing Limited (formerly Concept Marketing and Advertising Limited) |
| 96 | Gurgaon Infratech Private Limited (Merged with Tata Housing Development Co. Ltd. pursuant to the order dated April 29, 2016 of the Hon'ble High Court of Judicature at Mumbai w.e.f. April 1, 2014) |
| 97 | HLT Residency Private Limited |
| 98 | Kriday Realty Private Limited |
| 99 | Landscape Structures Private Limited (Merged with Tata Housing Development Co. Ltd. pursuant to the order dated April 29, 2016 of the Hon'ble High Court of Judicature at Mumbai w.e.f. April 1, 2014) |

Notes forming part of the Consolidated Financial Statements

| | |
|-----|--|
| 100 | North Bombay Real Estate Private Limited |
| 101 | One-Colombo Project (Private) Limited |
| 102 | Promont Hillside Private Limited |
| 103 | Smart Value Homes (Boisar) Private Limited (formerly Niyati Sales Private Limited) |
| 104 | Tata Value Homes Limited (formerly Smart Value Homes Limited) |
| 105 | THDC Management Services Limited (formerly THDC Facility Management Limited) |
| 106 | World-One (Sri Lanka) Projects Pte. Limited |
| 107 | World-One Development Company Pte. Limited |
| 108 | Synergizers Sustainable Foundation (incorporated under Section 25 of the Companies Act, 1956) |
| 109 | Tata Realty and Infrastructure Limited |
| 110 | Acme Living Solutions Private Limited |
| 111 | Arrow Infraestate Private Limited |
| 112 | Gurgaon Construct Well Private Limited |
| 113 | Gurgaon Realtech Limited |
| 114 | HV Farms Private Limited |
| 115 | TRIF Gurgaon Housing Projects Private Limited |
| 116 | TRIL Amritsar Projects Limited (formerly TRIF Amritsar Projects Limited) |
| 117 | TRIL Constructions Limited |
| 118 | Wellkept Facility Mangement Services Private Limited (formerly TRIL Hospitality Private Limited) |
| 119 | TRIL Roads Private Limited |
| 120 | TRIL Urban Transport Private Limited |
| 121 | TRIL Infopark Limited |
| 122 | Hampi Expressways Private Limited |
| 123 | TRIF Real Estate And Development Limited |
| 124 | Dharamshala Ropeway Limited |
| 125 | Manali Ropeways Private Limited |
| 126 | International Infrabuild Private Limited |
| 127 | Uchit Expressways Private Limited (w.e.f. 10.10.2016) |
| 128 | TRPL Roadways Private Limited (w.e.f. 03.11.2016) |
| 129 | Tata Consultancy Services Limited |
| 130 | Alti HR S.A.S. (Merged with Alti S.A. w.e.f. 31.03.2018) |
| 131 | Alti NV (Merged with Tata Consultancy Services Belgium S.A. w.e.f. 30.03.2018) |
| 132 | Alti S.A. |
| 133 | Alti Switzerland S.A. (Merged with Tata Consultancy Services Switzerland Ltd. w.e.f. 29.03.2018) |
| 134 | APTOnline Limited (formerly APOOnline Limited) |
| 135 | C-Edge Technologies Limited |
| 136 | CMC Americas Inc. |
| 137 | CMC eBiz Inc. |
| 138 | Diligenta Limited |
| 139 | MahaOnline Limited |
| 140 | MGDC S.C. |
| 141 | MP Online Limited |
| 142 | Planaxis Technologies Inc. (Liquidated w.e.f. 31.03.2018) |
| 143 | PT Tata Consultancy Services Indonesia |
| 144 | Tata America International Corporation |
| 145 | Tata Consultancy Services (Africa) (PTY) Ltd. |
| 146 | Tata Consultancy Services (China) Co., Ltd. |
| 147 | Tata Consultancy Services (Philippines) Inc. |
| 148 | Tata Consultancy Services (South Africa) (PTY) Ltd. |
| 149 | Tata Consultancy Services (Thailand) Limited |

Notes forming part of the Consolidated Financial Statements

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| 150 | Tata Consultancy Services Argentina S.A. |
| 151 | Tata Consultancy Services Asia Pacific Pte Ltd. |
| 152 | Tata Consultancy Services Belgium S.A. |
| 153 | Tata Consultancy Services Canada Inc. |
| 154 | Tata Consultancy Services Chile S.A. |
| 155 | Tata Consultancy Services Danmark ApS |
| 156 | Tata Consultancy Services De Espana S.A. |
| 157 | Tata Consultancy Services De Mexico S.A.,De C.V. |
| 158 | Tata Consultancy Services Deutschland GmbH |
| 159 | Tata Consultancy Services Do Brasil Ltda |
| 160 | Tata Consultancy Services France SAS (Merged with Alti S.A. w.e.f. 31.03.2018) |
| 161 | Tata Consultancy Services Luxembourg S.A. |
| 162 | Tata Consultancy Services Malaysia Sdn Bhd |
| 163 | Tata Consultancy Services Netherlands BV |
| 164 | Tata Consultancy Services Osterreich GmbH |
| 165 | Tata Consultancy Services Portugal Unipessoal Limitada |
| 166 | Tata Consultancy Services Qatar S.S.C. |
| 167 | Tata Consultancy Services Sverige AB |
| 168 | Tata Consultancy Services Switzerland Ltd. |
| 169 | TCS e-Serve America, Inc. |
| 170 | TCS Financial Solutions (Beijing) Co., Ltd. |
| 171 | TCS Financial Solutions Australia Holdings Pty Limited |
| 172 | TCS Financial Solutions Australia Pty Limited |
| 173 | TCS FNS Pty Limited |
| 174 | TCS Iberoamerica SA |
| 175 | TCS Inversiones Chile Limitada |
| 176 | TCS Italia SRL |
| 177 | TCS Solution Center S.A. |
| 178 | TCS Uruguay S. A. |
| 179 | Teamlink (Liquidated with effect from 31.01.2018) |
| 180 | TESCOM (France) Software Systems Testing S.A.R.L. (Merged with Alti S.A. w.e.f. 31.03.2018) |
| 181 | TCS e-Serve International Limited |
| 182 | Tata Consultancy Services Japan, Ltd |
| 183 | TCS Foundation(formed under Section 8 of the Companies Act, 2013) |
| 184 | Tata Consultancy Services Saudi Arabia |
| 185 | Technology Outsourcing S.A.C. |
| 186 | MS CJV Investments Corporation (dissolved w.e.f. 24.01.2017) |
| 187 | Diligenta 2 Limited (dissolved w.e.f. 14.03.2017) |
| 188 | PT Financial Network Services (liquidated w.e.f. 16.03.2017) |
| 189 | Tata Trustee Company Limited |
| 190 | Tata Sky Limited |
| 191 | ACTVE Digital Services Private Limited |
| 192 | Tata Sky Broadband Private Limited (formerly Quickest Broadband Private Limited) |
| 193 | Eurofins Advinus Limited (formerly Advinus Therapeutics Limited) (ceased to be subsidiary w.e.f. 05.10.2017) |
| 194 | Advinus Therapeutics Inc. (ceased to be subsidiary w.e.f. 05.10.2017) |
| 195 | Impetis Biosciences Limited (w.e.f. 24.07.2017) (ceased to be subsidiary w.e.f. 05.10.2017) |
| 196 | Niskalp Infrastructure Services Limited (formerly Niskalp Energy Limited) |
| 197 | India Emerging Companies Investment Limited |
| 198 | Inshaallah Investments Limited |
| 199 | Tata Industries Limited |
| 200 | Apex Investments (Mauritius) Holding Private Limited (Amalgamated with Tata Industries Limited pursuant to the order dated 18.10.2017 of the Hon'ble NCLT at Mumbai Bench. Effective Date: 12.12.2017. Appointed Date: 01.04.2017) |

Notes forming part of the Consolidated Financial Statements

| | |
|-----|--|
| 201 | Tata Advanced Materials Limited |
| 202 | Tata Interactive Systems AG |
| 203 | Tata Interactive Systems GmbH |
| 204 | Tata Unistore Limited (formerly Tata Industrial Services Limited) |
| 205 | Landmark E-tail Limited (Amalgamated with Tata Unistore Limited pursuant to the order dated 29.06.2017 of the Hon'ble NCLT at Mumbai Bench. Effective Date: 30.06.2017. Appointed Date: 01.07.2015) |
| 206 | Inzpera Healthsciences Limited (w.e.f 22.06.2016) |
| 207 | Qubit Investments Pte. Limited (w.e.f. 19.07.2016) |
| 208 | Tata Autocomp Systems Limited (Included above as a Direct Associate of Tata Motors Limited) |
| 209 | Tata International Limited |
| 210 | Alliance Motors Ghana Limited |
| 211 | Bachi Shoes Limited (Amalgamated with Tata International Limited pursuant to the order dated 05.07.2017 of the National Company Law Tribunal at Chennai and order dated 11.07.2017 of the National Company Law Tribunal at Mumbai. Effective Date: 01.04.2015. Appointed Date: 01.04.2015) |
| 212 | Blackwood Hodge Zimbabwe (Private) Limited |
| 213 | Calsea Footwear Private Limited |
| 214 | Cometal, S.A.R.L. |
| 215 | Euro Shoe Components Limited |
| 216 | Monroa Portugal, Comércio E Serviços, Unipessoal LDA |
| 217 | Move On Componentes E Calçado, S.A. |
| 218 | Move On Retail Spain, S.L. |
| 219 | M'Pumalanga Mining Resources SA |
| 220 | Pamodzi Hotels Plc |
| 221 | TAH Pharmaceuticals Limited |
| 222 | TAHL (Mauritius) Mining Projects Limited |
| 223 | Tata Africa (Cote D'Ivoire) SARL |
| 224 | Tata Africa Holdings (Ghana) Limited |
| 225 | TATA Africa Holdings (Kenya) Limited |
| 226 | Tata Africa Holdings (SA) (Proprietary) Limited |
| 227 | Tata Africa Holdings (Tanzania) Limited |
| 228 | Tata Africa Services (Nigeria) Limited |
| 229 | Tata Africa Steel Processors (Proprietary) Limited |
| 230 | Tata Automobile Corporation (SA) (Proprietary) Limited |
| 231 | Tata De Mocambique, Limitada |
| 232 | Tata Holdings Mocambique Limitada |
| 233 | Tata International Metals (Americas) Limited (formerly Tata Steel International (North America) Limited) |
| 234 | Tata International Metals (Asia) Limited (formerly Tata Steel International (Hongkong) Limited) |
| 235 | Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Limited) |
| 236 | Tata International Singapore Pte Limited |
| 237 | Tata International Trading Brasil Ltda (ceased w.e.f. 30.11.2017) |
| 238 | Tata South East Asia (Cambodia) Limited |
| 239 | Tata South-East Asia Limited |
| 240 | Tata Uganda Limited |
| 241 | Tata West Asia FZE |
| 242 | Tata Zambia Limited |
| 243 | Tata Zimbabwe (Private) Limited |
| 244 | TIL Leather Mauritius Limited |
| 245 | Tata International West Asia DMCC |
| 246 | Motor-Hub East Africa Limited |
| 247 | Tata International Vietnam Company Limited (w.e.f. 09.06.2016) |
| 248 | Tata Africa (Senegal) S.A.R.L. (merged entity w.e.f 30.06.2016 pursuant to the merger with |

Notes forming part of the Consolidated Financial Statements

| | | |
|--|---|--|
| | | Tata International Unitech Senegal) |
| 249 | | Tata International Canada Limited (w.e.f. 17.11.2016) |
| 250 | | Newsshelf 1369 Pty Ltd. (w.e.f. 01.10.2016) |
| 251 | | TAHL (Mauritius) Power Projects Limited (ceased w.e.f. 14.04.2016) |
| 252 | | Tata International Unitech Senegal (formerly Unitech Motors S.A) (merged with Tata Africa (Senegal) S.A.R.L. w.e.f 30.06.2016) |
| 253 | | Taj Air Limited |
| 254 | | Taj Air Metrojet Aviation Limited |
| 255 | | AirAsia (India) Limited |
| 256 | | Strategic Energy Technology Systems Private Limited |
| 257 | | Tata Teleservices Limited |
| 258 | | A & T Road Construction Management and Operation Private Limited |
| 259 | | Pune Solapur Expressways Private Limited |
| 260 | | TRIL IT4 Private Limited (formerly Albrecht Builder Private Limited) |
| 261 | | Mikado Realtors Private Limited (w.e.f. 07.09.2016) |
| 262 | | MIA Infrastructure Private Limited |
| 263 | | Industrial Minerals and Chemical Company Private Limited (w.e.f. 31.03.2017) |
| 264 | | Nectar Loyalty Management India Limited (ceased w.e.f. 22.08.2016) |
| 265 | | Arvind and Smart Value Homes LLP |
| 266 | | Princeton Infrastructure Private Limited |
| 267 | | Sohna City LLP |
| 268 | | Technopolis Knowledge Park Limited |
| 269 | | HL Promoters Private Limited |
| 270 | | Kolkata-One Excelton Private Limited |
| 271 | | Sector 113 Gatevida Developers Private Limited (formerly Lemon Tree Land & Developers Private Limited) |
| 272 | | Promont Hilltop Private Limited |
| 273 | | Smart Value Homes (Peenya Project) Private Limited (formerly Smart Value Homes (Boisar Project) Private Limited) |
| 274 | | Smart Value Homes (New Project) LLP |
| 275 | | One Bangalore Luxury Projects LLP |
| 276 | | Tata International DLT Private Limited |
| 277 | | Tata International Wolverine Brands Limited |
| 278 | | Tata International GST AutoLeather Limited |
| 279 | | Synaptiv Limited (InMotion Ventures Limited holds Equity Investments valued at GB£1,56,000) |
| 280 | | DriveClubService Pte. Ltd. (InMotion Ventures Limited holds Equity Investments valued at US\$2,50,000) |
| 281 | | Cloud Car Inc |
| 282 | | Durg Shivnath Expressways Private Limited (formerly SMS Shivnath Infrastructure Private Limited (w.e.f. 26.04.2017) |
| 283 | | Matheran Rope-Way Private Limited (w.e.f. 19.06.2017) |
| 284 | | TATASOLUTION CENTER S.A. |
| 285 | | Alliance Finance Corporation Limited (w.e.f. 18.04.2017) |
| 286 | | Ardent Properties Private Limited (Ceased to be a subsidiary and is a joint venture w.e.f. 04.12.2017) |
| 287 | | MIA Infrastructure Private Limited (Ceased to be a joint venture and is a subsidiary w.e.f. 17.10.2017) |
| 288 | | SmartFoodz Limited (w.e.f. 16.11.2017) |
| 289 | | Impetis Biosciences Limited (w.e.f. 05.10.2017) |
| 5 Post employment benefit plans | 1 | Tata Technologies (India) Limited Gratuity Fund |
| | 2 | Tata Technologies (India) Limited Superannuation Fund |
| | 3 | Tata Technologies (India) Limited Provident Fund |

