

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number 198100504W)

**STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019**

TATA TECHNOLOGIES PTE LTD
(Incorporated in the Republic of Singapore)

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TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT

The Directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2019.

In the opinion of the Directors, the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

WILLIAM CHAN KWOK WAH
PRAVEEN PURUSHOTTAM KADLE
PATRICK RAYMON MCGOLDRICK
HARRIS WARREN KEVIN (Appointed w.e.f. 25 March 2019)

ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTEREST IN SHARES

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

SHARE OPTIONS

- **Share Options Granted**

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

- **Share Options Exercised**

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

TATA TECHNOLOGIES PTE LTD
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT

SHARE OPTIONS – (Cont'd)

- **Unissued Shares Under Option**

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

AUDITORS

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

ON BEHALF OF THE BOARD

PATRICK RAYMON MCGOLDRICK
DIRECTOR

WILLIAM CHAN KWOK WAH
DIRECTOR

DATED: 26 April 2019

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **TATA TECHNOLOGIES PTE LTD** (the Company), which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

CARRYING VALUE OF SUBSIDIARIES

As stated in Note 9 of the accounts, the Directors are of the opinion that based on a professional valuation, the carrying values of investment in subsidiaries are stated at fair values.

We have assessed management's and the professional valuer's report on the fair values on the competency, objectivity and capabilities of the valuer. We analysed the methodologies and key valuation parameters adopted as well.

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

Our opinion is not modified in respect of this matter.

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

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

(Continuation from Page 3)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

H. WEE & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

SINGAPORE
26 April 2019

TATA TECHNOLOGIES PTE LTD
(Incorporated in the Republic of Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	NOTE	2019 US\$	2018 US\$
REVENUES			
Sales	3	8,912,217	6,639,208
Other revenues	18	72,373	60,126
Total revenues		8,984,590	6,699,334
COSTS AND EXPENSES			
Purchases and related direct cost expenses		7,067,619	5,629,169
Amortisation of trade marks	7	24,814	24,157
Allowance for doubtful debts	11	5,791	-
Depreciation	8	51,007	44,391
Director's fees		3,772	3,582
Director's remuneration		305,133	307,822
Exchange difference		(46,770)	(126,115)
Intangible assets written off	7	179,499	-
Loss on disposal of plant and equipment		-	3
Salaries and employee benefits		781,215	976,714
Other operating expenses	18	335,323	253,149
Total costs and expenses		8,707,403	7,112,872
PROFIT/(LOSS) BEFORE TAXATION		277,187	(413,538)
Taxation	19	(19,376)	(28,645)
PROFIT/(LOSS) FOR THE YEAR		257,811	(442,183)
OTHER COMPREHENSIVE INCOME:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation		(45,951)	32,790
OTHER COMPREHENSIVE INCOME, net of tax		(45,951)	32,790
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		211,860	(409,393)

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

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	NOTE	2019 US\$	2018 US\$
SHARE CAPITAL	4	54,000,000	54,000,000
CAPITAL RESERVE	5	45,935,488	45,935,488
CURRENCY TRANSLATION RESERVE	6	3,329,743	3,375,694
RETAINED EARNINGS		8,360,450	8,102,639
		<u>111,625,681</u>	<u>111,413,821</u>
Represented by:			
INTANGIBLE ASSETS	7	-	151,571
PLANT AND EQUIPMENT	8	109,744	158,717
SUBSIDIARY COMPANIES	9	106,852,458	106,852,458
NON CURRENT ASSETS	10	31,193	32,259
CURRENT ASSETS			
Trade debtors	11	2,064,225	1,940,636
Trade debtors - related companies	12	114,238	166,667
Other debtors	13	10,118	1,173,969
Amount due from subsidiary companies	9	-	34,875
Cash and cash equivalents	14	3,993,499	4,075,623
		<u>6,182,080</u>	<u>7,391,770</u>
Less: CURRENT LIABILITIES			
Trade creditors and accruals	15	946,561	1,108,995
Trade creditors - related companies	16	568,811	405,710
Other creditors	17	-	1,640,198
Amount due to subsidiary companies	9	24,792	-
Provision for taxation		9,630	18,051
		<u>1,549,794</u>	<u>3,172,954</u>
NET CURRENT ASSETS		<u>4,632,286</u>	<u>4,218,816</u>
		<u>111,625,681</u>	<u>111,413,821</u>

