



Subsidiary
Annual Report
Financial Statements
of
TRILIX s.r.l.

**For the Financial Year
ending March 31st 2019**

Company Registration No.: 1044707

Registered office: Largo Francia 114, 10143 Turin, Italy

Business address: Via Teano 3, 10042 Nichelino (TO), Italy

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Section 1

Language and Currency

TRILIX is an Italian company subject to the laws of Italy, the official language for financial reporting is Italian and the functional currency is the Euro (€).

The English language documents contained in the present report are "courtesy" translations of the original documents generated in Italian.

Section 2

Independent Auditor's Report

As by with Italian Law, TRILIX's accounts for the financial year ending 31st March 2019, were subject to Statutory Auditing.

In previous years the auditing of TRILIX's financials had been performed by Deloitte & Touche S.p.A.; for Fiscal Year 2018-2019, in response to TATA Motors' requests and for the first time, the audit was performed by KPMG S.p.A., out of their Turin office.

The original and official report was prepared in Italian and signed by KPMG. Attached hereto is an English "courtesy" translation prepared and provided by KPMG.

The courtesy translation is not signed by KPMG.

(This is the translation of the report of the auditors originally drawn up in Italian, which remains the definitive version. The related financial statements have not been translated into English and this report is, therefore, not attached to any translated set of financial statements. Accordingly, it has only been translated for the internal use of the management of Trilix S.r.l. and cannot be disclosed to third parties)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

*To the sole quotaholder of
Trilix S.r.l.*

Report on the audit of the financial statements

Adverse opinion

We have audited the financial statements of Trilix S.r.l. (the "company"), which comprise the balance sheet as at 31 March 2019, the profit and loss account and cash flow statement for the year then ended and notes thereto.

In our opinion, because of the significance of the effects of the matter described in the "*Basis for adverse opinion*" section hereof, the financial statements do not give a true and fair view of the financial position of Trilix S.r.l. as at 31 March 2019 and of its financial performance and cash flows for the year then ended in accordance with the Italian regulations governing their preparation.

Basis for adverse opinion

The company's financial statements show a net loss for the year of €2,641,934, compared to a net loss of €1,478,783 for the previous year. Its net equity at 31 March 2019 amounted to €3,395,219.

At the reporting date, the company's balance sheet shows tax receivables of €6,272,464, including a withholding tax of €5,594,212 paid abroad, i.e., 10% of the revenues earned from its sole quotaholder, Tata Motors Ltd, which is virtually its sole customer and is based in India, where that withholding tax is applied.

Article 165 of Presidential decree no. 917 of 22 December 1986 (the "Consolidated income tax act") governs receivables for taxes paid abroad, stipulating that they may be used when a company's domestic tax is higher than the tax paid abroad for the same type of revenues. Moreover, they can be carried forward for eight years, therefore the company's tax receivables start to expire in the year ended 31 March 2022.

In their report, the directors state that "*there is no particular risk of irrecoverability, but there is uncertainty about the timeframe over which they can be offset against direct taxes. However, the company manages this risk by constantly carrying these tax receivables forward, therefore enabling their future offsetting, as they cannot be claimed for reimbursement from the relevant tax authorities*".

Despite being convinced of the full recoverability of such tax receivables, the directors have not prepared a business plan setting out the company's prospective financial information nor have they provided other persuasive evidence supporting their assessment of the tax receivables' recoverability, given that the company's revenues depend on Tata Motors Ltd's supply orders, of which, we have been informed, they have only partial knowledge.

Due to the above and the losses incurred by the company in recent years, there is uncertainty about the company's ability to record sufficient future taxable profits that would enable it to recover the taxes paid abroad. Accordingly, we believe that these receivables should be written off.

This issue is a departure from the Italian regulations governing the preparation of financial statements. In the absence of the business plan discussed above, we have been unable to calculate the related effect on the company's net equity at 31 March 2019 and net loss for the year then ended.

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The company's financial statements at 31 March 2018 were audited by Deloitte & Touche S.p.A., which issued its report with a disclaimer of opinion on 30 July 2018.

Responsibilities of the company's directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations governing their preparation and, in accordance with the Italian law, 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.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Disclaimer of opinion pursuant to article 14.2.e) of Legislative decree no. 39/10

The company's directors are responsible for the preparation of a directors' report at 31 March 2019 and for the consistency of such report with the related financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report with the company's financial statements at 31 March 2019 and its compliance with the applicable law and to state whether we have identified material misstatements.

Because of the significance of the matters described in the "*Basis for adverse opinion*" section of this report, we are unable to express an opinion on the consistency of the directors' report with the company's financial statements at 31 March 2019 and its compliance with the applicable law, nor are we able to make the above statement required by article 14.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit.

Turin, 25 July 2019

KPMG S.p.A.

(signed on the original)

Riccardo Zeni
Director of Audit

Section 3

Financial Situation

The financial situation of TRILIX as of 31st March 2019 is reflected in the following documents:

1. Trial Balance (5 Pages)
2. Financial Statements (30 Pages)
3. Management Report (9 Pages)

The above “financial documents” were approved by the TRILIX Board of Directors through circular written resolution in June 2019.