Notes forming part of the Consolidated Financial Statements

| | | |
|--|----|---|
| 6 Key Management Personnel of the Company | 1 | Mr. Warren Harris, Managing Director |
| | 2 | Mr Anubhav Kapoor, Company Secretary |
| | 3 | Mr. Venkateswarlu S, Chief Financial Officer (upto August 31, 2017) |
| | 4 | Mr. J.K. Gupta, Chief Financial Officer (w.e.f. September 1, 2017) |
| | 5 | Mr. S. Ramadorai, Director |
| | 6 | Mr. P.P. Kadle, Director |
| | 7 | Mr. C. Ramakrishnan, Director (upto March 29, 2018) |
| | 8 | Mr. Rakesh Makhija, Director |
| | 9 | Mr. Falguni Nayar, Director |
| | 10 | Guenter Butschek, Director (w.e.f. March 30, 2018) |
| | 11 | PB Balaji, Director (w.e.f. March 30, 2018) |

| | | |
|---|---|--|
| 7 Key Management Personnel in subsidiary companies & Joint Venture | 1 | Mr. Fernando Oviedo |
| | 2 | Mr. Ramesh Indhewat (upto 30 June, 2016) |
| | 3 | Mrs. Sonal Ramrakhiani |
| | 4 | Mr. Rajarajan Shanmugam |

Notes forming part of the Consolidated Financial Statements

38 Related Party Disclosures for the year ended March 31, 2018.

b) Transactions with related parties

(Amount in ₹ Crore)

| Particulars | Parent Company | Fellow subsidiaries | Joint Venture | Associates & Subsidiaries of the Parent Company | Key Management Personnel ** | Total |
|---|-----------------|---------------------|---------------|---|-----------------------------|-----------------|
| Purchase of products | - | 0.27 | - | 0.26 | - | 0.53 |
| | (-) | (-) | (-) | (0.55) | (-) | (0.55) |
| Sale of products | 41.70 | 2.61 | 0.01 | 20.24 | - | 64.56 |
| | (47.64) | (2.71) | (0.20) | (7.24) | (-) | (57.79) |
| Services received | 1.70 | 5.77 | 0.61 | 7.53 | - | 15.61 |
| | (1.44) | (0.88) | (1.41) | (12.00) | (-) | (15.73) |
| Services rendered | 465.07 | 723.91 | - | 89.20 | - | 1,278.18 |
| | (463.04) | (843.48) | - | (121.54) | (-) | (1,428.06) |
| Finance placed (including loans, equity & ICD) | 1,269.25 | - | - | - | - | 1,269.25 |
| | (1,074.00) | (-) | (-) | (30.00) | (-) | (1,104.00) |
| Finance received back (including loans, equity & ICD) | 1,191.75 | - | - | - | - | 1,191.75 |
| | (1,197.00) | (-) | (-) | (60.00) | (-) | (1,257.00) |
| Dividend paid | 121.20 | 3.25 | - | 22.48 | 1.47 | 148.40 |
| | (106.05) | (2.84) | (-) | (19.67) | (1.47) | (130.03) |
| Interest paid / (received)(net) | (9.42) | (0.55) | - | - | - | (9.97) |
| | (-8.56) | (-0.55) | (-) | (-2.51) | (-) | (-11.62) |
| Remuneration | - | - | - | - | 8.41 | 8.41 |
| | (-) | (-) | (-) | (-) | (7.91) | (7.91) |
| Amount receivable including unbilled revenue | 86.34 | 230.79 | 0.09 | 18.74 | - | 335.96 |
| | (69.05) | (109.69) | (-) | (40.04) | (-) | (218.78) |
| Amount payable | 0.87 | 0.27 | 0.25 | 6.43 | 0.16 | 7.98 |
| | (0.64) | (0.00) | (0.16) | (9.06) | (0.45) | (10.31) |
| Amount receivable (in respect of loans and bonds) | 77.50 | 5.29 | - | - | - | 82.79 |
| | (-) | (5.29) | (-) | (-) | (-) | (5.29) |
| Commission | - | - | - | - | 0.35 | 0.35 |
| | (-) | (-) | (-) | (-) | (0.60) | (0.60) |
| Sitting fees | - | - | - | - | 0.27 | 0.27 |
| | (-) | (-) | (-) | (-) | (0.16) | (0.16) |

The above transactions are excluding reimbursement of expenses

* Previous year's figures are shown in the brackets

** Includes transactions with the key management personnel in subsidiary companies and joint venture.

Notes forming part of the Consolidated Financial Statements

Disclosure of material transactions:

Purchase of Products:

TAL Manufacturing Solutions Limited: ₹ 0.27 crore (March 31, 2017 ₹ Nil)

Tata Consultancy Services: ₹ 0.26 crore (March 31, 2017 ₹ 0.55 Crore)

Sale of products:

Tata Consultancy Services: ₹ 17.48 crore (March 31, 2017 ₹ 2.64 crore)

Services received:

Jaguar Land Rover Limited ₹ 5.18 crore (March 31, 2017 ₹ Nil)

Tata Sons Limited: ₹ 5.25 crore (March 31, 2017 ₹ 6.52 crore)

Services Rendered:

Jaguar Land Rover Limited ₹ 668.80 crore (March 31, 2017 ₹ 784.85 crores)

Dividend paid:

TATA Capital General Partners LLP: ₹ 14.99 crores (March 31, 2017 ₹ 13.11 crores)

(Amount in ₹ Crore)

| Consideration of key management personnel | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| Short term benefits | 8.93 | 8.12 |
| Post employment benefits | 0.10 | 0.02 |

Notes:

1. Consideration of benefits payables to Key Managerial Management Personnel are in respect of holding company.
2. Includes provision for encashable leave and gratuity for certain key management personnels on estimate basis as a separate actuarial valuation is not available.

Refer note 35 for information on transactions with post-employment benefit plans.

Notes forming part of the Consolidated Financial Statements

39 Business Combination

Business combination occurring in the current reporting period:

On April 19, 2017, Tata Technologies Europe Ltd. (TTEL), entered into a Share Purchase agreement to acquire 100% shares in Escenda Holding AB (formerly know as Tescan Holding AB). Escenda is an engineering service company, headquartered in Gothenburg, Sweden.

(a) Details of the purchase consideration, assets and liabilities recognised and goodwill are as follows:

| Particulars | Amount in SEK Million | Amount in ₹ Crore |
|--|--------------------------|----------------------|
| Cash paid | 67.28 | 48.81 |
| Total purchase consideration | 67.28 | 48.81 |
| The assets and liabilities recognised as a result of the acquisition are as follows: | | |
| Property, Plant and Equipment | 1.15 | 0.83 |
| Current assets | 36.07 | 26.68 |
| Current liabilities | (24.44) | (17.74) |
| Intangible asset identified on acquisition and recognised separately from goodwill | 31.00 | 23.72 |
| Fair values of Escenda's identifiable assets and liabilities (excluding deferred tax) | 43.78 | 33.49 |
| Deferred tax on Intangible asset | 6.82 | 5.22 |
| Goodwill* | 30.32 | 20.54 |

*Goodwill is not deductible for income tax purposes.

(b) The assets and liabilities recognized as a result of the acquisition are as follows:

| Particulars | Amount in SEK Million | Amount in ₹ Crore |
|----------------------------------|--------------------------|----------------------|
| Property, Plant and Equipment | | |
| Tangible assets | 0.54 | 0.39 |
| Intangible assets | 0.61 | 0.44 |
| Total Fixed assets | 1.15 | 0.83 |
| Current assets | | |
| Trade Receivables | 26.25 | 19.55 |
| Current Account with banks | 5.98 | 4.33 |
| Prepaid expenses | 1.29 | 0.94 |
| Unbilled Revenue | 1.82 | 1.32 |
| Loans and Advances to employees | 0.46 | 0.34 |
| Current income tax assets | 0.27 | 0.20 |
| Total Current assets | 36.07 | 26.68 |
| Current liabilities | | |
| Trade Payables | 10.63 | 7.71 |
| Deferred Revenue | 0.05 | 0.04 |
| Statutory dues | 6.30 | 4.57 |
| Provision for employee benefits | 7.46 | 5.42 |
| Total Current liabilities | 24.44 | 17.74 |

(c) Acquired receivables

The fair value of acquired trade receivables is ₹ 19.55 Crores. The gross contractual amount for trade receivables due is ₹ 19.55 Crores and hence expected uncollectible receivables are nil.

Notes forming part of the Consolidated Financial Statements

(d) Revenue and profit contribution

The acquired business has contributed revenues of ₹ 132.96 crores and loss before tax of ₹ 10.91 crores to the group revenue and profit before tax respectively for the year ended March 31, 2018. The figures for the current period are therefore not comparable with those of previous period.

(e) Transactions recorded separately in the business combination:
Acquisition related costs

Acquisition related costs of ₹ 1.93 crore paid towards professional and legal fees, stamp duty etc. are included in 'exceptional items' in the Statement of Profit and Loss.

Deferred consideration

The deferred consideration is payable to the selling shareholders of Escenda in four bi-annual installments and is contingent upon their continued employment for a period of two years. The deferred consideration is being recognised on a proportionate basis over a period of two years from the date of acquisition. An amount of ₹ 5.97 crore representing the proportionate charge of the deferred consideration has been recognised as an expense during the year ended March 31, 2018 and included in 'exceptional items' in the Statement of Profit and Loss

40 (a) Details of subsidiaries

The following subsidiary companies are considered in the consolidated financial statements

| Sr.no | Name of the Subsidiary Company | Country of Incorporation | % of holding either directly or through subsidiary as at | |
|-------|---|--------------------------|--|----------------|
| | | | March 31, 2018 | March 31, 2017 |
| | Direct Subsidiary | | | |
| 1 | TATA Technologies Pte. Ltd. | Singapore | 100 | 100 |
| | Indirect Subsidiaries | | | |
| 2 | Tata Technologies (Thailand) Limited | Thailand | 100 | 100 |
| 3 | Cambric Manufacturing Technologies (Shanghai) Co. Ltd. (named changed to Tata Manufacturing Technologies Consulting (Shanghai) Limited effective April 1, 2017) | China | 100 | 100 |
| 4 | INCAT International Plc. | UK | 100 | 100 |
| 5 | Tata Technologies Europe Limited | UK | 100 | 100 |
| 6 | Escenda Engineering AB (Tata Technologies Europe Limited acquired 100% stake in the company w.e.f. May 1, 2017) | Sweden | 100 | - |
| 7 | INCAT GmbH (in process of liquidation) | Germany | 100 | 100 |
| 8 | Tata Technologies Inc. ** | USA | 99.81 | 99.81 |
| 9 | Tata Technologies (Canada) Inc. ** (Liquidated w.e.f. December 13, 2016) | Canada | - | 99.81 |
| 10 | Tata Technologies de Mexico, S.A. de C.V ** | Mexico | 99.81 | 99.81 |
| 11 | Cambric Limited, Bahama ** | Bahama, USA | 99.76 | 99.76 |
| 12 | Cambric UK Ltd.** (Dissolved w.e.f. May 23, 2017) | UK | - | 99.81 |
| 13 | Cambric GmbH (in process of liquidation) ** | Germany | 99.81 | 99.81 |
| 14 | Midwest Managed Services Inc.** (Merged into Tata Technologies Inc. w.e.f. Feb 28, 2018) | Utah, USA | - | 99.81 |
| 15 | Tata Technolgies SRL, Romania ** (erstwhile Cambric Consulting SRL was renamed w.e.f February 4, 2015) | Romania | 99.76 | 99.76 |
| 16 | Tata Technologies Limited Employees Stock Option Trust | India | 100 | 100 |
| 17 | Zedra Corporate Services (Guernsey) Limited | UK | 100 | 100 |

** For these subsidiaries though the holding is 99.81 % and 99.76 %, the indirect voting power is 100%.

Notes forming part of the Consolidated Financial Statements

40 (b) Company has set up ESOP Trusts, or administration, management and implementation of the various employee share based payment schemes of the Company. During the year, the Company consolidated these ESOP trusts in the consolidated financial statements of the Company, with effect from April 1, 2016. This consolidation resulted in the following immaterial changes to the Company's prior period financial statements:

- Retained earnings – Increase by ₹ 10.86 crore being the net effect of accumulated excess of income over expenditure as at March 31, 2016, profit/loss for the year ended March 31, 2017 and elimination of dividend paid to trusts on shares held by them.
- Share capital and securities premium – Decrease by ₹ 52.25 crore being value of shares held by trusts considered as treasury shares.
- Net assets – Decrease by ₹ 41.39 crore being net effect of other consolidation adjustments.

The Company evaluated the materiality of the above changes from both quantitative and qualitative perspective. Since these revisions were not material to any prior financial statements, no amendments to previously filed financial statements is required.

