

Company Registration No. 02016440

TATA TECHNOLOGIES EUROPE LIMITED

Translated Financial Statements

31 March 2022

TATA Technologies Europe Limited

Translated Financial Statements 2022

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To,
The Board of Directors,
Tata Technologies Limited ('the Company')
Plot no 25,
Rajiv Gandhi Infotech Park.
Taluka Mulshi Hinjawadi,
Pune - 411057

Dear Sir,

I have verified the translated version of the audited standalone financial statements of TATA TECHNOLOGIES EUROPE LIMITED for the year ended 31st March 2022. The financial statements have been translated by the Company in Indian Rupee in accordance with the IND AS 21, The Effect of Changes in Foreign Currency Rates. The work carried out by us is in accordance with the Standard on Related Services (SRS) 4400, 'Engagements to Perform Agreed upon Procedures regarding Financial Information' issued by the Institute of Chartered Accountants of India.

As required under Schedule VI Part A Item No. (11)(I)(A)(ii)(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('SEBI ICDR Regulations'), we have verified the translated financial information contained in the Annexures attached to this certificate which is proposed to be uploaded on the website of *the Company* in connection with its proposed initial public offering of equity shares of TATA Technologies Limited.

We have not audited the standalone financial statements of TATA TECHNOLOGIES EUROPE LIMITED or standalone or consolidated financial statements of its parent company, TATA TECHNOLOGIES LIMITED. These financial statements have been audited by other audit firms, whose reports have been furnished to us by the Company.

These translated financials should not in any way be construed as a reissuance or re-dating of any of the previous audit reports, nor should these be construed as a new opinion on any of the audited standalone financial statements referred to herein.

These translated financials are intended solely for use of the management of the Company for uploading on the website of the Company in connection with the proposed Initial Public Offering of equity shares of the Company. Our certificate should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

Disclaimer –

The above certification is based on the information and explanations provided by the management of the Company and its subsidiary Tata Technologies Europe Limited.

The above certificate is exclusively for the party mentioned above and not to be used for any other purpose.

For Chetan Mayur & Co.
Chartered Accountants
FRN – 123216W



Chetan Champak Shroff
Partner
Membership No – 104273
UDIN - 23104273BGSNVT2945
Date – 9th February 2023

TATA Technologies Europe Limited

Income Statement For the year ended 31 March 2022

		2022		2021	
	Note	£'000	INR'000	£'000	INR'000
Turnover	3	1,13,941	1,16,00,276	67,082	65,09,737
Cost of sales		88,678	90,28,263	55,916	54,26,173
Gross profit		25,263	25,72,013	11,166	10,83,564
Distribution costs		1,988	2,02,397	1,439	1,39,643
Administrative expenses		4,996	5,08,640	4,991	4,84,334
Research and development expenditure credit		- 661	- 67,296	- 1,362	- 1,32,171
Other Income		- 249	- 25,351	- 3,810	- 3,69,728
Operating profit		19,189	19,53,623	9,908	9,61,486
Finance costs	6	530	53,959	471	45,706
Profit before taxation		18,659	18,99,664	9,437	9,15,780
Tax charge on profit	7	3,522	3,58,573	1,827	1,77,295
Profit for the financial year		15,137	15,41,091	7,610	7,38,485

All activities are continuing in nature.

There are no items of other comprehensive income in either year other than those reflected in the profit and loss account. Accordingly, no separate statement of other comprehensive income is presented.

