Annual Report & Financial Statements of

Tata Motors European Technical Centre plc.

For the Financial Year Ending 31 March 2015

Company Registration No: 05551225

Contents

Officers and Professional Advisers

Directors:

Mr R S Yadav	Non-Executive Chairman (Resigned 5th February 2015)
Dr T A Leverton	Non-Executive Director
Mr N H Fell	Executive Director

Secretary:

Pennsec Limited

Registered office:

18 Grosvenor Place
London
SW1X 7HS

Business address:

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University of Warwick
Coventry
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Auditor:

Deloitte LLP
Four Brindley Place
Birmingham
B1 2HZ

Bankers:

Standard Chartered Bank
1 Basinghall Avenue
London
EC2V 5DD

Solicitors:

Penningtons Solicitors LLP
Basingstoke
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STRATEGIC REPORT

Tata Motors European Technical Centre plc (TMETC) was established in 2005 by Indian parent company Tata Motors Limited (TML) as a wholly-owned subsidiary with the purpose of strengthening TML's technical capabilities through delivery of world-class automotive engineering services. Its success has allowed it to grow organically to its current strength of around 320 engineering and other professionals, and it is now an intrinsic part of TML's development capacity. Its location on the campus of University of Warwick (UoW) in the UK has been a key enabler both of attracting the right calibre of staff and conducting collaborative research with academia and with other commercial organizations. TMETC has a mandate to apply a proportion of its capacity to non-Tata brand customers to maintain and strengthen the skills base it is able to deploy on its core work for TML.

In December 2012, TML adopted new Mission, Vision, and Values (MVV) statements to focus its culture and planning. In turn, TMETC adopted the same MVV and developed 8 Company-specific objectives to support their delivery through 2014-15. Of these, 4 are focused on customer requirements, while the balance addresses enablers such as safety, employee development and retention, and processes. Throughout the year, progress against the objectives was reviewed on a monthly basis using a balanced scorecard of 20 KPI's with owners and targets.

In line with direction from the Group Chairmen and TML MD in January 2013, TMETC's role has been focused on advanced engineering and the new vehicle concept development stages of the product development cycle. These phases, prior to full programme approval and industrialisation, include critical design and engineering decisions but relatively low resource commitments, and so it is the period when TMETC can offer maximum added value to the parent company. TML's current priorities resulted in an almost exclusive focus on Tata brand passenger vehicle work; new projects for Tata commercial vehicles and external customers were not being pursued during the year. The Company's activities were characterised by a relatively small number of high value projects of strategic importance to TML. These projects' costs are now being capitalised by the shareholder in line with its profitable business plans for the vehicle programmes, thus increasing shareholder wealth.

It has been the intention to house TMETC in a purpose-built technical centre since the Company was established. In November 2013, the TML Board demonstrated its commitment to TMETC's long-term future through its approval of participation in the National Automotive Innovation Centre (NAIC). NAIC is a joint project of UoW, Jaguar Land Rover (JLR), and TMETC for an institution that fosters collaboration to create and develop innovative vehicle technologies. It will be housed in a new 33,000m^2 signature building on the campus of UoW.

The TML Board approved both TMETC's commitment to the project, and funding of up to £28.3M for its 30% share of the costs which to date has been through the infusion of new equity. Legal agreements have now been signed between the three partners, the NAIC site groundworks have been completed, and the main contractor has been appointed by UoW. Construction begins in May 2015 and the building is planned to be ready for occupancy in January 2017. Thereafter, TMETC will enjoy 17.5 years of occupancy at peppercorn rent.

The Company's financial performance for the year ended 31 March 2015 is summarised below, and is compared with the previous year. The reduction in turnover is proportionate to the delivery requirements of the TML product cycle plan, which required reduced product development activity in the second half of the year.

	2014-15 £'000	2013-14 £'000	2014-15 *INR Cr*	2013-14 *INR Cr*
Turnover	**37,432**	**41,694**	**346.05**	**414.99**
Cost of Sales	(27,497)	(29,109)	(254.21)	(289.73)
Gross Profit	**9,935**	**12,585**	**91.84**	**125.26**
Gross Profit Margin	*27%*	*30%*		
Other operating income	3,927	29	36.31	0.29
Administrative expenses	(8,533)	(10,231)	(78.88)	(101.82)
Profit on ordinary activities before finance charges and taxation	**5,329**	**2,383**	**49.27**	**23.73**

During the year ended 31 March 2015 TML funded NAIC costs of £2.863M (INR 26.47 Cr) through equity infusions, bringing total equity to £31.392M (INR 290.22 Cr).

While ensuring that sufficient funds are available for ongoing operations and future developments, the Company reduced its debt by repaying £1.875M (INR 17.33 Cr) to Standard Chartered Bank. This leaves outstanding loans totalling £4.125M (INR 38.14 Cr) (£2.250M (INR 20.80 Cr) TML and £1.875M (INR 17.33 Cr) Standard Chartered Bank).

The Company's fixed assets at the year-end totalled £3.440M (INR 31.79 Cr) (2014: £3.945M (INR 39.27 Cr)), comprising computer equipment and peripherals, workshop equipment, vehicles, office equipment, and intangible software licenses.

