

ANNUAL REPORT OF
TATA TECHNOLOGIES EUROPE LTD

Company Registration No. 02016440

**TATA TECHNOLOGIES EUROPE
LIMITED
Annual Report and Financial Statements
31 March 2015**

TATA Technologies Europe Limited

Report and Financial Statements 2015

Contents	Page
Officers and Professional Advisers	1
Strategic Report	2
Directors' Report	6
Directors Responsibilities Statement	8
Independent Auditor's Report	9
Profit and Loss Account	11
Balance Sheet	12
Notes to the Financial Statements	13

TATA Technologies Europe Limited

Officers and Professional Advisors

Directors

Praveen P Kadle
Warren Harris
Nicholas Sale

Secretary

Osborne Clark

Registered office

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Bristol
BS1 6EG

Business address

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Bankers

JP Morgan Chase
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London EC2Y 5AJ

State Bank of India
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B21 9DP

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Four Brindleyplace, Birmingham, B1 2HZ
United Kingdom

TATA Technologies Europe Limited

Strategic Report

Highlights

- *The Share Capital increased in 2015 to 10,692 shares with an additional issue of 692 shares (at £1 each) to Tata Technologies Pte Ltd., Singapore.*
- *An increase in overall total revenue generated was recorded at £108.32 mn (INR 10,680.45 mn) in comparison to £99.30mn (INR 9,549.63 mn) for previous year, out of which £95.75 mn (INR 9,440.70 mn) was from Sale of Services and £12.41 mn (INR 1,223.59 mn) from Sale of Products and £0.16 mn (INR 15.38 mn) was Income from Commission and other Non- Operating Income.*
- *The Company recorded an EBITDA of £14.92mn (INR 1,471.07 mn) in 2015 in comparison to £7.80 mn (INR 749.89 mn) in 2014.*
- *Net Cash and Cash Equivalents in 2015 reduced to £29.76mn (INR 2,751.28 mn) in comparison to £31.41mn (INR 3,126.69 mn) in 2014.*
- *The average number of direct employees in 2015 increased to 503 in comparison to 456 in 2014.*

Overview of the Company

This Strategic Report has been prepared solely to provide additional information to shareholders as a body to assess the Company's strategies and the potential for those strategies to succeed, and therefore should not be relied on by any other party or for any other purpose.

This review contains forward-looking statements which:

- (1) Have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report; and
- (2) Should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Tata Technologies Europe Limited is the European trading entity of Tata Technologies Limited (TTL), an Indian Company. Tata Technologies enables manufacturing companies, particularly in the aerospace, automotive and machine manufacturing industry to design and build better products through engineering services and the application of information technology to product development and manufacturing enterprise processes. TTL operates its activities on a global operating model, and the details of this structure along with a more comprehensive review for the year can be found in its Annual Report which has been published on its web site; www.tatatechnologies.com.

Tata Technologies Europe Limited recorded a 9.08 % increase in turnover in the previous year and forecasts shows further continuing growth in spite of recession which can largely be explained by two factors. Firstly there has been an improvement in trading conditions in the countries where Tata Technologies Europe Limited operates. Secondly the Company has continued to secure multi-year IT and engineering contracts from leading Automotive OEMs which have contributed significantly towards the revenue during the current year, and the same is expected in the coming years as well. In accordance with this, the Company had about 456 direct employees as on 31 March 2015.

The Company made a profit of £10.71 mn (INR 1,055.98 mn) (2014: 6.13mn (INR 589.6 mn)) in line with the Company's forecasted expectations with an outlook for higher profits in the forthcoming years as the European economy recovers from recession. Significant investments continue to be made in both sales and infrastructure to ensure that the Company stays at the leading edge in its industry in terms of the services and solutions it can offer its clients. The Company does not consider any non-financial key performance areas.

The primary business lines in which the Company operates are as follows:

TATA Technologies Europe Limited

Strategic Report (continued)

Engineering and Design (E&D)

E&D addresses the engineering and design needs of manufacturers through services for all stages of the product development and manufacturing process.