The accompanying notes form part of financial statements

TATA Technologies Europe Limited

Balance Sheet At 31 March 2022

		2022		2021	
	Note	£'000	INR'000	£'000	INR'000
Non-current assets					
Property, plant and equipment	10	2,652	2,63,670	2,442	2,46,068
Right of use assets	11	6,697	6,65,837	10,682	10,76,377
Intangible assets	9	76	7,556	57	5,744
Investments in subsidiaries	12	55,937	55,61,447	55,937	56,36,523
Investments in Sub-lease	16	3,366	3,34,659	-	
Deferred tax asset	13	608	60,449	373	37,586
Total non-current assets	A	69,336	68,93,618	69,491	70,02,298
Current assets					
Trade and other receivables	14	34,628	34,42,833	20,297	20,45,238
Cash at bank and in hand		48,998	48,71,548	26,052	26,25,144
Current Investment in Sub-lease	16	110	10,937	-	
Total current assets	B	83,736	83,25,318	46,349	46,70,382
Less: Current liabilities					
Short term borrowings		-		-	
Trade payables	15	9,750	9,69,378	893	89,984
Provisions	15	2,352	2,33,844	1,327	1,33,716
Amounts owed to group undertakings	15	9,771	9,71,466	5,421	5,46,250
Current tax liabilities		2,678	2,66,256	2,422	2,44,054
Accruals and deferred income		12,583	12,51,045	4,640	4,67,552
Current Lease Liabilities	18	1,202	1,19,507	1,189	1,19,811
Total current liabilities	C	38,336	38,11,496	15,892	16,01,367
Net current assets	D (B-C)	45,400	45,13,822	30,457	30,69,015
Total assets less current liabilities, being net assets	(A+D)	1,14,736	1,14,07,440	99,948	1,00,71,313

TATA Technologies Europe Limited

Balance Sheet At 31 March 2022

Non-current liabilities

Long-term borrowings		-	-	-	-
Long-term lease liabilities	18	11,405	11,33,924	11,754	11,84,398

Equity

Share capital	17	11	1,094	11	1,109
Retained earnings		1,03,320	1,02,72,423	88,183	88,85,807

Equity attributable to owners of the Company		1,03,331	1,02,73,516	88,194	88,86,915
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Total liabilities and shareholders funds		1,14,736	1,14,07,440	99,948	1,00,71,313
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The accompanying notes form part of financial statements

These financial statements of Tata Technologies Europe Limited, registered No. 02016440 were approved by the Board of Directors.

Signed on behalf of the Board of Directors



Nachiket Paranjpe

Director

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

Statement of changes in Equity

	Share Capital		Retained Earnings		Total	
	£'000	INR'000	£'000	INR'000	£'000	INR'000
Total Comprehensive income for the period						
Balance at 1 April 2020	11	1,029	89,368	83,58,997	89,379	83,60,026
Profit for the financial year	-		7,610	7,38,485	7,610	7,38,485
Translation Reserve	-		-	21,541	-	21,541
Foreign exchange difference	-	80	-	4,415	-	4,335
Transactions with owners, recorded directly in equity	-		-	-	-	-
Dividend Paid	-		8,795	1,85,720	8,795	1,85,720
Balance at 31 March 2021	11	1,109	88,183	88,85,807	88,194	88,86,915

	Share Capital		Retained Earnings		Total	
	£'000	INR'000	£'000	INR'000	£'000	INR'000
Total Comprehensive income for the period						
Balance at 1 April 2021	11	1,109	88,183	88,85,807	88,194	88,86,915
Profit for the financial year	-		15,137	15,41,091	15,137	15,41,091
Translation Reserve	-		-	-	-	-
Foreign currency translation	-	15	-	1,54,475	-	1,54,490
Transactions with owners, recorded directly in equity	-		-	-	-	-
Dividend	-		-	-	-	-
Balance at 31 March 2022	11	1,094	1,03,320	1,02,72,423	1,03,331	1,02,73,516

The accompanying notes form part of financial statements

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

1. General Information

The Company is a private Company limited by shares and is registered in England. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the strategic report.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Tata Motors Limited, a company registered in India. The group accounts of Tata Motors Limited, India are available to the public and can be obtained as set out in note 20. The registered office address of the parent Company preparing consolidated accounts is Bombay House, 24 Homi Mody Street, Mumbai, 400 001, India.

2. Significant Accounting policies

Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("UK-Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of all Key Management Personnel; and

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Strategic Report, Directors' Report and Financial Statements also describe the financial and liquidity position of the Company and the Company's objectives, policies and processes for managing its principal risks.

The Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

Accounting policies (continued)

As the majority of the company's sales are to a few key automotive customers any delay in the roll out of new models or model enhancements by these customers will have a direct impact on the activity of the Company. In applying their reasonably possible downside scenario the directors have considered the impact of such delays on forecast revenue, forecast cost base and forecast working capital movements and are satisfied that the Company's existing and available cash resources will be sufficient to meet its liabilities as they fall due.