No dividends have been paid or are proposed on ordinary shares by the Company during the year.

The Company's activities expose it, to a degree, to the financial risks of changes in foreign currency exchange rates. The Company reduces its exposure by entering into all contracts with TML and other customers in sterling. Therefore the parent Company has taken on any foreign exchange risks and can mitigate against currency fluctuations using the various financial instruments available to it.

For and on behalf of the Board
Tata Motors European Technical Centre plc

N H Fell
Director and Head
Tata Motors European Technical Centre plc
18 Grosvenor Place
London SW1X 7HS
United Kingdom

DIRECTORS' REPORT

1. Environmental and social matters

Tata Group, including TML, is a signatory to the United Nations Global Compact and as part of the Group's corporate philosophy, individual Tata companies seek to contribute to development of the society local to their operations. TMETC fosters relationships with a network of universities for collaborative research and to contribute to students' education. TMETC's employees regularly make technical presentations at institutional and trade events, and provide inputs to the development of national policy, standards and legislation. The reduction of transport pollutants and CO_2 emissions is at the heart of much of the Company's engineering and development effort, and is exemplified by its hybridisation and lightweighting projects.

TMETC makes charitable contributions through its participation in Group-wide initiatives, as an individual company, and through providing matched contributions to funds raised by employees for human charities. In total, the company and its employees donated £13,494 (INR 0.12 Cr) in 2014-15, with the largest single beneficiary being The Children's Trust (£3,494 (INR 0.03 CR)), followed by Macmillan Cancer Support, Cancer Research UK, Myton Hospice, and Warwickshire & Northamptonshire Air Ambulance.

2. Employees

Tata Motors' mission is "To be passionate in anticipating and providing the best vehicles and experiences that excite our customers globally". In pursuit of this mission, TMETC has an objective to attract, develop and retain the best automotive talent. It strongly encourages continuous professional development and membership of the relevant professional institutions across all functions. In addition to fulfilling vocational training needs identified through the annual appraisal process, TMETC has a well-established policy of supporting up to 5% of its permanent workforce through degree courses by the payment of fees and providing study leave.

There continues to be a major skills shortage in this sector in the UK, and competition for experienced automotive engineers remains fierce. Therefore since 2011-12, TMETC has been recruiting graduates directly from university in addition to more experienced staff. An IMechE-accredited Monitored Professional Development Scheme (MPDS) has been established to progress engineering graduates to Chartered status. In 2014-15, the Company recruited 3 graduates; it also hosted internships for 8 students, assisting their development and giving the Company extended experience of potential future recruits.

There were 324 employees at the end of the financial year (March 2014: 352), consisting of 256 permanent and 68 contractors. The Company is an equal opportunities employer.

3. Board of directors

The Board of Directors is the apex decision making body within the Company. Mr Ranjit Yadav tendered his resignation as Chairman in February 2015 and his successor has not yet been appointed. The other Board Directors continue to be Dr Timothy A Leverton, and Mr Nicholas H Fell.

The Company's Articles do not mandate the retirement of directors by rotation. Accordingly, none of the Directors seeks re-appointment by the shareholders.

In January 2007, the Committee of the Board signed an agreement with Tata Sons Limited to formally adopt the 'Tata Code of Conduct'. This is a comprehensive document that serves as the ethical road map for Tata Group employees and companies.

4. Post balance sheet events

There have been no significant post balance sheet events since the financial year ending 31 March 2015 which have had a material effect on the business of the Company and require disclosure in the Directors' Report or the financial statements.

5. Trade suppliers' payment policy

The Company agrees payment terms with its suppliers when it enters into binding purchase contracts. The Company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions and to treat all its suppliers fairly and has a standard which deals specifically with the payment of suppliers. When an invoice from a supplier is contested, it is Company policy to have the dispute or difference settled between both parties in an amicable and expeditious manner.

6. Auditor

Each of the persons who is a director at the date of this report confirms that:

a) So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
b) 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.

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

Deloitte LLP has expressed its willingness to continue in office. The Board recommends that it be reappointed.

7. Going Concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and in addition, the parent company has provided a letter of comfort to Standard Chartered Bank which is TMETC's lender. Accordingly they continue to adopt the going concern basis in preparing the financial statements. The Board has reviewed the strategy and objectives of the Company and feel there is no danger or risk with regards to going concern.

The directors review regularly the credit, liquidity and cash flow risks which may affect the Company and take appropriate steps to mitigate any such risks, where necessary. The Company has indication of forecasted revenue from its primary customer and has an order book that covers a substantial part of the coming year's revenue.

For and on behalf of the Board
Tata Motors European Technical Centre plc

N H Fell
Director and Head
Tata Motors European Technical Centre plc
18 Grosvenor Place
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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 Financial Reporting Standard 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 accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA MOTORS EUROPEAN TECHNICAL CENTRE PLC

We have audited the financial statements of Tata Motors European Technical Centre plc for the year ended 31 March 2015 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

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.