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

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	SHARE CAPITAL US\$	CAPITAL RESERVE US\$	CURRENCY TRANSLATION RESERVE US\$	RETAINED EARNINGS US\$	TOTAL EQUITY US\$
Balance at 1 April 2017	54,000,000	45,935,488	3,342,904	8,544,822	111,823,214
Total comprehensive (loss) for the year	-	-	32,790	(442,183)	(409,393)
Balance at 31 March 2018	54,000,000	45,935,488	3,375,694	8,102,639	111,413,821
Total comprehensive income for the year	-	-	(45,951)	257,811	211,860
Balance at 31 March 2019	54,000,000	45,935,488	3,329,743	8,360,450	111,625,681

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

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 US\$	2018 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit(loss) before taxation	277,187	(413,538)
Adjustments for:		
Amortisation of trade marks	24,814	24,157
Allowance for doubtful debts	5,791	-
Depreciation of plant and equipment	51,007	44,391
Loss from disposal of plant and equipment	-	3
Intangible assets written off	179,499	-
Interest income	(69,286)	(43,830)
Unrealised exchange differences	(2,634)	(3,030)
Currency translation differences	(45,951)	32,790
Operating profit/(loss) before working capital changes	420,427	(359,057)
Decrease/(Increase) in debtors	1,107,592	(2,249,849)
Increase/(Decrease) in amount due (to)/from subsidiaries - trade	59,667	(34,563)
(Decrease)/Increase in creditors	(1,639,531)	2,274,557
Cash (used in) operation	(51,845)	(368,912)
Interest income	69,286	43,830
Tax paid	(27,797)	(18,128)
Net cash flow (used in) operating activities	(10,356)	(343,210)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	(52,742)	(10,388)
Placement of fixed deposit	-	(280,622)
Purchase of plant and equipment	(2,034)	(102,950)
Net cash flow (used in) investing activities	(54,776)	(393,960)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(65,132)	(737,170)
Effect of exchange rates changes on cash and cash equivalents	(1,315)	(122)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,795,001	4,532,293
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 14)	3,728,554	3,795,001

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

TATA TECHNOLOGIES PTE LTD
(Incorporated in the Republic of Singapore)

NOTES TO THE ACCOUNTS - 31 MARCH 2019

The notes on pages 9 to 30 form an integral part of and should be read in conjunction with these accounts.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a Basis of preparation

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

b Adoption of New and Amended Standards and Interpretation

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

The adoption of these standards did not have any material effect on the financial performance or position of the Company.

c Standards issued but not yet effective

The Company has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 116 Leases	1 January 2019
INT FRS 123 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 109 Prepayment Features with Negative Compensation	1 January 2019
Amendments to FRS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to FRSs (March 2018)	1 January 2019
Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Company is currently assessing the impact of FRS 116 and plans to adopt the new standard on the required effective date.

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

d Significant Accounting Judgements and Estimates

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

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

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

Investment in subsidiaries

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

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate expected credit loss (ECL) for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 5.

The carrying amount of trade receivables as at 31 December 2018 is stated in Note 11.

TATA TECHNOLOGIES PTE LTD

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NOTES TO THE ACCOUNTS - 31 MARCH 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

e Financial Instruments

Policy applicable after 1 January 2018, the initial application date of FRS109

(i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

NOTES TO THE ACCOUNTS - 31 MARCH 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

e Financial Instruments – (Cont'd)

(ii) Financial liabilities

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Policy applicable before 1 January 2018

The Company has classified its financial assets in loans and receivables

The measurement principles before 1 January 2018 were the same as described above,

f Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

TATA TECHNOLOGIES PTE LTD

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NOTES TO THE ACCOUNTS - 31 MARCH 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

g Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

h Consolidation

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

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

i Intangible Assets

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

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

j Plant and Equipment and Depreciation

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

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

j Plant and Equipment and Depreciation – (Cont'd)

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

	No. of years
Computer equipment	1 to 3 years
Office furniture and equipment	5 to 10 years
Motor vehicle	10 years

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

k Subsidiary Companies

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

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

l Cash and Cash Equivalents

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

m Provision

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

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

n Foreign Currency

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

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

o Income Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

p Employee Benefits

(i) Pension obligations

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

(ii) Employee leave entitlement

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

q Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(i) Sales of good

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

(ii) Services rendered

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

(iii) Interest income

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

TATA TECHNOLOGIES PTE LTD

(Incorporated in the Republic of Singapore)

NOTES TO THE ACCOUNTS - 31 MARCH 2019

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Cont'd)

r Operating Lease

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

s Related Parties

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

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

2 GENERAL

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

The Company has a branch in Korea.