The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Revenue Recognition

Revenue represents amounts receivable for goods and services net of value added tax and trade discounts, together with commissions' receivable. For contracts, which are for the supply of services and hardware on a time and material basis, turnover is recognised as goods and services are delivered.

For long term contracts, turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are included only when they have been agreed by the customer. For certain contracts, turnover from supply of services for projects is recognized using the percentage of completion method based on milestones agreed with the customer at the outset of the project.

Interest income

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

Government Grant

The Company recognises income by way of grant from research and development activities when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

Accounting policies (continued)

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

Sub lease

At the inception of the sub lease contract, the Company classifies the sub lease as a finance lease or an operating lease based on criteria in IFRS 16 Lease.

The sub lease which is classified as an operating lease, the lease liability and right to use of the head lease is not derecognised. The lease income which would be received from the sub lease over the lease term is recognised as other income in the Statement of Profit or Loss Account.

The sub lease which is classified as a finance lease, the lease liability of the head lease is not derecognised, instead the right to use asset of the head lease is derecognised and net investment in sub lease is recognised. The interest income received on the net investment in sub lease is recognised in Statement of Profit or Loss Account over the lease term.

Foreign exchange

Transactions denominated in foreign currencies are translated to the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until the assets are substantially ready for their intended use or sale.

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign 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 is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less, at a future date, at rates expected to apply when they crystallise based on current tax rates and law or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flow statement

The Company is a wholly owned subsidiary and the cash flows of the Company are included in the consolidated cash flow statement of Tata Motors Limited. Consequently, the Company is exempt under section 8 of FRS 101 from the requirement to prepare a cash flow statement.

Property Plant and Equipment

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. 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:

Plant and machinery- 5 years	- 20% on cost
Plant and machinery- 15 years	- 7% on cost
(for Leased Assets)	
Fixtures, fittings and equipment	- 25% on cost
Vehicles	- 25% on cost
Leasehold Improvements	Lease Period
Right of use asset	Lease Period

Residual value is calculated on prices prevailing at the date of acquisition.

Intangible Assets

Intangible fixed assets are stated at cost less depreciation and any provision for impairment. 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:

Software Licenses	- 33.3% on cost
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TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

Accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits are required to settle, a provision is expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Other Income

Other income included furlough grant received from the government under coronavirus job retention scheme (CJRS).

2a. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of investments in subsidiaries

Determining whether the Company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value in use for the calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates to calculate the present values.

Following an annual impairment review of investments in subsidiaries, management have taken the judgement not to impair investments as they believe each of the Company's investments is supported by its underlying net assets or discounted cash flows to estimate its value in use.

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

3. Turnover

An analysis of the Company's revenue is as follows:

	2022		2021	
	£'000	INR'000	£'000	INR'000
Revenue Analysis				
Rendering of Services	1,13,849	1,15,90,910	66,344	64,38,121
Sale of Products	-	-	10	970
Other non-operating Income	92	9,366	728	70,646
	1,13,941	1,16,00,276	67,082	65,09,737

An analysis of the Group's revenue by geographical market is set out below.

	2022		2021	
	£'000	INR'000	£'000	INR'000
Geographical analysis of turnover by destination (including other income)				
United Kingdom	71,952	73,25,397	59,691	57,92,504
India	59	6,007	-	-
USA	578	58,846	141	13,683
Rest of World	38,110	38,79,960	371	36,002
Rest of Europe	3,150	3,20,700	6,151	5,96,902
	1,13,849	1,15,90,910	66,354	64,39,091

4. Auditor's remuneration

Fees payable to KPMG LLP, Birmingham and their associates for the audit of the Company's annual accounts were £104,225 INR1,06,11,095. (2021- £104,225 INR 1,01,14,150).