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 Financial Reporting Standard 101 Reduced Disclosure Framework; 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA MOTORS EUROPEAN TECHNICAL CENTRE PLC (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 FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2015

	Notes	31 March 2015		31 March 2014	
		£	*INR Cr*	£	*INR Cr*
Turnover	2	37,431,626	346.05	41,693,545	414.99
Cost of sales		(27,497,105)	(254.21)	(29,108,691)	(289.73)
Gross Profit		**9,934,521**	**91.84**	**12,584,854**	**125.26**
Other operating income		3,927,235	36.31	29,036	0.29
Administrative expenses		(8,532,654)	(78.88)	(10,230,796)	(101.82)
Profit on ordinary activities before finance charges and taxation		**5,329,102**	**49.27**	**2,383,094**	**23.73**
Net interest income	4	1,038,064	9.60	61,395	0.61
Profit on ordinary activities before taxation	3	**6,367,166**	**58.87**	**2,444,489**	**24.34**
Tax (charge)/credit on profit on ordinary activities	7	(3,333,393)	(30.82)	18,043	0.18
Profit from ordinary activities and other comprehensive income	17	**3,033,773**	**28.05**	**2,462,532**	**24.52**

All activities are from continuing operations.

Balance Sheet
As at 31 March 2015

	Notes	31 March 2015 £	31 March 2015 INR Cr	31 March 2014 £	31 March 2014 INR Cr
Fixed Assets					
Intangible Assets	8	2,338,901	21.61	2,722,004	27.09
Tangible Assets	9	1,101,113	10.18	1,223,429	12.18
		3,440,014	**31.79**	**3,945,433**	**39.27**
Current Assets					
Stocks	10	479,857	4.44	2,297,448	22.87
Debtors					
- Due within one year	11	22,444,789	207.51	21,045,121	209.47
- Due after one year	11	3,062,368	28.31	909,871	9.06
Cash at bank and in hand		2,211,788	20.45	1,775,282	17.67
		28,198,802	**260.71**	**26,027,722**	**259.07**
Creditors: Amounts falling due within one year	12	(12,075,272)	(111.63)	(15,940,648)	(158.67)
Net Current Assets		**16,123,530**	**149.08**	**10,087,074**	**100.40**
Total Assets less Current Liabilities		**19,563,544**	**180.87**	**14,032,507**	**139.67**
Creditors: Amounts falling due after one year	13	(3,858,854)	(35.67)	(4,125,000)	(41.06)
Provision for liabilities	15	-	-	(100,000)	(1.00)
Net Assets		**15,704,690**	**145.20**	**9,807,507**	**97.61**
Capital and Reserves					
Called up share capital	16	31,392,495	290.22	28,529,085	283.96
Profit and Loss and Other Comprehensive Income	17	(15,687,805)	(145.02)	(18,721,578)	(186.35)
Shareholders' Funds		**15,704,690**	**145.20**	**9,807,507**	**97.61**

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board by

Mr N H Fell
Director and Head
Company No: 05551225

Statement of Changes in Equity
For the year ended 31 March 2015

		Called up Share Capital		Profit and Loss and Other Comprehensive Income		Total	
	Notes	**£**	***INR Cr***	**£**	***INR Cr***	**£**	***INR Cr***
Balance at 1 April 2014		**28,529,085**	**283.96**	**(18,721,578)**	**(186.35)**	**9,807,507**	**97.61**
Profit for the period and other comprehensive income		-	-	3,033,773	28.05	3,033,773	28.05
Issue of share capital		2,863,410	26.47	-	-	2,863,410	26.47
Foreign exchange difference		-	(20.21)	-	13.28	-	(6.93)
Balance at 31 March 2015	16 & 17	**31,392,495**	**290.22**	**(15,687,805)**	**(145.02)**	**15,704,690**	**145.20**

Notes to the Financial Statements
For the year ended 31 March 2015

1. ACCOUNTING POLICIES

a) Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 March 2013 the Company underwent transition from reporting under UK Generally Accepted Accounting Practice to Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101. This transition is not considered to have had a material effect on the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

The financial statements are prepared in accordance with the historical cost convention and on the going concern basis as noted in the Directors' Report.

b) Going concern

The Company closely manages its working capital through monthly and weekly reviews of its cash flow. In support of this, close working relationships have been established with debtors and creditors to maintain positive cash flow and prevent any requirements for an overdraft. Further to this, material expenditure is reviewed on a regular basis to ensure customer requirements are met. To mitigate against foreign exchange exposure relating to international suppliers, the Company forward purchases currency where possible and leverages economies of scale.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Company continues to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Turnover

Turnover consists of amounts chargeable by the Company to its customers (at present primarily to the parent company) for services provided and is exclusive of value added tax. The turnover is derived from work undertaken for customers on long term contracts. Work is undertaken for customers either on the basis that time and materials are billed as incurred or according to the terms of fixed price contracts. For time and material contracts, turnover and profit are recognised when the right to consideration has been established according to time worked and materials expended. With respect to fixed price contracts, turnover is recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Revenue and profit are recognised from project variations when it is expected that it will be recovered from customers. Foreseeable losses on such contracts are recognised when probable.

d) Tangible fixed assets

Fixed assets are stated at cost less provision for depreciation and any impairment. Depreciation on tangible fixed assets is provided to write off the value (being cost less estimated residual value) of tangible fixed assets over their estimated useful economic lives below:

Computer Equipment:	Over a period of 4 years
Office Equipment:	Over a period of 4 years
Engineering Equipment:	Over a period of 3-10 years; assessed by each individual asset
Motor Vehicles:	Over a period of 4 years

Notes to the Financial Statements (continued)
For the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

e) Intangible assets – research & development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the Company is expected to benefit. This period is between three and five years. Provision is made for any impairment where the recoverable amount, being the higher of the intangible's net selling price and value in use, is less than the carrying value of the intangible.

f) Intangible assets – intellectual property

Intellectual property is included at cost and amortised in equal annual instalments over a period of 7 years which is their estimated useful economic life. Provision is made for any impairment, when required.

g) Intangible assets – perpetual licences & software

Perpetual licences and software are included at cost and amortised in equal annual instalments over a period of 4 - 5 years which is their estimated useful economic life. Provision is made for any impairment, when required.

h) Pensions & other benefits

The Company operates a Group Personal Pensions Plan (GPPP), which is a defined contributions scheme, provided by Aviva ('the provider') and arranged by St James's Place Ltd ('SJP'). The Company has constituted the said pension plan to attract and retain good talent from the industry. The Company makes a contribution of up to 6% of the employees' gross basic salary, subject to the employees' making a matching contribution towards the pension plan, as per the provisions of the Scheme. Pension costs for the Company's GPPP are charged to the Statement of Profit and Loss and Other Comprehensive Income in the year in which they are incurred. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

The Company has also established an approved group life assurance plan for the benefit of the employees, which would provide financial protection to the employee's dependants in the event of the employee's death. HMRC has approved the said plan and the contributions paid towards the said plan would be eligible for deductions from profits chargeable to corporation tax under the Income and Corporation Taxes Act 1988 (ICTA 1988). The policy covers the insurance of the employees up to a limit of 4 times the employee's basic salary, subject to the overall Company ceiling cover of £1,250,000. Premiums paid towards the said policy have been charged to the Statement of Profit and Loss and Other Comprehensive Income in the year in which they are incurred.

The Company has also established a Group Income Protection Plan through Canada Life Limited ('Canada Life Group'), in order to provide finance to cover the work normally completed by the employee and protect employees' income in the event of their absence due to long term illness, whereby the employee is provided with a basic benefit of up to 50% of their basic annual salary up to a maximum period of 5 years. The benefits become payable after the expiry of 13 consecutive weeks from the date of incapacity of a member of the policy, subject to the rules of the policy. Premiums paid for the said income protection plan have been charged to the Statement of Profit and Loss and Other Comprehensive Income in the year in which they are incurred.

i) 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. 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 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.

Notes to the Financial Statements (continued)
For the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

j) Cash flow statement

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 101 Section 8 not to present a cash flow statement.

k) Foreign exchange

Transactions denominated in foreign currencies are translated from the functional currency at the periodic rate 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 Statement of Profit and Loss and Other Comprehensive Income.

l) General note on translation to Indian Rupees

The financial information prepared is in accordance with FRS 101 and is expressed in Pounds Sterling. The balances presented in Indian Rupees alongside the Pounds Sterling balances represent the FRS 101 balances translated into Indian Rupees at a fixed exchange rate of 1 Pounds Sterling = INR 92.4489 as at 31 March 2015, 1 Pound Sterling = INR 99.5351 as at 31 March 2014. These have been provided solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 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 the amounts presented are prepared in accordance with Indian GAAP.

m) 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 payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts are included in the work in progress balance within stocks.

n) Finance costs

Finance costs of financial liabilities are recognised in the Statement of Profit and Loss and Other Comprehensive Income over the term of such instruments at a constant rate on the carrying amount.

o) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

p) Bank borrowings

Interest-bearing bank loans are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Statement of Profit and Loss and Other Comprehensive Income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

q) Liabilities and contingent liabilities

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

r) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, transport and handling costs and any other directly attributable costs. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Notes to the Financial Statements (continued)
For the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

s) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

t) Government grants

Government grants are recognised when there is reasonable assurance that the group will comply with the conditions attached to them and the grants will be received.

Government grants which have been made to reimburse expenses are charged to the Statement of Profit and Loss and Other Comprehensive Income when they become receivable and in the appropriate period so to match with the expenses which it relates.

The Company has opted to apply for the Research and Development Expenditure Credit (RDEC) for qualifying expenditure from 1 April 2013. In accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance', the RDEC is included within other operating income and the associated taxation charge within taxation charges.

2. TURNOVER

Revenue for the year ended 31 March 2015 aggregated £37,431,626 (INR 346.05 Cr) (2014: £41,693,545 (INR 414.99 Cr)). During the year all revenue generated was from the provision of services to Indian parent company (2014: £41,609,098 (INR 414.15 Cr)).

