

**Company Registration No. 02016440**

**TATA TECHNOLOGIES EUROPE  
LIMITED**

**Annual Report and Financial Statements**

**31 March 2024**

# **TATA Technologies Europe Limited**

## **Annual Report and Financial Statements 2024**

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# **TATA Technologies Europe Limited**

## **Officers and Professional Advisers**

### **Directors**

Warren Harris  
Nachiket Paranjpe  
Nagaraj Ijari

### **Registered & Business office**

European Innovation and Development Centre  
Olympus Avenue  
Tachbrook Park  
Warwick  
CV34 6RJ  
United Kingdom

### **Banker**

JP Morgan Chase  
25 Bank Street  
Canary Wharf  
London E14 5JP

### **Auditor**

KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham,  
B4 6GH  
United Kingdom

# TATA Technologies Europe Limited

## Strategic Report

### Highlights

The total revenue increased to £173.70 mn in 2023 in comparison to £163.99 mn in 2022. The total revenue in 2024 comprised of £172.16 mn from Rendering of Services and £1.53 mn from other Non- Operating Income.

- Tata Technologies Europe Limited (“The Company”) recorded an Operating Profit of £31.02 mn in 2024 in comparison to £25.81 mn in 2023.
- Net Cash and Cash Equivalents in 2024 decreased to £29.66 mn in comparison to £35.48 mn in 2023.
- The average number of direct employees in 2024 increased to 801 in comparison to 713 in 2023.

### Overview of the Company

The 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” or “the Group”), an Indian Company. Tata Technologies is a global product engineering and digital services company focused on fulfilling our mission of helping the world drive, fly, build, and farm by enabling our customers to realize better products and deliver better experiences. We’re the strategic engineering partner businesses turn to when they aspire to be better. Manufacturing companies rely on us to enable them to conceptualize, develop and realize better products that are safer, cleaner, and improve the quality of life for all the stakeholders, helping us achieve our vision of #EngineeringABetterWorld. 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 website; [www.tatatechnologies.com](http://www.tatatechnologies.com).

The Company mainly derives its revenues from automotive, IHM (industrial heavy machinery and aerospace sector).

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

#### **Engineering, Research and Development (ER&D)**

We provide engineering solutions to help our customers conceptualize, design, and develop better products for a sustainable future. We deliver future-ready, sustainable product design and engineering solutions for our customers.

#### **Digital Enterprise Solutions (DES)**

We help our customers solve industry problems with our next-generation digital solutions by employing the latest technologies. Our digital enterprise solutions cover digital manufacturing, data analytics, predictive maintenance, artificial intelligence, and machine learning as we help our customers move towards Industry 4.0.

# TATA Technologies Europe Limited

## Strategic Report (continued)

### 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.

### Environment

In accordance with streamlined energy and carbon reporting requirements, during the financial year ended March 2024 the energy that it possible to report on in relation to the company was as follows.

	Global tonnes of CO <sub>2</sub> e	MwH
Combustion of fuel and operations of facilities (Scope1)	327.38 (400.97 in 2023)	1438.49 (1859.60 in 2023)
Emissions ratio tonnes of CO <sub>2</sub> e per occupant	0.546 (0.668 in 2023)	-
Electricity, heat, steam and cooling purchased for own use (Scope 2)	-	-
Business travel where the Group is responsible for purchasing fuel (Scope 3)	The Directors consider the amount of energy emissions on account of business travel to be insignificant.	The Directors consider the amount of energy emissions on account of business travel to be insignificant.

Initiatives that are in place to reduce environmental impact are.

- Photovoltaic cells on the roof to reduce energy required from the grid.
- Rainwater harvested to deliver cooling and flush toilets to reduce the need for mains water
- Fresh Air followed by Adiabatic cooling used primarily to cool facility, reducing the need for more traditional CFC based cooling systems.
- Sealed facility for efficient control on temperature.
- Mechanical and fixed solar shading to reduce Solar gain on facility.
- Encouragement to select Electric or Hybrid vehicles for company car owners.
- Emissions cap in place on company car selection.
- Reduction of plastics used in office catering.

Initiatives planned as improvements

- Further reduce emissions cap on company cars
- Enhance reporting on business mileage to support carbon targets.
- Increase electric vehicle charging points to encourage the uptake of electrical vehicles for business use.

