

ANNUAL REPORT OF
TATA TECHNOLOGIES INC, USA

TATA TECHNOLOGIES INC, USA

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TATA TECHNOLOGIES INC, USA

DIRECTORS:

1. Mr. Praveen P Kadle
2. Mr. Warren Harris
3. Mr. Kevin Noe

**REGISTERED:
OFFICE** 41050, W Eleven Mile Road, Novi,
MI 48375

TO THE MEMBERS OF

TATA TECHNOLOGIES INC.

The Directors hereby present the Nineteenth 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:

	Year end March 31, 2016	
	(In US \$)	(In ₹)
Income	118,617,199	7,858,092,909
Profit for the year	2,705,595	179,238,937

2. OPERATIONS

Tata Technologies Inc. provides services in the field of engineering automation, offering engineering & design services, PLM products and related IT services to their respective customer bases, comprising primarily manufacturers and their suppliers in the international automotive and aerospace markets. During the year the company registered a turnover of US \$ 118, 617,199 (₹ 7,858,092,909) and a profit after tax of US \$ 2,705,595 (₹179,238,937).

3. CHANGE IN SHARE CAPITAL

During the year, no changes have occurred in the authorized capital of the Company.

4. 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.

5. POST BALANCE SHEET EVENTS

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.

6. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

7. 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.

8. AUDIT

The Company is not required to obtain an independent audit report on the financials of the Company under the Michigan laws; consequently, no independent audit opinion has been sought in respect of these financial statements.

9. 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.

10. 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;

Praveen P Kadle - Director
Warren Harris - Director
Kevin Noe - Director

Date:

Place: Novi, Michigan

TATA TECHNOLOGIES INC.
Balance Sheet as at March 31, 2016

Particulars	Note No	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(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	119,704,220	7,930,105,314	119,704,220	7,481,214,489
(b) Reserves and Surplus	2	(68,891,001)	(4,563,856,560)	(71,596,596)	(4,474,608,262)
		50,813,219	3,366,248,754	48,107,624	3,006,606,227
(2) Non-current Liabilities					
(a) Long-term Borrowings	3	-	-	-	-
(3) Current Liabilities					
(a) Short-term Borrowings	4	10,000,000	662,475,000	6,002,270	375,126,899
(b) Trade Payables		12,723,725	842,914,921	22,303,889	1,393,937,392
(c) Other Current Liabilities	5	1,367,927	90,621,729	3,387,794	211,728,671
(d) Current income tax liabilities		2,159,843	143,084,204	679,555	42,470,489
		26,251,495	1,739,095,854	32,373,509	2,023,263,451
		77,064,714	5,105,344,608	80,481,134	5,029,869,677
II. ASSETS					
(1) Non-current Assets					
(a) Fixed Assets					
(i) Tangible Assets	6	450,481	29,843,261	616,767	38,546,375
(ii) Intangible Assets	7	143,166	9,484,373	373,994	23,373,721
		593,647	39,327,634	990,761	61,920,096
(b) Goodwill on Consolidation		32,958,695	2,183,431,178	32,958,695	2,059,836,070
(c) Non-current Investments	8	2,887,106	191,263,560	2,887,106	180,436,912
(d) Deferred tax Assets (net)		281,664	18,659,510	1,383,949	86,493,367
(e) Long-term loans and advances	9	138,359	9,165,929	139,821	8,738,464
		36,859,471	2,441,847,811	38,360,332	2,397,424,909
(2) Current Assets					
(a) Trade Receivables	10	23,026,982	1,525,479,973	25,138,351	1,571,084,082
(b) Cash and Bank Balances	11	11,976,903	793,439,886	12,977,626	811,069,165
(c) Other Current Assets	12	5,062,658	335,388,434	3,897,822	243,604,129
(d) Short-term loans and advances	13	138,700	9,188,504	107,003	6,687,392
		40,205,243	2,663,496,797	42,120,802	2,632,444,768
		77,064,714	5,105,344,608	80,481,134	5,029,869,677

Significant Accounting Policies

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For and on behalf of the Board of Directors

Praveen P Kadle Director
Warren Harris Director
Kevin Noe Director

Date:

Place: Novi, Michigan

TATA TECHNOLOGIES INC.
Profit and Loss Statement for the year ended March 31, 2016