41 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements

| Sr. No | Name of the entity in the group | Net Assets, i.e., total assets minus total liabilities | | Share in (profit) or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|--|---|--|-------------------|---------------------------------------|-----------------|---|----------------|-------------------------------------|-----------------|
| | | As % of Consolidated net assets | ₹. Cr. | As % of consolidated (profit) or loss | ₹. Cr. | As % of consolidated other comprehensive income | ₹. Cr. | As % of total comprehensive income | ₹. Cr. |
| Parent Company | | | | | | | | | |
| | Tata Technologies Limited | 46.52% | (721.25) | 72.20% | (177.47) | -1.56% | 1.51 | 51.38% | (175.96) |
| Direct Subsidiaries - Indian | | | | | | | | | |
| 1 | Tata Technologies Limited Employees Stock Option Trust | 0.17% | (2.68) | 0.08% | (0.20) | 0.00% | - | 0.06% | (0.20) |
| 2 | Direct and Indirect Subsidiaries - Foreign | | | | | | | | |
| 3 | TATA Technologies Pte. Ltd. | 46.84% | (726.17) | -1.13% | 2.79 | 3.91% | (3.78) | 0.29% | (0.99) |
| 4 | Tata Technologies (Thailand) Limited | 0.65% | (10.10) | 0.84% | (2.07) | 0.83% | (0.80) | 0.84% | (2.87) |
| 5 | Cambric Manufacturing Technologies (Shanghai) Co. Ltd. (named changed to Tata Manufacturing Technologies Consulting (Shanghai) Limited effective April 1, 2017) | 2.51% | (38.89) | 4.17% | (10.24) | 3.20% | (3.10) | 3.89% | (13.33) |
| 6 | INCAT International Plc. | 2.85% | (44.21) | -0.10% | 0.26 | 5.64% | (5.45) | 1.52% | (5.20) |
| 7 | Tata Technologies Europe Limited | 46.32% | (718.18) | 23.85% | (58.63) | 101.17% | (97.79) | 45.69% | (156.42) |
| 8 | Escenda Engineering AB (Tata Technologies Europe Limited acquired 100% stake in the company w.e.f. May 1, 2017) | -0.01% | 0.17 | -4.42% | 10.86 | -1.37% | 1.33 | -3.55% | 12.19 |
| 9 | INCAT GmbH (in process of liquidation) | 1.17% | (18.12) | 0.19% | (0.47) | 2.64% | (2.55) | 0.88% | (3.02) |
| 10 | Tata Technologies Inc. (Including Midwest Managed Services Inc. which got merged into Tata Technologies Inc. w.e.f. Feb 28, 2018) | 22.82% | (353.74) | 1.97% | (4.84) | 1.91% | (1.84) | 1.95% | (6.69) |
| 11 | Tata Technologies de Mexico, S.A. de C.V | 0.41% | (6.34) | 0.22% | (0.53) | 0.14% | (0.14) | 0.20% | (0.67) |
| 12 | Cambric Limited, Bahama | 1.23% | (19.07) | -0.09% | 0.22 | 0.00% | - | -0.06% | 0.22 |
| 13 | Cambric UK Limited (Dissolved w.e.f. May 23, 2017) | 0.00% | - | 0.00% | - | 0.45% | (0.43) | 0.13% | (0.43) |
| 14 | Cambric GmbH (in process of liquidation) | 0.13% | (1.96) | -0.12% | 0.31 | 0.31% | (0.30) | 0.00% | 0.01 |
| 15 | Tata Technologies SRL, Romania (erstwhile Cambric Consulting SRL was renamed w.e.f. February 4, 2015) | 1.74% | (27.03) | 2.67% | (6.55) | 2.46% | (2.37) | 2.61% | (8.93) |
| 16 | Zedra Corporate Services (Guernsey) Limited | 0.71% | (10.93) | 0.54% | (1.32) | 0.02% | (0.02) | 0.39% | (1.34) |
| Joint Ventures (investment as per the equity method) - Indian | | | | | | | | | |
| | Tata HAL Technologies Ltd | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| | Consolidation Adjustment | -74.04% | 1,148.04 | -0.86% | 2.12 | -19.74% | 19.08 | -6.19% | 21.20 |
| | Total | 100.00% | (1,550.48) | 100.00% | (245.81) | 100.00% | (96.66) | 100.00% | (342.47) |

Notes forming part of the Consolidated Financial Statements

42. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current period's classification / disclosure.

Immaterial regroupings/reclassifications done to previous year's figures to correspond with current period's classification/disclosure are as follows:

(Amount in ₹ Crore)

| Particulars | Amount as per audited financial statements on 31 March 2017 | Amount reclassified in current year | Nature of reclassification |
|------------------------------|---|-------------------------------------|--|
| Note 13- Other Bank balances | 2.29 | 0.04 | Regrouped under Pledged/lien with banks in Note 14 - other financial assets - non current |
| Note 8-Loans - Non current | 56.33 | 2.03 | Regrouped under Deposits with government authorities in Note 10 - other non-current assets |
| Note 8-Loans - Current | 5.59 | 0.47 | Regrouped under Loans to related parties in Note 14 - Other financial assets - current |
| | | 0.15 | Regrouped under Deposits with government and others in Note 10 - Other current assets |
| Note 17-Trade payables | 288.20 | 10.05 | Regrouped under capital creditors in Note 19 -Other financial liabilities - current |

(Amount in ₹ Crore)

| Particulars | Amount as per audited financial statements on 31 March 2017 | Amount reclassified in current year | Nature of reclassification |
|--|---|-------------------------------------|--|
| Consultancy fees, softwares and others | 455.64 | 53.56 | Regrouped Software-internal use, Professional fees and Training costs under Note 28 - Other expenses |
| Other expenses | 251.50 | 3.28 | Regrouped under Other gains and losses in Note 23 - Other income |
| Other expenses | 251.50 | 3.65 | Regrouped under Other non-operating income in Note 23 - Other income |

For and on behalf of the Board

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/W - 100022

Swapnil Dakshindas
Partner
Membership No: 113896

Date: April 20, 2018
Place: Mumbai

S Ramadorai
Chairman
DIN: 00000002

Gunter Butschek
Director
DIN : 07427375

PB Balaji
Director
DIN : 02762983

Date: April 20, 2018
Place: Mumbai

P P Kadle
Director
DIN: 00016814

Warren Harris
Managing Director
DIN: 02098548

J.K.Gupta
Chief Financial Officer

Rakesh Makhija
Director
DIN: 00117692

Falguni Nayyar
Director
DIN: 00003633

Anubhav Kapoor
General Counsel & Company Secretary

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TATA TECHNOLOGIES LIMITED

Report on the Audit of Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of Tata Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies, and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

10. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 15, 2017, expressed an unmodified opinion on those financial statements.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

12. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 29;
 - ii. The Company did not have material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2018.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

Swapnil Dakshindas

Partner

Membership Number: 113896

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Date: April 20, 2018

Place: Mumbai

Report on Internal Financial Controls Over Financial Reporting

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 12 (f) of the Independent Auditors' Report of even date to the members of Tata Technologies Limited on the Standalone Financial Statements for the year ended March 31, 2018)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Tata Technologies Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Swapnil Dakshindas

Partner

Membership Number: 113896

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Date: April 20, 2018

Place: Mumbai

ANNEXURE “B” TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Tata Technologies Limited on the standalone financial statements as of and for the year ended 31 March 2018.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The physical verification of inventory (traded) have been conducted at reasonable intervals by the Management during the year and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, and based on the audit procedures performed by us, the Company has granted unsecured loans to one party amounting to ₹ 77.50 crores to its holding company, which is a party covered in the register maintained under Section 189 of the Act.
 - (a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
 - (b) The aforesaid loans are repayable on demand. The holding company is repaying the principal amounts whenever called and is also regular in payment of interest.
 - (c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the loans and investments made. The Company however, has not issued any guarantees or provided any security.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, the provisions of Clause 3(v) of the said Order are not applicable to the Company.
- (vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of professional tax and tax deducted at source, though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues, including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of tax dues, as at 31 March 2018 which have not been deposited on account of a dispute, are as follows:

| Name of Statute | Nature of Dues | Forum where Dispute is pending | Period to which the amount relates | Amount involved (₹ in crore) | Amount Unpaid (₹ in crore) |
|--|----------------|--|------------------------------------|------------------------------|----------------------------|
| Income Tax Act, 1961 | Income Tax | Income Tax Appellate Tribunal | 2006-07 | 0.28 | 0.14 |
| Central Sales Tax, 1956 | Sales Tax | Deputy Commissioner of Sales Tax (Appeals) | 2003-04 | 0.003 | NIL |
| Finance Act, 1994 (Service Tax Provisions) | Service Tax | CESTAT | 2006-08 | 5.31 | NIL |

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from any financial institution or Government, nor has it issued any debentures.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Swapnil Dakshindas
Partner
Membership Number: 113896

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Date: April 20, 2018
Place: Mumbai

Standalone Balance Sheet

(Amount in ₹ Crore)

| Particulars | Note No. | As at March 31, 2018 | As at March 31, 2017 |
|---|----------|-------------------------|-------------------------|
| I. ASSETS | | | |
| (1) Non-current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 70.56 | 77.24 |
| (b) Capital work-in-progress | | 0.11 | 2.91 |
| (c) Intangible assets | 4 | 50.37 | 59.06 |
| (d) Intangible assets under development | 4 | 12.84 | 7.71 |
| (e) Investments in subsidiaries and joint venture | 5 | 218.91 | 218.91 |
| (f) Financial assets: | | | |
| (i) Investments | 6 | 36.79 | 35.09 |
| (ii) Loans | 7 | 8.13 | 7.92 |
| (iii) Other bank balances | 8 | 0.05 | - |
| (iv) Other financial assets | 9 | 0.04 | 0.04 |
| (g) Income tax assets (net) | 10 | 9.14 | 9.08 |
| (h) Deferred tax asset (net) | 10 | 16.33 | 22.16 |
| (i) Other non-current assets | 11 | 7.15 | 8.49 |
| Total Non-current Assets | | 430.42 | 448.61 |
| (2) Current Assets | | | |
| (a) Inventories | | 1.21 | - |
| (b) Financial assets: | | | |
| (i) Investments | 6 | - | 185.35 |
| (ii) Trade receivables | 12 | 339.08 | 224.26 |
| (iii) Cash and cash equivalents | 13 | 20.94 | 96.87 |
| (iv) Other bank balances | 8 | 3.15 | 2.25 |
| (v) Loans | 7 | 77.72 | 1.00 |
| (vi) Other financial assets | 9 | 61.22 | 50.44 |
| (c) Current tax assets (net) | 10 | - | 20.55 |
| (d) Other current assets | 11 | 13.55 | 18.62 |
| Total Current Assets | | 516.87 | 599.34 |
| Total Assets | | 947.29 | 1,047.95 |
| II. EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity Share capital | 14 | 43.04 | 43.03 |
| (b) Other Equity | 15 | 678.21 | 709.06 |
| Total Equity | | 721.25 | 752.09 |
| Liabilities | | | |
| (2) Non-current Liabilities | | | |
| (a) Financial liabilities: | | | |
| (i) Trade payables | 16 | 0.15 | 0.10 |
| (ii) Other financial liabilities | 17 | 0.88 | 2.93 |
| (b) Provisions | 18 | 24.46 | 21.93 |
| Total Non-current Liabilities | | 25.49 | 24.96 |

(Amount in ₹ Crore)

| Particulars | Note No. | As at March 31, 2018 | As at March 31, 2017 |
|-------------------------------------|----------|-------------------------|-------------------------|
| (3) Current Liabilities | | | |
| (a) Financial liabilities: | | | |
| (i) Borrowings | 19 | - | 97.28 |
| (ii) Trade payables | 16 | 126.61 | 124.52 |
| (iii) Other financial liabilities | 17 | 22.76 | 17.29 |
| (b) Provisions | 18 | 1.38 | 1.15 |
| (c) Current tax liabilities (net) | 10 | 6.49 | 14.04 |
| (d) Other current liabilities | 20 | 43.31 | 16.62 |
| Total Current Liabilities | | 200.55 | 270.90 |
| Total Liabilities | | 226.04 | 295.86 |
| Total Equity and Liabilities | | 947.29 | 1,047.95 |

See accompanying notes forming integral part of these financial statements 1-35

For and on behalf of the Board

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/W - 100022

Swapnil Dakshindas
Partner
Membership No: 113896

Date: April 20, 2018
Place: Mumbai

S Ramadorai
Chairman
DIN: 00000002

Guenter Butschek
Director
DIN: 07427375

PB Balaji
Director
DIN : 02762983

Date: April 20, 2018
Place: Mumbai

P P Kadle
Director
DIN: 00016814

Warren Harris
Managing Director
DIN: 02098548

J.K. Gupta
Chief Financial Officer

Rakesh Makhija
Director
DIN: 00117692

Falguni Nayar
Director
DIN: 00003633

Anubhav Kapoor
General Counsel &
Company Secretary

Standalone Statement of Profit and Loss

(Amount in ₹ Crore)

| Particulars | Note No. | For the year ended | |
|---|----------|--------------------|----------------|
| | | March 31, 2018 | March 31, 2017 |
| I. Revenue from operations | 21 | 1,124.96 | 1,112.08 |
| II. Other income | 22 | 24.58 | 21.93 |
| III. Total Income (I + II) | | 1,149.54 | 1,134.01 |
| IV. Expenses : | | | |
| (a) Purchases of traded products | | 121.34 | 114.50 |
| (b) Outsourcing and consultancy charges | | 53.95 | 45.38 |
| (c) Employee benefits expense | 23 | 542.99 | 515.91 |
| (d) Finance costs | 24 | 2.22 | 0.99 |
| (e) Depreciation and amortisation expense | 25 | 50.40 | 51.40 |
| (f) Other expenses | 26 | 143.69 | 131.32 |
| Total expenses (IV) | | 914.59 | 859.50 |
| V. Profit before exceptional items and tax (III-IV) | | 234.95 | 274.51 |
| VI. Exceptional Items | | | |
| - Retrospective statutory benefits expense | 29(i) | - | 5.55 |
| - Provision for Impairment of Investment in Joint Venture | 5(iii) | - | 5.07 |
| VII. Profit before tax (V-VI) | | 234.95 | 263.89 |
| VIII. Tax Expense : | 27 | | |
| (a) Current tax | | 69.07 | 57.34 |
| (b) Deferred tax | | (11.59) | (6.88) |
| | | 57.48 | 50.46 |
| IX. Profit for the year (VII-VIII) | | 177.47 | 213.43 |
| Other comprehensive income/(loss) for the year | | | |
| Items that will not be reclassified to profit or loss: | | | |
| (i) Remeasurement of post employment benefits obligations | | (3.12) | (5.06) |
| (ii) Income tax relating to above items | | 1.08 | 1.75 |
| Items that may be reclassified to profit or loss : | | | |
| (i) Exchange differences on translation of operations of a foreign branch | | 0.53 | (0.09) |
| X. Other comprehensive income/(loss) for the year | | (1.51) | (3.40) |
| XI. Total comprehensive income for the year (IX+X) | | 175.96 | 210.03 |
| XII. Earnings Per Equity Share (Face value of ₹ 10 each): | 28 | | |
| (a) Basic (in ₹) | | 41.24 | 49.60 |
| (b) Diluted (in ₹) | | 42.15 | 49.58 |