### Financial risk management objectives and policies

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

# **TATA Technologies Europe Limited**

## **Strategic Report (continued)**

### *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 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 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. 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*

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 carries out timely and appropriate credit checks from reliable firms on potential customers before sales are made.

### *Foreign Exchange fluctuation risk*

The Company deals in multiple territories and currencies such as USD, EUR, and INR which results in some exchange rate fluctuation risks. The company can undertake certain forward covers in the foreign currency towards the larger contracts to minimize the risks in consequence of this fluctuation.

### *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 an 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 Company in the past has recruited internationally and moved people around amongst its operations worldwide. There can be no guarantee that changes in immigration laws 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 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. Efforts are underway to diversify our customer base further to dilute these risks. As the majority of the company's sales are to the auto industry, the company forecasts to continue to be profitable and cash generative. In assessing the forecast, the Directors have applied reasonably possible worst-case sensitivities around reductions in sales.

### ***Future Outlook***

The company has achieved striking year on year growth during the current financial year and Directors believe that there will be significant growth in future opportunities as the Company expands in new sectors and new areas of operations.

Due to continuous investments in technology and resources, the Company has successfully carried out critical large-scale R&D programmes for its customers. The Company aims to continue to invest in research and development related activities to develop and retain diverse expertise to further strengthen its innovation and research capabilities for value added service to its customers.

# TATA Technologies Europe Limited

## Strategic Report (continued)

### Key Performance Indicators

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

	2024	2023
	£ (mn)	£ (mn)
Revenue	173.70	163.99
Operating profit before research and development expenditure credit	31.02	25.81
Add: Research and development expenditure credit	3.98	3.24
Adjusted operating profit	35.00	29.05
Profit before taxation	34.49	28.59
Average employee (numbers)	801	713

### Financial Performance

Tata Technologies is highly focused on delivery of value to its customers. During the current year the Company has managed to achieve significant growth in the revenue and margins. This includes projects from EV segment with third parties and group companies.

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.

### S172 (1) Statement

The directors consider that, as set out under section 172(1) of the Companies Act 2006, they have, in good faith, acted in a way that they consider would promote the success of the Company. In doing so, the directors have given due regard to the interests of key stakeholder groups and have assessed the likely consequences of decisions on the Group's long-term performance and its reputation.

The following elements inform all of the board's decision-making processes:

*Strategy* – During board and shareholder review meetings, the directors review strategic progress and key performance indicators. The Group shares data related to business performance with all employees through its communication platforms, allowing all voices to be heard, in a collaborative way.

*Performance* – The directors regularly review the performance of the company, taking into account how significant future events (for example trade agreements, Regulation changes) could impact the Company's projected forecasted performance, and deciding the best course of action.

# TATA Technologies Europe Limited

## Strategic Report (continued)

*Governance* – The directors are committed to ensuring good governance, beginning with the foundation of strong internal controls, and a company culture where employees have open access to management at all levels. All employees are encouraged to be curious, to speak up if they

witness anything requiring further investigation, and to offer new ideas or initiatives that will strengthen existing processes and procedures.

All employees have access to the employee portal which contains various documents related to the code of conduct, ethics and compliance information, which the company regularly reviews and updates to meet changing business needs.

As part of good governance, the directors ensure that the balance sheet of the company is robust. This is the cornerstone of our ability to weather differing economic cycles, enabling us to raise additional borrowing as required, make the necessary investments from which to grow, and provide assurance to our customer and suppliers. Consequently, following another year of profitable growth, the directors have not proposed a dividend distribution.

Below are our key stakeholders and how we have engaged with them in the decision-making process:

### *Customers*

Tata Technologies helps the world to drive, fly, build and farm by enabling its manufacturing clients across automotive, aerospace and, industrial machinery to create better products and improve the quality of lives that are exposed to those products. The directors and management play a key role to ensure this is done in a safe, efficient and ethical manner. The company's approach is to create long term partnerships, prioritising the customer, listening to feedback and deliver complex engineering programs. As a result of this approach we have built a growing business.

### *Employees*

Tata Technologies has a strong commitment to its workforce. We recognise that our people are our most valuable asset, fundamental to the success of the Company, and striving to exceed our stakeholder's expectations. We make a conscious effort to attract and retain high calibre staff, offering equal opportunities and without discrimination. The success of individuals and teams enables the Company to achieve its objectives, which enables growth and further opportunities for individuals to prosper in their careers.

### *Suppliers and other business partners*

The company operates very closely with suppliers to create reliable and robust relationships, through which our customers can be assured that work will be delivered on time, in full.