Particulars	Note No	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(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	14	118,459,589	7,847,651,624	113,781,102	7,111,034,395
II. Other Income	15	157,610	10,441,285	274,739	17,170,506
III. Total Revenue (I + II)		118,617,199	7,858,092,909	114,055,841	7,128,204,901
IV. Expenses :					
(a) Cost of Traded Products	16	27,465,962	1,819,551,304	33,817,859	2,113,531,647
(b) Consultancy fees, Softwares and others	17	26,344,693	1,745,270,065	17,909,158	1,119,277,626
(c) Employee Benefit Expense	18	52,077,157	3,449,981,450	51,612,289	3,225,639,008
(d) Finance Cost	19	57,885	3,834,760	1,086,906	67,928,928
(e) Depreciation and amortisation Expense	6 & 7	675,446	44,746,582	686,293	42,891,594
(f) Other Expenses	20	6,717,114	444,992,038	6,504,311	406,503,207
Total Expenses		113,338,257	7,508,376,199	111,616,817	6,975,772,010
V. Profit / (Loss) Before Exceptional and Extra Ordinary Items and Tax (III - IV)		5,278,942	349,716,710	2,439,024	152,432,891
VI. Exceptional Items					
(a) (Gain)/loss on liquidation of subsidiaries (Net)		-	-	4,928	307,971
VII. Profit / (Loss) Before Extra Ordinary Items and Tax (V - VI)		5,278,942	349,716,710	2,434,096	152,124,920
VIII. Profit / (Loss) Before Tax		5,278,942	349,716,710	2,434,096	152,124,920
IX. Tax Expense :					
(a) Current Tax		1,471,062	97,454,147	1,002,437	62,649,822
(b) Earlier Year		-	-	-	-
(c) Deferred Tax		1,102,285	73,023,626	301,449	18,839,809
		2,573,347	170,477,773	1,303,886	81,489,631
X. Profit / (Loss) from continuing operations (VIII - IX)		2,705,595	179,238,937	1,130,210	70,635,289

Significant Accounting Policies

21

For and on behalf of the Board of Directors

Praveen P Kadle	Director
Warren Harris	Director
Kevin Noe	Director

Date:

Place: Novi, Michigan

TATA TECHNOLOGIES INC.
Cash Flow Statement for the period ended Mar 31, 2016

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after Taxation and Extraordinary Items	2,705,595	179,238,937	1,130,210	70,635,289
Depreciation and amortization	675,446	44,746,582	686,293	42,891,594
Provision for Income Tax	1,471,062	97,454,147	1,002,437	62,649,823
Provision for Deferred Tax	1,102,285	73,023,626	301,449	18,839,809
Interest Income	(2,025)	(134,177)	(317)	(19,835)
Finance Costs	57,885	3,834,760	1,086,906	67,928,928
Allowances for doubtful debts	(72,775)	(4,821,158)	(488,208)	(30,511,805)
Operating profit before Working Capital Changes	5,937,473	393,342,718	3,718,770	232,413,803
Adjustments for :				
Income Accrued	-	-	-	-
Inventories	-	-	-	-
Goodwill on Consolidation	-	-	(32,045,006)	(2,002,732,792)
Trade Receivables	2,184,144	144,694,082	(1,050,520)	(65,654,877)
Advance to Supplier, Contractors & Others	(11,988)	(794,198)	3,051,802	190,729,989
Statutory dues	(822,806)	(54,508,823)	43,761	2,734,957
Loans and advances	(34,395)	(2,278,581)	(7,025)	(439,024)
Unbilled Revenue	(779,564)	(51,644,168)	(1,210,522)	(75,654,576)
Prepaid Expenses	453,680	30,055,176	7,901	493,768
Trade Payables	(9,580,165)	(634,661,898)	3,091,251	193,195,466
Other Current Liabilities	(2,019,867)	(133,811,171)	(671,550)	(41,970,217)
Deferred Tax Asset/Liability	-	-	(996,049)	(62,250,572)
Advance Tax / Tax Deducted at Source	9,227	611,237	(322,882)	(20,179,334)
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(4,664,262)	(308,995,625)	(26,390,070)	(1,649,313,409)
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	2,025	134,177	317	19,835
Investment in Subsidiary	0	13	8,085,989	505,354,093
Payment for Purchase of Fixed Assets	(278,331)	(18,438,765)	(1,079,936)	(67,493,288)
NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(276,306)	(18,304,576)	7,006,370	437,880,640
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of shares under ESOP Scheme including Premium	-	-	64,858,860	4,053,516,603
Interest Paid	(57,885)	(3,834,760)	(1,109,974)	(69,370,583)
Proceeds /Repayment from Short Term borrowings	3,997,730	264,839,586	(16,497,730)	(1,031,066,851)
Proceeds / Repayment from Long Term borrowing	-	-	(13,333,333)	(833,300,000)
Proceeds / Repayment of Current maturities of long term debt	-	-	(13,333,333)	(833,300,000)
NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES	3,939,845	261,004,826	20,584,490	1,286,479,169
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(1,000,723)	(66,295,375)	1,200,790	75,046,399
Cash & Cash equivalent at the close of the year as per Note 11	11,976,903	793,439,886	12,977,626	811,069,165
Cash & Cash equivalents at the beginning of the year as per Note 11	12,977,626	859,735,261	2,151,899	134,488,280
Translation Reserve	-	-	(339,308)	(21,205,889)
Net Reserves transferred from Cambic Corporation on Account of merger	-	-	9,964,245	622,740,375
	(1,000,723)	(66,295,375)	1,200,790	75,046,399