The services of this group includes Concept Development, Vehicle Attributes (VA)/ Vehicle Engineering (VE), Computer Aided Engineering (CAE), Detailed Engineering, Embedded Software Development, Product Verification, and Manufacturing Process Design, Tool Design and Validation, applied to major product subsystems and components.

Vehicle Programs & Development Group (VPD)

The VPD provides complete outsourced program management, concept development, detail design, validation and manufacturing planning services. Projects of this scale and complexity are achieved through a combination of automotive experts in the US and Europe, coupled with India's most experienced automotive engineers.

Enterprise Solution Group (ESG)

ESG addresses the Information Technology needs of manufacturers including business solutions, strategic consulting, ERP implementation, systems integration, IT networking and infrastructure solutions and program management.

The ESG provides consulting and IT solutions that help manufacturing customers in optimizing critical enterprise processes through the application and data analytics of Enterprise Resource Planning, (ERP), Manufacturing Execution Systems, (MES), and Customer Relationship Management, (CRM), including the use of social media and improving manufacturing planning and performance. It also has extensive experience in rapidly integrating the processes, systems and data of companies acquired by manufacturers.

Product Lifecycle Management (PLM)

PLM addresses the product development technology solution requirements of manufacturers including end-to-end implementation of PLM technology, best practices and PLM consulting. PLM also includes the Company's proprietary applications iGETIT® and iCHECKIT.

Health and Safety

The Company recognises the importance of its environmental policies. Initiatives designed to minimise the Company's impact on the environment include safe disposal of office waste, recycling and reducing energy consumption.

Market Conditions

Traditional aerospace leaders in North America and Europe are facing challenges from emerging manufacturers in countries such as China and Russia. This opens up opportunities for us not only during the design cycle of aircraft manufacturing, but also during the aftermarket and MRO phases. Tata Technologies combines a global network of innovation experts, program managers and highly-skilled engineers for aircraft engineering and design solutions, that leverages a mature and proven global engineering engagement model to deliver optimized design processes, quicker material selection, design integration, design for manufacturability and automated knowledge capture and dissemination techniques.

Financial risk management objectives and policies

There are a number of potential risks and uncertainties identified which could have a material impact on the Company's long-term performance.

Competitor risk

The Company's main markets are becoming increasingly competitive internationally. The development of new technologies could result in significant new competition emerging which may have a material effect on the

TATA Technologies Europe Limited

Strategic Report (continued)

Company's business. Further, the Company's high reliance on few key customers poses a high risk on its future performance.

Technological change

The technology upon which the Company's products and services are based, and the products and services which are sold, may become obsolete or may not continue to have sufficient market acceptance to create adequate demand for the Company's products and services. In order to compete successfully, the Company will need to continue to improve its product and services and to develop and market new products and services that keep pace with the technological changes.

Credit risk

In order to promote business, the Company offers credit period for some customers at their request. Delays or defaults in client payments could result in working capital shortages and reduction of Company's profits. To mitigate this risk the Company has implemented policies that require appropriate credit checks from reliable firms on potential customers before sales are made.

Failure to recruit and retain staff

As the Company places great importance on the customer service provided by its knowledgeable, unbiased and appropriately trained staff, its business may be adversely affected by any inability to recruit and retain sufficient personnel of the right calibre.

The Company's future success depends on its continuing ability to attract and subsequently retain highly skilled and qualified personnel in relation to management, sales support, marketing and technical personnel. The group in the past has recruited internationally and moved people around amongst its operations. There can be no guarantee that changes in immigration laws in the relevant jurisdictions will allow this practice to continue.

Reliance on certain sectors, clients and suppliers

The Company mainly derives its revenues from two key sectors: automotive and aerospace. If both of these sectors were to experience a significant period of decline at the same time, this could have a significant adverse effect on the trading of the Company. The automotive industry is in recession presently but aerospace is not yet in decline. Efforts are underway to diversify our customer base further to dilute these risks.