See accompanying notes forming integral part of these financial statements 1-35

For and on behalf of the Board

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/W -100022

Swapnil Dakshindas
Partner
Membership No: 113896

Date: April 20, 2018
Place: Mumbai

S Ramadorai
Chairman
DIN: 00000002

Guenter Butschek
Director
DIN: 07427375

PB Balaji
Director
DIN : 02762983

P P Kadle
Director
DIN: 00016814

Warren Harris
Managing Director
DIN: 02098548

J.K. Gupta
Chief Financial Officer

Rakesh Makhija
Director
DIN: 00117692

Falguni Nayar
Director
DIN: 00003633

Anubhav Kapoor
General Counsel &
Company Secretary

Standalone Cash Flow Statement

(Amount in ₹ Crore)

| Particulars | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit for the year | 177.47 | 213.43 |
| Adjustments for: | | |
| Depreciation and amortisation | 50.40 | 51.40 |
| Disallowance of TDS abroad | 0.21 | 0.27 |
| Tax expense | 57.48 | 50.46 |
| Dividend income on investments | (0.53) | (1.41) |
| (Profit)/Loss on sale of investments (net) | (0.25) | (5.12) |
| (Profit)/Loss on sale of tangible and intangible fixed assets | 0.14 | (0.28) |
| Interest income | (10.98) | (17.51) |
| Finance costs | 2.22 | 0.99 |
| Unrealised exchange loss / (gain) | (4.58) | (1.89) |
| Effect of exchange differences on translation of foreign currency cash & cash equivalent | (1.16) | 1.12 |
| Allowance for expected credit loss (net) | 2.49 | (0.02) |
| Change in fair value of investments | (1.62) | 3.28 |
| Provision for Impairment of Investment in Joint Venture | - | 5.07 |
| Operating profit before working capital changes | 271.29 | 299.79 |
| Working capital adjustments | | |
| (Increase) / decrease in trade receivables | (108.65) | (28.57) |
| (Increase) / decrease in inventories | (1.21) | - |
| (Increase) / decrease in other current assets | 5.07 | (7.05) |
| (Increase) / decrease in other current financial assets | (10.76) | (2.07) |
| (Increase) / decrease in current loans | 1.08 | 0.29 |
| (Increase) / decrease in non-current loans | (0.21) | (0.46) |
| (Increase) / decrease in other non-current assets | 1.34 | (0.54) |
| Increase / (decrease) in trade payables | 2.44 | 3.31 |
| Increase / (decrease) in other financial liabilities | 3.82 | (1.22) |
| Increase / (decrease) in other current liabilities | 26.69 | 3.74 |
| Increase / (decrease) in current provisions | 0.23 | (0.41) |
| Increase / (decrease) in non-current provisions | (0.59) | 1.56 |
| CASH GENERATED FROM OPERATIONS | 190.54 | 268.37 |
| Income taxes paid (net) | (37.84) | (40.88) |
| NET CASH FLOW GENERATED/(USED) FROM OPERATING ACTIVITIES | 152.70 | 227.49 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Dividend received | 0.42 | 0.42 |
| Other bank Balances | (0.95) | (0.29) |
| Interest received on bank deposit and others | 0.14 | 5.89 |
| Inter corporate deposits placed | (1,269.25) | (1,104.00) |
| Inter corporate deposits refunded | 1,191.75 | 1,257.00 |
| Loans to others | - | (0.87) |
| Interest received from inter corporate deposits / bonds | 10.51 | 11.31 |
| Purchase of mutual funds | (139.00) | (210.35) |
| Sale of mutual funds | 324.60 | 64.77 |
| Proceeds from sale of tangible and intangible fixed assets | 0.20 | 0.31 |
| Payment for purchase of tangible and intangible fixed assets (including capital work in progress) | (38.96) | (57.15) |
| NET CASH FLOW GENERATED/(USED) FROM INVESTING ACTIVITIES | 79.46 | (32.96) |

(Amount in ₹ Crore)

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | March 31, 2018 | March 31, 2017 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Share application money received pending allotment | 0.40 | 0.40 |
| Proceeds from issue of shares including securities premium | - | 0.22 |
| Interest paid | (2.25) | (1.04) |
| Dividends paid (including dividend tax) | (206.31) | (180.98) |
| Proceeds from current borrowings | 150.41 | 202.74 |
| Repayment of current borrowings | (252.03) | (200.94) |
| NET CASH FLOW GENERATED/(USED) IN FINANCING ACTIVITIES | (309.78) | (179.60) |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS | (77.62) | 14.93 |
| Cash and cash equivalents at the end of the year (Refer note iii) | 20.94 | 96.87 |
| Cash and cash equivalents at the beginning of the year (Refer note iii) | 96.87 | 83.15 |
| Less: Effect of exchange rate changes on cash and cash equivalents | (1.16) | 1.12 |
| Add: Translation adjustment on reserves of foreign branch | 0.53 | (0.09) |
| | (77.62) | 14.93 |
| Cash and cash equivalents at the end of the year (Refer note iii) | 20.94 | 96.87 |
| Cash and cash equivalents at the beginning of the year (Refer note iii) | 96.87 | 83.15 |
| Less: Effect of exchange rate changes on cash and cash equivalents | (1.16) | 1.12 |
| Add: Translation adjustment on reserves of foreign branch | 0.53 | (0.09) |
| | (77.62) | 14.93 |

Notes:

- (i) The above Cash Flow Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
- (ii) Prior year comparatives have been reclassified to confirm with current year's presentation, where applicable.
- (iii) For the purpose of cash flow Cash and cash equivalents comprise :

Cash and Cash Equivalents

(Amount in ₹ Crore)

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Balances with banks: | | |
| - Current account | 18.43 | 60.57 |
| - Deposits with maturity of less than three months | - | 32.75 |
| Cheques, drafts on hand/funds in transit | 2.49 | 3.54 |
| Cash on hand | 0.02 | 0.01 |
| | 20.94 | 96.87 |

Reconciliation of liabilities arising from financing activities

(Amount in ₹ Crore)

| Particulars | March 31, 2017 | Cash flows | Foreign Exchange Movement | March 31, 2018 |
|--------------------|----------------|------------|---------------------------|----------------|
| Current borrowings | 97.28 | (101.62) | 4.34 | - |

See accompanying notes forming integral part of these financial statements 1-35

For and on behalf of the Board

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/W -100022

Swapnil Dakshindas
Partner
Membership No: 113896

Date: April 20, 2018
Place: Mumbai

S Ramadorai
Chairman
DIN: 00000002

Guenter Butschek
Director
DIN: 07427375

PB Balaji
Director
DIN : 02762983

Date: April 20, 2018
Place: Mumbai

P P Kadle
Director
DIN: 00016814

Warren Harris
Managing Director
DIN: 02098548

J.K. Gupta
Chief Financial Officer

Rakesh Makhija
Director
DIN: 00117692

Falguni Nayar
Director
DIN: 00003633

Anubhav Kapoor
General Counsel &
Company Secretary

Statement of changes in Equity

(Amount in ₹ Crore)

| Other Equity | Part A - Equity Share Capital | | Part B - Equity Share Capital | | | | | Items of other comprehensive income | | Total other equity |
|---|-------------------------------|---|-------------------------------|---|-----------------|-------------------|--------------------------------------|--|---------------|--------------------|
| | Equity share capital | Share application money pending allotment | Reserves and Surplus | | | Retained earnings | Foreign Currency Translation Reserve | Remeasurments of post employment benefit obligations (net of tax effect) | | |
| | | | Securities Premium Reserve | Securities Premium identified separately for consolidation adjustment | General reserve | | | | | |
| Balance as at April 1, 2016 | 43.02 | 0.19 | 350.52 | 23.16 | 134.65 | 172.36 | - | (1.19) | 679.69 | |
| Profit for the year | - | - | - | - | - | 213.43 | - | - | 213.43 | |
| Other comprehensive loss for the year (net of tax) | - | - | - | - | - | - | (0.09) | (3.31) | (3.40) | |
| Total comprehensive income for the year | - | - | - | - | - | 213.43 | (0.09) | (3.31) | 210.03 | |
| Issue of equity shares under employee share option plan | - | (0.19) | 0.40 | - | - | - | - | - | 0.21 | |
| Dividend paid (₹40 per share) (including dividend tax) | - | - | - | - | - | (181.27) | - | - | (181.27) | |
| Issue of equity shares under employee share option plan pending allotment | 0.01 | 0.40 | - | - | - | - | - | - | 0.40 | |
| Balance as at March 31, 2017 | 43.03 | 0.40 | 350.92 | 23.16 | 134.65 | 204.52 | (0.09) | (4.50) | 709.06 | |
| Balance as at April 1, 2017 | 43.03 | 0.40 | 350.92 | 23.16 | 134.65 | 204.52 | (0.09) | (4.50) | 709.06 | |
| Profit for the year | - | - | - | - | - | 177.47 | - | - | 177.47 | |
| Issue of equity shares | 0.01 | - | - | - | - | - | - | - | - | |
| Other comprehensive loss for the year (net of tax) | - | - | - | - | - | - | 0.53 | (2.04) | (1.51) | |
| Total comprehensive income for the year | 0.01 | - | - | - | - | 177.47 | 0.53 | (2.04) | 175.96 | |
| Issue of equity shares under employee share option plan | - | (0.40) | 0.39 | - | - | - | - | - | (0.01) | |
| Dividend paid (₹40 per share) (including dividend tax) | - | - | - | - | - | (207.20) | - | - | (207.20) | |
| Issue of equity shares under employee share option pending allotment | - | 0.40 | - | - | - | - | - | - | 0.40 | |
| Balance as at March 31, 2018 | 43.04 | 0.40 | 351.31 | 23.16 | 134.65 | 174.79 | 0.44 | (6.54) | 678.21 | |

See accompanying notes forming integral part of these financial statements

1 - 35

For and on behalf of the Board

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/W -100022

Swapnil Dakshindas
Partner
Membership No: 113896

Date: April 20, 2018
Place: Mumbai

S Ramadorai
Chairman
DIN: 00000002

Guenter Butschek
Director
DIN: 07427375

PB Balaji
Director
DIN : 02762983

Date: April 20, 2018
Place: Mumbai

P P Kadle
Director
DIN: 00016814

Warren Harris
Managing Director
DIN: 02098548

J.K. Gupta
Chief Financial Officer

Rakesh Makhija
Director
DIN: 00117692

Falguni Nayar
Director
DIN: 00003633

Anubhav Kapoor
General Counsel &
Company Secretary

Notes forming part of the Standalone Financial Statements

Company overview and Significant Accounting Policies

1. Company overview

TATA Technologies Limited ("TTL or the Company") was incorporated on August 22, 1994 as a Private Limited Company in the name of Core Software Systems Private Limited. The name of the Company was subsequently changed to Tata Technologies (India) Limited. On February 8, 2001, the Company changed its name from Tata Technologies (India) Limited to Tata Technologies Limited. The Company's range of services includes IT Consultancy, SAP implementation and maintenance, providing networking solutions, CAD/CAM engineering & design consultancy. The Company is headquartered in Pune, India. The Company has six offices located at Mumbai, Lucknow, Jamshedpur, Bangalore, Chennai, Hyderabad and one branch office located in Japan that enables it to provide high quality, cost-effective services to clients.

The Company is the subsidiary of Tata Motors Limited (which is the Holding Company).

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

(i) Statement of compliance

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for the following:

- certain financial assets and liabilities which are measured at fair value;
- share-based payments

(iii) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current -noncurrent classification of assets and liabilities.

(iv) Critical estimates and judgements

The preparation of the financial statements requires management to make judgments, 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 those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

(a) Useful lives of Property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

b) Income Taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

c) Deferred Taxes

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carryforwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period is reduced.

d) Expected credit losses on financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Revenue Recognition and unbilled revenue (to the extent of projects where revenue is recognized on percentage completion method)

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

f) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.2. Foreign currency transaction and translation**(i) Functional and presentation currency:**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign-currency denominated monetary assets and liabilities are re-instated into the functional currency 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. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

(iii) Foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the Balance Sheet
- Income and expense items are translated at the average exchange rates for the respective months (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity. When a foreign operation is disposed of, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal.

2.3. Revenue recognition

Revenue is measured at fair value of consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, discounts, value added taxes and other amounts collected on behalf of third parties.

The company recognised revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below.

(i) Time and material contracts:

Revenue from services on time and materials contracts is recognized when services are rendered and related costs are incurred i.e. based on certification of time sheets as per the terms of specific contracts.

(ii) Fixed price contracts:

Revenues from fixed price contracts are recognized using percentage of completion method. Percentage of completion is determined based on efforts or costs incurred to date as a percentage of total estimated efforts or costs required to complete the project. The efforts or cost expended are used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of income in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

(iii) Multiple element arrangements:

'Revenue from contracts with multiple-element arrangements are recognized using the guidance in Ind AS 18, Revenue. The Company allocates the arrangement consideration to separately identifiable components based on their relative fair values or on

the residual method. Fair values are determined based on sale prices for the components when it is regularly sold separately, third-party prices for similar components or cost plus an appropriate business-specific profit margin related to the relevant component.

(iv) Products:

Revenue from sale of hardware, third party licenses and support are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(v) Interest income:

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

(vi) Dividend income:

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

(vii) Export incentive:

Export incentives/entitlements are recognized in the Statement of Profit & Loss when the right to receive credit as per the terms of the entitlement and certainty of its realization is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

2.4. Property, plant and equipment

(i) Recognition and measurement:

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when discarded/scrapped.

All other repairs and maintenance costs are charged to profit and loss in the reporting period in which they occur.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital work- in-progress.

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(ii) Depreciation:

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

| Type of Asset | Useful Life |
|-------------------------|--|
| Lease hold improvements | Lower of Lease period or estimated useful life |
| Buildings | 15 to 25 years |
| Plant and machinery | 1 to 21 years |
| Computer equipment's | 1 to 4 years |
| Vehicles | 3 to 11 years |
| Furniture & fixtures | 1 to 21 years |
| Software | 1 to 4 years |

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

2.5. Intangible assets

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

Internally generated intangible asset arising from development activity is recognised at cost on demonstration of its technical feasibility, the intention and ability of the Company to complete, use or sell it, only if, it is probable that the asset would generate future economic benefit and the expenditure attributable to the said assets during its development can be measured reliably.

Software not exceeding ₹ 25,000 is charged off to the statement of profit and loss.

2.6. Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate:

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits and
- the availability of adequate resources to complete the development.

2.7. Financial instruments

(a) Financial assets:

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics.

For investments in debt instruments, this will depend on business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(ii) Initial recognition:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(iii) Measurement:

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

Cash and cash equivalents:

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

Investment in subsidiaries:

The Company has accounted for its investment in subsidiaries at cost less impairment.

Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVOCI):

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL):

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Impairment of financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(v) Derecognition of financial assets:

The Company derecognizes a financial asset when

- the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109.
- retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to extent of continuing involvement in the financial asset."

(b) Financial Liabilities**(i) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost:

Borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iv) Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency.

The Company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counterparty is primarily a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this

category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

2.8. Impairment-Non- Financial assets

Intangible assets and property, plant and equipment

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statement.

As at March 31, 2018, none of the Company's property, plant and equipment and intangible assets were considered impaired.

2.9. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are determined at present value based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

2.10. Earnings per equity share

Basic earnings per share is computed by dividing net income by the weighted average number of shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted average number of shares outstanding during the period adjusted for treasury shares held and dilutive potential shares, except where the result would be anti-dilutive.