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

5. Staff Costs

The average monthly number of employees (including executive directors) was:

	2022 No.	2021 No.
Selling and administration	36	32
Management	10	8
Direct	519	498
Total	565	538

Their aggregate remuneration comprised:

	2022		2021	
	£'000	INR'000	£'000	INR'000
Employment costs				
Wages and salaries	30,377	30,92,667	25,302	24,55,344
Social security costs	3,387	3,44,829	2,757	2,67,543
Other pension costs	2,180	2,21,945	1,628	1,57,984
	35,944	36,59,441	29,687	28,80,871

The director's remuneration has been shown separately in note below (Refer Note 19)

6. Interest

	2022		2021	
	£'000	INR'000	£'000	INR'000
Bank interest	68	6,923	34	3,299
Borrowing costs Lease liabilities	462	47,036	437	42,407
	530	53,959	471	45,706

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

7. Tax

	2022		2021	
	£'000	INR'000	£'000	INR'000
UK Corporation Tax				
Current tax	3,757	3,82,498	1,922	1,86,514
Current tax -prior year adjustment	-	-	80	7,763
Corporation Tax	3,757	3,82,498	1,842	1,78,751
Deferred tax-current year charge	-	-	-	-
Deferred tax-prior year adjustment	235	23,925	15	1,456
	3,522	3,58,573	1,827	1,77,295

Factors affecting the taxation rate

On 11 March 2020, the UK Government announced that the previously enacted corporate tax rate reduction from 19% to 17% on 1 April 2020 would not go ahead. This change was substantively enacted on 17 March 2020.

On 3 March 2021, the UK Government announced that the main rate of corporation tax would increase from 19% to 25% with effect from 1 April 2023. As this change was not substantively enacted as at the balance sheet

date, any relevant deferred tax balances have been calculated at the previously enacted rate of 19%. The impact

of this change will not be material.

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

The differences are reconciled below:

	2022		2021	
	£'000	INR'000	£'000	INR'000
Profit on ordinary activities before taxation	18,659	18,99,663	9,437	9,15,781
UK statutory rate of tax charge 19%	3,545	3,60,915	1,793	1,73,995
Effects of:		-		-
Expenses not deductible for tax purposes	-23	2,342	114	11,063
Prior year adjustment of tax	-	-	-80	7,763
Total taxation	3,522	3,58,573	1,827	1,77,295

8. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after the following charges/ (credits):

	2022		2021	
	£'000	INR'000	£'000	INR'000
Depreciation/amortisation	1,810	1,84,275	2,019	1,95,927
Exchange differences	-54	5,498	-81	7,860
Operating lease rentals				
- plant, machinery and vehicles	64	6,516	43	4,173
- other	-13	1,324	-40	3,882
Auditors Remuneration:				
Fees payable to the Company's auditors for the audit of the company's annual financial statements	104	10,588	104	10,092

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

9. Intangible Assets

	Software	
	£'000	£'000
Cost		
At 1 April 2021	1,809	1,82,285
Foreign Currency Translation	-	2,428
Additions	148	14,715
Disposals		
Exchange difference		
At 31 March 2022	1,957	1,94,572
Depreciation		
At 1 April 2021	1,752	1,76,541
Charge for the year	129	13,133
Foreign Currency Translation	-	2,658
At 31 March 2022	1,881	1,87,016
Net book value		
At 31 March 2022	76	7,556
At 31 March 2021	57	5,744

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

10. Property, Plant and Equipment

	Plant and machinery		Fixtures, Fittings and Equipment		Leasehold Improvements		Vehicles		Total	
	£'000	INR'000	£'000	INR'000	£'000	INR'000	£'000	INR'000	£'000	INR'000
Cost										
At 1 April 2021	5,407	5,44,839	1,266	1,27,568	1,433	1,44,398	-	-	8,106	8,16,805
Foreign Currency Translation		-		-		-		-	-	-
		7,257		1,698		1,924				10,879
Additions	733	72,877	53	5,269			97	9,644	883	87,790
Disposals	-	-					-	35	-	37
	2	199						3,480		3,679
At 31 March 2022	6,138	6,10,260	1,319	1,31,139	1,433	1,42,474	62	6,164	8,952	8,90,037
Depreciation										
At 1 April 2021	4,062	4,09,310	1,170	1,17,895	432	43,532	-	-	5,664	5,70,737
Charge for the year	454	46,222	61	6,210	92	9,366	34	3,462	641	65,260
Foreign Currency Translation		-		-		-		-	-	-
		6,535		1,716		801		81		9,133
Disposals	-	-					-	3	-	5
	2	199						298		497
At 31 March 2022	4,514	4,48,798	1,231	1,22,389	524	52,097	31	3,083	6,300	6,26,367
Net book value										
At 31 March 2022	1,624	1,61,462	88	8,750	909	90,377	31	3,081	2,652	2,63,670
At 31 March 2021	1,345	1,35,529	96	9,673	1,001	1,00,866	-	-	2,442	2,46,068