Changes in relationships with the Company's suppliers may restrict its ability to sell a wide range of Product Lifecycle Management ("PLM") products at competitive prices.

These relationships, which are not governed by any long-term contractual framework, can change over time as a result of many factors including changing personnel either at the group or at the suppliers, or change in ownership of the suppliers, or differences over the manner in which products are sold by the Company.

Key Performance Indicators

The Company has following key performance indicators to measure and assess progress against them.

	March 2015		March 2014	
Revenue ('000)	108.32 mn	10,680.45 mn	99.30 mn	9,549.63 mn
Operating profit on ordinary activities ('000)	14.28 mn	1,408.13 mn	7.35 mn	707.63 mn
EBITDA ('000)	14.92 mn	1,471.07 mn	7.80 mn	749.89 mn
Average employee (numbers)	503	-	456	-

TATA Technologies Europe Limited

Strategic Report (continued)

Financial Performance

Tata Technologies is highly focused on delivery of value to its customers, marketing and sales and as such, it is seeing improved order bookings. The Company expects improved growth in revenue, EBITDA and profit after tax in the coming years.

With its pragmatic approach to business, strong client relationships, unique service offerings along with the financial backing and global reach of the Tata Technologies Group, the Company continues to be well placed for future success and growth.

Approved by the Board of Directors'
and signed on behalf of the Board

A handwritten signature in blue ink, appearing to read 'N. Sale'.

Nicholas Sale
Director
June 12 2015

TATA Technologies Europe Limited

Directors' Report

The Directors present their Annual Report and the Audited Financial Statements for the year ended 31 March 2015.

Principal activities

Tata Technologies Europe Limited provides engineering and design solutions to leading manufacturers and their suppliers in the automotive, aerospace and general manufacturing industries. Through a range of product lifecycle management and enterprise resource planning services the Company helps its customers to realize product superiority with its digital manufacturing, application lifestyle manufacturing, systems integration solutions and other IT hardware, software and ongoing support.

Country of incorporation

Tata Technologies Europe Limited has been incorporated in the United Kingdom with its registered address at 2 Temple Back East, Temple Quay, Bristol, BS1 6EG.

Dividends

The Directors do not propose any payment of dividend for the year 2015 (2014: £Nil).

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 above. 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.

Whilst the current economic conditions and underlying risks do create some uncertainty over the level of demand for the Group services, the business was still able to generate revenue of £99.30 mn with an EBITDA of £7.80 mn in 2014. The Directors expect a general level of improvement as the European economy shows signs of strengthening which ensures the ongoing viability of the business to operate.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. With respect to loan taken during the year the directors expect to be able to repay the loan as per repayment schedule from its internal resources. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Capital Structure

The details of the authorized and issued share capital have been shown along with the movements from the previous year in Note 14 below. The Company has no individual shareholders and 10,000 of the Company are held by INCAT International PLC and 692 shares by Tata Technologies Pte Ltd., Singapore, resulting in an issued capital consisting of 10,692 shares which have been allotted and fully paid at £1 each.

The Company has the authority to issue ordinary shares under its Articles of Association. No person has any special rights of control over the Company's share capital which are all issued and fully paid.

The Directors are not aware of any agreements resulting in restrictions on the transfer of shares or voting rights which are governed by the provisions as per the Articles of Association, the Companies Act and any other related legislation.

Directors

The names of the Directors who served the Company throughout the year and to the date of this report were as follows:

Mr. Praveen Kadle
Mr. Warren Harris
Mr. Nicholas Sale

TATA Technologies Europe Limited

Directors' Report (continued)

Directors' indemnities

The Company is currently holding a valid Directors and Officers insurance policy.

Charitable and political contributions

The Company has contributed £19,020 (2014: £9,162) for charity during the current year.

Employees

Disabled employees

It is the policy of the Company to support the employment of disabled employees where possible, both in recruitment and by retention of employees who become disabled while in the employment of the Company.