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

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

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

The registered office of the Company is located at 78 Shenton Way, #14-02, Singapore 079120.

The financial statements of the Company were authorised by the Board of Directors on 26 April 2019.

TATA TECHNOLOGIES PTE LTD

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NOTES TO THE ACCOUNTS - 31 MARCH 2019

3 REVENUES

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

Sales represent invoiced value after trade discounts.

4 SHARE CAPITAL

	2019	2018	2019	2018
	No. of shares		US\$	US\$
Ordinary shares				
Issued and fully paid				
Balance at beginning of year	86,463,759	86,463,759	54,000,000	54,000,000
Balance at end of year	<u>86,463,759</u>	<u>86,463,759</u>	<u>54,000,000</u>	<u>54,000,000</u>

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

5 CAPITAL RESERVE

Capital reserve of the Company was derived as follows:

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

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

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

	2019	2018
	US\$	US\$
Balance at beginning and end of year	<u>45,935,488</u>	<u>45,935,488</u>

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

6 CURRENCY TRANSLATION RESERVE

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

7 INTANGIBLE ASSETS

	2019	2018
	US\$	US\$
Trade marks, at cost		
At 1 April	249,168	238,780
Additions	52,742	10,388
Write off	(301,910)	-
At 31 March	-	249,168
Less: Amortisation		
	-	97,597
	-	151,571
Analysis of amortisation		
At 1 April	97,597	73,440
Current year's amortisation	24,814	24,157
Written back	(122,411)	-
At 31 March	-	97,597

The Directors have approved the write-off of the intellectual property cost of US\$301,910 held by it, with respect to carried forward inventory patents and trademarks amounting to US\$179,499 as these assets were not commercially exploited.

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

8 PLANT AND EQUIPMENT

	Computer equipment US\$	Office furniture & equipment US\$	Motor vehicle US\$	Total US\$
COST				
At 1.4.2017	53,849	29,363	181,632	264,844
Additions	3,399	99,551	-	102,950
Disposals	(2,483)	(4,327)	-	(6,810)
At 31.3.2018	54,765	124,587	181,632	360,984
Additions	2,034	-	-	2,034
Disposals	-	-	-	-
At 31.3.2019	56,799	124,587	181,632	363,018
ACCUMULATED DEPRECIATION				
At 1.4.2017	40,312	25,987	98,384	164,683
Additions	8,155	18,073	18,163	44,391
Disposals	(2,483)	(4,324)	-	(6,807)
At 31.3.2018	45,984	39,736	116,547	202,267
Additions	6,325	26,519	18,163	51,007
Disposals	-	-	-	-
At 31.3.2019	52,309	66,255	134,710	253,274
NET BOOK VALUE				
At 31.3.2019	4,490	58,332	46,922	109,744
At 31.3.2018	8,781	84,851	65,085	158,717

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

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

9 SUBSIDIARY COMPANIES

	2019	2018
	US\$	US\$
Investment in subsidiaries:		
Unquoted shares		
Balance at beginning of year		
- at cost	20,916,969	20,916,969
- at fair value	85,935,489 *	85,935,489
Balance at end of year	106,852,458	106,852,458
Amount due from/(to) subsidiary companies		
Trade debts due from subsidiaries	-	34,875
Trade debts due (to) subsidiary companies	(24,792)	-

*The Directors are of the opinion that based on a professional valuation, the carrying values of the subsidiaries are stated at fair values.

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation & place of business	Percentage		Principal activities
		2019 %	2018 %	
+*Tata Technologies Inc (Sole stockholder of Class B common stock)	Michigan, USA	#96	#96	Information technology & consultancy services
+* INCAT International Plc	United Kingdom	100	100	Information technology & consultancy services
+*Tata Technologies Europe Limited	United Kingdom	7 ##93	7 ##93	Information technology & consultancy services
+*Tata Technologies (Thailand) Limited	Thailand	100	100	Information technology & consultancy services
+*Tata Mfg Technologies Consulting (Shanghai) Ltd (formerly known as Cambric Manufacturing Technologies	China	100	100	Information technology & consultancy services

^Not required to be audited by local laws.

