

ANNUAL REPORT OF
CAMBRIC MANUFACTURING
TECHNOLOGIES (SHANGHAI) CO. LTD.

Cambric Manufacturing Technologies (Shanghai) Co. Ltd.

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Registered Address:

Cambric Manufacturing Technologies (Shanghai) Co. Ltd.

DIRECTORS:

Samir Yajnik

REGISTERED OFFICE:

Room 1130, Aurora Plaza,
99 Fucheng Rd. Shanghai, China

TO THE MEMBERS OF Cambric Manufacturing Technologies (Shanghai) Co. Ltd

The Directors hereby present the Third Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2016.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year ended March 31, 2016 are as follows:

	(In CNY)	In `
Income	58,666,509	602,246,922
Profit for the year	4,827,353	49,555,690

2. OPERATIONS

Cambric Manufacturing Technologies (Shanghai) Co. Ltd is a foreign owned enterprise invested by TATA TECHNOLOGIES PTE LTD.

The main operating scope includes enterprise management consultation, business information consultation, manufacturing technology consultation, IT consultation, design, development and production of computer software, selling self-manufactured products and providing after-sale services, graphic design and production, the wholesale of steel, construction machinery, accessories of aerospace and inspection equipment, import-export, commission agency (except auction) and related services of mentioned products above.

During the year the company registered a turnover of CNY 58,666,509 (`602,246,922) and a profit of CNY 4,827,353 (`49,555,690)

3. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

4. POST BALANCE SHEET EVENTS

The Company has shifted its Brasov office operations to the new office effective April 2016. This office has 50 percent more capacity space than the old office. Besides this, there have been no significant post balance sheet events, since the end of the financial year ended 31st March 2016, which have had a material effect on the financial position of the Company.

5. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

6. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

7. AUDIT

The Company is not required to obtain an audit opinion as per local regulations for the year ended December 31, 2015 Therefore, the financial statements of the Company for the year ended March 31, 2016 has not been audited.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134 (5) of the Companies Act, 2013 the directors, based on the representations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. they have, in selection of the accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;
3. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. they have prepared the annual accounts on a "going concern basis".
5. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of the Board of Directors;

Samir Yajnik

Place:

Date:

Cambric Manufacturing Technologies (Shanghai) Co. Ltd.
Balance Sheet as at 31 March 2016

Particulars	Note No.	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
		March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	3,077,238	31,589,689	3,077,238	31,020,708
(b) Reserves and Surplus	2	3,799,715	39,006,357	(1,027,638)	(10,359,312)
		6,876,953	70,596,046	2,049,600	20,661,396
(2) Current Liabilities					
(a) Trade Payables		36,572,748	375,441,201	1,298,520	13,089,995
(b) Other Current Liabilities	3	874,486	8,977,125	-	-
(c) Short-term Provisions	4	167,782	1,722,383	33,356	336,252
(d) Current income tax liabilities		1,609,118	16,518,560	-	-
		39,224,134	402,659,269	1,331,876	13,426,247
		46,101,087	473,255,315	3,381,476	34,087,643
II. ASSETS					
(1) Non-current Assets					
(a) Fixed Assets					
(i) Tangible Assets	5	191,628	1,967,175	6,075	61,240
		191,628	1,967,175	6,075	61,240
(b) Long-term loans and advances	6	166,890	1,713,224.98	20,000	201,614
		358,518	3,680,400	26,075	262,854
(2) Current Assets					
(a) Trade Receivables	7	11,871,632	121,869,422	-	-
(b) Cash and Bank Balances	8	32,163,464	330,177,256	2,701,270	27,230,694
(c) Other Current Assets	9	1,564,121	16,056,643	-	-
(d) Short-term loans and advances	10	143,352	1,471,594	654,131	6,594,095
		45,742,569	469,574,915	3,355,401	33,824,789
		46,101,087	473,255,315	3,381,476	34,087,643
Significant Accounting Policies	11				

For and on behalf of the Board

Samir Yajnik
Director

Cambric Manufacturing Technologies (Shanghai) Co. Ltd.
Profit and Loss Statement for the year ended 31 March 2016