Employee Consultation

The Company is conscious that its employees are critical contributors to its success. The Company continues to provide employees with relevant information and to seek their views on matters of common concern. The group encourages good communications with employees which are initially established through publication of a monthly newsletter distributed to all employees.

Auditor

Each of the persons who are a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor are unaware; and
- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors'
and signed on behalf of the Board Nicholas Sale



Director

June 12 2015

TATA Technologies Europe Limited

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- * Select suitable accounting policies and then apply them consistently;
- * Make judgements and accounting estimates that are reasonable and prudent;
- * State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- * Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TATA Technologies Europe Limited

Independent Auditors' Report

Independent Auditor's Report to the members of TATA Technologies Europe Limited

We have audited the financial statements of TATA Technologies Europe Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

TATA Technologies Europe Limited

Independent Auditors' Report

Independent Auditor's Report to the members of TATA Technologies Europe Limited (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jonathan Dodworth (Senior Statutory Auditor)

for and behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Birmingham, UK

12 June 2015

TATA Technologies Europe Limited

Profit and Loss Account Year ended 31 March 2015

	Note	2015		2014	
		£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Turnover	2	108,324	10,680,452	99,296	9,549,635
Cost of sales		(85,276)	(8,408,031)	(82,671)	(7,950,760)
Gross profit		23,048	2,272,421	16,625	1,598,875
Distribution costs		(5,712)	(563,220)	(5,004)	(481,249)
Administrative expenses		(3,399)	(335,179)	(4,554)	(437,990)
Operating profit		13,937	1,374,022	7,067	679,636
Interest receivable and similar income	4	629	61,972	368	35,366
Interest payable and similar charges	5	(283)	(27,855)	(77)	(7,367)
Profit on ordinary activities before taxation	3	14,283	1,408,139	7,358	707,635
Tax charge on profit on ordinary activities	8	(3,567)	(351,700)	(1,227)	(118,026)
Profit for the financial year		10,716	1,056,439	6,131	589,609

There are no recognised gains or losses in either the current or the prior financial year other than stated above and therefore no separate statement of total recognised gains and losses is presented.

All results are derived from continuing operations.

TATA Technologies Europe Limited

Balance Sheet At 31 March 2015

	Note	£'000	2015 INR'000 (see note 1)	£'000	2014 INR'000 (see note 1)
Fixed assets					
Tangible assets	9	529	48,880	483	48,124
Intangible assets	9	121	11,194	-	-
		650	60,074	483	48,124
Non Current Investments		55,937	5,171,340	-	-
Current assets					
Debtors - for more than one year	10	-	-	661	65,793
Debtors - due within one year	10	23,783	2,198,699	23,465	2,335,560
Cash at bank and in hand		29,761	2,751,360	31,413	3,126,685
		53,544	4,950,059	55,539	5,528,038
Creditors: amounts falling due within one year	11	(46,621)	(4,310,173)	(32,056)	(3,190,697)
Net current assets		6,923	639,887	23,483	2,337,339
Total assets less current liabilities, being net assets		63,510	5,871,301	23,966	2,385,463
Capital and reserves					
Called up share capital	13	11 989		10	995
Profit and loss account	14	46,833	4,329,498	23,956	2,384,467
Shareholders' funds	15	46,844	4,330,487	23,966	2,385,463
Long Term Borrowings		16,666	1,540,814	-	-
Total liabilities		63,510	5,871,301	23,966	2,385,463

These financial statements of Tata Technologies Europe Limited, registered No. 02016440, were approved by the Board of Directors and authorised for issue on June 12 2015.

Signed on behalf of the Board of Directors

Nicholas Sale
Director

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2015

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

Basis of Preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

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 Business Review above. The directors' report and financial statements also describes the financial and liquidity position of the Company and the Company's objectives, policies and processes for managing its principal risks.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. With respect to loan taken during the year the directors expect to be able to repay the loan as per repayment schedule from its internal resources.. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents amounts receivable for goods and services net of value added tax and trade discounts, together with sales 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.