### *Shareholders*

Our shareholders are vital for the future success of the company. Our ultimate shareholders, through our parent company, provide their strategic vision and support for the future growth and direction of the company. In return, we provide market intelligence, regular performance updates, offer growth opportunities and add value our parent company in support of the overall group business plan.



# **TATA Technologies Europe Limited**

## **Strategic Report (continued)**

### *Community and Environment*

The Company understands it carries a responsibility in the communities and geographies in which it operates. In doing so, the company aims to source goods and services from local suppliers where economically possible, and make donations to local charities, often supporting employee identified charities. In order to minimise the impact on the environment the company seeks to continuously drive efficiencies in its operations. The directors recognise that adopting environmentally-friendly policies can also benefit the success of the company, both financially and in respect of our customer and supplier expectations.

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

Nachiket Paranjpe

Director

30 April 2024

# TATA Technologies Europe Limited

## Directors' Report

The Directors present their Annual Report and the Audited Financial Statements for the year ended 31st March 2024. The statement of Directors' responsibilities, is to be considered as a part of this report.

### 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 European Innovation and Development Centre (EIDC) Olympus Avenue, Tachbrook Park, Warwick, United Kingdom, CV34 6RJ.

### Dividends

On 12<sup>th</sup> July 2023, the Board of Directors of the Company, declared interim dividend of 2,900 GBP per share aggregating to 31,021,300 GBP on equity share capital of the Company which was paid to equity shareholders of the Company.

### 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.

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. 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.

### Capital Structure

The details of the authorized and issued share capital have been shown along with the movements from the previous year in Statement of Changes in Equity below. The Company has no individual shareholders and 10,697 of the Company's shares are held by Tata Technologies Pte Ltd., Singapore, resulting in an issued capital consisting of 10,697 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.

# TATA Technologies Europe Limited

## Directors' Report (Continued)

### Directors

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

Mr. Warren Harris

Mr. Nachiket Paranjpe

Mr. Nagaraj Ijari

### Directors' indemnities

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

### Charitable and political contributions

The Company has contributed NIL (2023 - NIL) for charity during the current year.

### Branches outside the UK

The Company has branch in Germany and France.

### Employees

Tata Technologies is focused on employee engagement and employee retention. To facilitate this, clear channels of communication have been set up to reach out to employees. During the past financial year of FY23-24, face to face and online/virtual communication mechanisms were used to facilitate two-way communication with employees. These included formal platforms such as Workplace by Facebook, virtual and in-person townhalls/briefings as well as informal/ad-hoc communication sessions conducted with employees working remotely, based at the customer or working from home. The town halls and briefings are chaired by members of the leadership team who brief employees and provide information on matters of concern to employees. These sessions are followed by question and answer sessions, to provide employees with an opportunity for asking questions and providing feedback.

The Company also implemented leadership connect sessions with its employees which involved small groups of employees meeting with managers from other departments in order to get to build relationships across departments. The Company also has its own AI-powered virtual chatbot to connect with employees at distinct stages of the employee lifecycle. This AI-powered chatbot has been positioned as the Chief Listening Officer within Tata Technologies. It reaches out to employees at distinct stages of the employee lifecycle but also allows employees to raise issues as and when necessary.

Over the year, HR, along with business leaders, made use of the feedback received in order to implement interventions aimed at addressing concerns and improving employee engagement. The HR team sets both engagement and attrition targets to monitor and drive engagement and ensure that retention strategies are working. The Company received insights from almost 1,600 employee connects which were assessed to drive the Company's unique Employee Value Proposition (EVP) and design interventions to address areas of concern. This has enabled the Company to reduce its attrition rate from 27.3% to 18.7% for the period April 2023 to March 2024.

Regular posts by the MD on Workplace is also an important channel where employees receive regular Company updates. Regional leadership teams and collective bargaining in certain countries help the Company consult with employees on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests. The Company has also established a formal mechanism of measuring employee engagement and collecting feedback through a digital platform. While the annual goal setting exercise helps align employees to common objectives, the associated performance pay and bonus schemes encourage

# **TATA Technologies Europe Limited**

## **Directors' Report (Continued)**

the involvement of employees in the Company's performance by achieving these common objectives.