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

11. Right of use assets

	Right of use Buildings		Right of use Motor Vehicles		Right of use Office equipment		Total	
	£'000	INR'000	£'000	INR'000	£'000	INR'000	£'000	INR'000
Cost At 1 April 2021	12,440	12,53,523	756	76,178	13	1,310	13,209	13,31,011
Foreign Currency Translation		-		-		17	-	-
		16,696		1,014			-	17,727
Additions	194	19,288	443	44,045			637	63,333
Disposals							-	-
*Reclass to net investment in sublease	-	-					-	-
	4,425	4,39,949					4,425	4,39,949
At 31 March 2022	8,209	8,16,166	1,199	1,19,209	13	1,293	9,421	9,36,668
Depreciation								
At 1 April 2021	2,048	2,06,367	469	47,259	10	1,008	2,527	2,54,634
Charge for the year	936	95,294	229	23,314	3	305	1,168	1,18,913
Foreign Currency Translation		-		-		20	-	-
		4,981		1,175			-	6,176
Disposals							-	-
*Reclass to net investment in sublease	-	-					-	-
	971	96,540					971	96,540
At 31 March 2022	2,013	2,00,140	698	69,398	13	1,293	2,724	2,70,831
Net book value								
At 31 March 2022	6,196	6,16,026	501	49,811	-	-	6,697	6,65,837
At 31 March 2021	10,392	10,47,156	287	28,919	3	302	10,682	10,76,377

*The Company has entered into sub lease arrangement for the building with the lessee for the remaining lease term of the head lease. As per IFRS 16 Leases, the intermediate lessor classifies the sublease as a finance lease or an operating lease based on the criteria given in the standard. Since the lease term of the sub lease is for the balance lease term of the head lease, the same is classified as finance lease. If the sublease is classified as a finance lease, the original lessee derecognises the right-of-use asset on the head lease at the sublease commencement date and continues to account for the original lease liability in accordance with the lessee accounting model. The original lessee, as the sublessor, recognises a net investment in the sublease and evaluates it for impairment. Accordingly, the net investment in sub lease is recognised on sub lease commencement date of £ 3.45M and the same has been de-recognised from Right of use Asset.

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

12. Subsidiaries

Non-Current Investments	£'000	INR'000
Balance at 1 April 2021	55,937	56,36,523
Additions	-	-
Disposals	-	-
Foreign currency translation	-	75,076
Balance at 31 March 2022	55,937	55,61,447

Subsidiary undertakings and Companies directly held by the Company	Country of incorporation	Registered Address	Class	Shares held and voting rights %	Status
Tata Technologies Inc.	United States	6001 Cass Avenue Suite 600 Detroit, MI USA-48202	Class B Voting Shares	96.05%	Trading
Tata Technologies de Mexico, S.A. de C.V.	Mexico	Blvd, Independencia, #1600, Ote, Oriente Local C46, 27100 Torreon, Coahuila	Ordinary	96.05%	Under liquidation
Cambric Limited	Bahamas	C/o H&J Corporate Services Ltd, Montagu Foreshore, East Bay Street, PO Box SS-19084, Nassau, Bahamas	Ordinary	96.05%	Dormant

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Notes to the Financial Statements Year ended 31 March 2022

13. Deferred tax

	2022		2021	
	£'000	INR'000	£'000	INR'000
The amounts provided for deferred tax assets are:				
Capital allowances in excess of depreciation	223	22,171	228	22,975
Short term timing differences	385	38,278	145	14,611
	608	60,449	373	37,586

	Deferred taxation	
	£'000	INR'000
Balance at the beginning of the year	373	37,586
Credit to the profit and loss account for the year	235	22,863
Balance at the end of the year	608	60,449

14. Trade and Other receivables

Receivables falling due within one year	2022		2021	
	£'000	INR'000	£'000	INR'000
Trade receivables (inclusive of £8,535 in 2022 and £8,296 at 2021 owed by Group undertakings)	24,186	24,04,654	10,573	10,65,394
Other debtors	544	54,086	2,025	2,04,050
Prepayments and accrued income (inclusive of £5,060 in 2022 and £3,934 at 2021 related to Group undertakings)	9,898	9,84,093	7,699	7,75,794
	34,628	34,42,833	20,297	20,45,238