Tangible fixed assets and depreciation

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	- 33.3% on cost
Fixtures, fittings and equipment	- 25% on cost
Vehicles	- 25% on cost

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

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items.

Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payment on account.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they fall due.

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2015

1. Accounting policies (continued)

Operating leases

The annual rentals on operating leases are charged to the profit and loss account on a straight-line basis over the life of the lease.

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.

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 Financial Reporting Standard No. 1 (Revised) from the requirement to prepare a cash flow statement.

General note on translation to Indian Rupees

The financial information is prepared in accordance with UK GAAP and is expressed in Pounds Sterling, the functional currency of the company. The balances presented in Indian Rupees alongside the Pound Sterling balances represent the UK GAAP balances translated into Indian Rupees at a fixed exchange rate of 1 Pounds Sterling = INR 98.5974 for the Profit and Loss Account for year ended 31 March 2015 and 1 Pounds Sterling = INR 92.4489 for the Balance Sheet as at 31 March 2015 (Previous Year: 1 Pounds Sterling = INR 96.1730 for the Profit and Loss Account for year ended 31 March 2014 and 1 Pounds Sterling = INR 99.5351 for the Balance Sheet as at 31 March 2014). These have been provided solely for the convenience of the reader and to meet the requirements of Section 129 of the Indian Companies Act, 2013, which requires that a parent company must also file subsidiary financial statements in India. These translations should not be construed as a representation that any or all the amounts could be converted into Indian Rupees at this or any other rate, or that any of all of the amounts presented are prepared in accordance with Indian GAAP.

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2015

2. Turnover

	2015		2014	
	£'000	INR'000 (See Note 1)	£'000	INR'000 (See note 1)
Geographical analysis of turnover by destination (incl other income)				
United Kingdom	98,893	9,750,574	86,238	8,293,767
Rest of Europe	9,431	929,878	13,058	1,255,827
	108,324	10,680,452	99,296	9,549,635

In the opinion of the directors, the company's activities constitute one class of business.

3. Profit on ordinary activities before taxation

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

	2015		2014	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Depreciation of tangible assets	354	34,908	363	34,885
Exchange differences	(357)	(35,178)	139	13,347
Operating lease rentals				
- plant, machinery and vehicles	616	60,773	614	59,050
- other	792	78,041	772	74,258
Fees payable to the company's auditor for the audit of the company's annual accounts	65	6,409	65	6,251
Non audit fees payable to the company's auditor member firms	31	3,021	37	3,567
Loss on Sale of Asset	-	-	1	76

4. Interest receivable and similar income

	2015		2014	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Bank interest	629	61,972	368	35,366

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2015

5. Interest payable and similar charges

	2015		2014	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Bank interest	283	27,855	77	7,367

6. Directors' emoluments

	2015		2014	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Aggregate emoluments for qualifying services	162	15,979	174	16,723
Contributions to a money purchase pension scheme	11	1,045	10	962
	173	17,024	184	17,685

The remuneration of the highest paid director was £162,061 (INR 15,978,793) in the current year and £173,890 (INR 16,723,523) in the year ended 31 March 2014. A loan receivable from one of the Director's amounting to £75,000 (INR 7,394,805) (2014: £75,000, (INR 7,366,700) exists at the balance sheet year end. Nicholas Sale who served during the period and in previous year was a member of the money purchase pension scheme.

7. Employees

The average monthly number of employees (including directors) during the period was:

	2015	2014
	No.	No.
Selling and Administration	74	44
Management	8	6
Direct	421	406
	503	456

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2015

	2015		2014	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Employment costs				
Wages and salaries	24,124	2,320,107	23,371	2,247,696
Social security costs	3,105	298,601	2,986	287,180
Other pension costs	572	55,032	514	49,469
	<u>27,801</u>	<u>2,673,740</u>	<u>26,871</u>	<u>2,584,345</u>

Pension costs

The company operates a "Personal Pension Plan" whereby the company agrees to pay a defined contribution for eligible employees into the employee's own personal pension scheme. The pension charge represents contributions payable by the company for the period. The charge for the period is £572,219 (INR: 55,031,976), (2014: £514, 377 (INR: 49, 469, 175)). The company's liability is limited to the amount of the contribution. The liability for meeting future pension payments rests solely with the employees' personal pension schemes.