Particulars	Note No.	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
		Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2015
I. Revenue from Operations	A	58,606,109	601,626,877	1,476,750	14,886,678
II. Other Income	B	60,400	620,045	1,665	16,782
III. Total Revenue (I + II)		58,666,509	602,246,922	1,478,415	14,903,460
IV. Expenses :					
(a) Cost of Traded Products	C	124,544	1,278,517	1,257,729	12,678,789
(b) Consultancy fees, Softwares and others	D	45,766,317	469,818,703	166,455	1,677,978
(c) Employee Benefit Expense	E	4,082,413	41,908,414	796,523	8,029,510
(e) Depreciation and amortisation Expense	5	17,948	184,248	2,025	20,413
(f) Other Expenses	F	2,238,816	22,982,790	283,322	2,856,081
Total Expenses		52,230,038	536,172,672	2,506,054	25,262,771
V. Profit / (Loss) Before Tax (III-IV)		6,436,471	66,074,250	(1,027,639)	(10,359,311)
VI. Tax Expense :					
(a) Current Tax		1,609,118	16,518,560	-	-
		1,609,118	16,518,560	-	-
VII. Profit / (Loss) after tax (V - VI)		4,827,353	49,555,690	(1,027,639)	(10,359,311)

Significant Accounting Policies

11

For and on behalf of the Board

Samir Yajnik
Director

Cambric Manufacturing Technologies (Shanghai) Co. Ltd.
Cash Flow Statement for the year ended 31 March 2016

	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after Taxation	4,827,353	49,555,679	(1,027,639)	(10,359,322)
Depreciation and amortization	17,948	184,248	2,025	20,413
Provision for Income Tax	1,609,118	16,518,560	-	-
Interest Income	(37,617)	(386,161)	(1,665)	(16,782)
Operating profit before Working Capital Changes	6,416,802	65,872,326	(1,027,279)	(10,355,690)
Adjustments for :				
Trade Receivables	(11,871,632)	(121,869,422)	-	-
Short Term loans and advances	510,779	5,243,450	(654,131)	(6,594,095)
Other Current Assets	(1,180,840)	(12,122,031)	-	-
Long Term Loans and advances	(146,890)	(1,507,914)	(20,000)	(201,614)
Prepaid Expenses	(383,281)	(3,934,611)	-	-
Trade Payables	35,274,227	362,111,099	1,298,521	13,090,005
Other Current Liabilities	874,487	8,977,135	-	-
Short Term Provision	134,426	1,379,964	33,356	336,252
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES	29,628,078	304,149,996	(369,533)	(3,725,143)
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	37,617	386,161	1,665	16,782
Payment for Purchase of Fixed Assets	(203,501)	(2,089,059)	(8100)	(81,654)
NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(165,884)	(1,702,898)	(6,435)	(64,872)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	-	-	3,077,238	31,020,708
NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES	-	-	3,077,238	31,020,708
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	29,462,194	302,447,098	2,701,270	27,230,694
Cash & Bank Balances at the close of the year (Note 8)	32,163,464	330,177,256	2,701,270	27,230,694
Cash & Bank Balances at the beginning of the year (Note 8)	2,701,270	27,730,158	-	-
	29,462,194	302,447,098	2,701,270	27,230,694

For and on behalf of the Board

Samir Yajnik
Director

Notes forming part of the Balance Sheet

Note - 1	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
SHARE CAPITAL				
Issued, subscribed and fully paid :	3,077,238	31,589,689	3,077,238	31,020,708
	3,077,238	31,589,689	3,077,238	31,020,708

Notes forming part of the Balance Sheet

Note - 2

RESERVES AND SURPLUS		(Amount in CNY)			
Particulars		As at March 31, 2015	Additions	Deductions	As at March 31, 2016
(a) Surplus of Profit and Loss	[Note (i) below]	(1,027,638)	4,827,353	-	3,799,715
		(1,027,638)	4,827,353	-	3,799,715
Notes:-		2015 - 2016		2014-2015	
		<i>Additions</i>	<i>Deductions</i>	<i>Additions</i>	<i>Deductions</i>
(i) Changes in Statement of Profit and Loss :					
(a) Profit/(Loss) for the year		4,827,353	-	(1,027,639)	-
		4,827,353	-	(1,027,639)	-

Note - 2

RESERVES AND SURPLUS		(Amount in ₹)			
Particulars		As at March 31, - <th style="text-align: center;">Additions</th> <th style="text-align: center;">Deductions</th> <th style="text-align: center;">As at March 31, - </th>	Additions	Deductions	As at March 31, -
(a) Surplus of Profit and Loss	[Note (i) below]	(10,359,312)	49,555,690	-	39,196,378
		(10,359,312)	49,555,690	-	39,196,378
Notes:-		2015 - 2016		2014-2015	
		<i>Additions</i>	<i>Deductions</i>	<i>Additions</i>	<i>Deductions</i>
(i) Changes in Statement of Profit and Loss :					
(a) Profit/(Loss) for the year		49,555,690	-	(10,359,311)	-
		49,555,690	-	(10,359,311)	-

Notes forming part of the Balance Sheet

Note -3

	(Amount in CNY)	(Amount in ₹)	Amount in CNY)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
OTHER CURRENT LIABILITIES				
(a) Statutory dues	874,486	8,977,125	-	-
	874,486	8,977,125	-	-