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	31 March 2015		**31 March 2014**	
	£	***INR Cr***	**£**	***INR Cr***
Profit on ordinary activities before taxation	**6,367,166**	**58.87**	**2,444,489**	**24.34**
<u>This is stated after charging:</u>				
Depreciation & amortisation	1,463,045	13.52	1,356,956	13.51
Payment for licence to occupy land & buildings	1,476,304	13.65	1,797,655	17.89
(Profit)/Loss on disposal of assets	(405)	(0.00)	(3,952)	(0.04)
Government grant income	(332,235)	(3.07)	(25,541)	(0.25)
RDEC	(3,595,000)	(33.24)	-	-
Foreign exchange (gains)/losses	(578,507)	(5.35)	1,225,539	12.20
Research and development expenditure	27,497,105	254.21	29,108,691	289.73
The analysis of auditors remuneration is as follow:				
Audit fees	27,500	0.25	27,500	0.27
Non audit fee	-	-	-	-

Notes to the Financial Statements (continued)
For the year ended 31 March 2015

4. NET INTEREST EXPENSE

	31 March 2015 £	31 March 2015 *INR Cr*	31 March 2014 £	31 March 2014 *INR Cr*
Bank interest received	3,575	0.04	505	0.01
Interest on Indian tax	966,102	8.93	363,073	3.61
Write back of excess interest accounted in earlier years *	279,543	2.58	-	-
Total interest income	**1,249,220**	**11.55**	**363,578**	**3.62**
Interest expense on bank loan	(89,463)	(0.82)	(235,385)	(2.34)
Interest expense on loan taken (from group undertaking) **	(109,986)	(1.02)	(46,851)	(0.47)
Interest on Indian tax	(11,707)	(0.11)	(20,041)	(0.20)
Other interest	-	-	94	-
Total interest expense	**(211,156)**	**(1.95)**	**(302,183)**	**(3.01)**
Net interest expense	**1,038,064**	**9.60**	**61,395**	**0.61**

* *The Company had previously recognised an interest expense of £279,543 (INR 2.58 Cr) regarding a 6% dividend payable on redeemable preference shares held by its parent company. The said redeemable preference shares were converted to ordinary shares during the year ended 31 March 2012. The associated dividend is no longer deemed payable as at 31 March 2015.*

** *Further details regarding the loan provided and associated interest is contained within Note 13 herein.*

5. DIRECTORS' EMOLUMENTS

	31 March 2015 £	31 March 2015 *INR Cr*	31 March 2014 £	31 March 2014 *INR Cr*
Directors Remuneration				
Emoluments	275,288	2.55	268,303	2.67
Bonus	120,000	1.11	118,000	1.17
Cash sum in lieu of Company Car	13,000	0.12	13,000	0.13
Pension contribution	16,000	0.15	16,000	0.16
	424,288	**3.93**	**415,303**	**4.13**

Notes to the Financial Statements (continued)
For the year ended 31 March 2015

5. DIRECTORS' EMOLUMENTS (continued)

	Number	Number
The number of directors who:		
Are members of a money purchase pension scheme	1	1

	31 March 2015 £	31 March 2015 *INR Cr*	31 March 2014 £	31 March 2014 *INR Cr*
Remuneration of the highest paid director:				
Emoluments	200,000	1.85	200,000	1.99
Bonus	100,000	0.92	100,000	1.00
Cash sum in lieu of Company Car	13,000	0.12	13,000	0.13
Pension contribution	16,000	0.15	16,000	0.16
	329,000	**3.04**	**329,000**	**3.28**

The Company has a money purchase pension scheme whereby personal contributions are matched up to 8%. There is no share option scheme in operation within the Company at present.

6. EMPLOYEE INFORMATION

	31 March 2015 £	31 March 2015 *INR Cr*	31 March 2014 £	31 March 2014 *INR Cr*
Staff Cost				
Salaries & Wages (including directors, but excluding non-executive directors)	14,774,972	136.59	13,465,374	134.03
Social security costs	1,578,818	14.60	1,586,360	15.79
Other pension costs (See Note 19)	612,004	5.66	467,524	4.65
	16,965,794	**156.85**	**15,519,258**	**154.47**

Number of Employees (including the directors but excluding non-executive directors)

	31 March 2015 (Average In Numbers)	31 March 2014 (Average In Numbers)
Permanent	240	232
Fixed Term	21	11
Contractors	78	81
	339	**324**

There were no unpaid pension contributions in the current year toward the pension scheme (2014: Nil).

Notes to the Financial Statements (continued)
For the year ended 31 March 2015

7. TAXATION

	31 March 2015 £	31 March 2015 INR Cr	31 March 2014 £	31 March 2014 INR Cr
Analysis of tax charge on ordinary activities				
UK Corporation tax for the period	357,000	3.30	-	-
Adjustments to UK tax in respect of previous periods	435,850	4.04	-	-
Foreign tax of current period	1,049,410	9.70	1,144,412	11.39
Adjustments to foreign tax in respect of previous periods	(117,721)	(1.09)	(307,901)	(3.06)
Expenses/(Income) recognised for group relief	1,608,854	14.87	(854,554)	(8.51)
	3,333,393	**30.82**	**(18,043)**	**(0.18)**
Deferred Tax:				
Deferred tax charge	-	-	-	-
Adjustments in respect of previous periods	-	-	-	-
Tax charge/(credit) on ordinary activities	**3,333,393**	**30.82**	**(18,043)**	**(0.18)**