8. Tax on profit on ordinary activities

	2015		2014	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
UK corporation tax				
Current tax	3,006	296,398	1,545	148,562
Group relief paid for	-	-	89	8,598
Prior years adjustment / tax refund	562	55,454	(462)	(39,135)
Deferred tax (refer to note 12)	(1)	(152)	55	5,253
	<u>3,567</u>	<u>351,700</u>	<u>1,227</u>	<u>118,026</u>

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2015

Factors affecting the taxation rate

The taxation rate for each period is different to the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are reconciled below:

	2015		2014	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Profit on ordinary activities before taxation	14,283	1,408,139	7,358	707,635
UK statutory rate of tax charge @ 21% (2014: 23%)	2,999	295,709	1,692	162,756
Effects of:				
Expenses not deductible for tax purposes	26	2,553	-	-
Capital allowances less than depreciation	(20)	(1,967)	(35)	(3,366)
Movement in short term timing differences	19	1,868	90	8,656
	(19)	(1,868)		
Group relief	-	-	(148)	(14,194)
Current taxation charge for the period	3,005	296,294	1,600	153,852

The Finance Act 2013, which provided for a reduction in the main rate of corporation tax to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. As a result, these rate reductions have been reflected in the calculation of current tax for the period and deferred tax at the balance sheet date.

In the 2015 Budget, issued on 18th March 2015, the Chancellor announced that the main rate of corporation tax would be further reduced to 20% with effect from 1 April 2015, and is expected to stay at 20% from 1st April 2016 as well and therefore, no impact of the same have been reflected in these financial statements. The effect of these tax rate reductions will be accounted for in the period they are substantively enacted.

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2015

9. Tangible Assets/ Intangible Assets

	Tangible			Intangible
	Plant & Machinery £'000	Fixtures, Fittings & Equipment £'000	Total £'000	£'000
Cost				
At 1 April 2014	1,207	654	1,862	-
Additions	308	23	330	190
At 31 March 2015	<u>1,515</u>	<u>677</u>	<u>2,192</u>	<u>190</u>
Depreciation				
At 1 April 2014	863	514	1,377	-
Charge for the year	216	70	286	69
At 31 March 2015	<u>1,079</u>	<u>584</u>	<u>1,663</u>	<u>69</u>
Net book value				
At 31 March 2015	<u>436</u>	<u>93</u>	<u>529</u>	<u>121</u>
At 31 March 2014	<u>343</u>	<u>140</u>	<u>483</u>	<u>-</u>

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2015

9. Tangible Assets/ Intangible assets (continued)

	Tangible			Intangible
	Plant & Machinery INR'000 (see note 1)	Fixtures, Fittings & Equipment INR'000 (see note 1)	Total INR'000 (see note 1)	INR'000 (see note 1)
Cost				
At 1 April 2014	120,069	65,101	185,170	-
Additions	30,324	2,221	32,545	17,564
Exchange difference	(10,331)	(4,864)	(15,195)	-
At 31 March 2015	140,062	62,458	202,520	17,564
Depreciation				
At 1 April 2014	85,898	51,177	137,046	-
Charge for the year	21,331	6,841	28,172	6,286
Exchange difference	(7,537)	(4,070)	(11,607)	84
At 31 March 2015	99,692	53,948	153,640	6,370
Net book value				
At 31 March 2015	40,370	8,510	48,880	11,194
At 31 March 2014	34,200	13,924	48,124	-

10. Debtors

	2015		2014	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Trade debtors	14,384	1,329,815	8,152	811,397
Amounts owed by group undertakings	5,398	499,070	12,413	1,235,491
Other debtors	403	37,162	569	56,599
Prepayments and accrued income	3,169	292,966	2,562	255,112
Deferred tax asset (note 12)	429	39,686	430	42,754
	23,783	2,198,699	24,126	2,401,353

Considering the business profitability of the company and based on budgets approved by the Board of Directors, the company believes that the deferred tax asset created in the books of account is recoverable.