TRILIX	- TRILIX SRL	
	LARGO FRANCIA, 114	
	10143 TORINO (TO)	
Euro	Bilancio dal 01/04/2018 al 31/03/2019	Centesimi di Euro

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Data stampa	16/04/2019

STATO PATRIMONIALE					
ATTIVITA'			PASSIVITA'		
Conto	Descrizione	Importo	Conto	Descrizione	Importo
101001	CASH	1.129,19	102112	CREDIT CARD	9.485,75
1.01	CASH	1.129,19	1.02	BANKS CASH	9.485,75
102036	UNICREDIT BANK ACCOUNT 40580992	397.740,65	501001	3VUSRL - 3 VU S.R.L.	411.579,20
102162	CREDEM BANK ACCOUNT 2716	2.404,33	501001	ALTRAN - ALTRAN ITALIA S.P.A.	32.025,00
1.02	BANKS CASH	400.144,98	501001	AMEA - AMEA SRL	329,40
204010	TATA - TATA MOTORS LTD.	1.702.488,76	501001	ANGUS - ANGUS s.c.	427,00
204012	TATAUK - TATA MOTORS EUROPEAN TECH	1.300,00	501001	ARVAL - ARVAL SERVICE LEASE ITALI	976,00
2.04	RECEIVABLES FROM CUSTOMERS	1.703.788,76	501001	AUTONO - MAURIZIO POZZATI	669,89
207005	CUSTOMERS FOR BILL TO BE GIVEN	905.179,65	501001	COBRRA - CO.BR.RAD SNC DI COTTO R	13.139,40
2.07	REVENUES FROM INVOICING	905.179,65	501001	CORTRA - CORTESE TRASPORTI SRL	5.111,80
208001	ADVANCES SUPPLIERS ACCOUNTS	18.709,67	501001	CUBITO - TERMOTECNICA CERETTESE DI	95,00
208004	RECEIVABLE FROM SUPPLIERS	2.299,31	501001	DELAGI - De Lage Landen Internatio	1.995,72
2.08	SUPPLIERS ACCOUNTS	21.008,98	501001	DHL - DHL EXPRESS (ITALY) S.R.L	12,55
215009	RECEIVABLE FROM DIFFERENT TAX	1.569,63	501001	DSD - DSD MODELLI SRL	4.465,20
215031	RECEIVABLE FROM REGIONAL TAX TO OF	26.810,00	501001	EASYNI - EASY NITE SRL	135,00
215035	RECEIVABLE FROM COMPANY TAX TO OFF	76,92	501001	EDIENE - EDISON ENERGIA S.p.A.	7.912,56
215054	RECEIVABLE FOR TAX DL 66/2014	643,23	501001	FREEL - FREELAND.CAR SRL	49.410,00
215100	RECEIVABLE FROM TREASURY FOR WITHH	1.106.396,00	501001	HSL SRL - HSL SRL A SOCIO UNICO	45.770,74
215101	RECEIVABLE FROM TREASURY FOR WITHH	1.337.778,00	501001	KONE - KONE SPA	180,00
215102	RECEIVABLE FROM TREASURY FOR WITHH	351.648,00	501001	LEASYS - LEASYS S.p.A.	4.025,48
215103	RECEIVABLE FROM TREASURY FOR WITHH	716.058,00	501001	NEGRON - NEGRONI KEY ENGINEERING S	915,00
215104	RECEIVABLE FROM TREASURY FOR WITHH	1.377.591,72	501001	SEP - S.E.P. Sas	5.579,45
215105	RECEIVABLE FROM TREASURY FOR WITHH	704.740,60	501001	SIEMEL - Siemens Industry Software	25.731,02
2.15	RECEIVABLES FROM TREASURY AND OTH.	5.623.312,10	501001	SODEX - Sodexo Motivation Solutio	9.457,06
216003	VAT FOR TREASURY	190.642,00	501001	TEMASR - _TE_MA_Sicurezza s.a.s. d	1.098,00
216007	RECEIVABLE VAT TO OFFSET	460.079,84	501001	TRISMA - TRISMARE ITALIA SRL	18.054,38
2.16	TREASURY VAT	650.721,84	501001	TSISC - Torino Servizi Integrati	1.865,00
217001	ACCRUED INCOME	7,76	501001	TURINL - TURIN LOGISTICA SRL	244,00
2.17	ACCRUED INCOME	7,76	501001	VODAFO - VODAFONE ITALIA S.p.A.	4.731,37
323001	PREPAID EXPENSES	79.302,64	501001	WELCIT - Welcome Italia spa	413,53
323002	PREPAID EXPENSES FOR SEVERAL YEARS	8.054,20	501002	STAND - STANDEX INTERNATIONAL LIM	26.645,93
3.23	PREPAID EXPENSES	87.356,84	5.01	SUPPLIERS LIABILITIES	672.994,68
401003	SPECIFIC TECHNICAL SYSTEMS	4.124,00	503001	SUPPLIERS FOR INVOICES TO BE RECEI	96.802,14
401006	VEHICLES	72.604,78	5.03	SUPPLIERS FOR INVOICES TO BE RECEI	96.802,14
401009	ELECTRONIC OFFICE EQUIPMENTS	443.373,84	505001	WORKERS LIABILITIES	1.072,00
401010	OFFICE FURNITURE	18.208,41	505002	EMPLOYEES LIABILITIES	182.128,00
401016	GENERAL FACILITIES	284.171,20	505003	MANAGERS LIABILITIES	69.031,00
4.01	TANGIBLE FIXED ASSETS	822.482,23	505016	TAX REVALUATION POSTEMPLOYMENT BEN	1.284,08
404001	SET UP COSTS	2.313,00	505017	DUE TO EMPLOYEES	340.166,46
404010	SOFTWARE PROGRAMS	1.097.982,54	5.05	EMPLOYEES	593.681,54
404014	MAINTENANCE COSTS LEASEHOLD	63.334,44	506001	RETIREMENT AGENCY LIABILITIES	161.854,00
4.04	INTANGIBLE FIXED ASSETS	1.163.629,98	506008	WELFARE LIABILITIES	115.214,74
411001	DEPOSIT FOR SECURIT LEASE	39.700,00	506009	SUPPLEMENTARY RETIREMENT FUNDS LIA	86.115,70
4.11	DEPOSIT FOR SECURITY	39.700,00	506013	HEALTH CARE FUNDS LIABILITIES	3.393,99
			5.06	WELFARE	366.578,43
			507001	HELD ON EMPLOYMENT TAX	136.702,61
			507002	HELD ON SELF-EMPLOYMENT TAX	1.985,63
			507091	DEBTS FOR TAXES IN DISPUTES 2014	700.000,00
			507092	DEBTS FOR TAXES IN DISPUTES 2015	696.454,00
			507093	DEBTS FOR TAXES IN DISPUTES 2016	355.194,00
			507094	DEBTS FOR TAXES IN DISPUTES 2017	700.000,00
			5.07	STATE AND OTHER PUBLIC ENTITIES	2.590.336,24
			511007	DIFFERENT LIABILITIES	3.805,44

