

Tata Technologies S.R.L.
Annual Financial Statements
For the year ended December 31, 2018

**MANAGER REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018**

(all amounts are in RON unless otherwise specified)

May 14, 2019,

The company TATA TECHNOLOGIES S.R.L., registered with the Trade Register under no. J08 / 1075/1997, CIF RO 9609520, with a subscribed shared capital of RON 3.073.820, for the period 01.01.2018 - 31.12.2018 had as main activity item 6202 - Information technology consultancy activities.

Within the company, the organization and management of the accounting is done in accordance with the accounting regulations compliant with the European directives approved by the Order of the Public Finance Minister no. 1802/2014, as amended and supplemented.

We note that annual financial statements for the financial year 2018 were done respecting methodological norms of Ministry of Finance.

For this purpose, the legal documents regarding the economic and financial operations related to the reporting period were recorded correctly and in due time.

The accounting reports for the year 2018 were stated based on the balance sheet for the synthetic accounting, according to the legal regulations (norms) for their preparation and appendices. No compensation has been made between balance sheet items or between income and expenses.

The profit and loss account accurate reflect the revenues and expenses as well as the financial results of the reported period.

In 2018, TATA TECHNOLOGIES S.R.L., company of engineering and technical consultancy, achieved the following economic parameters.

Indicator	RON
Total Income	43.329.390
Total Expenses Less Expense with Profit Tax	35.577.074
Accountant Profit	7.752.316
Profit Tax	1.231.642
Other taxes not shown above	-
Net profit	6.520.674

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The main balance indicators for the year 2018 were as follows:

Indicator	RON
Fixed Assets (Tangible Assets)	587.598
Stocks	0
Receivables	10.913.284
House and bank accounts	13.785.575
Prepayments	574.876
Liabilities	4.015.215
Net current assets / Net current liabilities	21.258.520
Total assets minus current debts	21.846.118
Accruals	619
Capital	3.073.820
Prime capital	13
Reserves	1.469.817
Profit or loss carried forward	10.781.175
Profit or loss of the financial year	6.520.674
Equity	21.845.499

LIQUIDITY INDICATORS

	2017	2018
Current liquidity rate	<hr/>	<hr/>
Current assets	4.19	6.29
Current debts	<hr/>	<hr/>
(A/B)	<hr/>	<hr/>
Immediate liquidity rate		
Current assets	4.19	6.29
Stocks		
Current debts	<hr/>	<hr/>
(A-B)/C	<hr/>	<hr/>
Risk indicators	2017	2018
Indicator of indebtedness	<hr/>	<hr/>

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Borrowed capital (A)	0	0
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Employed Capital (B)		
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(A/B)		

Interest coverage indicator

Profit before interest payment and tax on profits (A)	0	0
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Interest Expenses (B)		
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(A/B)		

Speed of rotation of fixed assets

Turnover (A)	72.29	70.87
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Fixed assets(B)		
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(A/B)		

Speed of rotation of total assets

Turnover (A)	2.00	1.61
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Total Assets (B)		
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(A/B)		

Flow rate of customer flows (days)

Balance Average Customers (A)	51.23	80.23
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Turnover (B)		
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(A/B)*365		

Speed of inventory rotation (zile)

Medium stock (A)	0	0
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Cost of sales (B)		
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(A/B)*365		

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Internal control

The internal control of the company aims ensuring:

- Compliance with current legislation;
- Applying the decisions taken by the management of the company;
- Good functioning of the internal business of the company;
- Reliability of financial information;
- Effectiveness of company operations;
- Effective use of resources;
- Preventing and controlling the risks of not achieving the set goals.

As a result, the internal control procedures target:

- on one side - the registration of the company's activity and the personnel behavior within the framework defined by the applicable law, the values, norms and internal rules of the company;
- on the other side, assurance of accurate communication of accounting, financial and management information correctly reflects the company's activity and situation.

Control activities are an integral part of the management process through which the entity target to achieve its objectives. Control aims applying internal rules and procedures at all hierarchical and functional levels: approval, authorization, validation, performance evaluation, assets securitization, separation of functions.

The company does not have research and development activities.

During the year 2018, there were no changes in the shareholding structure of the company.

The company doesn't hold branches in any country abroad.

The Company's managers consider that this will be able to continue its business in the foreseeable future, and therefore the financial statements have been declared on a ongoing concern basis. According to the income and expenses budget for 2019, the Company estimates a slight increase of sales compared to 2018. Owned capital is positive, the Company has earned profit and current net assets exceed current debts by 21.258.520 Lei.

Risk Management

Transfer price

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Romanian tax legislation contains rules on pricing transfer between affiliated entities since year 2000. The current legal framework defines the "market value" principle for affiliated entity transactions as well as the pricing methods transfer.

As a result, tax authorities are expected to initiate transfer pricing checks to ensure that the tax outcome is not distorted by the effect of the prices charged in relation to affiliated entities. The Company considers that such an examination would not have a significant negative impact on the financial statements as this complied with the existing transfer pricing legislation between affiliated entities.

Financial risk factors

Due to the activities performed, the Company is exposed to various risks including market risk (including currency risk, interest rate risk at fair value and price risk), credit risk, liquidity risk and interest rate risk on cash flow.

The Company's risk management program target at minimizing the potential adverse effects associated to these risk factors on the company's financial performance.

Market risk

Romania became a member of the European Union on January 1st, 2007. The economic environment is dynamic with increasing competition, generating opportunities and economic risks. The Company's management cannot foresee the changes that will take place in Romania and their effects on the financial situation, on the operating results and on the cash flows.

Market risk includes three types of risk: currency risk, interest rate risk at fair value and price risk.

Currency and inflation risk

Currency risk is the risk that the value of a financial instrument fluctuates due to exchange rate fluctuations.

The Company carries out transactions in different currencies, therefore the Company is exposed to the foreign exchange rate fluctuations. The official exchange rates for the year 2018 were 4.0736 RON for 1 USD, 4.6639 RON for 1 EUR and 5.1931 RON for 1 GBP.

The Company occasionally concludes hedging contracts to cover currency risk.

Interest rate risk at fair value

Interest rate risk is the risk that the value of a financial instrument fluctuates as a result of interest rate variations on the market.

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Price risk

Price risk is the that the value of a financial instrument fluctuates as a result of changing the market prices, even if these changes are due to specific factors to individual instruments or to their issuer, or factors that affect all instruments traded on the market.

Credit risk

Credit risk is the that one of the parts of the financial instrument will not execute the assumed obligation, causing a financial loss to the other party.

In its activity, the Company exposes credit risk from receivables (clients) and from funds deposited with financial institutions. There are no significant credit concentrations, so credit risk is limited. Commercial receivables (customers) are stated net of impairment adjustments for customers - receivables. The Company's management closely monitors the exposure to credit risk.

Liquidity risk

Liquidity risk or funding risk is that an entity may have difficulty in procuring the funds needed to meet the commitments of the financial instruments. Liquidity risk may result from the inability to quickly sell a financial asset at a value close to its fair value.

The Company's liquidity policy is to maintain enough assets so that it can meet its obligations at maturity dates. Assets and liabilities are analyzed according to the remaining period up to the contractual due dates.

Interest rate risk on cash flow

The cash flow risk is that future cash flows will fluctuate due to changes in market interest rates.

Subsequent Events

There were no events subsequent to the balance sheet date that require adjustments or presentation in the financial statements for the year ended December 31st, 2018.

Administrator

Warren Kevin Harris

Manager

Radulescu Gabriel