Factors affecting current tax charge for the period

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

	31 March 2015 £	31 March 2015 INR Cr	31 March 2014 £	31 March 2014 INR Cr
Profit on ordinary activities before tax	6,367,166	58.86	2,444,489	24.33
Tax 21% (2013/14 at 23%)	1,337,104	12.36	562,233	5.60
Effects of:				
(Income)/Expense not deductible/taxable for tax purposes	(12,222)	(0.11)	477	-
Capital allowances (in excess)/less than depreciation	147,959	1.37	(80,775)	(0.80)
Other timing differences	119,748	1.11	-	-
Tax losses utilised in the year	(617,263)	(5.71)	(177,146)	(1.76)
Research and Development Expenditure Credit (RDEC) in respect of previous periods	(397,950)	(3.68)	-	-
Adjustments to tax charge in respect of previous periods	318,129	2.95	(307,901)	(3.06)
Irrecoverable overseas tax	829,034	7.66	839,623	8.36
Expenses/(Income) recognised for group relief	1,608,854	14.87	(854,554)	(8.52)
Total tax charge/(credit) for the period	**3,333,393**	**30.82**	**(18,043)**	**(0.18)**

During the period, the Finance Act 2014 was enacted which included provision to reduce the main rate of Corporation tax from 21% to 20% from 1 April 2015. Accordingly, UK Corporation tax has been provided at 21%.

Notes to the Financial Statements (continued)
For the year ended 31 March 2014

8. INTANGIBLE FIXED ASSETS

	Perpetual Licences & Software		Intellectual Property		Total	
	£	***INR Cr***	**£**	***INR Cr***	**£**	***INR Cr***
Cost						
As at 1 April 2014 *	3,010,695	29.97	1,834,978	18.26	4,845,673	48.23
Additions	520,261	4.81	-	-	520,261	4.81
Exchange difference	-	(2.14)	-	(1.30)	-	(3.44)
As at 31 March 2015	**3,530,956**	**32.64**	**1,834,978**	**16.96**	**5,365,934**	**49.60**
Amortisation						
As at 1 April 2014 *	1,599,389	15.92	524,280	5.22	2,123,669	21.14
Charge for the year	641,224	5.93	262,140	2.42	903,364	8.35
Exchange difference	-	(1.13)	-	(0.37)	-	(1.50)
As at 31 March 2015	**2,240,613**	**20.72**	**786,420**	**7.27**	**3,027,033**	**27.99**
Net Book Value						
As at 31 March 2015	**1,290,343**	**11.92**	**1,048,558**	**9.69**	**2,338,901**	**21.61**
As at 31 March 2014	1,411,306	14.05	1,310,698	13.04	2,722,004	27.09

** A review has been undertaken during the year ended 31 March 2015 concerning the classification of software assets. The Company considers its software assets not to be an integral part of the Company's plant and machinery and has therefore reclassified such items from tangible assets to intangible assets. As a result, software assets purchased prior to 1 April 2014, totalling £810,974 (INR 8.07 Cr), and associated amortisation, totalling £478,297 (INR 4.76 Cr), have been reclassified to intangible assets. Following this, all current and future years' software additions shall be classified as intangible assets.*

Notes to the Financial Statements (continued)
For the year ended 31 March 2015

9. TANGIBLE FIXED ASSETS

	Computer Equipment	Office & Engineering Equipment	Motor Vehicles	Total Tangible Assets
	£	£	£	£
Cost				
As at 1 April 2014 *	1,634,032	1,231,577	246,979	3,112,588
Additions	304,348	66,074	82,076	452,498
Disposals	(36,936)	(6,500)	(30,560)	(73,996)
As at 31 March 2015	**1,901,444**	**1,291,151**	**298,495**	**3,491,090**
Depreciation				
As at 1 April 2014 *	1,012,063	736,612	140,484	1,889,159
Charge for the year	312,454	182,941	64,286	559,681
Disposals	(36,936)	(6,500)	(15,427)	(58,863)
As at 31 March 2015	**1,287,581**	**913,053**	**189,343**	**2,389,977**
Net Book Value				
As at 31 March 2015	**613,863**	**378,098**	**109,152**	**1,101,113**
As at 31 March 2014	621,969	494,965	106,495	1,223,429

	INR Cr	*INR Cr*	*INR Cr*	*INR Cr*
Cost				
As at 1 April 2014	16.26	12.26	2.45	30.97
Additions	2.81	0.61	0.76	4.18
Disposals	(0.34)	(0.06)	(0.28)	(0.68)
Exchange difference	(1.16)	(0.87)	(0.17)	(2.20)
As at 31 March 2015	**17.57**	**11.94**	**2.76**	**32.27**
Depreciation				
As at 1 April 2014	10.05	7.33	1.41	18.79
Charge for the year	2.89	1.69	0.59	5.17
Disposals	(0.34)	(0.06)	(0.14)	(0.54)
Exchange difference	(0.70)	(0.52)	(0.11)	(1.33)
As at 31 March 2015	**11.90**	**8.44**	**1.75**	**22.09**
Net Book Value				
As at 31 March 2015	**5.67**	**3.50**	**1.01**	**10.18**
As at 31 March 2014	6.21	4.93	1.04	12.18

* *During the year ended 31 March 15, a review was undertaken on assets previously held under finance leases. As a result, computer equipment purchased on finance leases prior to 1 April 2014, totalling £88,494 (INR 0.88 Cr) and associated depreciation, totalling £88,376 (INR 0.88 Cr), have been reclassified from Office & Engineering Equipment to Computer Equipment.*

* *Costs and amortisation in relation to software assets have been reclassified to intangible assets as per Note 8.*

As at 31 March 2015, there were no fixed assets held under finance leases.