For and on behalf of the Board of Directors

Praveen P Kadle	Director
Warren Harris	Director
Kevin Noe	Director

Date:
Place: Novi, Michigan

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 1

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2015
SHARE CAPITAL				
Issued, subscribed and fully paid :				
157,900 Shares of non-voting Class A common stock with no par value	295,360	19,566,862	295,360	18,459,262
(P.Y 157,900 Shares of non-voting Class A common stock with no par value)				
885,520 Shares of Class B common stock with no par value	119,408,860	7,910,538,452	119,408,860	7,462,755,227
(P.Y 885,520 Shares of Class B common stock with no par value)				
	119,704,220	7,930,105,314	119,704,220	7,481,214,489

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 2

		(Amount in USD)			
		As at March 31, 2015	Additions	Deductions	As at Mar 31, 2016
(a)	Securities Premium Reserve	416,472	-	-	416,472
(b)	Capital Reserve	5,614,930	-	-	5,614,930
(c)	Translation Reserves	(339,310)	-	-	(339,310)
(d)	Surplus i.e. balance in statement of Profit and Loss	15,487,578	2,705,595	-	18,193,173
(e)	Restructuring Account	(92,776,266)	-	-	(92,776,266)
		(71,596,596)	2,705,595	-	(68,891,001)

Notes:-

	2015-2016		2014-2015	
	Additions	Deductions	Additions	Deductions
(i) Changes in Statement of Profit and Loss :				
(a) Profit for the year	2,705,595	-	1,130,210	-
(b) Transfer from Cambric Holdings Inc. on account of merger	-	-	-	9,964,245
	2,705,595	-	1,130,210	9,964,245

Note - 2

		(Amount in ₹)			
		As at March 31, 2015	Additions	Deductions	account of merger of Cambric Holdings Inc.
(a)	Securities Premium Reserve	27,590,229	-	-	27,590,229
(b)	Capital Reserve	371,975,059	-	-	371,975,059
(c)	Translation Reserves	(22,478,426)	-	-	(22,478,426)
(d)	Surplus i.e. balance in statement of Profit and Loss	1,026,013,293	179,238,937	-	1,205,252,230
(e)	Restructuring Account	(6,146,195,651)	-	-	(6,146,195,651)
		(4,743,095,497)	179,238,937	-	(4,563,856,560)

Notes:-

	2015-2016		2014-2015	
	Additions	Deductions	Additions	Deductions
(i) Changes in Statement of Profit and Loss :				
(a) Profit for the year	179,238,937	-	70,635,289	-
(b) Transfer from Cambric Holdings Inc. on account of merger	-	-	-	622,740,386
	179,238,937	-	70,635,289	622,740,386

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 3	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2015
LONG TERM BORROWINGS				
(A) Unsecured				
(i) Term Loans				
- From Banks	-	-	-	-
Citi Bank		-	-	-
	-		-	-

Note - 4	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2015
SHORT TERM BORROWINGS				
(A) Secured				
(a) Loans repayable on demand	6,000,000	397,485,000	6,000,000	374,985,000
[Refer Note (i)]				
	6,000,000	397,485,000	6,000,000	374,985,000