Note -4

	(Amount in CNY)	(Amount in ₹)	Amount in CNY)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
SHORT-TERM PROVISIONS				
(a) Provision for employee benefits	167,782	1,722,383	33,356	336,252
	167,782	1,722,383	33,356	336,252

Notes forming part of Financial Statements

Note -5											(Amount in CNY)	
FIXED ASSETS	Cost as at April 1, 2015	Additions	Deductions	Translation Adjustments	Cost as at March 31, 2016	Accumulated depreciation / amortisation up to March 31, 2015	Depreciation / Amortisation for the year	Deductions	Translation Adjustments	Accumulated depreciation / amortisation up to March 31, 2016	Net Book Value as at March 31, 2016	Net Book Value as at March 31, 2015
[A] TANGIBLE ASSETS												
(a) Plant & Machinery and Equipments	8,100	203,501	-	-	211,601	2,025	17,948	-	-	19,973	191,628	6,075
Computers	8,100	190,963	-	-	199,063	2,025	16,555	-	-	18,580	180,483	6,075
Electrical Equipments	-	12,538	-	-	12,538	-	1,393	-	-	1,393	11,145	-
Total	8,100	203,501	-	-	211,601	2,025	17,948	-	-	19,973	191,628	6,075

Note -5											(Amount in ¥)	
FIXED ASSETS	Cost as at April 1, 2015	Additions	Deductions	Translation Adjustments	Cost as at March 31, 2016	Accumulated depreciation / amortisation up to March 31, 2015	Depreciation / Amortisation for the year	Deductions	Translation Adjustments	Accumulated depreciation / amortisation up to March 31, 2016	Net Book Value as at March 31, 2016	Net Book Value as at March 31, 2015
[A] TANGIBLE ASSETS												
(a) Plant & Machinery and Equipments	81,654	2,089,059	-	-	2,172,210	20,413	184,248	-	-	204,661	1,967,549	61,240
Computers	81,654	1,960,349	-	-	2,043,500	20,413	169,947	-	-	190,360	1,853,140	61,240
Electrical Equipments	-	128,710	-	-	128,710	-	14,301	-	-	14,301	114,409	-
Total	81,654	2,089,059	-	-	2,172,210	20,413	184,248	-	-	204,661	1,967,549	61,240

Notes forming part of the Balance Sheet

Note -6	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
LONG - TERM LOANS AND ADVANCES				
Unsecured (Considered Good)				
(a) Security Deposits	166,890	1,713,225	20,000	201,614
	166,890	1,713,225	20,000	201,614

Note -7	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
TRADE RECEIVABLES				
(a) Others (unsecured)				
Considered good	11,871,632	121,869,422	-	-
Considered doubtful	-	-	-	-
	11,871,632	121,869,422	-	-
Less : Allowances for doubtful debts	-	-	-	-
	11,871,632	121,869,422	-	-
	11,871,632	121,869,422	-	-

Note -8	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
CASH AND BANK BALANCES				
(a) Current Account with banks	32,163,464	330,177,256	2,701,270	27,230,694
	32,163,464	330,177,256	2,701,270	27,230,694

Note -9	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
OTHER CURRENT ASSETS				
(a) Prepaid expenses	383,281	3,934,611	-	-
(b) Unbilled Revenue	1,180,840	12,122,031	-	-
	1,564,121	16,056,643	-	-

Note -10	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
SHORT TERM LOANS AND ADVANCES				
(a) Deposits with Government	143,352	1,471,594	654,131	6,594,095
	143,352	1,471,594	654,131	6,594,095

Notes forming part of Financial Statements

Note -A

	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2015
REVENUE FROM OPERATIONS				
(a) Sale of Products	150,170	1,541,580	1,476,750	14,886,678
(b) Sale of Services	58,440,618	599,928,017	-	-
(c) Commission Income	15,321	157,280.26	-	-
	58,606,109	601,626,877	1,476,750	14,886,678

Note - B

	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2015
OTHER INCOME				
(a) Interest income	37,617	386,161	1,665	16,782
(b) Foreign Currency (Gain)/Loss - (Net)	22,783	233,884	-	-
	60,400	620,045	1,665	16,782

Note - C

	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2015
COST OF TRADED PRODUCTS				
(a) Purchase of Products	124,544	1,278,517	1,257,729	12,678,789
	124,544	1,278,517	1,257,729	12,678,789

Note - D

	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2015
CONSULTANCY FEES, SOFTWARES AND OTHERS				
(a) Outsourcing Charges	44,977,554	461,721,581	-	-
(b) Professional Fees	788,763	8,097,122	166,455	1,677,978
	45,766,317	469,818,703	166,455	1,677,978