Notes to the Financial Statements (continued)
For the year ended 31 March 2015

10. STOCKS

	As at 31 March 2015		As at 31 March 2014	
	£	***INR Cr***	**£**	***INR Cr***
Long term contract balances	479,857	4.44	2,297,448	22.87
	479,857	**4.44**	**2,297,448**	**22.87**

11. DEBTORS

	As at 31 March 2015		As at 31 March 2014	
	£	***INR Cr***	**£**	***INR Cr***
Amounts falling due within one year				
Trade debtors	-	-	855,187	8.51
Amounts due from parent company	12,416,574	114.79	13,268,179	132.06
VAT	675,249	6.24	592,520	5.90
Accrued income and other debtors	92,609	0.86	632,969	6.30
Prepayments	750,484	6.94	670,111	6.67
Withholding tax recoverable and associated interest	5,707,723	52.77	5,026,155	50.03
Research and Development Expenditure Credit	2,802,150	25.91	-	-
	22,444,789	**207.51**	**21,045,121**	**209.47**
Amounts falling due after one year				
Prepayments	3,062,368	28.31	909,871	9.06
	25,507,157	**235.82**	**21,954,992**	**218.53**

During the year ended 31 March 2015, the Company has elected for the Research and Development Expenditure Credit (RDEC) instead of the existing super-deduction entitlement. The RDEC is based upon all qualifying expenditure from 1 April 2013. The Company has accounted for RDEC in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' and is included within other operating income.

The Company believes it is able to recover the withholding taxes recoverable, of the total withholding tax recoverable, £634,985 (INR 5.87 Cr) (2014: £322,346 (INR 3.21 Cr)) is under dispute with Indian tax authorities. Based on the past assessment orders, management is of the view that It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Notes to the Financial Statements (continued)
For the year ended 31 March 2015

12. CREDITORS FALLING DUE WITHIN ONE YEAR

As at the end of the year ending 31 March 2015, the details of creditors falling due within one year are given below:

	As at 31 March 2015		As at 31 March 2014	
	£	***INR Cr***	**£**	***INR Cr***
Bank loan	1,875,000	17.33	1,875,000	18.66
Trade creditors	4,767,687	44.08	2,313,461	23.03
Amounts owed to parent company	45,480	0.42	279,543	2.78
Other creditors	23,140	0.21	160,740	1.60
Other taxation and social security	23,073	0.21	10,207	0.10
Accruals	1,533,616	14.18	3,007,547	29.94
Unearned revenue	3,807,276	35.20	8,294,150	82.56
	12,075,272	**111.63**	**15,940,648**	**158.67**

Interest on the bank loan from Standard Chartered Bank is calculated at the three monthly LIBOR + 300 basis points on a daily basis, based on actual number of days elapsed from the date of drawdown of the facility, and is accrued from the first day of the initial draw down of the facility, and is calculated accordingly. The rate of interest as at the balance sheet date is 3.565% p.a. (2014: 3.480%). Interest is payable on a quarterly basis on the aggregate amount of the facility outstanding. The net assets of the Company are provided as security for the said loan. The Company also has a letter of guarantee from its parent company, Tata Motors Limited, regarding fulfilment of the outstanding loan balance.

13. CREDITORS FALLING DUE AFTER ONE YEAR

As at the end of the year ending 31 March 2015, the details of creditors falling due beyond one year are given below:

	As at 31 March 2015		As at 31 March 2014	
	£	***INR Cr***	**£**	***INR Cr***
Bank loan	-	-	1,875,000	18.66
Loan from parent company	2,250,000	20.80	2,250,000	22.40
Amounts due to group company	1,608,854	14.87	-	-
	3,858,854	**35.67**	**4,125,000**	**41.06**

The said loan from the parent company was agreed in December 2013, after renegotiation of the reduction in the bank loan. Interest is accrued and calculated at the three month LIBOR + 300 basis points and is reset on an annual basis.

Between 1 April 2011 and 31 March 2013, the Company sold losses totalling to £8.27m (INR 76.52 Cr) for £1.61M (INR 14.87 Cr) to Tata Motors Group member, Tata Technologies Europe Limited (TTEL). Following professional guidance, the Company believed entitlement to Consortium Relief to exist between the two companies during that period. However, during the month of March 2015, the Company has been advised that the professional advice previously given was incorrect such that no Consortium Relief entitlement existed between the companies from 16 May 2011, given a change in TTEL's group structure at that date. As a result, the Company has increased its brought forward losses by £8.27M (INR 76.52 Cr) and tax expense by £1.61M (INR 14.87 Cr) during the year.

Notes to the Financial Statements (continued)
For the year ended 31 March 2015

14. DEFERRED TAX

There are no recognised deferred tax amounts in the current and preceding year.