*Audited by other firms.

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

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

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

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

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

10 NON CURRENT ASSETS

	2019	2018
	US\$	US\$
Deposits (denominated in S\$)	31,193	32,259
	<u>31,193</u>	<u>32,259</u>

11 TRADE DEBTORS

	2019	2018
	US\$	US\$
Trade debtors	1,564,119	1,915,727
Less: Impairment in doubtful debts	(5,791)	-
	<u>1,558,328</u>	<u>1,915,727</u>
Accrued income	505,897	24,909
	<u>2,064,225</u>	<u>1,940,636</u>

Movement in allowance in doubtful debts

	2019	2018
	US\$	US\$
Balance at beginning of year	-	-
Charge to profit and loss	5,791	-
Balance at end of year	<u>5,791</u>	<u>-</u>

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

The ageing analysis of trade debtors is as follows:

	2019	2018
	US\$	US\$
Current	1,064,230	1,490,438
30 days	10,716	317,057
60 days	191,796	66,941
90 days and above [^]	291,586	41,291
	<u>1,558,328</u>	<u>1,915,727</u>

[^]Trade debtors past due but not impaired.

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

	2019	2018
	US\$	US\$
Singapore Dollar	951,398	669,582
United States Dollar	606,930	1,246,145
	<u>1,558,328</u>	<u>1,915,727</u>

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

12 TRADE DEBTORS - RELATED COMPANIES

Trade debtors comprise of amounts due from:

	2019	2018
	US\$	US\$
Related companies	114,238	166,667
	<u>114,238</u>	<u>166,667</u>

The ageing analysis of trade debtors is as follows:

	2019	2018
	US\$	US\$
Current	114,238	166,667
	<u>114,238</u>	<u>166,667</u>

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

	2019	2018
	US\$	US\$
United States Dollar	114,238	166,667
	<u>114,238</u>	<u>166,667</u>

13 OTHER DEBTORS

	2019	2018
	US\$	US\$
Cost billed in advance	-	109,248
Prepayments	4,471	4,719
Payment made to suppliers (Refer to Note 17)	-	1,044,418
Staff advances	5,647	15,584
	<u>10,118</u>	<u>1,173,969</u>

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

	2019	2018
	US\$	US\$
Singapore Dollar	10,118	20,303
	<u>10,118</u>	<u>20,303</u>

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NOTES TO THE ACCOUNTS - 31 MARCH 2019

14 CASH AND CASH EQUIVALENTS

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

	2019 US\$	2018 US\$
Fixed deposits with banks	3,312,151	3,289,568
Bank and cash balances	681,348	786,055
Cash and cash equivalents in statement of financial position	<u>3,993,499</u>	<u>4,075,623</u>
Less:		
Fixed deposit (> 3 mths)	(264,945)	(280,622)
Cash and cash equivalents in statement of cash flow	<u>3,728,554</u>	<u>3,795,001</u>

Fixed deposits bear interest at effective interest rates ranging between 0.35% and 1.39% per annum and for a tenure of approximately 7 to 275 days.

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

	2019 US\$	2018 US\$
Korean Won	404,244	445,651
Singapore Dollar	330,887	321,764
United States Dollar	3,258,368	3,308,208
	<u>3,993,499</u>	<u>4,075,623</u>

15 TRADE CREDITORS AND ACCRUALS

	2019 US\$	2018 US\$
Trade creditors	49,770	592,177
Accrued cost of sales	292,684	-
Accrued payroll costs	196,568	255,905
Accrued operating expenses	317,482	121,332
GST/VAT payable	90,057	139,581
	<u>946,561</u>	<u>1,108,995</u>

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

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

	2019 US\$	2018 US\$
Korean Won	34,603	39,536
Singapore Dollar	293,392	389,077
Sterling Pound	-	71,487
United States Dollar	618,566	608,895
	<u>946,561</u>	<u>1,108,995</u>

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

16 TRADE CREDITORS – RELATED COMPANIES

	2019	2018
	US\$	US\$
Trade creditors comprise of amounts due to:		
Immediate holding company	553,200	398,647
Related company	15,611	7,063
	568,811	405,710

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

	2019	2018
	US\$	US\$
Singapore Dollar	179,649	95,380
United States Dollar	389,162	310,330
	568,811	405,710

17 OTHER CREDITORS

	2019	2018
	US\$	US\$
Billing in advance (Refer to Note 13)	-	1,640,198
	-	1,640,198