Euro	Bilancio dal 01/04/2018 al 31/03/2019	Centesimi di Euro
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Data stampa

16/04/2019

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	LARGO FRANCIA, 114	
	10143 TORINO (TO)	
Euro	Bilancio dal 01/04/2018 al 31/03/2019	Centesimi di Euro

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CONTO ECONOMICO

COSTI			RICAVI		
Conto	Descrizione	Importo	Conto	Descrizione	Importo
801005	60101000 COST OF SOLD RM & COMPONE	12.308,75	901006	50108000 SALE OF SERVICES	15.800,00
8.01	PURCHASES	12.308,75	901007	50108000 SALE OF SERVICES	6.934.842,80
803001	60502010 FREIGHT INWARD	3.360,68	901024	50301030 MISCELLANEOUS INCOME/RECE	78,13
803002	60502020 FREIGHT OUTWARD	22.269,06	9.01	RETURN FROM SALES	6.950.720,93
8.03	COST OF SALES	25.629,74	909003	61403000 INTEREST RECEIVED	129,49
804001	60401000 BASIC SALARY/PERSONAL PAY	5.917,69	9.09	INTERESTS INCOME	129,49
804002	60401000 BASIC SALARY/PERSONAL PAY	4.037.089,01	911003	60510415 GENERAL EXPENSES	140,30
804003	60401010 SALARY ALLOWANCES	1.062.949,45	911013	GRANTS RELATED TO INCOME	1.092.955,01
8.04	COSTS OF EMPLOYEES	5.105.956,15	9.11	VARIOUS INCOME	1.093.095,31
806002	60402000 CO'S CONTRIBUTION TO SAF	1.519.346,19	912003	62101000 CORPORATE TAXES	6.348,97
806004	60402000 CO'S CONTRIBUTION TO SAF	21.198,61	912013	62101000 CORPORATE TAXES	76.164,47
8.06	SOCIAL CHARGES ON EMPLOYEES SALARI	1.540.544,80	9.12	SPECIAL INCOME	82.513,44
807000	60402020 GRATUITY ON ACCRUAL BASIS	347.988,59			
8.07	POSTEMPLOYMENT BENEFIT OBLIGATION	347.988,59			
809001	60510255 OUTSOURCING EXPENSES	685.216,76			
8.09	OUTSOURCING	685.216,76			
810001	60505000 ELECTRICITY DUTY	34.456,77			
810003	60505000 ELECTRICITY DUTY	15.192,21			
810020	60510335 CAR HIRE EXPS	7.299,00			
8.10	ENERGY UTILITIES	56.947,98			
811001	MANTEINANCE 100%	16.338,46			
811003	60510110 TECHNICAL KNOW-HOW EXPENS	1.699,05			
811004	60510110 TECHNICAL KNOW-HOW EXPENS	13.780,82			
811009	60503000 REPAIRS & MAINT-LAND & BL	4.314,41			
811019	60510045 R&M VEH, FURNITURE & OFFI	987,63			
8.11	MANTEINANCE AND ASSISTANCE	37.120,37			
812000	60506000 RENT-RESIDENTIAL/OFFICE P	400,00			
812005	60506000 RENT-RESIDENTIAL/OFFICE P	326.093,14			
812007	60506020 RENT-OTHERS	33.954,17			
812011	60510335 CAR HIRE EXPS	1.921,40			
812023	60510335 CAR HIRE EXPS DED.20%	28.471,39			
812024	60510335 CAR HIRE EXPS	63.054,27			
812025	60510335 CAR HIRE EXPS	13.609,96			
8.12	RENT	467.504,33			
814000	60510415 GENERAL EXPENSES	4.562,68			
814010	60510010 COMMUNICATION EXPENSES	10.504,70			
814011	60510010 COMMUNICATION EXPENSES	5.429,20			
8.14	OTHER UTILITIES	20.496,58			
815000	RIGHTS, LICENSES AND PATENTS	322.376,65			
8.15	RIGHTS, LICENSES AND PATENTS	322.376,65			
816008	60510435 LEGAL CHARGES	7.663,80			
816010	60510140 AUDIT FEES-IGAAP/LOCAL GA	110.681,95			
816011	60510075 RECRUITMENT EXPENSES	26.488,97			
816014	FEE AUDITOR	9.240,00			
8.16	PROFESSIONAL AND SELF EMPLOYED FEE	154.074,72			
817001	60510300 TOUR EXPENSES	110.676,51			
817007	60403060 CANTEEN-WORKS/FOOD SUBSID	112.709,97			
817021	60510300 TOUR EXPENSES	4.714,88			
8.17	TRAVELS	228.101,36			
818005	60508090 INSURANCE-MISCELLANEOUS	23.025,88			
818008	INSURANCES	39.194,87			
818012	60508090 INSURANCE-MISCELLANEOUS	4.009,45			
8.18	INSURANCES	66.230,20			