2.11. Inventories

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

2.12. Taxation

Income tax comprises current and deferred taxes. Income tax expense is recognized in the income statement except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which

case tax is also recognized outside profit or loss, or where they arise from the initial accounting for business combination.

(i) Current income tax:

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

(ii) Deferred income tax:

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(iii) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred tax asset if there is convincing evidence that the Company will pay normal income tax in the future.

2.13. Employee benefits

(i) Post-employment benefit plans:

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

The Company has the following employee benefit plans:

a. Provident fund

Eligible employees of the Company receive benefits from a provident fund, which is a defined contribution plan. Both, the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Tata Technologies (India) Limited Employees Provident Fund (PF Trust). PF Trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the PF Trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

b. Superannuation

The Company has two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be a member of either plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company account for superannuation benefits payable in future under the plan based on an estimated basis for the period end and on an independent actuarial valuation as on the Balance Sheet date.

Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit or Loss in the period of plan amendment.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' basic salary to the trust every year. Such contributions are recognized as an expense when incurred. The Company has no further obligation beyond this contribution.

c. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts. The Company accounts for the liability for gratuity benefits payable in the future based on an estimated basis for the period end and on an independent actuarial valuation under Projected Unit Cost method as on the Balance Sheet date.

Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit or Loss in the period of plan amendment.

Costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognized in profit or loss.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

d. Bhavishya Kalyan Yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of the Company. The benefits of the plan include pension in certain cases, payable up to the date of normal superannuation had the employee been in service, to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased / disabled employee under the plan equals 50% of the basic salary drawn at the time of death or accident or a specified amount, whichever is greater. The Company accounts for the liability for BKY benefits payable in the future based on an estimated basis for the period end and on an independent actuarial valuation under Projected Unit Cost method as on the Balance Sheet date.

Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit or Loss in the period of plan amendment.

Costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognized in profit or loss.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

e. Post-retirement medicare scheme

Under this unfunded scheme, employees of the Company receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The Company accounts for the liability for post-retirement medical scheme based on an estimated basis for the period end and on an independent actuarial valuation under Projected Unit Cost method at the year end.

Re-measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of Profit or Loss in the period of plan amendment.

Costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognized in profit or loss.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the

form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(ii) Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on number of days of unutilized leave at each balance sheet date based on an estimated basis for the period end and on an independent actuarial valuation under Projected Unit Cost method at the year end.

2.14. Share based payments

Share-based compensation benefits are provided to the employees via the Employee Stock Option Plan 2001 (TTESOP 2001) and the various Employee Share Purchase Plans. All share based payment schemes of the company are administered through trusts set up by the Company for this purpose.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

2.15. Dividends

Dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors as per Ind AS 10.

2.16. Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Assets taken on finance lease

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Assets taken on operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight-line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit or loss.

Deposits provided to lessors: The Company is generally required to pay refundable security deposits in order to obtain property leases from various lessors. Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments.

Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight-line basis over the lease term as lease rental expense.

2.17. Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

2.18. Exceptional items

The Company considers exceptional items to be those which derive from events or transactions which are significant for separate disclosure by virtue of their size or incidence in order for the user to obtain a proper understanding of the Company's financial performance. These items include, but are not limited to, acquisition costs, impairment charges, reorganisation costs and profits and losses on disposal of subsidiaries and other one-off items which meet this definition. To provide a better understanding of the underlying results of the period, exceptional items are reported separately in the Statement of Profit or Loss.

2.19. Recent Accounting Pronouncements

Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") had notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The company is evaluating the requirements of the amendments and the impact on the financial statements is being evaluated.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") had notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopted the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The company is evaluating the requirements of the amendments and the impact on the financial statements is being evaluated.

Notes forming part of the Standalone Financial Statements

3 Property, Plant and Equipment

(Amount in ₹ Crore)

| Property, plant and equipment | Owned Assets | | | | | | | Total |
|--|--------------|----------------------|-------------------|--------------|------------------------|-------------|------------------------|---------------|
| | Buildings | Plant and equipments | Office equipments | Computers | Furniture and fixtures | Vehicles | Leasehold Improvements | |
| Gross carrying value at at April 1, 2016 | 14.82 | 17.05 | 4.41 | 46.15 | 8.82 | 0.71 | 12.09 | 104.05 |
| Additions | 2.53 | 1.57 | 0.61 | 13.96 | 0.48 | 0.10 | 0.43 | 19.68 |
| Disposals | - | (0.01) | (0.09) | (0.05) | - | (0.29) | - | (0.44) |
| Gross carrying value at at March 31 2017 | 17.35 | 18.61 | 4.93 | 60.06 | 9.30 | 0.52 | 12.52 | 123.29 |
| Accumulated depreciation at at April 1, 2016 | 1.21 | 1.96 | 1.10 | 14.67 | 1.68 | 0.36 | 1.56 | 22.54 |
| Depreciation for the year | 1.21 | 2.11 | 1.20 | 16.44 | 0.84 | 0.29 | 1.84 | 23.93 |
| Disposals | - | (0.01) | (0.09) | (0.03) | - | (0.29) | - | (0.42) |
| Accumulated depreciation at at March 31 2017 | 2.42 | 4.06 | 2.21 | 31.08 | 2.52 | 0.36 | 3.40 | 46.05 |
| Net carrying value at at March 31 2017 | 14.93 | 14.55 | 2.72 | 28.98 | 6.78 | 0.16 | 9.12 | 77.24 |
| Gross carrying value at at April 1, 2017 | 17.35 | 18.61 | 4.93 | 60.06 | 9.30 | 0.52 | 12.52 | 123.29 |
| Additions | 0.40 | 0.81 | 0.52 | 10.12 | 0.75 | 1.23 | 2.54 | 16.37 |
| Disposals | - | (0.03) | (0.02) | (0.46) | (0.31) | - | (0.55) | (1.37) |
| Other adjustments* | - | (0.04) | (0.87) | 0.91 | - | - | - | - |
| Gross carrying value as at March 31, 2018 | 17.75 | 19.35 | 4.56 | 70.63 | 9.74 | 1.75 | 14.51 | 138.29 |
| Accumulated depreciation at at April 1, 2017 | 2.42 | 4.06 | 2.21 | 31.08 | 2.52 | 0.36 | 3.40 | 46.05 |
| Depreciation for the year | 1.28 | 1.98 | 1.01 | 15.06 | 0.95 | 0.33 | 2.12 | 22.73 |
| Disposals | - | (0.03) | (0.02) | (0.40) | (0.05) | - | (0.55) | (1.05) |
| Other adjustments* | - | (0.01) | (0.50) | 0.51 | - | - | - | - |
| Accumulated depreciation as of March 31, 2018 | 3.70 | 6.00 | 2.70 | 46.25 | 3.42 | 0.69 | 4.97 | 67.73 |
| Net carrying value as at March 31, 2018 | 14.05 | 13.35 | 1.86 | 24.38 | 6.32 | 1.06 | 9.54 | 70.56 |

* Assets regrouped during the year

(i) Contractual obligations: The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 4.55 Crore as at March 31, 2018 (₹ 8.83 Crore as at March 31, 2017).

3 (ii) Leases

The Company has taken building, plant and equipment and computers under operating lease. The following is the summary of future minimum lease rental payments under non-cancellable operating leases entered into by the Company:

(Amount in ₹ Crore)

| | As at March 31, 2018 Minimum Lease Payments | As at March 31, 2017 Minimum Lease Payments |
|---|--|--|
| Not later than one year | 2.82 | 7.09 |
| Later than one year but not later than five years | 1.52 | 4.29 |
| Later than five years | 3.13 | 3.17 |
| Total minimum lease commitments | 7.47 | 14.55 |
| Less: future finance charges | - | - |
| Present value of minimum lease payments | 7.47 | 14.55 |

Total operating lease rent expenses were ₹ 15.59 crores for the year ended March 31, 2018 and ₹ 14.38 crores for the year ended March 31, 2017.

Notes forming part of the Standalone Financial Statements
4 Intangible assets

(Other than internally generated)

(Amount in ₹ Crore)

| | Software Licenses | Total |
|--|-------------------|---------------|
| Gross carrying value at at April 1, 2016 | 83.98 | 83.98 |
| Additions | 27.69 | 27.69 |
| Disposals | - | - |
| Gross carrying value at at March 31, 2017 | 111.67 | 111.67 |
| Accumulated amortisation at at April 1, 2016 | 25.14 | 25.14 |
| Amortization for the year | 27.47 | 27.47 |
| Accumulated amortisation on disposals | - | - |
| Accumulated amortisation at at March 31, 2017 | 52.61 | 52.61 |
| Net carrying value at at March 31, 2017 | 59.06 | 59.06 |
| Gross carrying value at at April 1, 2017 | 111.67 | 111.67 |
| Additions | 19.00 | 19.00 |
| Disposals | (0.18) | (0.18) |
| Gross carrying value as at March 31, 2018 | 130.49 | 130.49 |
| Accumulated amortisation at at April 1, 2017 | 52.61 | 52.61 |
| Amortization for the year | 27.67 | 27.67 |
| Accumulated amortisation on disposals | (0.16) | (0.16) |
| Accumulated amortisation as of March 31, 2018 | 80.12 | 80.12 |
| Net carrying value as at March 31, 2018 | 50.37 | 50.37 |

 (i) **Intangibles under development**

(Amount in ₹ Crore)

| | March 31, 2018 | March 31, 2017 |
|--------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 7.71 | - |
| Additions during the year | 24.13 | 35.40 |
| Capitalized during the year | (19.00) | (27.69) |
| Balance at the end of the year | 12.84 | 7.71 |

- (ii) Contractual obligation : The estimated amount of contracts remaining to be executed on capital account, and not provided for is ₹ 8.67 Crore as at March 31, 2018 (₹ 3.27 Crore as at March 31, 2017).

Notes forming part of the Standalone Financial Statements

5 Investments in Subsidiaries and Joint Venture

(Amount in ₹ Crore)

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|-------------------------|---------------|-------------------------|---------------|
| | Units | Amount | Units | Amount |
| Unquoted: | | | | |
| (i) Investments in Equity of Subsidiaries- carried at cost | | | | |
| (a) Tata Technologies Inc.- (3.75% Holding) | 150,000 | 15.57 | 150,000 | 15.57 |
| (b) Tata Technologies Pte Ltd, Singapore, a 100% subsidiary company | 86,463,759 | 203.34 | 86,463,759 | 203.34 |
| | | <u>218.91</u> | | <u>218.91</u> |
| (ii) Investments in joint venture - carried at cost | | | | |
| (a) Tata HAL Technologies Limited | 5,070,000 | 5.07 | 5,070,000 | 5.07 |
| Less: Provision for Impairment in value of investment* | | - (5.07) | | - (5.07) |
| | | <u>218.91</u> | | <u>218.91</u> |
| Total Aggregate Unquoted Investments [(i)+(ii)] | | <u>218.91</u> | | <u>218.91</u> |

(iii) Information about Joint Ventures

| Name of the Company | Principal place of the business | % of Holding | |
|--------------------------------------|---------------------------------|-------------------------|-------------------------|
| | | As at March 31, 2018 | As at March 31, 2017 |
| TATA HAL Technologies Limited (THTL) | India | 50% | 50% |

The Company has a joint venture (JV) with Hindustan Aeronautics Ltd., THTL for providing engineering and design solutions and services in the domain of aerostructures for aerospace industry.

*Having regard to the future business strategy/plans of the joint venture and considering their current financial position, the Company recognized a provision for impairment loss of ₹ 5.07 crores during the year ended March 31, 2017, in respect of its investment in joint venture.

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| (iv) Aggregate book value of unquoted investments | 218.91 | 218.91 |
| Aggregate value of impairment | 5.07 | 5.07 |

Notes forming part of the Standalone Financial Statements
6 Investments

(Amount in ₹ Crore)

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|--|-------------------------|---------------------|-------------------------|----------------------|
| | Quantity | Amount | Quantity | Amount |
| NON-CURRENT | | | | |
| Quoted: | | | | |
| i) Investment carried at Fair value through Profit and Loss (FVTPL) | | | | |
| Investment in Mutual funds | | | | |
| ICICI Prudential Fixed Maturity Plan Sr 80-1227 Days Plan Q Direct Plan Cumulative | 5,000,000 | 5.37 | 5,000,000 | 5.03 |
| Reliance Fixed Horizon Fund - XXXIII - Series 6- Direct Growth Plan | 5,000,000 | 5.36 | 5,000,000 | 5.01 |
| DSP BlackRock FMP - Series 205 - 37M- Direct Growth | 5,000,000 | 5.36 | 5,000,000 | 5.03 |
| IDFC Fixed Term Plan Series 131-Direct- Growth | 5,000,000 | 5.35 | 5,000,000 | 5.01 |
| Kotak FMP Series 202 - 1144 Days- Direct Plan-Growth | 5,000,000 | 5.35 | 5,000,000 | 5.01 |
| | | <u>26.79</u> | | <u>25.09</u> |
| ii) Investments carried at amortised cost - Investment in Debentures (See Note-1 below) | | | | |
| Tata Motors Finance Limited | 100 | 5.00 | 100 | 5.00 |
| 100 (P.Y.100) 11% Non Convertible Debentures of ₹ 0.05 Crore each fully paid | | <u>5.00</u> | | <u>5.00</u> |
| Unquoted: | | | | |
| i) Investments carried at amortised cost - Investment in Preference Shares (See Note-2 below) | | | | |
| Tata Capital Limited | 33,333 | 5.00 | 33,333 | 5.00 |
| - Cumulative redeemable non participating preference shares of ₹ 1,500 each fully paid | | <u>5.00</u> | | <u>5.00</u> |
| Total Non-current Investments | | <u>36.79</u> | | <u>35.09</u> |
| CURRENT | | | | |
| Unquoted: | | | | |
| Investment carried at Fair value through Profit and Loss (FVTPL) | | | | |
| IDFC Cash Fund -Direct Plan -Growth | - | - | 101,291 | 20.01 |
| DSP BlackRock Liquidity Fund - Direct Plan - Growth | - | - | 64,524 | 15.01 |
| Kotak Floater Short Term-Direct-Growth | - | - | 58,095 | 15.51 |
| L&T Liquid Fund - Direct Plan - Growth | - | - | 67,294 | 15.01 |
| TATA Money Market Fund Direct Plan-Growth | - | - | 58,561 | 15.01 |
| ICICI Prudential Money Market Fund-Direct Plan-Growth | - | - | 667,040 | 15.01 |
| UTI Money Market Fund Institutional Plan-Direct-Growth | - | - | 80,941 | 14.77 |
| Axis Liquid Fund-Direct-Growth | - | - | 83,268 | 15.02 |
| IDFC Ultra Short Term Fund-Direct-Growth | - | - | 6,478,698 | 15.00 |
| Reliance Money Manager Fund-Direct Growth Plan Growth Option | - | - | 65,890 | 15.00 |
| ICICI Prudential Flexible Income-Direct Plan-Growth | - | - | 479,887 | 15.00 |
| Axis Treasury Advantage Fund-Direct-Growth | - | - | 81,252 | 15.00 |
| Total Current Investments | | <u>-</u> | | <u>185.35</u> |
| Aggregate book value of quoted investments | | 31.79 | | 30.09 |
| Aggregate market value of quoted investments | | 31.79 | | 30.09 |
| Aggregate book value of unquoted investments | | 5.00 | | 190.35 |
| Aggregate book value of impairment | | - | | - |

Notes:

- The debentures carry interest at 11% per annum, payable annually and will mature in September,2021.
- The Preference shares bear dividend at 12.5% per annum, payable annually and will mature in September,2019.