Equal Opportunity and Disabled employees: The Company supports the principle of equal opportunities in employment and opposes all forms of unlawful or unfair discrimination on the grounds of race, age, nationality, religion, ethnic or national origin, sexual orientation, gender or gender reassignment, marital status or disability. The Company also, where possible, supports sympathetic consideration to disabled persons in their application for employment with the Company and to protect the interests of existing members of the staff who are disabled.

### **Auditor**

Each of the persons who is 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 is unaware; and

The Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

KPMG LLP was appointed as an auditor. KPMG LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This confirmation is given and should be interpreted in accordance with the provisions of S. 418 of the Companies Act, 2006.

Approved by the Board of Directors

and signed on behalf of the Board

**Nachiket Paranjpe**

### **Director**

Registered office address:  
European Innovation and Development Centre  
Olympus Avenue  
Tachbrook Park  
Warwick  
CV34 6RJ

**30 April 2024**

## **TATA Technologies Europe Limited**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 judgments and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA TECHNOLOGIES EUROPE LIMITED

## Opinion

We have audited the financial statements of Tata Technologies Europe Limited (“the Company”) for the year ended 31 March 2024 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

In our evaluation of the directors’ conclusions, we considered the inherent risks to the Company’s business model and analysed how those risks might affect the Company’s financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors’ assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company’s ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

## Fraud and breaches of laws and regulations – ability to detect

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of director and inspection of policy documentation as to the Company’s high-level policies and procedures to prevent and detect fraud, including the Company’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue from rendering of services is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as the percentage of completion of contracts over time.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- Evaluated the business purpose of significant unusual transactions
- Assessing significant accounting estimates for bias.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

## **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

## **Directors' responsibilities**

As explained more fully in their statement set out on page 11, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).



### **The purpose of our audit work and to whom we owe our responsibilities**

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 auditor's 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.

Xavier Timmermans (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

1 May 2024

# TATA Technologies Europe Limited

## Income Statement For the year ended 31 March 2024

		2024	2023
	Note	£'000	£'000
<b>Turnover</b>	3	173,446	163,629
Cost of sales		(132,281)	(128,526)
<b>Gross profit</b>		<b>41,165</b>	<b>35,103</b>
Distribution costs		(3,408)	(2,714)
Administrative expenses		(6,987)	(6,940)
Research and development expenditure credit		3,978	3,245
Other Income		249	363
<b>Operating profit</b>		<b>34,997</b>	<b>29,057</b>
Finance costs	6	(509)	(468)
<b>Profit before taxation</b>		<b>34,488</b>	<b>28,589</b>
Tax charge on profit	7	(8,772)	(5,249)
<b>Profit for the financial year</b>		<b>25,716</b>	<b>23,340</b>
<b>Other comprehensive income</b>			
Currency translation reserve		15	-
Other comprehensive income for the year		15	-
<b>Total comprehensive income for the year</b>		<b>25,731</b>	<b>23,340</b>

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 2024

		2024	2023
	Note	£'000	£'000
<b>Non-current assets</b>			
Property, plant and equipment	10	2,459	2,582
Right of use assets	11	7,029	7,340
Intangible assets	9	221	165
Investments in subsidiaries	12	55,937	55,937
Investments in Sub-lease	16	2,355	3,053
Deferred tax asset	13	722	750
<b>Total non-current assets</b>	<b>A</b>	<b>68,723</b>	<b>69,827</b>
<b>Current assets</b>			
Trade and other receivables	14	63,348	70,856
Cash and cash equivalents		29,656	35,483
Term deposits with bank		-	10,000
Current investment in Sub-lease	16	313	342
<b>Total current assets</b>	<b>B</b>	<b>93,317</b>	<b>116,681</b>
<b>Creditors: amounts falling due within one year</b>			
Trade and other payables	15	12,945	18,340
Accruals and deferred income	19	15,343	28,539
Current lease liabilities	18	1,820	1,565
<b>Total current liabilities</b>	<b>C</b>	<b>30,108</b>	<b>48,444</b>
<b>Net current assets</b>	<b>D (B-C)</b>	<b>63,209</b>	<b>68,237</b>
<b>Total assets less current liabilities, being net assets</b>	<b>(A+D)</b>	<b>131,932</b>	<b>138,064</b>
<b>Creditors: amounts falling due after more than one year</b>			
Long-term borrowings		-	-
Long-term lease liabilities	18	10,551	11,393
<b>Equity</b>			
Share capital	17	11	11
Retained earnings (inclusive of translation reserve)		121,370	126,660
<b>Equity attributable to owners of the Company</b>		<b>121,381</b>	<b>126,671</b>
<b>Total liabilities and shareholders funds</b>		<b>131,932</b>	<b>138,064</b>