TRILIX	-	TRILIX SRL
		LARGO FRANCIA, 114
		10143 TORINO (TO)
Euro		Bilancio dal 01/04/2018 al 31/03/2019
		Centesimi di Euro

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CONTO ECONOMICO

COSTI			RICAVI		
Conto	Descrizione	Importo	Conto	Descrizione	Importo
819004	60510610 JANITORIAL/CLEANING EXPEN	19.617,00			
819005	60510065 SECURITY EXPENSES	1.560,00			
819006	60510415 GENERAL EXPENSES	38.676,36			
819009	60403020 MEDICAL CLAIMS/EXPENSES-E	3.780,00			
819010	60510280 CONSULTANCY CHARGES	82.747,90			
819016	60510700 WORKS OPERATION & OTHER E	2.555,00			
8.19	COSTS FOR SERVICES	148.936,26			
820005	COSTS FOR OTHER ADVERTISING	2.394,00			
820006	60510415 GENERAL EXPENSES	12.949,91			
820010	60510700 WORKS OPERATION & OTHER E	7.244,58			
820011	60510010 COMMUNICATION EXPENSES	207,55			
820012	60510700 WORKS OPERATION & OTHER E	2.946,37			
820017	60510010 COMMUNICATION EXPENSES	1.051,00			
820019	60510010 COMMUNICATION EXPENSES	312,20			
820026	60510245 PRINTING	299,84			
8.20	OTHER DIFFERENT COSTS	27.405,45			
821005	60510245 PRINTING	206,00			
821013	60510700 WORKS OPERATION OTHER EX	87.671,16			
821015	60510235 COMPUTER/OFFICE STATIONER	3.315,58			
8.21	REGISTRY AND PRINTED	91.192,74			
822003	61301010 DEPN FOR THE YEAR	249,75			
822006	61301010 DEPN FOR THE YEAR	16.305,87			
822009	61301010 DEPN FOR THE YEAR	15.255,69			
822010	AMORTIZATION OF FURNITURE	2.321,29			
822013	61301000 AMORTIZATION OF PROD DEV	34.698,06			
822015	60101020 OTHER PURCHASES	1.549,64			
822017	61301010 DEPN FOR THE YEAR	36.155,28			
822024	60101020 OTHER PURCHASES	628,74			
8.22	TANGIBLE ASSETS AMORTIZATIONS	107.164,32			
826007	61102010 EXPENDITURE TRF TO DEF RE	2.240,00			
8.26	INTANGIBLE ASSETS AMORTIZATIONS	2.240,00			
833010	OTHER NEGATIVE INTEREST	8.889,66			
833011	60510240 BANK CHARGES	13.229,12			
833018	61401050 INTEREST OTHERS	34,09			
833026	61401050 INTEREST OTHERS	20.071,36			
8.33	FINANCIAL COSTS	42.224,23			
835002	CONTINGENCY	159,03			
835006	62101000 CORPORATE TAXES	634.368,25			
8.35	SPECIAL COSTS	634.527,28			
836002	LOSS ON CURRENCY EXCHANGE	18,60			
836004	60510700 WORKS OPERATION OTHER EX	290,85			
836010	OTHER CAR EXPS 20%	17.574,13			
836011	OTHER CAR EXPS 70%	37.358,72			
836030	PROVISIONS FOR RISKS	516.417,00			
8.36	LOSS AND VARIOUS COSTS	571.659,30			
838003	60510700 WORKS OPERATION OTHER EX	1.682,00			
838004	60510700 WORKS OPERATION OTHER EX	266,00			
838005	60510700 WORKS OPERATION OTHER EX	309,87			
838008	OTHER DIFFERENT TAXES	1.238,00			
838025	POSSESSION OF MOTOR VEHICOL TAX	695,32			
838030	60507050 RATES & TAXES-OTHERS	68.333,61			
8.38	INDIRECT YEAR TAX CHARGES	72.524,80			
841003	60201045 CUSTOM DUTY PAID	22,12			

Euro	Bilancio dal 01/04/2018 al 31/03/2019	Centesimi di Euro
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Data stampa

16/04/2019

TRILIX SRL

Financial statements to 31/03/2019

Name and id code	
Company site	TORINO
Fiscal code	09353300016
Registration number	TORINO 1044707
Vat number	09353300016
Share capital euro	100.000,00 i.v.
Legal form	Limited Liability Company
Activity Code (ATECO)	711220
Company being wound up	no
Company with a single shareholder	yes
Company subject to the management and coordination of others	no
Name of the company or entity that exercises management and coordination	
Belonging to a group	yes
Name of the controlling entity	TATA MOTORS LTD
Country of the controlling entity	INDIA
Cooperative company Registration number	