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2015

11. Creditors: amounts falling due within one year

	2015		2014	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Short Term Bank Loans	8,337	770,729	-	-
Trade creditors	4,644	429,334	6,390	635,986
Amounts owed to group undertakings	5,564	514,384	4,472	445,154
Other taxes and social security costs	4,947	457,323	5,035	501,140
Corporation tax	5,749	531,509	1,455	144,861
Other creditors	432	39,958	612	60,933
Accruals and deferred income	16,948	1,566,936	14,092	1,402,623
	<u>46,621</u>	<u>4,310,173</u>	<u>32,056</u>	<u>3,190,697</u>

All amounts owed to group undertakings are repayable on demand and no interest was charged in either the current or the prior financial year.

12. Deferred Taxation

	2015		2014	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
The amounts provided for deferred tax assets are:				
Capital allowances in excess of depreciation	197	19,424	217	21,594
Short term timing differences	232	20,262	213	21,160
	<u>429</u>	<u>39,686</u>	<u>430</u>	<u>42,754</u>

Movement on deferred taxation asset in the period:

	2015		2014	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Opening balance	430	42,754	375	30,811
(charge)/ credit to profit and loss account	(1)	(152)	55	5,253
Exchange difference	-	(2,916)	-	6,690
Closing balance	<u>429</u>	<u>39,686</u>	<u>430</u>	<u>42,754</u>

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2015

13. Called up share capital

	2015		2014	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Called up, allotted and fully paid				
10,692 ordinary shares of £1 each	11	989	10	995

14. Profit and loss account

	£'000	INR'000 (see note 1)
	Balance at 1 April 2014	23,956
Profit for the financial year	10,716	1,056,439
Securities Premium	12,161	1,124,234
Foreign exchange difference	-	(235,642)
Balance at 31 March 2015	46,833	4,329,498

15. Reconciliation of movements in shareholder's funds

	2015		2014	
	£'000	INR'000 (see note 1)	£'000	INR'000 (see note 1)
Profit for the financial year	10,716	1,056,439	6,131	589,609
Foreign exchange difference	-	(310,517)	-	331,599
Opening shareholder's funds	23,966	2,385,463	17,835	1,464,255
Additions during the year	1	99	-	-
Securities Premium Reserve	12,161	1,199,003	-	-
Closing shareholder's funds	46,844	4,330,487	23,966	2,385,463

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2015

16. Annual commitments under non-cancellable operating leases

At 31 March, the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Leases which expire:				
Within one year	437	661	403	544
Within two to five years	423	863	431	670
After five years	81	114	-	-
	941	1,638	834	1,215

	Land and Buildings		Other	
	2015 INR'000 (see note 1)	2014 INR'000 (see note 1)	2015 INR'000 (see note 1)	2014 INR'000 (see note 1)
Leases which expire:				
Within one year	43,066	63,569	39,711	52,360
Within two to five years	41,699	83,032	42,543	64,459
After five years	8,015	10,959	-	-
	92,780	157,560	82,254	116,819

17. Foreign exchange contract commitments

Financial commitments at 31 March 2015 were as follows:

	2015		2014	
	£ '000	USD '000	£ '000	USD '000
Foreign exchange contracts	-	-	9,492	15,500
			9,492	15,500

The fair value of the foreign exchange contracts at the current was NIL for 2015 (2014: £180,276 (USD 300,538)).

18. Related party transactions

The company has taken advantage of the exemption available in FRS 8 "Related Party Transactions" not to disclose details of transactions with fellow group companies.

19. Ultimate parent company and controlling party

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

TATA Technologies Europe Limited

Notes to the Financial Statements Year ended 31 March 2015

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.