Note (i) The loan of USD 6,000,000/- (P.Y. USD 6,000,000) taken from Chase commercial Bank, The same is repayable on call basis. The loan carries interest rate at Libor+1.75%. [Secured by hypothecation of book debts/accounts receivable and movable fixed assets (excluding certain vehicle)]

(A) Unsecured				
Other loans	4,000,000	264,990,000	2,270	141,899
	4,000,000	264,990,000	2,270	141,899
	10,000,000	662,475,000	6,002,270	375,126,899

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 5	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2015
OTHER CURRENT LIABILITIES				
(a) Interest accrued but not due on borrowings	-	-	-	-
(b) Current maturities of long term debt	-	-	-	-
(c) Income received in advance	1,155,001	76,515,900	1,306,524	81,654,512
(d) Statutory dues	(105,738)	(7,004,890)	(107,873)	(6,741,817)
(e) Advance and Progress payments	318,664	21,110,719	2,189,143	136,815,976
	1,367,927	90,621,729	3,387,794	211,728,671

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 6

		(Amount in USD)								
FIXED ASSETS	Cost as at April 1, 2015	Additions	Deductions	Cost as at Mar 31, 2016	Accumulated depreciation up to April 1, 2015	Depreciation for the year 2015-2016	Deductions	Accumulated depreciation up to Mar 31, 2016	Net Book Value as at Mar 31, 2016	Net Book Value as at Mar 31, 2015
[A] TANGIBLE ASSETS										
Computers	1,879,730	186,376		2,066,107	1,455,237	250,690		1,705,926	360,180	424,493
Furniture and fixtures	194,577		17,689	176,888	133,577	28,791	17,689	144,679	32,210	61,001
Office Equipment	54,501	4,146		58,648	32,890	8,526		41,417	17,231	21,611
Leasehold improvement	686,253	18,300		704,553	591,281	81,981		673,263	31,290	94,972
Vehicles	25,743	-		25,743	11,053	5,120		16,173	9,570	14,690
Total	2,840,805	208,823	17,689	3,031,938	2,224,038	375,108	17,689	2,581,457	450,481	616,767

Note - 6

		(Amount in ₹)								
FIXED ASSETS	Cost as at April 1, 2015	Additions	Deductions	Cost as at Mar 31, 2016	Accumulated depreciation up to April 1, 2015	Depreciation for the year 2015-2016	Deductions	Accumulated depreciation up to Mar 31, 2016	Net Book Value as at Mar 31, 2016	Net Book Value as at Mar 31, 2015
[A] TANGIBLE ASSETS										
Computers	124,527,423	12,346,974	-	136,874,397	96,405,797	16,607,553	-	113,013,349	23,861,048	28,121,627
Furniture and fixtures	12,890,256	-	1,171,858	11,718,398	8,849,121	1,907,332	1,171,858	9,584,595	2,133,803	4,041,135
Office Equipment	3,610,560	274,693	-	3,885,252	2,178,911	564,855	-	2,743,766	1,141,486	1,431,648
Leasehold improvement	45,462,555	1,212,329	-	46,674,884	39,170,914	5,431,065	-	44,601,979	2,072,905	6,291,641
Vehicles	1,705,411	-	-	1,705,411	732,211	339,180	-	1,071,391	634,019	973,200
Total	188,196,204	13,833,996	1,171,858	200,858,342	147,336,954	24,849,985	1,171,858	171,015,080	29,843,261	40,859,250

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 7

(Amount in USD)

FIXED ASSETS	Cost as at April 1, 2015	Additions	Deductions	Cost as at Mar 31, 2016	Accumulated amortisation as at April 1, 2015	Amortisation for the year 2015-2016	Deductions	Translation Adjustments	Accumulated amortisation up to Mar 31, 2016	Net Book Value as at Mar 31, 2016	Net Book Value as at Mar 31, 2015
[B] INTANGIBLE ASSETS											
Copyrights	8,056			8,056	-	-			-	8,056	8,056
Software Licenses	1,955,577	69,509		2,025,085	1,589,638	300,337			1,889,975	135,110	365,939
Total	1,963,632	69,509	-	2,033,141	1,589,638	300,337			1,889,975	143,166	373,994

Note - 7

(Amount in ₹)