18 REVENUES AND EXPENSES

Other revenues and other operating expenses comprise of:

	2019	2018
	US\$	US\$
Other revenues		
Interest received	69,286	43,830
Sundry	3,087	16,296
	72,373	60,126
Other operating expenses		
Legal and professional fee	52,108	66,531
Rent	106,276	92,831
Repair and maintenance - premises	3,008	4,625
Travel and transport	87,670	28,243
Others	86,261	60,919
	335,323	253,149

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NOTES TO THE ACCOUNTS - 31 MARCH 2019

19 TAXATION

	2019 US\$	2018 US\$
Foreign tax	19,376	34,860
Prior year's overprovision	-	(6,215)
	<u>19,376</u>	<u>28,645</u>

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

	2019 US\$	2018 US\$
Accounting profit/(loss)	<u>277,187</u>	<u>(413,538)</u>
Tax at the applicable tax rate of 17%	47,122	(70,301)
Tax effect of:		
- Expenses not deductible for tax purposes	38,778	18,177
- Income not taxable	-	(21,440)
- S13(8)	(45,334)	(36,437)
- Tax losses not recognised as deferred tax asset	6,989	101,435
- Utilisation of tax losses	(47,555)	-
- Others	-	8,566
Foreign tax	19,376	34,860
Prior year's overprovision	-	(6,215)
	<u>19,376</u>	<u>28,645</u>

The Company has unutilised tax losses of US\$1,053,952 (2018: US\$1,339,703) respectively for which no deferred tax asset is recognised due to uncertainty of their recoverabilities. The use of these balances is subject to the agreement of the tax authority and compliance with relevant provisions of the Income Tax Act.

20 RELATED PARTY TRANSACTIONS

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

	2019 US\$	2018 US\$
<u>With immediate holding company</u>		
Purchases	<u>2,872,862</u>	<u>1,779,875</u>
<u>With subsidiary companies</u>		
Sales	(21,117)	(31,295)
Purchases	<u>132,100</u>	<u>4,739</u>
<u>With related companies</u>		
Sales	(1,443,677)	(1,451,914)
Purchases	<u>34,171</u>	<u>22,540</u>

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

21 EMPLOYEE BENEFITS

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

	2019 US\$	2018 US\$
Staff	51,529	74,816

Compensation of directors and key management personnel

The compensation comprised:

	2019 US\$	2018 US\$
Director's fees	3,772	3,582
Director's remuneration	305,133	307,822
	<u>308,905</u>	<u>311,404</u>

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

22 OPERATING LEASE COMMITMENTS

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

	2019 US\$	2018 US\$
Lease which expires:		
Within one year	123,267	127,660
Within two to five years	41,089	170,214

Rental of premises (net) charged to statement of comprehensive income during the financial year amounted to US\$106,276 (2018: US\$92,831).

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

23 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities can be categorised as follows:

	Loans and receivables US\$	Financial liabilities at amortised cost US\$	Total US\$
2019			
Assets			
Non current asset - deposit	31,193	-	31,193
Trade debtors	2,064,225	-	2,064,225
Trade debtors - related companies	114,238	-	114,238
Other debtors (excluding prepayments)	5,647	-	5,647
Bank and cash balances	3,993,499	-	3,993,499
	<u>6,208,802</u>	<u>-</u>	<u>6,208,802</u>
Liabilities			
Trade creditors	-	856,504	856,504
Trade creditors - related companies	-	568,811	568,811
Amount due from subsidiaries	-	24,792	24,792
	<u>-</u>	<u>1,450,107</u>	<u>1,450,107</u>
2018			
Assets			
Non current asset - deposit	32,259	-	32,259
Trade debtors	1,940,636	-	1,940,636
Trade debtors - related companies	166,667	-	166,667
Other debtors (excluding prepayments)	15,584	-	15,584
Amount due to subsidiaries	34,875	-	34,875
Bank and cash balances	4,075,623	-	4,075,623
	<u>6,265,644</u>	<u>-</u>	<u>6,265,644</u>
Liabilities			
Trade creditors	-	969,414	969,414
Trade creditors - related companies	-	405,710	405,710
	<u>-</u>	<u>1,375,124</u>	<u>1,375,124</u>

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

24 FINANCIAL RISK MANAGEMENT

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

(i) Credit Risk

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

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

Company has a history of low credit losses on accounts receivable. Credit losses that occurred in the past were primarily related to very few single customers. Furthermore, none of Company's business had a heightened exposure to credit losses in the past and based on Company's best estimate this is not expected to change in the foreseeable future.