All amounts are expressed in units of Euro

Financial Statements at 31/03/2019

Balance sheet (mandatory scheme)

Assets	31/03/2019	31/03/2018
A) RECEIVABLES DUE FROM SHAREHOLDERS		
Total receivables due from shareholders (A)	0	0
B) FIXED ASSETS		
<i>I - Intangible fixed assets</i>		
3) Industrial patents and intellectual property rights	5.520	40.218
7) Other	4.860	7.100
Total intangible fixed assets	10.380	47.318
<i>II - Tangible fixed assets</i>		
2) Plant and machinery	76.332	112.157
4) Other assets	51.532	75.103
Total tangible fixed assets	127.864	187.260
<i>III) Financial fixed assets</i>		
2) Receivables due from		
d-b) Due from others		
Due beyond the following year	39.700	39.700
Total receivables due from third parties	39.700	39.700
Total Receivables	39.700	39.700
Total financial fixed assets (III)	39.700	39.700
Total fixed assets (B)	177.944	274.278
C) CURRENT ASSETS		
<i>I - Inventories</i>		
Total inventories	0	0
<i>II Receivables</i>		
1) Trade accounts		
Due within the following year	0	19.160
Total trade accounts	0	19.160
4) Due from parent companies		
Due within the following year	2.607.668	2.254.373
Total receivables due from parent companies	2.607.668	2.254.373
5) Receivables due from companies controlled by parent companies		
Due within the following year	1.300	0
Total receivables due from companies controlled by parent companies	1.300	0
5-b) Tax receivables		
Due within the following year	678.252	940.113
Due beyond the following year	5.594.212	4.876.316
Total receivables due from tax authorities	6.272.464	5.816.429
5-d) Other receivables		
Due within the following year	22.578	15.621
Total receivables due from third parties	22.578	15.621
Total receivables	8.904.010	8.105.583
<i>III - Current financial assets</i>		
Total financial current assets	0	0
<i>IV - Liquid funds</i>		
1) Bank and post office deposits	400.145	2.569.000
3) Cash and equivalents on hand	1.129	982
Total liquid funds	401.274	2.569.982
Total current assets (C)	9.305.284	10.675.565
D) ACCRUED INCOME AND PREPAYMENTS	87.365	173.226
TOTAL ASSETS	9.570.593	11.123.069

Balance sheet (mandatory scheme)

Liabilities and shareholders' equity	31/03/2019	31/03/2018
A) SHAREHOLDERS' EQUITY		
I - Share capital	100.000	100.000
II - Share premium reserve	0	0
III - Revaluation reserves	0	0
IV - Legal reserve	20.000	20.000
V - Statutory reserves	0	0
<i>VI - Other reserves, indicated separately</i>		
Extraordinary reserve	5.917.156	7.395.939
Miscellaneous other reserves	-3	0
Total other reserves	5.917.153	7.395.939
VII - Reserve for hedging expected cash flow operations	0	0
VIII - Retained earnings (accumulated losses)	0	0
IX - Net profit (loss) for the year	-2.641.934	-1.478.783
Minimised loss for the year	0	0
X - Negative reserve for own portfolio shares	0	0
Total shareholders' equity	3.395.219	6.037.156
B) RESERVES FOR CONTINGENCIES AND OTHER CHARGES		
4) Other	516.417	0
Total reserves for contingencies and other charges (B)	516.417	0
C) TOTAL RESERVE FOR SEVERANCE INDEMNITIES (TFR)	1.325.272	1.161.271
D) PAYABLES		
4) Due to banks		
Due within the following year	9.486	9.498
Total payables due to banks (4)	9.486	9.498
7) Trade accounts		
Due within the following year	769.797	359.596
Total trade accounts (7)	769.797	359.596
12) Due to tax authorities		
Due within the following year	2.591.621	2.457.438
Total payables due to tax authorities (12)	2.591.621	2.457.438
13) Due to social security and welfare institutions		
Due within the following year	366.578	502.606
Total payables due to social security and welfare institutions (13)	366.578	502.606
14) Other payables		
Due within the following year	596.203	594.719
Total other payables (14)	596.203	594.719
Total payables (D)	4.333.685	3.923.857
E) ACCRUED LIABILITIES AND DEFERRED INCOME	0	785
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9.570.593	11.123.069

Income statement (value and cost of production)

	31/03/2019	31/03/2018
A) VALUE OF PRODUCTION		
1) Revenues from sales and services	6.950.643	9.165.239
5) Other income and revenues		
Operating grants	1.092.955	0