FIXED ASSETS	Cost as at April 1, 2015	Additions	Deductions	Cost as at Mar 31, 2016	Accumulated amortisation as at April 1, 2015	Amortisation for the year 2015-2016	Deductions	Translation Adjustments	Accumulated amortisation up to Mar 31, 2016	Net Book Value as at Mar 31, 2016	Net Book Value as at Mar 31, 2015
[B] INTANGIBLE ASSETS											
Copyrights	533,666	-	-	533,666	-	-			-	533,666	533,666
Software Licenses	129,552,065	4,604,770	-	134,156,835	105,309,531	19,896,597			125,206,128	8,950,707	24,242,534
Total	130,085,731	4,604,770	-	134,690,501	105,309,531	19,896,597			125,206,128	9,484,373	24,776,200

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note -8

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2015
NON-CURRENT INVESTMENTS				
TRADE (UNQUOTED) - at cost				
1 Subsidiaries (Details below)	2,887,106	191,263,560	2,887,106	180,436,912
Tata Technologies (Canada) Inc., Canada	1,000	66,248	1,000	62,498
Tata Technologies DE Mexico SA DE CV, Mexico	155,354	10,291,814	155,354	9,709,237
Cambric Holdings Inc.	-	-	-	-
Cambric Limited	2,700,000	178,868,250	2,700,000	168,743,250
Cambric GmbH	30,651	2,030,536	30,651	1,915,596
Cambric UK Limited	1	87	1	81
Midwest Managed Services	100	6,625	100	6,250
	2,887,106	191,263,560	2,887,106	180,436,912

Note - 9

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2015
LONG - TERM LOANS AND ADVANCES				
Unsecured (Considered Good)				
(a) Security Deposits	47,433	3,142,299	44,829	2,801,683
(b) Deposits with Government	90,277	5,980,617	90,183	5,636,211
(c) Prepaid Expenses - Non-Current	649	43,013	4,809	300,570
	138,359	9,165,929	139,821	8,738,464

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 10

	(Amount in USD) As at March 31, 2016	(Amount in ₹) As at March 31, 2016	(Amount in USD) As at March 31, 2015	(Amount in ₹) As at March 31, 2015
TRADE RECEIVABLES (Unsecured, considered good unless otherwise stated)				
(a) Trade receivables due for a period exceeding six months				
Considered good	112,991	7,485,373	239,311	14,956,349
Considered doubtful	661,693	43,835,532	734,468	45,902,433
	<u>774,684</u>	<u>51,320,905</u>	<u>973,779</u>	<u>60,858,782</u>
Less : Allowances for doubtful debts	661,693	43,835,532	734,468	45,902,433
	<u>112,991</u>	<u>7,485,373</u>	<u>239,311</u>	<u>14,956,349</u>
(b) Other Trade Receivables				
Considered good	22,913,991	1,517,994,600	24,899,040	1,556,127,733
Considered doubtful	-	-	-	-
	<u>22,913,991</u>	<u>1,517,994,600</u>	<u>24,899,040</u>	<u>1,556,127,733</u>
Less : Allowances for doubtful debts	-	-	-	-
	<u>22,913,991</u>	<u>1,517,994,600</u>	<u>24,899,040</u>	<u>1,556,127,733</u>
	<u>23,026,982</u>	<u>1,525,479,973</u>	<u>25,138,351</u>	<u>1,571,084,082</u>

Note -11

	(Amount in USD) As at March 31, 2016	(Amount in ₹) As at March 31, 2016	(Amount in USD) As at March 31, 2015	(Amount in ₹) As at March 31, 2015
CASH AND BANK BALANCES				
(a) Cash on hand	110	7,296	371	23,185
(b) Current Account with banks	11,976,793	793,432,590	12,977,255	811,045,980
	<u>11,976,903</u>	<u>793,439,886</u>	<u>12,977,626</u>	<u>811,069,165</u>

Note -12

	(Amount in USD) As at March 31, 2016	(Amount in ₹) As at March 31, 2016	(Amount in USD) As at March 31, 2015	(Amount in ₹) As at March 31, 2015
OTHER CURRENT ASSETS				
(a) Advances to suppliers and contractors	163,818	10,852,561	151,830	9,489,000
(b) VAT, other taxes recoverable, statutory deposits and dues from government	1,560,668	103,390,380	737,863	46,114,572
(c) Prepaid expenses	469,070	31,074,740	918,591	57,409,610
(d) Unbilled Revenue	2,869,102	190,070,753	2,089,538	130,590,947
	<u>5,062,658</u>	<u>335,388,434</u>	<u>3,897,822</u>	<u>243,604,129</u>