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 and authorised for issue on 30 April 2024

Signed on behalf of the Board of Directors

Nachiket Paranjpe

Director

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### Statement of changes in Equity

	Share Capital £'000	Retained Earnings £'000	Translation Reserve £'000	Total £'000
<b>Total Comprehensive income for the period</b>				
Balance at 1 April 2022	11	103,320	-	103,331
Profit for the financial year	-	23,340	-	23,340
Other Comprehensive income	-	-	-	-
<b>Transactions with owners, recorded directly in equity</b>				
Dividend Paid	-	-	-	-
Balance at 31 March 2023	<b>11</b>	<b>126,660</b>	-	<b>126,671</b>

### Statement of changes in Equity

	Share Capital £'000	Retained Earnings £'000	Translation Reserve £'000	Total £'000
<b>Total Comprehensive income for the period</b>				
Balance at 1 April 2023	11	126,660	-	126,671
Profit for the financial year	-	25,716	-	25,716
Other comprehensive income	-	-	15	15
<b>Transactions with owners, recorded directly in equity</b>				
Dividend Paid	-	(31,021)	-	(31,021)
Balance at 31 March 2024	<b>11</b>	<b>121,355</b>	<b>15</b>	<b>121,381</b>

The accompanying notes form part of financial statements

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### 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.

The Company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. The results of the Company and its subsidiary are consolidated within the financial statements of Tata Technologies Limited, a company registered in India. The group accounts of Tata Technologies Limited, India are available to the public and can be obtained as set out in note 21. The registered office address of the parent Company preparing consolidated accounts is 25, Rajiv Gandhi IT Park, Phase – 1, Hinjewadi, Pune, 411 057, 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.

As the consolidated financial statements of Tata Technologies Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share-Based Payments* in respect of group settled share-based payments; and
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

These financial statements have been prepared on a historical cost basis.

The functional and presentational currency of the Company is pound sterling. The financial statements are rounded to the nearest thousand (£'000).

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 2024

### 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. 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 the provision of 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.

### 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.

### Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires judgment. The Company use 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.

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### Accounting policies (continued)

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.

### 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 temporary 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. Temporary 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 temporary 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.

### 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 (for Leased Assets)	- 7% on cost
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 2024

### Accounting policies (continued)

#### Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument at another entity.

##### *(i) Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

##### *(ii) Classification and subsequent measurement*

#### *Financial assets*

##### *(a) Classification*

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash and cash equivalents comprise cash balances and call deposits.

##### *(b) Subsequent measurement and gains and losses*

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.



# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### Accounting policies (continued)

#### Financial instruments (continued)

##### (ii) Classification and subsequent measurement (continued)

#### Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### Impairment of financial assets

The Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognised in the statement of comprehensive income.

#### Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU's) fair value less costs to sell or its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets.

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### Accounting policies (continued)

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assumptions of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the statement of comprehensive income in expense categories consistent with the function of the impaired asset.

### Derecognition of financial liabilities

Financial liabilities are derecognised when the obligation under the liabilities is discharged or cancelled or expires.

When existing financial liabilities are replaced by others from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

### 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.

### Share based payments

Share-based compensation benefits are provided to the employees via the Share based long term incentive scheme 2022 ("SLTI 2022").

### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### Accounting policies (continued)

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### *Employee benefits*

#### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

## 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.

### **Estimation of costs under percentage of completion method**

The revenue and profit of fixed price professional services contracts is recognised on a percentage of completion basis when the outcome of a contract can be estimated reliably. Management exercises judgement in identifying onerous service contracts and determining whether a contract's outcome can be estimated reliably. Management also makes estimates in the calculation of future contract costs, fair values of contracts, the value of discounts given, the value of upgrade clauses in contracts which are used in determining the value of amounts recoverable on contracts and timing of revenue recognition. Estimates are continually revised based on changes in the facts relating to each contract.

### **Impairment of debtors**

The Company makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors, and historical experience.