Other	82.732	66.501
Total other income and revenues	1.175.687	66.501
Total value of production	8.126.330	9.231.740
B) COSTS OF PRODUCTION		
6) Raw, ancillary and consumable materials and goods for resale	21.808	105.584
7) Services	1.498.961	2.225.517
8) Use of third party assets	789.881	878.020
9) Personnel		
a) Wages and salaries	5.105.956	5.216.062
b) Related salaries	1.540.545	1.522.121
c) Severance	347.989	342.964
Total payroll and related costs	6.994.490	7.081.147
10) Depreciation, amortisation and writedowns		
a) Amortisation of intangible fixed assets	36.938	70.692
b) Depreciation of tangible fixed assets	70.288	67.088
Total Amortisation, depreciation and write-downs	107.226	137.780
14) Other operating expenses	810.596	267.779
Total cost of production	10.222.962	10.695.827
Difference between value and cost of production (A - B)	-2.096.632	-1.464.087
C) FINANCIAL INCOME AND CHARGES		
16) Other financial income		
d) Income other than the above		
Other	129	2.343
Total income other than the above	129	2.343
Total other financial income	129	2.343
17) Interest and other financial expense		
Other	28.995	17.351
Total interest and other financial expense	28.995	17.351
17-bis) Currency gains and losses	-19	312
Total financial income and expense (15 + 16 - 17 + - 17-bis)	-28.885	-14.696
D) VALUE ADJUSTEMENTS TO FINANCIAL ASSETS AND LIABILITIES		
Total value adjustments to financial assets and liabilities (18 - 19)	0	0
PRE-TAX RESULT(A - B + - C + - D)	-2.125.517	-1.478.783
20) Income tax for the year, current, deferred and prepaid		
Tax related to previous years	516.417	0
Total taxes on the income for the year	516.417	0
21) PROFIT (LOSS) FOR THE YEAR	-2.641.934	-1.478.783

Financial statement, indirect method		
	Current year	Previous year
A) Cash flows from current activities (indirect method)		
Profit (loss) for the year	(2.641.934)	(1.478.783)
Income tax	516.417	0
Payable (receivable) interest	28.866	15.008
(Dividends)	0	0

(Capital gains)/Capital losses from business conveyance	0	0
1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from conveyances.	(2.096.651)	(1.463.775)
<i>Adjustments to non monetary items that were not offset in the net working capital.</i>		
Allocations to preserves	0	0
Fixed asset depreciation/amortisation	107.226	137.780
Write-downs for long-term value depreciation	0	0
Adjustments to financial assets and liabilities for derivative financial instruments that do not involve monetary transactions	0	0
Other adjustments to increase/(decrease) non-monetary items	0	0
<i>Total adjustments for non-monetary items that were not offset in the net working capital</i>	107.226	137.780
2) Cash flow before changing net working capital	(1.989.425)	(1.325.995)
<i>Changes to the net working capital</i>		
Decrease/(increase) in inventory	0	0
Decrease/(increase) in payables to customers	19.160	(19.160)
Increase/(decrease) in trade payables	410.201	(584.015)
Increase/(decrease) in prepayments and accrued income	85.861	(76.979)
Increase/(decrease) in accruals and deferred income	(785)	623
Other decreases/(other increases) in net working capital	(1.334.365)	3.008.130
<i>Total changes to net working capital</i>	(819.928)	2.328.599
3) Cash flow after changes to the net working capital	(2.809.353)	1.002.604
<i>Other adjustments</i>		
Interest received/(paid)	(28.866)	(15.008)
(Income tax paid)	0	0
Dividends received	0	0
(Use of reserves)	680.418	112.930
Other collections/(payments)	0	0
<i>Total other adjustments</i>	651.552	97.922
Cash flow from current activities (A)	(2.157.801)	1.100.526
B) Cash flows from investments		
<i>Tangible fixed assets</i>		
(Investments)	(10.892)	(75.067)
Disposals	0	0
<i>Intangible fixed assets</i>		
(Investments)	0	(5.683)
Disposals	0	0
<i>Financial fixed assets</i>		

(Investments)	0	0
Disposals	0	0
<i>Short term financial assets</i>		
(Investments)	0	0
Disposals	0	0
(Acquisition of branches of business net of liquid assets)	0	0
Transfer of branches of business net of liquid assets	0	0
Cash flows from investments (B)	(10.892)	(80.750)
C) Cash flows from financing activities		
<i>Loan capital</i>		
Increase/(decrease) in short term bank loans	(12)	(4.764)
New loans	0	0
(Loan repayments)	0	0
<i>Equity</i>		
Capital increase payments	0	0
(Capital repayments)	(3)	0
Transfer/(purchase) of own shares	0	0
(Dividends and advances on dividends paid)	0	0
Cash flows from financing activities (C)	(15)	(4.764)
Increase (decrease) in liquid assets (A ± B ± C)	(2.168.708)	1.015.012
Exchange rate effect on liquid assets	0	0
Liquid assets at the start of the year		
Bank and post office deposits	2.569.000	1.552.842
Loans	0	0
Cash and valuables in hand	982	2.128
Total liquid assets at the start of the year	2.569.982	1.554.970
Of which not freely available	0	0
Liquid assets at the end of the year		
Bank and post office deposits	400.145	2.569.000
Loans	0	0
Cash and valuables in hand	1.129	982
Total liquid assets at the end of the year	401.274	2.569.982
Of which not freely available	0	0

NOTE TO THE ACCOUNTS CLOSED AT 31/03/2019

INTRODUCTION

The Financial Statements as at 31/03/2019, of which this Note to the accounts is an integral part according to art. 2423, paragraph 1 of the Italian Civil Code, which correspond to the results for the book entries regularly made and which were drafted in compliance with articles 2423, 2423b, 2424, 2424a, 2425, 2425a, 2425b of the Italian Civil Code, in accordance with the accounting principles contained in art. 2423 and the valuation criteria defined as in art. 2426 of the Italian Civil Code.