	As at 31 March 2015		As at 31 March 2014	
	£	***INR Cr***	**£**	***INR Cr***
Analysis of unrecognised deferred tax balance				
Capital allowances in excess of depreciation	(1,156,136)	(10.69)	(637,500)	(6.35)
Other short term timing differences	(69,013)	(0.64)	(16,655)	(0.17)
Tax losses carried forward	(1,663,512)	(15.38)	(3,287,732)	(32.72)
RDEC	(592,567)	(5.48)	-	-
	(3,481,228)	**(32.19)**	**(3,941,887)**	**(39.24)**

At 31 March 2015 the Company had unused trading losses of £8,317,558 (INR 76.89 Cr) (2014: £15,655,866 (INR 155.83 Cr)). No provision for deferred tax has been recognised in respect of these losses and other timing differences due to the uncertainty over whether there will be sufficient taxable profits in future periods to use them.

15. PROVISIONS

	£	***INR Cr***
As at 1 April 2014	100,000	1.00
Unused balances reversed	(100,000)	(0.92)
Foreign exchange difference	-	(0.08)
Balance at 31 March 2015	**-**	**-**

In 2013 changes to claimable expenditure regarding government grant funding led to a probable penalty to be incurred by the Company for £100,000. However, upon further investigation, the Company believes it is unable to ascertain a reliable estimate of any potential penalty and has therefore reversed the provision.

16. CALLED UP SHARE CAPITAL

	As at 31 March 2015		As at 31 March 2014	
	£	***INR Cr***	**£**	***INR Cr***
Allotted, called up and fully-paid share of £1 each				
Ordinary shares already issued	28,529,085	283.96	27,248,427	223.71
Issue of ordinary shares during the year	2,863,410	26.47	1,280,658	12.75
Foreign exchange difference	-	(20.21)	-	47.50
	31,392,495	**290.22**	**28,529,085**	**283.96**

During the year 2,863,410 ordinary shares of £1 each were issued at par and fully subscribed to.

17. RESERVES

	Profit and Loss and Other Comprehensive Income	
	£	***INR Cr***
At 1 April 2014	(18,721,578)	(186.35)
Profit for the financial year	3,033,773	28.05
Foreign exchange difference	-	13.28
Balance at 31 March 2015	**(15,687,805)**	**(145.02)**

Notes to the Financial Statements (continued)
For the year ended 31 March 2015

18. COMMITMENTS

	As at 31 March 2015		As at 31 March 2014	
	£	***INR Cr***	**£**	***INR Cr***
	Other	**Other**	**Other**	**Other**
Expiry Date:				
- Within one year	-	-	67,065	0.67
- Between two and five years	1,449,316	13.40	1,481,890	14.75
- After five years	-	-	-	-
	1,449,316	**13.40**	**1,548,955**	**15.42**

The Company has entered into a long term agreement for the development and funding of the National Automotive Innovation Centre (NAIC) at the University of Warwick in collaboration with the University of Warwick and Jaguar Land Rower Limited. Under the terms of the agreement the Company will be contributing towards the construction costs of NAIC based on an agreed proportion subject to a maximum commitment. The contribution is expected to provide the Company tenancy rights in NAIC premises for a term of seventeen years and six months from the date of completion of NAIC. The Company has committed total funding of £28.3M under the Agreement of which the £3.1M has been paid till 31 March 2015 (£0.9M till 31 March 2014) which has been included as prepayments within other non-current debtors classification and remaining maximum commitments under the agreement is £25.2M as at 31 March 2015. This commitment is supported by a Deed of Guarantee from parent for funding the Company's share of the project.

The Company has several rental commitments regarding various sites from which it operates, the largest of which concerns the site based at the University of Warwick; rental costs for the year ended 31 March 2015 totalled £1,166,587 (INR 10.78 Cr) (2014: £1,234,059 (INR 12.28 Cr)).

19. DEFINED CONTRIBUTION SCHEMES

The total cost charged to income of £612,004 (INR 5.66 Cr) (2014: £467,524 (INR 4.65 Cr)) represents contributions payable to these schemes by the group at rates specified in the rules of the plans.

20. ULTIMATE CONTROLLING PARTY

The parent undertaking of the Company is Tata Motors Limited, a public limited company incorporated and domiciled in India, which is an associate of Tata Sons Limited.

Tata Motors Limited is the parent company of the group to which this Company belongs and for which the smallest and largest group accounts are prepared. Copies of the consolidated financial statements of Tata Motors Limited can be obtained from the parent's registered office situated at Bombay House, 24 Homi Mody Street, Mumbai 400 001, India.

21. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption available under FRS 101 Section 8 not to disclose details of transactions with wholly owned group members.

Trading transactions with non-wholly owned group companies are summarised below:

Purchase of goods or services

	31 March 2015		31 March 2014	
	£	***INR Cr***	**£**	***INR Cr***
Tata Sons Limited	104,306	0.96	33,233	0.27
CMC Limited	44,304	0.41	-	-
	148,610	**1.37**	**33,233**	**0.27**

Notes to the Financial Statements (continued)
For the year ended 31 March 2015

21. RELATED PARTY TRANSACTIONS (continued)

Trade Creditor Balances

	As at 31 March 2015		As at 31 March 2014	
	£	***INR Cr***	**£**	***INR Cr***
Tata Elxsi Limited	4,579	0.04	4,579	0.05
	4,579	**0.04**	**4,579**	**0.05**