Note -13

	(Amount in USD) As at March 31, 2016	(Amount in ₹) As at March 31, 2016	(Amount in USD) As at March 31, 2015	(Amount in ₹) As at March 31, 2015
SHORT TERM LOANS AND ADVANCES Unsecured (Considered Good)				
(a) Loans and Advances employees	134,302	8,897,134	85,290	5,330,371
(b) Security Deposits	4,398	291,370	21,713	1,357,021
	<u>138,700</u>	<u>9,188,504</u>	<u>107,003</u>	<u>6,687,392</u>

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note - 14

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(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	39,360,784	2,607,553,569	45,930,475	2,870,539,859
(b) Sale of Services	78,729,370	5,215,623,919	67,007,895	4,187,825,902
(c) Commission Income	369,435	24,474,136	842,732	52,668,634
	118,459,589	7,847,651,624	113,781,102	7,111,034,395

Note - 15

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(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-Others	2,025	134,177	317	19,835
(b) Provision no longer required (net)	-	-	4,242	265,109
(c) Other non-operating Income	155,585	10,307,108	270,180	16,885,562
	157,610	10,441,285	274,739	17,170,506

Note - 16

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(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	27,465,962	1,819,551,304	33,817,859	2,113,531,647
(b) Change in Stock in Trade	-	-	-	-
	27,465,962	1,819,551,304	33,817,859	2,113,531,647

Note - 17

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(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	25,096,280	1,662,565,756	16,864,109	1,053,964,682
(b) Software-internal use	593,851	39,341,171	465,809	29,111,916
(c) Professional Fees	625,778	41,456,251	523,878	32,741,063
(d) Training Costs	28,784	1,906,887	55,362	3,459,965
	26,344,693	1,745,270,065	17,909,158	1,119,277,626

TATA TECHNOLOGIES INC.
Notes forming part of financial statements

Note -18

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(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	51,886,208	3,437,331,548.26	51,306,531	3,206,529,925
(b) Social Security and other benefit plans for Overseas employees	134,727	8,925,309	133,786	8,361,276
(c) Staff welfare Expenses	56,222	3,724,593	171,972	10,747,807
	52,077,157	3,449,981,450	51,612,289	3,225,639,008

Note -19

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)
	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2015
FINANCE COSTS				
(a) Interest Expense				
- Interest on Short Term Borrowings	57,885	3,834,760	244,791	15,298,822
- Interest on Long Term Borrowings	-	-	842,115	52,630,107
	57,885	3,834,760	1,086,906	67,928,928

Note -20

	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(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				
- Buildings	240,569	15,937,071	236,764	14,797,175
- Plant & Machinery	9,991	661,906	14,860	928,737
- Others	-	-	30,355	1,897,102
(b) Rent	638,836	42,321,310	625,231	39,075,349
(c) Rates and Taxes	552,237	36,584,295	33,829	2,114,250
(d) Insurance	186,584	12,360,709	219,624	13,725,957
(e) Overseas Marketing Expenses	189,391	12,546,696	229,446	14,339,819
(f) Business Promotion Expenses	3,000	198,743	1,043	65,212
(g) Office Expenses	397,859	26,357,185	330,097	20,630,240
(h) Travelling & Conveyance	2,626,378	173,990,955	1,984,248	124,010,537
(i) Power & Fuel	77,915	5,161,675	72,376	4,523,292
(j) Water Charges	10,734	711,111	9,368	585,471
(k) Auditors Remuneration	63,547	4,209,860	74,377	4,648,407
(l) Staff Training and Seminar Expenses	30,163	1,998,240	56,928	3,557,850
(m) Staff Recruitment Expenses	432,424	28,647,013	136,204	8,512,384
(n) Commision to Others	32,095	2,126,234	1,377,021	86,060,360
(p) Foreign Currency (Gain)/Loss - (Net)	111,308	7,373,869	569,205	35,573,907
(q) Communication Expenses	438,279	29,034,898	463,940	28,995,065
(r) Bad Debts written off	-	-	-	-
(s) Allowances for doubtful debts	(72,775)	(4,821,158)	(488,209)	(30,511,868)
(t) Miscellaneous Expenses	748,578	49,591,427	527,604	32,973,961
	6,717,114	444,992,038	6,504,311	406,503,207

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Tata Technologies Inc.