Notes forming part of the Standalone Financial Statements

7 Loans

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| NON-CURRENT | | |
| (Unsecured, considered good) | | |
| (a) Security deposits | 4.83 | 4.48 |
| (b) Loans to employees | 0.51 | 0.65 |
| (c) Loans to related parties (Refer note 32(ii)) | <u>2.79</u> | <u>2.79</u> |
| | <u>8.13</u> | <u>7.92</u> |
| CURRENT | | |
| (Unsecured, considered good) | | |
| (a) Loans to related parties (Refer note 32(ii)) | | |
| - Inter corporate deposits | 77.50 | - |
| (b) Security deposits | 0.07 | 0.41 |
| (c) Loans to employees | <u>0.15</u> | <u>0.59</u> |
| | <u>77.72</u> | <u>1.00</u> |

8 Other Bank Balances

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| NON-CURRENT | | |
| (a) Earmarked balance with banks | 0.05 | - |
| | <u>0.05</u> | <u>-</u> |
| Note : | | |
| (i) Balances earmarked for Employees Deposit Linked Insurance benefit | | |
| CURRENT | | |
| (a) Earmarked balance with banks | 2.88 | 1.98 |
| (b) Deposits pledged/lien with banks | <u>0.27</u> | <u>0.27</u> |
| | <u>3.15</u> | <u>2.25</u> |

Notes :

- (i) Earmarked balances with banks pertain to unclaimed dividends
- (ii) Deposits have been kept with bank as security for bank guarantee.

Notes forming part of the Standalone Financial Statements
9 Other Financial Assets

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| NON-CURRENT | | |
| (a) Deposits pledged/lien with banks | 0.04 | 0.04 |
| | <u>0.04</u> | <u>0.04</u> |
| CURRENT | | |
| (a) Interest accrued on deposits and investments | 0.37 | 0.35 |
| (b) Bills of Exchange | 11.21 | 9.65 |
| (c) Derivative carried at fair value through profit & loss - Foreign currency forward cover | 0.01 | 1.86 |
| (d) Unbilled revenue | 45.57 | 34.14 |
| (e) Receivable from related parties for reimbursement of expenses (Refer note 32(ii)) | 4.06 | 4.44 |
| | <u>61.22</u> | <u>50.44</u> |

10 (i) Income tax assets/(liabilities)

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--------------------------------------|-------------------------|-------------------------|
| Non current income tax assets (net) | 9.14 | 9.08 |
| Current tax assets (net) | - | 20.55 |
| Income tax liabilities (net) | 6.49 | 14.04 |
| Net income tax assets /(liabilities) | <u>2.65</u> | <u>15.59</u> |

10 (ii) Movement in income tax assets/(liabilities)

The gross movement in income tax assets/(liabilities) for the year ended March 31, 2018 and March 31, 2017 is as follows:

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| Net income tax assets /(liability) at beginning | 15.59 | 32.32 |
| Income tax paid (net) | 56.13 | 40.61 |
| Current income tax expense | <u>(69.07)</u> | <u>(57.34)</u> |
| Net income tax assets /(liability) at the end | <u>2.65</u> | <u>15.59</u> |

Notes forming part of the Standalone Financial Statements

10 (iii) Deferred tax assets (net)

(Amount in ₹ Crore)

| Significant components and movement of deferred tax assets and liabilities for the year ended March 31, 2018: | As at April 1, 2017 | Recognized in the statement of profit and loss | Recognized in/reclassified from other comprehensive income | MAT Credit Utilisation | As at March 31, 2018 |
|---|------------------------|---|--|---------------------------|-------------------------|
| Deferred tax assets: | | | | | |
| Provisions and allowances for doubtful receivables and others | 1.66 | 0.86 | - | - | 2.52 |
| Compensated absences and retirement benefits | 7.25 | 6.53 | 1.08 | - | 14.86 |
| Minimum alternate tax (MAT) credit | 22.28 | - | - | (18.50) | 3.78 |
| Remeasurement of post employment benefits obligations | 1.56 | - | - | - | 1.56 |
| Total deferred tax assets | <u>32.75</u> | <u>7.39</u> | <u>1.08</u> | <u>(18.50)</u> | <u>22.72</u> |
| Deferred tax liabilities: | | | | | |
| Property, plant and equipment and intangible assets | 8.60 | (2.99) | - | - | 5.61 |
| Gain/Loss on Change in Fair Value of Investments | 0.05 | 0.56 | - | - | 0.61 |
| Derivative financial instruments | 0.52 | (0.90) | - | - | (0.38) |
| Others | 1.42 | (0.87) | - | - | 0.55 |
| Total deferred tax liabilities | <u>10.59</u> | <u>(4.20)</u> | <u>-</u> | <u>-</u> | <u>6.39</u> |
| Net Deferred tax assets/(liabilities) | 22.16 | 11.59 | 1.08 | (18.50) | 16.33 |

(Amount in ₹ Crore)

| Significant components and movement of deferred tax assets and liabilities for the year ended March 31, 2017: | As at April 1, 2016 | Recognized in the statement of profit and loss | Recognized in/reclassified from other comprehensive income | MAT Credit Utilisation | As at March 31, 2017 |
|---|------------------------|---|--|---------------------------|-------------------------|
| Deferred tax assets: | | | | | |
| Provisions and allowances for doubtful receivables and others | 1.66 | - | - | - | 1.66 |
| Compensated absences and retirement benefits | 4.56 | 0.94 | 1.75 | - | 7.25 |
| Minimum alternate tax (MAT) credit | 17.46 | 4.82 | - | - | 22.28 |
| Remeasurement of post employment benefits obligations | 1.56 | - | - | - | 1.56 |
| Total deferred tax assets | <u>25.24</u> | <u>5.76</u> | <u>1.75</u> | <u>-</u> | <u>32.75</u> |
| Deferred tax liabilities: | | | | | |
| Property, plant and equipment and intangible assets | 9.69 | (1.09) | - | - | 8.60 |
| Gain/Loss on Change in Fair Value of Investments | 1.19 | (1.14) | - | - | 0.05 |
| Derivative financial instruments | 0.16 | 0.36 | - | - | 0.52 |
| Others | 0.67 | 0.75 | - | - | 1.42 |
| Total deferred tax liabilities | <u>11.71</u> | <u>(1.12)</u> | <u>-</u> | <u>-</u> | <u>10.59</u> |
| Net Deferred tax assets/(liabilities) | 13.53 | 6.88 | 1.75 | - | 22.16 |

Notes forming part of the Standalone Financial Statements
11 Other Assets

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| NON-CURRENT | | |
| (Unsecured, considered good) | | |
| (a) Prepaid expenses | 2.16 | 2.63 |
| (b) Prepaid lease rentals | 3.30 | 3.34 |
| (c) Prepaid defined benefit superannuation | 0.44 | 1.08 |
| (d) Deposits with government authorities | 1.25 | 1.44 |
| | <u>7.15</u> | <u>8.49</u> |
| CURRENT | | |
| (Unsecured, considered good) | | |
| Advances other than capital advances: | | |
| (a) Advances to suppliers and contractors | 3.80 | 2.85 |
| Others: | | |
| (b) Prepaid expenses | 8.94 | 9.24 |
| (c) Prepaid lease rentals | 0.04 | 0.04 |
| (d) Balances with government authorities | 0.56 | 6.34 |
| (e) Deposits with government authorities | 0.21 | 0.15 |
| | <u>13.55</u> | <u>18.62</u> |

12 Trade Receivables

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| (Unsecured, considered good unless otherwise stated) | | |
| Considered good | 339.08 | 224.26 |
| Considered doubtful | 5.37 | 2.88 |
| | <u>344.45</u> | <u>227.14</u> |
| Less : Expected credit loss allowance | 5.37 | 2.88 |
| | <u>339.08</u> | <u>224.26</u> |

In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of receivables that are due and rates used in the provision matrix.

13 Cash And Cash Equivalents

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| (a) Balances with banks: | | |
| - Current account | 18.43 | 60.57 |
| - Deposits with maturity of less than three months | - | 32.75 |
| (b) Cheques, drafts on hand/funds in transit | 2.49 | 3.54 |
| (c) Cash on hand | 0.02 | 0.01 |
| | <u>20.94</u> | <u>96.87</u> |

Notes forming part of the Standalone Financial Statements

14 Equity Share Capital

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| (a) Authorised: | | |
| (i) 60,000,000 equity shares of ₹ 10/- each (as at March 31, 2017: 60,000,000 equity shares of ₹ 10/- each) | 60.00 | 60.00 |
| (ii) 700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each (as at March 31, 2017: 700,000 0.01% Cumulative Non-participative Compulsorily convertible Preference Shares of ₹ 10/- each) | 0.70 | 0.70 |
| | <u>60.70</u> | <u>60.70</u> |
| (b) Issued, Subscribed and Fully paid up capital: | | |
| 43,037,514 equity shares of ₹ 10/- each (as at March 31, 2017: 43,031,326 equity shares of ₹ 10/- each) | 43.04 | 43.03 |
| | <u>43.04</u> | <u>43.03</u> |

(c) The movement of number of shares and share capital

| | No. of Shares | Amount in ₹ Crore |
|---------------------------------------|-------------------|-------------------|
| Equity shares | | |
| Number of shares as at April 1, 2016 | 43,024,638 | 43.02 |
| Add: Shares issued under ESOP scheme | 6,688 | 0.01 |
| Number of shares as at March 31, 2017 | <u>43,031,326</u> | <u>43.03</u> |
| Add: Shares issued under ESOP scheme | 6,188 | 0.01 |
| Number of shares as at March 31, 2018 | <u>43,037,514</u> | <u>43.04</u> |

(d) Rights, preferences and restrictions attached to shares :

(i) Ordinary shares :

The Company has only one class of shares having par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share and in the event of liquidation, has rights proportionate to their shareholdings over the residual assets after paying out all the liabilities.

(e) Shares in the Company held by each shareholder holding more than 5% shares (including shares held by the Holding Company, its subsidiaries and associates)

(Amount in ₹ Crore)

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | |
|---|----------------------|--------------|----------------------|--------------|
| | No. of Shares | % Holding | No. of Shares | % Holding |
| Equity shares | | | | |
| (a) Tata Motors Limited (Holding Company) | 30,300,600 | 70.41 | 30,300,600 | 70.42 |
| (b) Alpha TC Holdings Pte Ltd. | 3,746,505 | 8.71 | 3,746,505 | 8.71 |
| | <u>34,047,105</u> | <u>79.12</u> | <u>34,047,105</u> | <u>79.13</u> |

Notes forming part of the Standalone Financial Statements

(f) Information regarding issue of shares in the last five years:

- (i) The Company has not issued any shares without payment being received in cash.
- (ii) The Company has not issued any bonus shares.
- (iii) The Company has not undertaken any buy-back of shares.

(g) Shares reserved for issue under options:

Option activity during the year under the plan is given as below

(Amount in ₹ Crore)

| Number of options granted, exercised and forfeited | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Options granted, beginning of the year | 19,738 | 30,114 |
| Granted during the year | - | - |
| Exercised during the year | (6,188) | (9,876) |
| Expired during the year | - | - |
| Forfeited during the year | - | (500) |
| Options exercisable at the year end | 13,550 | 19,738 |
| Weighted average share price at the date of exercise | ₹ 645 | ₹ 645 |
| Weighted average remaining contractual life (in years) | 9 | 10 |
| Range of exercise prices | ₹ 60 to ₹ 645 | ₹ 60 to ₹ 645 |

During the fiscal year 2014-15, the Compensation Committee of the Board of Directors, Company had granted 30,000 options to the eligible employees. The options vest over 4-5 years and are exercisable during a maximum period of 11 years from the date of vesting. In terms of the ESOP plan, the options were granted at the exercise price equivalent to the fair value of the underlying shares. The Company has accounted the above options at fair value.

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 4 & 5 years, an expected dividend rate of 3.88% on the underlying equity shares, a risk free rate of 7.81% and volatility in the share price of 37.5% since the company being closely held and its shares not being freely traded. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur.

(h) Stock based incentive schemes by Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) and Zedra Corporate Services (Guernsey) Limited

To manage and implement various stock based incentive programs for employees of the Company, the Company has formed Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) and Zedra Corporate Services (Guernsey) Limited for employees of the Company and its subsidiaries. Since shares of the Company are not listed on Stock Exchange, Tata Technologies Limited Employees Stock Option Trust (TTESOP Trust) and Zedra Corporate Services (Guernsey) Limited purchase the shares from employees and ex-employees of the Company. The shares so purchased by the Trusts are reissued to the employees through various stock based incentive schemes from time to time. These shares are issued at their fair values on the date of grant which is determined on the basis of latest audited balance sheet of the Company. Some of the ESPPs require the employees to offer the shares to trusts on cessation of employment for which the trusts have retained a first right of refusal. No employee has been allocated more than 1% of the issued capital of the Company.