Consequently, the bad allowance (as disclosed in Note 11) represents primarily the credit risk of specific customers.

(ii) Foreign exchange risk

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

Sensitivity analysis for foreign currency risk

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

	2019 US\$	2018 US\$
US\$/US\$ (Strengthened 5%)	(42,304)	(27,737)
(Weakened 5%)	42,304	27,737
Sterling Pound/US\$ (Strengthened 5%)	-	3,267
(Weakened 5%)	-	(3,267)

(iii) Interest rate risk

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

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

24 **FINANCIAL RISK MANAGEMENT – (Cont'd)**

(iv) **Liquidity risk**

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

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

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

Contractual maturity analysis

	Within one financial year US\$	After one financial year but within five financial years US\$	Total US\$
2019			
Financial assets			
Non-interest bearing	2,865,459	31,193	2,896,652
Variable interest bearing	3,312,151	-	3,312,151
	6,177,610	31,193	6,208,803
Financial liabilities			
Non-interest bearing	1,450,107	-	1,450,107
	1,450,107	-	1,450,107
2018			
Financial assets			
Non-interest bearing	2,943,817	32,259	2,976,076
Variable interest bearing	3,289,568	-	3,289,568
	6,233,385	32,259	6,265,644
Financial liabilities			
Non-interest bearing	1,375,124	-	1,375,124
	1,375,124	-	1,375,124

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

(v) **Capital Management**

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

TATA TECHNOLOGIES PTE LTD
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NOTES TO THE ACCOUNTS - 31 MARCH 2019

24 **FINANCIAL RISK MANAGEMENT – (Cont'd)**

(vi) **Fair Values**

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

25 **HOLDING COMPANIES**

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

TATA TECHNOLOGIES PTE LTD

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DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	2019 US\$	2018 US\$
INCOME		
Sales	8,912,217	6,639,208
	<u>8,912,217</u>	<u>6,639,208</u>
Less: COST OF SALES		
Purchases and related direct cost expenses	7,067,619	5,629,169
	<u>7,067,619</u>	<u>5,629,169</u>
GROSS PROFIT	1,844,598	1,010,039
Add: OTHER INCOME		
Interest received	69,286	43,830
Sundry	3,087	16,295
	<u>1,916,971</u>	<u>1,070,164</u>
Less: EXPENSES (Schedule 1)	1,639,784	1,483,702
NET PROFIT/(LOSS) FOR THE YEAR BEFORE TAXATION	<u>277,187</u>	<u>(413,538)</u>

THIS SCHEDULE DOES NOT FORM PART
OF THE AUDITED STATUTORY ACCOUNTS

TATA TECHNOLOGIES PTE LTD

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DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	SCHEDULE 1	
	2019	2018
	US\$	US\$
EXPENSES		
Advertising and promotion	-	316
Amortisation of trade marks	24,814	24,157
Audit fee	10,974	10,906
Allowance for doubtful debts	5,791	-
Bank charges	882	892
Central Provident Fund & SDF	52,420	75,857
Computer expenses	67	-
Depreciation	51,007	44,391
Director's fees	3,772	3,582
Entertainment	15,995	16,780
Exchange difference	(46,770)	(126,115)
General expenses	31,358	8,024
Housing and relocation	15,071	15,024
Insurance	1,488	723
Intangible assets written off	179,499	-
Legal and professional fee	52,108	66,531
Loss on disposal of plant and equipment	-	3
Medical expenses	50,423	50,476
Motor vehicle expenses	1,077	(3,725)
Pension	247,782	243,930
Postage and freight	602	688
Printing and stationery	2,892	1,193
Rent	106,276	92,831
Repair and maintenance - premises	3,008	4,625
Salaries	616,808	697,106
Staff bonus	84,357	178,234
Staff insurance	10,947	17,759
Staff recruitment	759	260
Staff welfare	7,463	6,151
Subscription and publication	10,802	12,016
Telephone	8,444	11,751
Travel and transport	87,670	28,242
Utilities	1,998	1,094
	1,639,784	1,483,702

THIS SCHEDULE DOES NOT FORM PART
OF THE AUDITED STATUTORY ACCOUNTS