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### 3. Turnover

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Revenue Analysis</b>		
Rendering of Services	172,162	162,835
Sale of Products	-	-
Other non-operating Income	1,284	794
	<b>173,446</b>	<b>163,629</b>
<b>Timing of transfer of goods or services</b>		
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Products and services transferred at a point in time	70,938	55,343
Products and services transferred over time	101,224	107,492
	<b>172,162</b>	<b>162,835</b>

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Geographical analysis of turnover by destination fore rendering of services(including other income)</b>		
United Kingdom	117,421	90,033
India	839	35
USA	2,049	523
Rest of World	41,129	67,868
Rest of Europe	10,724	4,376
	<b>172,162</b>	<b>162,835</b>

### *Contract balances*

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Receivables	39,841	49,321
Contract assets	8,912	7,403
Contract liabilities	(4,188)	(10,328)

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advance consideration received from customers.

The amount of revenue recognised in current period that was included in the contract liability balance at the beginning of the period was £ 9,763 (2023: £ 6,392).

Movement in the contract assets and the contract liabilities balances during the year are as follows:

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>Contract assets</b>		
<b>Balance at the beginning of the year</b>	<b>7,403</b>	<b>1,942</b>
Revenue recognised during the year	98,225	93,146
Invoices raised during the year	<u>(96,716)</u>	<u>(87,685)</u>
<b>Balance at the end of the year</b>	<b><u>8,912</u></b>	<b><u>7,403</u></b>
<b>Contract liabilities</b>		
<b>Balance at the beginning of the year</b>	<b>10,328</b>	<b>6,623</b>
Revenue recognised that was included in the unearned deferred revenue balance at the beginning of the year	(9,763)	(6,392)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	<u>3,623</u>	<u>10,097</u>
<b>Balance at the end of the year</b>	<b><u>4,188</u></b>	<b><u>10,328</u></b>

#### 4. Auditor's remuneration

Fees payable to KPMG LLP, Birmingham and their associates for the audit of the Company's annual accounts were £115,120. (2023- £115,120).

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### 5. Staff Costs

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

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
Selling and administration	24	44
Management	11	11
Direct	766	658
<b>Total</b>	<b>801</b>	<b>713</b>

Their aggregate remuneration comprised:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Employment costs</b>		
Wages and salaries	47,485	41,882
Social security costs	5,189	4,609
Other pension costs	3,639	2,928
Share based payment costs	89	36
	<b>56,402</b>	<b>49,455</b>

The director's remuneration has been shown separately in note below (Refer Note 20).

### 6. Interest

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest	(53)	(20)
Interest on lease liabilities	(456)	(448)
	<b>(509)</b>	<b>(468)</b>

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### 7. Tax

	2024 £'000	2023 £'000
<b>UK Corporation Tax</b>		
Current tax	9,245	5,803
Current tax -prior year adjustment	(501)	(412)
<b>Corporation Tax</b>	<b>8,744</b>	<b>5,391</b>
Deferred tax-current year charge	(558)	(492)
Deferred tax-prior year adjustment	586	412
Deferred tax – Effect of rate change	-	(62)
	28	(142)
	<b>8,772</b>	<b>5,249</b>

### Factors affecting the taxation rate

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. This change to the corporation tax rate is in effect and had been enacted as at the balance sheet date. The relevant deferred tax balances have been calculated at a rate of 25%.

The differences are reconciled below:

	£'000	£'000
Profit on ordinary activities before taxation	34,488	28,589
UK statutory rate of tax charge 25% (previous year 19%)	8,622	5,432
Effects of:		
Expenses not deductible for tax purposes	46	(12)
Difference between current and deferred tax rates	-	(109)
Effect of changes in tax rates	-	(62)
Prior year adjustment – deferred tax	586	
Prior year adjustment – Current tax	(501)	
Capital gain tax provision	19	
<b>Total taxation</b>	<b>8,772</b>	<b>5,249</b>

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### 8. Profit on ordinary activities before taxation

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

	2024	2023
	£'000	£'000
Depreciation/amortisation	2,229	1,796
Exchange differences	486	104
Operating lease rentals		
- plant, machinery and vehicles	277	263
- other	1	76
Auditors Remuneration:		
Fees payable to the Company's auditors for the audit of the company's annual financial statements	115	115

### 9. Intangible Assets

	Software £'000
<b>Cost</b>	
At 1 April 2023	2,101
Additions	183
Transfer of assets to a related party (refer note 11)	(75)
Disposals	(374)
At 31 March 2024	<b>1,835</b>
<b>Depreciation</b>	
At 1 April 2023	1,936
Charge for the year	84
Depreciation on transfer of assets to a related party (refer note 11)	(31)
Disposals	(375)
At 31 March 2024	<b>1,614</b>
<b>Net book value</b>	
At 31 March 2024	<b>221</b>
At 31 March 2023	<b>165</b>



# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### 10. Property, Plant and Equipment

	Plant and machinery	Fixtures, Fittings and Equipment	Leasehold Improvements	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2023	6,725	1,349	1,433	36	9,543
Additions	535	186	-	-	721
Currency translation difference	(1)	(1)	-	-	(2)
Transfer of assets to a related party (refer note 11)	(90)	(71)	-	-	(161)
Disposals	(80)	(267)	(82)	-	(429)
At 31 March 2024	<b>7,089</b>	<b>1,196</b>	<b>1,351</b>	<b>36</b>	<b>9,672</b>
<b>Depreciation</b>					
At 1 April 2023	5,025	1,284	616	36	6961
Charge for the year	625	50	92	-	767
Currency translation difference	-	-	-	-	-
Depreciation on transfer of assets to a related party (refer note 11)	(52)	(34)	-	-	(86)
Disposals	(80)	(267)	(82)	-	(429)
At 31 March 2024	<b>5,518</b>	<b>1,033</b>	<b>626</b>	<b>36</b>	<b>7,213</b>
<b>Net book value</b>					
At 31 March 2024	<b>1,571</b>	<b>163</b>	<b>725</b>	<b>-</b>	<b>2,459</b>
At 31 March 2023	<b>1,700</b>	<b>65</b>	<b>817</b>	<b>-</b>	<b>2,582</b>

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### 11. Right of use assets

	Right of use Buildings	Right of use Motor Vehicles	Right of use Office equipment	Total
	£'000	£'000	£'000	£'000
Cost At 1 April 2023	9,093	2,012	13	11,118
Additions	-	1,254	-	1,254
Currency translation difference	(11)	-	-	(11)
Transfer to a related party*	(194)	-	-	(194)
Disposals	-	-	-	-
At 31 March 2024	<b>8,888</b>	<b>3,266</b>	<b>13</b>	<b>12,167</b>
<b>Depreciation</b>				
At 1 April 2023	2,702	1,063	13	3,778
Charge for the year	818	646	-	1,464
Currency translation difference	(4)	-	-	(4)
Depreciation on transfer of assets to a related party*	(100)	-	-	(100)
Disposals	-	-	-	-
At 31 March 2024	<b>3,416</b>	<b>1,709</b>	<b>13</b>	<b>5,138</b>
<b>Net book value</b>				
At 31 March 2024	<b>5,472</b>	<b>1,557</b>	<b>-</b>	<b>7,029</b>
At 31 March 2023	<b>6,391</b>	<b>949</b>	<b>-</b>	<b>7,340</b>

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

\*The Company has sold the business of Germany Branch to another group company, Tata Technologies GmbH at the consideration of £ 710,203 with effect from November 01, 2023.

Effects of the disposals on individual assets and liabilities

<b>Particulars</b>	<b>2024</b>
	<b>£'000</b>
Tangible fixed assets	172
Trade debtors	625
Other debtors	376
Cash and cash equivalents	0
Employee benefits	(48)
Trade creditors	(444)
<b>Net identifiable assets and liabilities</b>	<b>681</b>
Consideration received, satisfied in cash	710
<b>Net cash (inflow)</b>	<b>29</b>

### 12. Subsidiaries

<b>Non-Current Investments</b>	<b>£'000</b>
Balance at 1 April 2023	<u>55,937</u>
Additions	-
Disposals	-
Balance at 31 March 2024	<u>55,937</u>

<b>Subsidiary undertakings and Companies directly / indirectly held by the Company</b>	<b>Country of incorporation</b>	<b>Registered Address</b>	<b>Class</b>	<b>Shares held and voting rights %</b>	<b>Status</b>
Tata Technologies Inc.	United States	6001 Cass Avenue Suite 600 Detroit, MI USA-48202	Class B Voting Shares	96.05%	Trading

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

Tata Technologies de Mexico, S.A. de C.V.	Mexico	Blvd Independencia 2120 Int 304 Torreon, Coahuila Mexico Col Estrella C.P. 27010, Mexico	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

### 13. Deferred tax

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
The amounts provided for deferred tax assets are:		
Capital allowances in excess of depreciation	(93)	(2)
Short term temporary differences	815	752
	<b>722</b>	<b>750</b>