Notes forming part of Financial Statements

Note - E

	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2015
EMPLOYEE BENEFIT EXPENSE				
(a) Salaries and Wages	3,377,643	34,673,536	795,858	8,022,807
(b) Staff welfare Expenses	704,770	7,234,878	665	6,704
	4,082,413	41,908,414	796,523	8,029,510

Note - F

	(Amount in CNY)	(Amount in ₹)	(Amount in CNY)	(Amount in ₹)
	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2015
OTHER EXPENSES				
(a) Repairs & Maintenance		-		
- Plant & Machinery	83,146	853,544	-	-
(b) Rent	337,249	3,462,059	120,999	1,219,753
(c) Rates and Taxes	422,181	4,333,946	-	-
(d) Office Expenses	83,339	855,521	22,246	224,251
(e) Travelling & Conveyance	461,687	4,739,497	86,361	870,576
(f) Staff Training and Seminar Expenses	-	-	523	5,276
(g) Staff Recruitment Expenses	619,084	6,355,265	-	-
(h) Foreign Currency (Gain)/Loss - (Net)	-	-	4,308	43,424
(i) Communication Expenses	97,855	1,004,535	21,115	212,859
(j) Miscellaneous Expenses	134,276	1,378,423	27,770	279,943
	2,238,816	22,982,790	283,322	2,856,081

Third Annual Report 2015-16

Cambric Manufacturing Technologies (Shanghai) Co. Ltd.

Notes forming part of financial statements

Note 11

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

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

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the management of the Company (Management) to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year and balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Provisions are made for all known losses and liabilities, future unforeseeable factors that may affect the profit on fixed price service contracts and also towards likely expenses for providing post-sales client support on such contracts.

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and other sales related taxes.

1.4 Revenue recognition

The Company acts as a reseller of hardware and software to the worldwide CAE community and provides services which include installation, training, product support, design services and consultancy. Hardware revenues are recognised when the hardware is delivered. Software revenues are recognised when a non-cancellable agreement has been signed and there are no uncertainties surrounding product acceptance, there are no significant vendor obligations, and the fees are fixed and determinable. Training, design services and consulting revenues are recognised as the services are performed. Support agreement revenues are recognised rateably over the support period except where the services of a third party are sold on. In this situation all revenue is recognised upfront.

1.5 Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	Period of lease
Plant and machinery	3–4 years
Furniture and Fixtures	4 years

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance

element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on a moving weighted average basis.

1.8 Taxation

Current income tax expense is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

1.9 Foreign currency translation

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary current assets and current liabilities that are denominated in foreign currency translated at the exchange rates prevalent as at the Balance Sheet date and the profit / loss so determined and also the realized exchange gains / losses are recognized in the Profit and Loss Account.

1.10 Impairment of Assets

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing costs are capitalized as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the year in which they are incurred.

1.12 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has present obligation as a result of past event and its probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. The provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS

2.1 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is US \$ Nil (Nil) as at March 31, 2016.

2.2 Contingent liabilities

There were no contingent liabilities as at 31st March 2016.

2.3 Provision for Taxes

The provision for taxation pertains to tax liability as applicable to the jurisdictions of the country in which the Company operates. The provision for taxation for the current year has been computed by the management in consultation with the tax advisors to the Company.

2.4 Obligation towards non-cancellable Operating Lease

Particulars	March 31, 2016 (CNY)	March 31, 2016 (₹)
The Total of Minimum lease payments for a period:		
Due not later than one year	477,225 (-)	4,283,065 (-)
Later than one year but not later than five years	- (-)	- (-)
Due later than five year	- (-)	- (-)
The total charge to the Statement of Profit & Loss	337,248 (-)	3,462,059 (-)

2.5 Related Party disclosures

Particulars	Tata Technolgies Limited	Tata Technolgies Limited	Tata Technolgies Limited	Tata Technolgies Limited
Nature of Transaction	In foreign currency	(₹)	In foreign currency	(₹)
Goods and services received by the Reporting Enterprise				
Income received from services	CNY 11,507,276	118,129,094	CNY 23,640,216	242,681,002
Dues Payable by the Reporting Enterprise as on the date of the Reporting Period				
Dues Payable on Supplies and Services	CNY 11,355,260	116,568,556	CNY 23,640,216	242,681,002

*There are no previous year transactions

2.6 Conversion into Indian Rupees

The financial information is expressed in US \$ only in the audited Accounting packs based on which the attached financial statements have been reformatted. . Solely for the convenience of the reader and to meet the requirement of section 129 of the Companies (Accounts) Rules, 2014, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 CNY = ` 10.265600 as on March 31, 2016. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

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