Notes forming part of financial statements

Note 21

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') 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.

1.2 Accounting convention

The financial statements are prepared under the historical cost convention.

1.3 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.

1.4 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.

1.5 Revenue recognition

Revenue from services on time and materials contracts is recognized when services are rendered and related costs are incurred i.e. based on certification of time sheets and billed to clients as per the terms of specific contracts. In case of fixed price contracts, revenue is recognized over the life of the contract based on milestones achieved as specified in the contracts or by proportionate completion method on the basis of the work completed. Foreseeable losses on such contracts are recognized when probable.

Revenue from rendering Annual Maintenance Services (SAP-ERP) is recognized proportionately over the period in which services are rendered.

Revenue from third party software products and hardware sale is recognized upon delivery.

Income from interest is recognized on time proportion basis.

1.6 Fixed assets

Tangible assets are stated at cost, less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition. Direct costs are capitalized till the assets are ready for use and include financing costs relating to any borrowing attributable to the acquisition of qualifying fixed assets. Capital work in progress and Intangible assets in progress comprises the cost of fixed assets that

are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

1.7 Depreciation/Amortisation

Depreciation/Amortisation is provided on Straight Line Method (SLM) over the estimated useful lives of the assets. Estimated useful lives of assets are as follows:

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

Depreciation/Amortisation on additions to Fixed Assets is provided from the month of acquisition of the Asset. Depreciation/Amortisation on Assets sold / scraped during the period is provided for prior to the month of sale / scrap as the case may be.

1.8 Leases

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

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating lease. Lease payments under operating leases are recognized in the Statement of Profit & Loss on a straight line basis.

1.9 Investments

Investments are classified into current investments and long term investments.

Current investments are carried at lower of cost and market value. Any reduction in carrying amount and reversals of such reductions are charged or credited to the Statement of Profit & Loss.

Long term investments are stated at cost less provision for diminution in the value of such investments. Diminution in value is provided for where the management is of the opinion that the diminution is other than temporary in nature.

1.10 Inventories

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

1.11 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. 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.

1.12 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 Statement of Profit & Loss.

1.13 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 Statement of Profit & Loss.

1.14 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

1.15 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 (excluding retirement benefits) 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.

1.16 Cash Flow Statement

Cash flows are reported using indirect method, whereby net profits after tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

2 Notes to Accounts

2.1 Contingent liabilities

There were no contingent liabilities as at 31st March 2016 and as at 31st March 2015.

2.2 Breakup of Deferred Tax Assets is as under:

Particulars	As at March 31st,2016 (US \$)	As at March 31st,2016 (₹)	As at March 31st,2015 (US \$)	As at March 31st,2015 (₹)
Liabilities:				
Prepaid Expenses	280,691	18,595,077	-	-
Unrealised Exchange Gain/Loss	273,943	18,148,039		
Sub-total	554,634	36,743,116	-	-
Assets:				
Other timing differences	358,400	23,743,170	821,454	51,338,828
Depreciation in excess of Capital Allowances	246,305	16,317,090	305,431	19,088,718
Provision for doubtful debts	231,593	15,342,366	257,064	16,065,821
Sub-total	836,298	55,402,626	1,383,949	86,493,367
Deferred Tax Asset (Net)	281,664	18,659,510	1,383,949	86,493,367

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 (US \$)	March 31, 2016 (₹)	March 31, 2015 (US \$)	March 31, 2015 (₹)
Lease obligations				
The Total of Minimum lease payments for a period:	1,491,095	98,781,316	727,961	45,495,738
Due not later than one year	643,510	42,630,929	451,906	28,243,010
Later than one year but not later than five years	847,585	56,150,387	276,055	17,252,728
The total charge to the Profit & Loss Account	638,836	42,321,310	625,231	39,075,349

2.5 Auditor's remuneration

	March 31st, 2016 (US\$)	March 31st, 2016 (₹)	March 31st 2015 (US \$)	March 31st, 2015 (₹)
Statutory Audit Fees	63,547	4,209,860	74,377	4,648,407
Total	63,547	4,209,860	74,377	4,648,407

2.6 Related Party Disclosures

The summary of related party transactions is as mentioned below:

	Nature of Transaction	Tata Technologies Europe Limited	Tata Technologies Europe Limited	Tata Technologies Limited	Tata Technologies Limited	Tata Technologies Pte. Limited	Tata Technologies Pte. Limited	Tata Technologies (Thailand) Limited	Tata Technologies (Thailand) Limited	JAGUAR LAND ROVER NA LLC	JAGUAR LAND ROVER NA LLC	TATA HAL Technologies Limited	TATA HAL Technologies Limited	Tata Technologies De Mexico SA DE CV,Mexico	Tata Technologies De Mexico SA DE CV,Mexico	Tata Technologies SRL, Romania	Tata Technologies SRL, Romania	Remuneration	Remuneration
		Holding Company		Ultimate Parent Company		Indirect Subsidiary		Indirect Subsidiary		Fellow Subsidiary		Joint Venture with Ultimate Parent Company		Subsidiary		Subsidiary		Remuneration	Remuneration
		USD	Amount in ₹	USD	Amount in ₹	USD	Amount in ₹	USD	Amount in ₹	USD	Amount in ₹	USD	Amount in ₹	USD	Amount in ₹	USD	Amount in ₹	USD	Amount in ₹
Group 1	Goods and services received by the Reporting Enterprise																		
1.1)	Purchase of Goods and Raw Materials			USD 138,725	9,190,192														
1.2)	Purchase of Services	USD 1,504,295	99,656,782	USD 10,302,295	682,501,277			USD 258,068	16,963,868			USD 32,040	2,122,577	USD 2,985	197,774				
	Purchase of Services			USD 85,642	5,686,793														
1.3)	Expense recharge													USD 21,472	1,422,469	USD 5,778,024	382,779,658		
1.4)	Accrued Purchases			USD 124,643	8,257,292														
1.5)	Commission - Trading Sales																		
1.6)	Expenses Payable	USD 66,065	4,310,368	USD 366,097	24,252,979														
1.7)	Prepaid																		
	Others Payables																		
Group 2	Goods and services provided by the Reporting Enterprise																		
2.1)	Sale of Goods & Raw Materials	USD 73,963	4,899,857	USD 299,900	19,961,006	USD 4,345	287,845							USD 21,058	1,395,007				
2.1)	Sale of Goods & Raw Materials-Sale of Hardware	-	-																
2.1A)	Sale of Goods & Raw Materials-Sale of Propriety	-	-																
2.2)	Services provided by the Company	USD 267,344	17,710,864	USD 456,649	30,251,871					USD 2,921,721	193,556,727								
2.4)	Group Cost recharge													USD 100,896	6,684,128				
2.5)	Expenses Recoverable	USD 106,751	7,072,009	USD 181,236	12,006,418									USD 32,166	2,130,917	USD 354,213	23,465,756		
Group 3	Financial services received by the Reporting Enterprise																		
3.1)	Loans received during the period	-	-																
Group 4	Financial services Provided by the Reporting Enterprise																		
4.1)	Interest paid on Loans	-	-																
Group 5	Dues Payable by the Reporting Enterprise as on the date of the Reporting Period																		
5.1)	Due Payable and outstanding on Supplies and Services	USD 162,387	10,757,765	USD 2,319,221	153,642,567														
5.2)	Due Payable and outstanding on Supplies and Services			USD 25,824	1,710,791			USD 22,630	1,499,393					USD 7,587	502,594	USD 830,055	55,167,784		
5.3)	Expenses Recoverable			USD 46,282	3,066,062														
5.4)	Accrued Payables			USD 124,643	8,257,292														
Group 6	Dues Receivable by the Reporting Enterprise as on the date of the Reporting Period																		
6.1)	Due Receivable on Supplies and Services	USD 33,334	2,248,049	USD 671,610	44,492,466	USD 148	9,772			USD 494,220	32,740,811			USD 27,083	1,794,182	USD 10,560	699,574		
6.1A)	Due Receivable on Supplies and Services																		
Group 7	Key Management personnel																		
	Warren Harris																	706,891	46,763,508
	Anubhav Kapoor																	100,423	6,652,773
	Fernando Oviebo																	150,500	9,970,249
	Timothy Hayes																	73,750	4,885,753

2.7 The financial information is expressed in US \$ only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 129 of the Companies (Accounts) Rules, 2014, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 US \$ = ₹ 66.2475 as on March 31, 2016 and 1 US \$ = ₹ 62.4975 as on March 31, 2015. 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.

2.8 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 statements.

2.9 Previous Year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications / disclosures.