#### Deferred taxation

	<b>£'000</b>
<b>Balance at the beginning of the year</b>	<b>750</b>
Debit to the profit and loss account for the year	(28)
<b>Balance at the end of the year</b>	<b><u>722</u></b>

### 14. Trade and Other receivables

<b>Receivables falling due within one year</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Trade receivables (inclusive of £16,712 in 2024 and £12,931 at 2023 owed by Group undertakings)	39,841	49,321
Other debtors	2,383	2,987
Prepayments and accrued income (inclusive of £5,188 in 2024 and £5,566 at 2023 related to Group undertakings)	12,212	11,145
Contract assets (inclusive of £3,267 in 2024 and £2,704 at 2023 related to Group undertakings)	8,912	7,403
	<b>63,348</b>	<b>70,856</b>

On 21 March 2022, the Company entered into uncommitted receivables purchase agreement with a financial institution. Eligible receivables are transferred to the financial institution bank for an amount equal to its face value less a sum representing interest at the discount rate. This transfer qualifies for de-recognition under FRS 101 as the Company transfers all risks and rewards relating to the receivables to the bank.

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### 15. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	1,198	1,563
Advances	-	2
Amounts owed to group undertakings	6,794	13,478
Current tax liabilities	4,953	3,297
	<b>12,945</b>	<b>18,340</b>

### 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, 2024:

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)	2,668	407	407	1057	1,223	3,094

#### Reconciliation

Particulars	£'000
As per maturity analysis	3,094
(less) Unearned interest income	<u>(426)</u>
Carrying Value	<u>2,668</u>

The movement in the net investment in sublease asset during the year ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	2024 £'000	2023 £'000
Opening Balance	3,395	3,476
Additions	-	-
Interest income	108	128
Lease rental received	(406)	(209)
Loss on net investment in sublease	(429)	-
Closing Balance	<b>2,668</b>	<b>3,395</b>

# TATA Technologies Europe Limited

## Notes to the Financial Statements Year ended 31 March 2024

### 17. Share Capital and Reserves

	2024 £'000	2023 £'000
<b>Called up, allotted and fully paid</b>		
10,697 ordinary shares of £1 each	11	11

### 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Leases which expire:						
Within one year	2,230	1,997	(410)	(432)	1,820	1,565
Within two to five years	7,064	6,672	(1,086)	(1,232)	5,978	5,440
After five years	4,792	6,390	(219)	(437)	4,573	5,953
<b>Total commitments</b>	<b>14,086</b>	<b>15,059</b>	<b>(1,715)</b>	<b>(2,101)</b>	<b>12,371</b>	<b>12,958</b>

Following amounts are recognised in the statement of profit and loss for the year ended March 31, 2024

	£'000
Interest expense on lease liabilities	455
Variable lease payment not included in the measurement of lease liabilities	-
Expenses related to short-term leases	277
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 2024

### 19. Accruals and deferred income

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Accruals for expenses (inclusive of £2,735 in 2024 and £7,438 at 2023 owed to group undertakings)	8,121	14,834
Contract Liabilities (inclusive of £ 2,310 in 2024 and £ 560 at 2023 owed to group undertakings)	4,189	10,328
Other accruals	3,033	3,377
	<b>15,343</b>	<b>28,539</b>

### 20. Directors' remuneration

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Aggregate emoluments for qualifying services	395	316
Contributions to a money purchase pension scheme	3	12
	<b>398</b>	<b>328</b>

The highest paid director did not exercise any share options in the year though he was granted Stock options under the "Tata Technologies Limited Share based Long Term Incentive Scheme 2022" under which employees of India as well as overseas subsidiaries of Tata Technologies Limited, India were granted stock options. Under the scheme, there are two types of options, namely Employee Stock Option Plan (ESOP) and Performance Stock Options (PS). Vesting is subject to achievement of prescribed criteria as per the scheme. The highest paid director had emoluments for qualifying services of £ 395,012 for the year and is a member of the Company's defined contribution pension scheme and had accrued entitlements of £2,663 under the scheme for the year.

	<b>Number of directors</b>	
	<b>2024</b>	<b>2023</b>
The number of directors who exercised share options was	None	None
The number of directors in respect of whose qualifying services shares receivable under long term incentive schemes was	2	2

# **TATA Technologies Europe Limited**

## **Notes to the Financial Statements Year ended 31 March 2024**

### **21. 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 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 Technologies Limited can be obtained from 25, Rajiv Gandhi IT Park, Phase – 1, Hinjewadi, Pune, 411 057, India.