DRAFTING CRITERIA

In order to prepare the financial statements clearly and to provide a truthful and correct representation of the equity and the financial situation, as well as of the economic result, the following steps were taken, in accordance with article 2423 a of the Civil Code:

- evaluate the single items prudently and with a view to presenting a common corporate continuity;
- include only the profits that were actually made during the financial year;
- determine the income and the costs on an accrual basis, regardless of their financial situation;
- include all the risks and the losses on an accrual basis, even if they became known after the end of the year;
- consider separately the heterogeneous elements included in the different categories of the financial statements, in order to evaluate them;
- maintain the same valuation criteria adopted in the previous financial year.

The following budgetary assumptions, as per OIC 11 para. 15, have been followed:

- a) prudence;
- b) perspective of business continuity;
- c) substantial representation;
- d) competence;
- e) constancy in the evaluation criteria;
- f) relevance;
- g) comparability.

Perspective of business continuity

With regard to this principle, the evaluation of the items included in the financial statement was carried out with a view to business continuity and, therefore, assuming that the company constitutes a functioning economic entity, likely to produce an income for at least the foreseeable future time frame (12 months from the closing date of the financial statement).

In the prospective assessment regarding the assumption of business continuity, no significant uncertainties nor reasonable alternatives to the cessation of the activity were identified.

The financial statement is prepared in units of euros.

EXCEPTIONAL CASES EX ART. 2423, PARAGRAPH FIVE OF THE ITALIAN CIVIL CODE

There were not extraordinary events that required the use of derogations as defined by art 2423, paragraph 5, of the Italian Civil Code.

CHANGES IN ACCOUNTING PRINCIPLES

There have been no changes in the accounting principles during the financial year.

CORRECTION OF RELEVANT ERRORS

No significant errors in previous financial years emerged during the year.

COMPARABILITY AND ADAPTATION PROBLEMS

There are no elements belonging to either the assets or the liabilities that have included as different items in the balance sheet at the same time.

EVALUATION CRITERIA APPLIED

The criteria applied for evaluating the items of the financial statements, reported as follows, are in compliance with the provisions of art. 2426 of the Italian Civil Code.

Evaluation criteria pursuant to art. 2426 of the Italian Civil Code are in compliance with those used in the preparation of the financial statements of the previous year.

Intangible fixed assets

Intangible fixed assets are registered, to the extent of the recoverable amount, at their historical purchase value or internal production costs, including any directly attributable ancillary charges, and they are systematically amortised at constant rates according to the residual value of using the asset.

The industrial patent rights and intellectual property rights are amortised according to their estimated period of use, which will not be superior to the one provided by the licensing contracts.

The applied rates are as follows:

Software: 33%

Maintenance costs leasehold: 20%

Tangible fixed assets

Tangible fixed assets are assessed at the date in which the transfer of risks and benefits connected to the purchased items are registered, and they are recorded, to the extent of their recoverable amount, at their historical purchase or production cost, net of their related amortisation funds, including any directly attributable ancillary costs and charges for internal indirect production costs, as well as the charges resulting from the financing of internal manufacturing incurred in the manufacturing period until the end of the useful life of the asset.

Costs incurred for existing assets for the purpose of expansion, modernisation and improving of the structural elements, as well as those incurred for making them compliant with the aims for which they were purchased, and the extraordinary maintenance operations in compliance with OIC 16, paragraphs 49 to 53, were capitalised only when a relevant and measurable increase in their productive capability and useful life was recorded.

For these assets, amortisation was applied with a single procedure to the new accounting value with regard to

the residual useful life of the asset.

For the tangible fixed assets composed by a group of coordinated assets, in compliance with the provisions of OIC 16, par. 45 and 46, the values of the single assets were assessed in order to determine their different useful life.

As for the capitalisation of financial charges, it is specified that they were realised according to the provisions of OIC 16 at par. from 41 to 44, considering that:

- the charges were actually incurred and objectively determined within the limit of the recoverable value of the referenced assets;
- the capitalised charges do not exceed the financial charges, being net of temporary investment of the borrowed funds that can be related to the realisation of the goods and incurred in the financial year;
- the financial charges for borrowed funds were usually capitalised under fixed assets under construction;
- capitalised charges refer exclusively to assets that require a relevant construction period.

The cost of fixed assets whose useful life is limited is systematically amortised in each financial year according to economic-technical rates determined on the basis of their residual useful life.

The amortisation starts from the moment the assets are available and ready for use.

The rates that reflect the results of the technical amortisation plans were adopted in-line with company's situation. They were reduced by 50% for acquisitions made during the year, since the latter are subjected to the conditions defined in OIC 16 par. 61.

The amortisation plans, in compliance with OIC 16 par. 70 are modified in cases where the useful residual life changes.

Obsolete assets and those which will not be either used or usable in the production chain, according to OIC 16 par. 80 were not amortised and were estimated at their lower value, that is either at their net accounting value or their recoverable value.

The applied rates are as follows:

Industrial and commercial equipment: 15%

Other assets:

- fixtures and fittings: 12%
- electronic office machinery: 20%

vehicles: 25%

Public grants for equipment and operations

The grants for equipment allocated by the State were recorded in compliance with OIC 16 par. 87 .

Financial leasing transactions

There were not financial leasing transactions in the year.

Equity investments

Trilix does not hold any equity investment.

Inventories

There are no inventories.

Derivative financial instruments

Trilix does not hold any derivative financial instrument.