Notes forming part of the Standalone Financial Statements

(i) Shares allocated under Employee Stock Purchase Program are as follows

| Scheme Name | No. of Shares | Price Per share ₹ |
|---|---------------|-------------------|
| Tata Technologies Employee Stock Purchase Program 2008 | 290,500 | 145 |
| Tata Technologies Employee Stock Purchase Program 2009 | 18,800 | 196 |
| Tata Technologies Employees Stock Purchase Program- Series III (ESPP- Series III) | 52,251 | 196 |
| Employees Stock Purchase Program- Series IV (ESPP – Series IV) | 47,600 | 223 |
| Employees Stock Purchase Program- Series V (ESPP – Series V) | 22,500 | 417 |
| Employees Stock Purchase Program- Series VI (ESPP – Series VI) | 81,400 | 645 |
| Employee Stock Ownership Program for INCAT Employees 2006 | 217,165 | 135 |
| Employee Stock Ownership Program for INCAT Key Employees 2007 | 600,000 | 135 |
| Employee Stock Ownership Program for INCAT General Employees 2007 | 148,066 | 145 |
| Employee Stock Ownership Program 2009 (ESO 2009) | 88,067 | 196 |
| Employee Stock Ownership Program 2010 (ESO 2010) | 709,000 | 223 |
| Employee Stock Ownership Program 2012 (ESO 2012) | 60,000 | 417 |
| Employee Stock Ownership Program 2015 (ESO 2015) | 70,000 | 645 |

(j) Number of shares held by both Trust:

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| Tata Technologies Limited Employees Stock Option Trust | 49,486 | 46,986 |
| Zedra Corporate Services (Guernsey) Limited | 891,015 | 883,515 |
| | <u>940,501</u> | <u>930,501</u> |

15 (i) Other Equity:

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| Share application money pending allotment | 0.40 | 0.40 |
| Securities Premium Reserve | 351.31 | 350.92 |
| Securities Premium identified separately for consolidation adjustment | 23.16 | 23.16 |
| General reserve | 134.65 | 134.65 |
| Retained earnings | 174.79 | 204.52 |
| Items of other comprehensive income | (6.10) | (4.59) |
| | <u>678.21</u> | <u>709.06</u> |

Notes forming part of the Standalone Financial Statements
(ii) Movement in other equity

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| Share application money pending allotment | | |
| Balance at the beginning of the year | 0.40 | 0.19 |
| Issue of equity shares under employee share option plan | (0.40) | (0.19) |
| Issue of shares | 0.40 | 0.40 |
| Balance at the end of the year | 0.40 | 0.40 |
| Securities premium reserve | | |
| Balance at the beginning of the year | 350.92 | 350.52 |
| Add: Received during the year on exercise of stock options issued to employees (including from share based payment reserve) | 0.39 | 0.40 |
| Balance at the end of the year | 351.31 | 350.92 |
| Securities Premium identified seperately for consolidation adjustment | | |
| Balance at the beginning of the year | 23.16 | 23.16 |
| Balance at the end of the year | 23.16 | 23.16 |
| General reserve | | |
| Balance at the beginning of the year | 134.65 | 134.65 |
| Add : Transferred from Retained earnings | - | - |
| Balance at the end of the year | 134.65 | 134.65 |
| Retained earnings | | |
| Balance at the beginning of the year | 204.52 | 172.36 |
| Add: Profit for the year | 177.47 | 213.43 |
| Less: Dividends, including taxes thereon | (207.20) | (181.27) |
| Balance at the end of the year | 174.79 | 204.52 |
| Other Components of Equity: | | |
| Balance at the beginning of the year | (4.59) | (1.19) |
| Foreign Currency Translation Reserve | 0.53 | (0.09) |
| Remeasurements of post employment benefits obligations (net of tax effect) | (2.04) | (3.31) |
| Balance at the end of the year | (6.10) | (4.59) |

Notes:
(i) Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) Securities Premium identified seperately for consolidation adjustment

During 2010, based on the approval of Shareholders of the Company at the Extra-Ordinary General Meeting held on March 5, 2010 and the Order of the Honourable High Court of Judicature at Mumbai dated April 16, 2010, the Company had utilized balance in the securities premium account to the tune of ₹ 46.66 Crore towards one time charges/cost (including change in accounting policy for provision for doubtful debts) incurred by the Company and its subsidiary companies. The amounts relating to the Company amounting to ₹ 17.32 Crore had been adjusted to the Securities Premium Account. An amount of ₹ 29.34 Crore equivalent to the total amount of adjustments relating to the subsidiaries had been identified and segregated from the balance in the Securities Premium Account for adjustment on consolidation. Of this total adjustment made ₹ 1.58 Crore and ₹ 16.58 Crore relates to provision for doubtful debts of the Company and its subsidiary companies respectively on account of change in accounting policy with regard to provision for doubtful debts."

Notes forming part of the Standalone Financial Statements

Consequently, such excess provisions for doubtful debts on account of the said collections have been written back to the Securities Premium Account. The subsidiary companies have realized from doubtful debts upto March 31, 2018 ₹ 6.18 crores (March 31, 2017 ₹ 6.18 crores). Accordingly the said amount has been transferred from the Securities Premium identified separately for consolidated adjustment to Securities Premium Account and the balance amount of ₹ 23.16 crores (March 31, 2017 ₹ 23.16 crores) relating to the subsidiaries is continued to be disclosed separately as securities premium account for adjustment on consolidation.

(iii) General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

(iv) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

16 Trade Payables

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| NON CURRENT | | |
| (a) Total outstanding dues of creditors other than micro enterprises and small enterprises | 0.15 | 0.10 |
| (b) Total outstanding dues of micro enterprises and small enterprises* | - | - |
| | <u>0.15</u> | <u>0.10</u> |
| CURRENT | | |
| (a) Total outstanding dues of creditors other than micro enterprises and small enterprises | 123.96 | 120.85 |
| (b) Total outstanding dues of micro enterprises and small enterprises* | 2.65 | 3.67 |
| | <u>126.61</u> | <u>124.52</u> |

Note:

The average credit period on purchases of good and services ranges from 30 to 60 Days.

*Amount outstanding to suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006 shown above has been determined to the extent of confirmation received from suppliers and on the basis of information available with the Company. This has been relied upon by the auditors. There are no overdue amounts to supplier.

17 Other Financial Liabilities

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| NON-CURRENT | | |
| (a) Retention Bonus payable | 0.88 | 2.93 |
| | <u>0.88</u> | <u>2.93</u> |
| CURRENT | | |
| (a) Interest accrued but not due on borrowings | - | 0.03 |
| (b) Capital creditors | 8.79 | 10.05 |
| (c) Unpaid dividends | 2.87 | 1.98 |
| (d) Provision for employee benefits | 7.51 | 4.68 |
| (e) Retention Bonus payable | 2.44 | 0.16 |
| (f) Derivative carried at fair value through P&L | | |
| - Foreign currency forward cover | 1.15 | 0.39 |
| | <u>22.76</u> | <u>17.29</u> |

Notes forming part of the Standalone Financial Statements
18 Provisions

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| NON CURRENT | | |
| (a) Provision for employee benefits (Refer note 31) | 24.46 | 21.93 |
| | <u>24.46</u> | <u>21.93</u> |
| CURRENT | | |
| (a) Provision for employee benefits (Refer note 31) | 1.38 | 1.15 |
| | <u>1.38</u> | <u>1.15</u> |

19 Borrowings

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|------------------------------|-------------------------|-------------------------|
| CURRENT | | |
| Unsecured: | | |
| (i) Loan repayable on demand | | |
| From banks | - | 97.28 |
| | <u>-</u> | <u>97.28</u> |

The above loan pertains to packing credit facility which was repayable within six months from the date of borrowing.

20 Other Current Liabilities

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|---|-------------------------|-------------------------|
| (a) Statutory remittances (withholding taxes, Provident Fund, VAT, GST, etc.) | 27.85 | 11.41 |
| (b) Advance and Progress payments | 0.16 | 0.36 |
| (c) Unearned revenue | 15.30 | 4.85 |
| | <u>43.31</u> | <u>16.62</u> |

21 Revenue From Operations

(Amount in ₹ Crore)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|-----------------------|--------------------------------------|--------------------------------------|
| (a) Sale of products | 151.30 | 148.19 |
| (b) Sale of services | 958.73 | 950.73 |
| (c) Export Incentive | 13.86 | 13.15 |
| (d) Commission income | 1.07 | 0.01 |
| | <u>1,124.96</u> | <u>1,112.08</u> |

Notes forming part of the Standalone Financial Statements

22 Other Income

(Amount in ₹ Crore)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| (a) Interest income | | |
| (i) Interest income-others | 10.43 | 16.96 |
| (ii) Interest income on debentures | 0.55 | 0.55 |
| (b) Dividend income on investments designated as FVTPL | | |
| (i) Dividend income - mutual funds | 0.11 | 0.99 |
| (ii) Dividend income - Non current investments | 0.42 | 0.42 |
| (c) Other gains/(losses) | | |
| (i) Change in fair value of investments measured at FVTPL - mutual fund units | 1.62 | (3.28) |
| (ii) Fair value gain/(loss) on derivatives not designated as hedges (net) | (2.61) | 1.47 |
| (d) Other non-operating income | | |
| (i) Foreign currency gain/(loss) (net) | 11.86 | (1.30) |
| (ii) Other non-operating income | 1.95 | 1.00 |
| (iii) Profit on sale of investments measured at FVTPL - mutual fund units (net) | 0.25 | 5.12 |
| | 24.58 | 21.93 |

23 Employee Benefits Expense

(Amount in ₹ Crore)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| (a) Salaries and wages | 489.42 | 467.62 |
| (b) Contribution to provident and other funds | 26.49 | 24.23 |
| (c) Staff welfare expenses | 27.08 | 24.06 |
| | 542.99 | 515.91 |

24 Finance Costs

(Amount in ₹ Crore)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--------------|--------------------------------------|--------------------------------------|
| (a) Interest | 2.22 | 0.99 |
| | 2.22 | 0.99 |

25 Depreciation And Amortisation Expense

(Amount in ₹ Crore)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|------------------|--------------------------------------|--------------------------------------|
| (a) Depreciation | 22.73 | 23.93 |
| (b) Amortisation | 27.67 | 27.47 |
| | 50.40 | 51.40 |

Notes forming part of the Standalone Financial Statements
26 Other Expenses

(Amount in ₹ Crore)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| (a) Repairs & maintenance | | |
| - Buildings | 0.52 | 0.51 |
| - Plant & machinery | 0.48 | 1.39 |
| - Others | 7.30 | 6.94 |
| (b) Rent | 15.59 | 14.38 |
| (c) Rates and taxes | 1.67 | 0.88 |
| (d) Insurance | 0.32 | 0.27 |
| (e) Advertisement and publicity | 0.01 | 0.04 |
| (f) Business promotion expenses | 0.88 | 2.52 |
| (g) Office expenses | 5.86 | 5.78 |
| (h) Travelling & conveyance | 17.79 | 19.40 |
| (i) Power & fuel | 6.87 | 6.99 |
| (j) Water charges | 0.39 | 0.54 |
| (k) Auditors remuneration (refer note 26 (i)) | 0.65 | 1.01 |
| (l) Staff training and seminar expenses | 1.42 | 2.32 |
| (m) Staff recruitment expenses | 3.48 | 2.12 |
| (n) Commission to others | 0.01 | - |
| (o) AMC charges | 35.23 | 30.43 |
| (p) Software-internal use | 10.68 | 8.38 |
| (q) Professional fees | 11.30 | 9.41 |
| (r) Communication expenses | 10.65 | 10.80 |
| (s) Allowances for expected credit loss (net) | 2.49 | (0.02) |
| (t) Corporate social responsibility (refer note 26 (ii)) | 5.28 | 5.16 |
| (u) Miscellaneous expenses | 4.82 | 2.07 |
| | 143.69 | 131.32 |

26 (i) Payment to auditors

(Amount in ₹ Crore)

| | For the year ended March 31, 2018* | For the year ended March 31, 2017 |
|---|---------------------------------------|--------------------------------------|
| (a) For statutory audit, including quarterly audits | 0.63 | 0.57 |
| (b) For Tax audit | - | 0.05 |
| (c) For other attest services | - | 0.39 |
| (d) For reimbursement of expenses | 0.02 | 0.00 |
| | 0.65 | 1.01 |

*Includes remuneration paid to erstwhile auditors

Notes forming part of the Standalone Financial Statements

26 (ii) Corporate social responsibility expenditure

(Amount in ₹ Crore)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Gross amount required to be spent | 5.28 | 5.16 |
| Total | 5.28 | 5.16 |
| Amount spent during the year on | | |
| (a) Construction/ acquisition of any asset | - | - |
| (b) On purposes other than (i) above | 5.28 | 5.16 |
| | 5.28 | 5.16 |

27 Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non- assessable and non-deductible items. It also explains significant estimates made in relation to Company's tax positions.

(Amount in ₹ Crore)

| (i) | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Income tax expense | | |
| Current Tax | | |
| Current tax on profits for the year | 69.07 | 57.34 |
| Total current tax expense | 69.07 | 57.34 |
| Deferred tax | | |
| Decrease / (increase) in deferred tax assets | (7.39) | (5.76) |
| (Decrease) / increase in deferred tax liabilities | (4.20) | (1.12) |
| Total deferred tax expense / (benefit) | (11.59) | (6.88) |
| Income tax expense | 57.48 | 50.46 |

The company has benefited from certain tax incentives that the Government of India has provided to the units registered under the Special Economic Zones Act 2005 (SEZ). SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Up to 50% of such profits or gains are also available for deduction for five years subject to certain conditions.

(ii) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate in India:

(Amount in ₹ Crore)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Profit before taxes | 234.95 | 263.89 |
| Enacted income tax rate in India | 34.61% | 34.61% |
| Computed expected tax expenses | 81.32 | 91.33 |
| Effect of income exempt from tax | (0.18) | (0.49) |
| Effect of non deductible expenses | 1.88 | 2.07 |
| Income taxed at higher/(lower) rates | (22.94) | (45.43) |
| Others | (2.60) | 2.98 |
| Total tax expense | 57.48 | 50.46 |

Notes forming part of the Standalone Financial Statements
(iii) Amounts recognised in OCI

(Amount in ₹ Crore)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| | Deferred tax | Deferred tax |
| Income tax relating to items that will not be reclassified to profit and loss | 1.08 | 1.75 |
| Total | 1.08 | 1.75 |

(iv) Tax losses

(Amount in ₹ Crore)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Unused tax losses on which no deferred tax asset has been recognised | 5.38 | 5.38 |
| Potential tax benefit @ 23.072% | 1.24 | 1.24 |

Capital losses pertain to A.Y. 2014-2015 - ₹ 4.12 crore A.Y. 2015 - 2016 ₹ 1.26 crore. Deferred tax asset was not recognised on unused capital losses since there was lack of reasonable certainty of taxable capital profits to utilize this deferred tax asset. The losses can be carried forward for a period of 8 years as per local tax regulations.

(v) **Changes in tax rate** - The applicable Indian statutory tax rate for the financial year 2017-18 and financial year 2016-17 is 34.61%.