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

15. Trade and other payables

Creditors: amounts falling due within one year	2022		2021	
	£'000	INR'000	£'000	INR'000
Trade payables	960	95,446	893	89,984
Advances	8,790	8,73,932	-	-
Provisions	2,352	2,33,844	1,327	1,33,716
Amounts owed to group undertakings	9,771	9,71,466	5,421	5,46,250
	21,873	21,74,688	7,641	7,69,950

16. Investments in Sub-Lease

The table below provides details regarding the contractual maturities of Net investment in sub lease, including estimated interest receipts as at March 31, 2022:

Net investment in sub lease – Maturity analysis

Particulars	Carrying Amount	Due in first year	Due in second year	Due in third to fifth year	Due after fifth year	Total
(a) Net Investment in sub lease (amounts in £'000)	3,476	238	462	1206	2302	4208
(a) Net Investment in sub lease (amounts in INR'000)	3,45,596	23,663	45,934	1,19,905	2,28,873	4,18,374

Reconciliation

Particulars	£'000	INR'000
As per maturity analysis	4,208	4,18,374
(less) Unearned interest income	-732	-
Carrying Value	3,476	72,778
		3,45,596

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

17. Share Capital and Reserves

	2022		2021	
	£'000	INR'000	£'000	INR'000
Called up, allotted and fully paid				
10,697 ordinary shares of £1 each	11	1,094	11	1,109

18. Leases

Following is the summary of future minimum lease rental payments under non-cancellable operation leases entered by the Company:

	Future minimum lease payment				Interest				Present value of minimum lease payment			
	2022		2021		2022		2021		2022		2021	
	£'000	INR'000	£'000	INR'000	£'000	INR'000	£'000	INR'000	£'000	INR'000	£'000	INR'000
Leases which expire:												
Within one year	1,629	1,61,961	1,494	1,52,103	-433	- 43,050	-305	- 31,052	1,196	1,18,911	1,189	1,21,051
Within two to five years	5,714	5,68,105	5,348	5,44,477	-1,341	-1,33,327	-1,357	-1,38,155	4,373	4,34,778	3,991	4,06,322
After five years	7,695	7,65,063	9,030	9,19,340	-657	- 65,321	-1,268	-1,29,094	7,038	6,99,742	7,762	7,90,246
Total commitments	15,038	14,95,129	15,872	16,15,920	-2,431	-2,41,698	-2,930	-2,98,301	12,607	12,53,431	12,942	13,17,619

Following amounts are recognised in the statement of profit and loss for the year ended March 31, 2022

	£'000	INR'000
Interest expense on lease liabilities	462	47,036
Variable lease payment not included in the measurement of lease liabilities	-	-
Expenses related to short-term leases	50	5,090
Expenses related to low-value assets, excluding short-term leases of low-value assets	-	-

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2022

19. Directors' remuneration

	2022		2021	
	£'000	INR'000	£'000	INR'000
Aggregate emoluments for qualifying services	342	34,819	220	21,349
Contributions to a money purchase pension scheme	11	1,120	11	1,067
	353	35,939	231	22,416

The highest paid director did not exercise any share options in the year and had no shares receivable under long-term incentive schemes. The highest paid director had emoluments for qualifying services of £ 180,719 INR 183,98,911 for the year and is a member of the Company's defined contribution pension scheme and had accrued entitlements of £6,448 under the scheme for the year.

20. Controlling Party

The immediate parent companies are Tata Technologies Pte, Limited, a company registered in Singapore and Tata Technologies Limited, a company registered in India. The ultimate parent company and controlling party of the company is Tata Motors Limited, a company registered in India.

Tata Motors Limited is the parent company of the largest group to which this company belongs and for which group financial statements are prepared. The smallest group to which this company belongs and for which group financial statements are prepared is headed by Tata Technologies Limited, an intermediate parent company. Copies of the consolidated financial statements of Tata Motors Limited can be obtained from Bombay House, 24 Homi Mody Street, Mumbai, 400 001, India.