28 Earning per Share

| Particulars | | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|---------|--------------------------------------|--------------------------------------|
| (a) Profit attributable to equity shareholders | ₹ Crore | 177.47 | 213.43 |
| (b) The weighted average number of ordinary equity shares outstanding during the year | Nos. | 42,097,013 | 42,100,825 |
| (c) The nominal value per ordinary Share | ₹ | 10.00 | 10.00 |
| (d) Earnings Per Share (Basic) | ₹ | 41.24 | 49.60 |
| (e) The weighted average number of ordinary equity shares outstanding during the year | Nos. | 42,097,013 | 42,100,825 |
| (f) Add: Adjustment for Employee Stock Options | Nos. | 13,550 | 19,738 |
| (g) The weighted average number of equity shares outstanding for diluted EPS | Nos. | 42,110,563 | 42,120,563 |
| (h) Earnings Per Share (Diluted) | ₹ | 42.15 | 49.58 |

The above number of shares are after adjusting shares held by ESOP Trusts pending allotment to eligible employees being 940,501 shares as of March 31, 2018 and 930,501 shares as of March 31, 2017.

29. Contingent Liabilities

(Amount in ₹ Crore)

| | As at March 31, 2018 | As at March 31, 2017 |
|--|-------------------------|-------------------------|
| (a) Bonus related to retrospective period (Refer note (i)) | 7.82 | 7.82 |
| (b) Income Tax demands disputed in appeals (Refer note (ii)) | 2.76 | 2.76 |
| (c) Sales Tax demands disputed in appeals | 0.00 | 21.81 |
| (d) Service Tax demands disputed in appeals (Refer note (iii)) | 5.46 | 5.40 |

Notes forming part of the Standalone Financial Statements

Notes:

- (i) Statutory bonus at the revised rates pertaining to period retrospective to the notification dated on 01.01.2016 (i.e. from 01.04.2014 to 31.12.2015) was not provided pending similar cases contesting retrospective applicability of the said notification in various Honourable High Courts. During November 2016, considering the industry practices, the management after internal deliberations decided to and has paid the incremental bonus covering the fiscal year of the said notification i.e. from 01.04.2015 to 31.12.2015 aggregating to ₹ 5.55 crores, which has been presented as exceptional item in the financials for the year ended 31.03.2017. The incremental bonus for the FY 2014-15 is continued as contingent liability pending similar cases contesting retrospective applicability of the said notification in various Honourable High Courts.
- (ii) The Company has ongoing disputes with Income Tax Authorities relating to tax treatment of certain items. These mainly include disallowed expenses, the tax treatment of certain expenses claimed by the Company as deductions and the computation of certain allowances.
- (iii) Pertains to disputes in relation to tax on reverse charge mechanism.
- (iv) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on the receipt of the judgements/decisions pending with various forums/authorities.
- (v) The Company does not expect any reimbursements in respect of the above contingent liabilities.

30 Segment reporting

Where a financial report contains both consolidated financial statements and separate financial statements of the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

31 Defined Benefit Plans

The Company's contribution to defined contribution plan for the year ended March 31, 2018 has been recognised in the statement of Profit and Loss as follows.

(Amount in ₹ Crore)

| | March 31, 2018 | March 31, 2017 |
|-------------------------------------|----------------|----------------|
| Contribution to provident fund | 16.44 | 15.91 |
| Contribution to superannuation fund | 4.20 | 4.08 |
| | 20.64 | 19.99 |

Defined benefit plans

The principal assumptions used for the purposes of the actuarial valuations were as follows.

| Particulars | Gratuity (Funded) | | Bhavishya Kalyan Yojana (BKY) (Unfunded) | | Superannuation (Partly Funded) | | Post Retirement Medicare Scheme (Unfunded) | | Compensated Absence (Unfunded) | |
|-------------------------------------|-------------------|-----------|--|-----------|--------------------------------|-----------|--|-----------|--------------------------------|-----------|
| | Valuation as at | | Valuation as at | | Valuation as at | | Valuation as at | | Valuation as at | |
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-18 | 31-Mar-17 | 31-Mar-18 | 31-Mar-17 | 31-Mar-18 | 31-Mar-17 | 31-Mar-18 | 31-Mar-17 |
| Discount rate(s) | 7.70% | 7.50% | 7.70% | 7.5% | 6.75% | 6.75% | 7.70% | 7.30% | 7.70% | 7.50% |
| Expected rate(s) of salary increase | 5.75%-6% | 4%-5.5% | 5.75%-6% | 4%-5.5% | - | - | - | - | 5.75%-6% | 4%-5.5% |
| Medical inflation rate | - | - | - | - | - | - | 6.00% | 6.00% | - | - |
| Withdrawal rate: | | | | | | | | | | |
| Age | | | | | | | | | | |
| 20 - 34 years | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| 35 - 40 years | 8% | 8% | 8% | 8% | 8% | 8% | 8% | 8% | 8% | 8% |
| 41 - 50 years | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% |
| 51 - 60 years | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |

Notes forming part of the Standalone Financial Statements

Amounts recognised in standalone statement of profit and loss in respect of these defined benefit plans are as follows.

(Amount in ₹ Crore)

| Particulars | Year Ended | Year Ended | Year Ended | Year Ended | Year Ended | Year Ended | Year Ended | Year Ended | Year Ended | Year Ended |
|--|-------------|-------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-18 | 31-Mar-17 | 31-Mar-18 | 31-Mar-17 | 31-Mar-18 | 31-Mar-17 | 31-Mar-18 | 31-Mar-17 |
| Service cost: | | | | | | | | | | |
| Current service cost | 5.73 | 4.10 | 0.75 | 0.44 | 0.19 | 0.18 | 1.04 | 0.50 | 3.80 | 1.75 |
| Net interest expense | 0.12 | 0.15 | 0.39 | 0.27 | (0.08) | (0.07) | 0.78 | 0.51 | (0.76) | 0.32 |
| Components of defined benefit costs recognised in profit or loss | 5.85 | 4.25 | 1.14 | 0.71 | 0.11 | 0.11 | 1.82 | 1.01 | 3.04 | 2.07 |
| Remeasurement on the net defined benefit liability: | | | | | | | | | | |
| Return on plan assets (excluding amounts included in net interest expense) | 1.50 | (0.92) | - | - | 0.26 | 0.03 | - | - | - | - |
| Actuarial (gains) / losses arising from changes in demographic assumptions. | - | (1.81) | - | 0.85 | - | - | - | 2.17 | - | - |
| Actuarial (gains) / losses arising from changes in financial assumptions | (0.02) | 1.73 | (0.05) | 0.26 | - | - | 0.18 | 1.16 | - | - |
| Actuarial (gains) / losses arising from experience adjustments | 1.78 | 1.51 | (0.39) | 0.07 | 0.35 | (0.16) | (0.49) | 0.17 | - | - |
| Others | | | | | | | | | | |
| Components of defined benefit costs recognised in other comprehensive income | 3.26 | 0.51 | (0.44) | 1.18 | 0.61 | (0.13) | (0.31) | 3.50 | - | - |
| Total | 9.11 | 4.76 | 0.70 | 1.89 | 0.72 | (0.02) | 1.51 | 4.51 | 3.04 | 2.07 |

The current service cost and the net interest expense for the Year are included in the 'Employee benefits expense' line item in the standalone statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the standalone balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

| Particulars | Gratuity (Funded) | | Bhavishya Kalyan Yojana (BKY) (Unfunded) | | Superannuation (Partly Funded) | | Post Retirement Medicare Scheme (Unfunded) | | Compensated Absence (Unfunded) | |
|--|-------------------|-----------------|--|-----------------|--------------------------------|-----------------|--|-----------------|--------------------------------|-----------------|
| | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-18 | As at 31-Mar-17 | As at 31-Mar-18 | As at 31-Mar-17 |
| Present value of funded defined benefit obligation | (44.06) | (37.83) | (5.82) | (5.22) | (5.32) | (6.34) | (12.00) | (10.80) | (8.02) | (7.07) |
| Fair value of plan assets | 36.55 | 33.15 | - | - | 5.76 | 7.42 | - | - | - | - |
| Funded status | (7.51) | (4.68) | (5.82) | (5.22) | 0.44 | 1.08 | (12.00) | (10.80) | (8.02) | (7.07) |
| Net liability arising from defined benefit obligation | (7.51) | (4.68) | (5.82) | (5.22) | 0.44 | 1.08 | (12.00) | (10.80) | (8.02) | (7.07) |

Notes forming part of the Standalone Financial Statements

Movements in the present value of the defined benefit obligation are as follows.

(Amount in ₹ Crore)

| | Gratuity (Funded) | | Bhavishya Kalyan Yojana (BKY) (Unfunded) | | Superannuation (Partly Funded) | | Post Retirement Medicare Scheme (Unfunded) | | Compensated Absence (Unfunded) | |
|--|----------------------|----------------------|--|----------------------|--------------------------------|----------------------|--|----------------------|--------------------------------|----------------------|
| | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 |
| Opening defined benefit obligation | 37.83 | 33.14 | 5.22 | 3.41 | 6.34 | 7.33 | 10.80 | 6.56 | 7.07 | 6.90 |
| Current service cost | 5.73 | 4.10 | 0.75 | 0.44 | 0.19 | 0.18 | 1.04 | 0.50 | 3.80 | 1.75 |
| Interest cost | 2.70 | 2.52 | 0.39 | 0.27 | 0.42 | 0.45 | 0.78 | 0.51 | 0.45 | 0.48 |
| Remeasurement (gains)/losses: Actuarial gains and losses arising from changes in demographic assumptions | - | (1.81) | - | 0.85 | - | - | - | 2.17 | - | - |
| Actuarial gains and losses arising from changes in financial assumptions | (0.02) | 1.73 | (0.05) | 0.26 | - | - | 0.18 | 1.16 | - | - |
| Actuarial gains and losses arising from experience adjustments | 1.78 | 1.51 | (0.39) | 0.07 | 0.35 | (0.16) | (0.49) | 0.17 | - | - |
| Others | - | - | - | - | - | - | - | - | (1.22) | (0.16) |
| Benefits paid | (3.95) | (3.36) | (0.10) | (0.08) | (1.98) | (1.46) | (0.31) | (0.27) | (2.08) | (1.90) |
| Closing defined benefit obligation | 44.06 | 37.83 | 5.82 | 5.22 | 5.32 | 6.34 | 12.00 | 10.80 | 8.02 | 7.07 |

Reconciliation of the fair value of the plan assets are as follows.

(Amount in ₹ Crore)

| | Gratuity (Funded) | | Bhavishya Kalyan Yojana (BKY) (Unfunded) | | Superannuation (Partly Funded) | | Post Retirement Medicare Scheme (Unfunded) | | Compensated Absence (Unfunded) | |
|---|----------------------|----------------------|--|----------------------|--------------------------------|----------------------|--|----------------------|--------------------------------|----------------------|
| | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 | Year Ended 31-Mar-18 | Year Ended 31-Mar-17 |
| Opening fair value of plan assets | 33.15 | 29.35 | - | - | 7.42 | 8.26 | - | - | - | - |
| Interest income | 2.57 | 2.37 | - | - | 0.49 | 0.51 | - | - | - | - |
| Remeasurement gain (loss): Return on plan assets (excluding amounts included in net interest expense) | (1.50) | 0.92 | - | - | (0.26) | (0.03) | - | - | - | - |
| Contributions from the employer | 6.28 | 3.88 | 0.10 | 0.08 | 0.09 | 0.14 | 0.30 | 0.28 | 2.08 | 1.90 |
| Benefits paid | (3.95) | (3.37) | (0.10) | (0.08) | (1.98) | (1.46) | (0.30) | (0.28) | (2.08) | (1.90) |
| Closing fair value of plan assets | 36.55 | 33.15 | - | - | 5.76 | 7.42 | - | - | - | - |

The major categories of plan assets as percentage of total plan assets:

| | | | | | | | | | | |
|---------------------|---------|---------|-----|-----|---------|---------|-----|-----|-----|-----|
| Debt securities | 100.00% | 100.00% | N/A | N/A | 100.00% | 100.00% | N/A | N/A | N/A | N/A |
| Balances with banks | 0.00% | 0.00% | N/A | N/A | 0.00% | 0.00% | N/A | N/A | N/A | N/A |

Not Applicable (N/A)

Notes forming part of the Standalone Financial Statements

Sensitivity Analysis

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and health care cost:

(Amount in ₹ Crore)

| Assumption | Gratuity (Funded) | | Bhavishya Kalyan Yojana (BKY)(Unfunded) | | Superannuation (Partly Funded) | | Post Retirement Medicare Scheme (Unfunded) | |
|---|-------------------|------------------------|---|------------------------|--------------------------------|------------------------|--|--------------|
| | Discount Rate | Salary Escalation Rate | Discount Rate | Salary Escalation Rate | Discount Rate | Salary Escalation Rate | Discount Rate | Medical Cost |
| Change in Assumption | | | | | | | | |
| Increase by 1% | 8.70% | Defined above | 8.70% | Defined above | 7.75% | Defined above | 8.70% | 7.00% |
| Decrease by 1% | 6.70% | Defined above | 6.70% | Defined above | 5.75% | Defined above | 6.70% | 5.00% |
| Impact on defined benefit obligation | | | | | | | | |
| Increase by 1% | (3.55) | 4.02 | (0.54) | 0.28 | - | N.A. | (1.86) | 2.01 |
| Decrease by 1% | 4.15 | (3.56) | 0.62 | (0.26) | - | N.A. | 2.38 | (1.62) |
| Impact on service cost and interest cost | | | | | | | | |
| Increase by 1% | (0.46) | 0.52 | (0.08) | 0.05 | - | N.A. | (0.20) | 0.21 |
| Decrease by 1% | 0.54 | (0.46) | 0.09 | (0.04) | - | N.A. | 0.26 | (0.17) |

Maturity profile of defined benefit obligation:

| | Gratuity (Funded) | Bhavishya Kalyan Yojana (BKY)(Unfunded) | Superannuation (Partly Funded) | Post Retirement Medicare Scheme (Unfunded) | Compensated Absence (Unfunded) |
|---------------|-------------------|---|--------------------------------|--|--------------------------------|
| | Amount in ₹ Crore | Amount in ₹ Crore | Amount in ₹ Crore | Amount in ₹ Crore | Amount in ₹ Crore |
| Within 1 Year | 4.33 | 0.21 | 0.44 | 0.29 | 0.93 |
| 1-2 years | 4.66 | 0.30 | 0.13 | 0.29 | 0.84 |
| 2-3 years | 5.60 | 0.38 | 0.12 | 0.29 | 0.83 |
| 3-4 years | 5.55 | 0.46 | - | 0.31 | 0.69 |
| 4-5 years | 5.62 | 0.55 | 0.07 | 0.31 | 0.65 |
| 5-10 years | 27.51 | 3.91 | 0.04 | 1.77 | 2.67 |

Employee benefit plans

The plans typically expose the company to the actuarial risks such as: investments risk, interest risks, longevity risk and salary risk

Investment risk The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting Year on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting Year on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Interest risk A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.