Receivables

Receivables are classified either as fixed or current assets on the basis of their designation / origin, with

respect to their ordinary activities, and they are recorded at their estimated realisable value.

The division of the amounts due within and beyond the exercise is carried out with reference to the contractual or statutory deadline, having regard to facts and events which can result in a change to their original maturity, the real ability of the debtor to fulfill their contractual obligations in the contractual terms and the projection period over which the receivable can be collected.

According to art. 2426, paragraph 1 no. 8 of the Italian Civil Code, receivables are recorded according to the amortised cost criterion, except when the effects of the application of the amortised cost are not relevant as in the cases for some receivables (having a maturity of less than 12 months), pursuant to art. 2423, paragraph 4 of the Italian Civil Code.

Receivables, for which the amortised cost method was not applied, were recorded at their estimated realisable value.

Receivables, regardless of whether the amortised cost was applied or not, were represented in the balance sheet net of an allowances for doubtful payments to cover bad debts, as well as for the general risk applicable to the remaining receivables, based on estimates: of previous experience; the trend of past due receivables according to an index of seniority; the general economic situation; the level of risk of default in the sector and the country; and events occurring after the balance sheet date that have impacted on the values at the reporting date.

Tax receivables and deferred tax assets

The item "Tax receivables" includes definite amounts arising from sure and certain receivables for which a right of realisation arose through reimbursement or compensation as it stands for Art 165 Turi for Withholding tax credits.

Cash and cash equivalents

Cash and cash equivalents are recorded at their nominal value.

Accruals and deferrals

Accruals and deferrals were registered on the basis of accrual economic competence and include revenues / costs accrued and payable in future years, and revenues / costs incurred in the financial year but relating to future years.

Therefore, only the costs and revenues relating to two or more years, whose amount change in time, were registered.

At the end of the year it was verified that the conditions that led to the initial assessment have been met, and the necessary adjustments were made, if necessary, taking into account the elements of time and possible recoverability.

Accrued income, comparable to operating receivables, was valued at its estimated realisable value, causing, if the value is lower than the accounting value, as an impairment loss in the income statement. Accrued expenses, comparable to payables, were assessed at their nominal value.

As for prepaid expenses, the future economic benefit related to deferred costs was calculated and, if the resultant benefits were lower than the prepaid share, the value was adjusted.

Reserves for contingencies and other charges

Reserves for contingencies represent liabilities related to conditions that existed at the date of financial statements, but whose occurrence is only probable.

The estimation process is carried out and / or adjusted at the balance sheet date based on past experience

and relevant available information.

In accordance with OIC 31 par.19, since the classification criterion is critical for determining the nature of expenses, the reserves for contingencies and other charges are recorded by the management referred to by their operation (i.e. feature, ancillary or financial).

Reserves for pensions and similar commitments

They represent the liabilities associated with the provisions for supplementary pension benefits and severance grants owed to employees, the self-employed and associates, according to the law or contract in vigour at the time of the termination of employment.

The provision for the year was determined, as an estimate, so as to allow for the progressive adjustment of the provision for the total share accrued at the end of the year.

Reserves for taxes, including deferred taxes

It includes liabilities for probable taxes, resulting from preliminary investigations and litigation in progress, and liabilities for deferred taxes calculated on the basis of taxable temporary differences, applying the rate in force at the time when these differences are believed to disappear.

Employee severance indemnities

The employee severance indemnities is registered in compliance with the provisions of the law in vigour and corresponds to the company's real commitment towards the employees at the end of the year, net of advances already paid.

Payables

According to art. 2426, paragraph 1 no. 8 of the Italian Civil Code, payables are recorded according to the amortised cost criterion, except when the effects of the application of the amortised cost are not relevant to specific payables (those with a maturity of less than 12 months), pursuant to art. 2423, paragraph 4 of the Italian Civil Code. Due to the above mentioned relevance principle, payables were not updated if the interest rate that can be deduced from the contractual conditions is not significantly different from the market interest rate.

The "time factor" defined by art. 2426, paragraph 1 number 8, was also taken into account when updating the payables with a maturity of more than 12 months in the cases where there is a difference between the effective and market interest rates.

Payables for which the amortised cost method was not applied, were recorded at their nominal value.

The division of amounts due within and beyond the year is carried out with reference to the contractual or statutory deadline, taking into account facts and events which can result in a change to their original maturity date.

Payables arising from acquisitions of goods are recorded at the time when the risks, costs and benefits were transferred; those relating to services are recorded at the time when the service is performed; financial and the other payables of a different nature are registered at the time when the obligation to the counterparty arises.

Tax payables include liabilities for certain and determined taxes and withholdings operating as substitutes, and not yet paid at the balance sheet date, and, where reimbursements are allowed, they are recorded net of advances, withholding taxes and tax receivables.

Since Trilix only has payables with maturity less than a year, the amortised cost criterion has not been used this year.

Currency values

Monetary assets and liabilities in foreign currencies are recorded at the exchange rate prevailing at the balance sheet date, with any gains and losses registered in the income statement.

Costs and revenues

They are presented in accordance with the principle of prudent and economic competence.

Economic and financial transactions with group companies and with related parties are carried out as in normal market conditions.

OTHER INFORMATION

Principles and recommendations published by the Italian Accounting Body (OIC) have been observed, and they were integrated, when missing, by generally accepted international principles (IAS / IFRS and USGAAP) in order to give a truthful and correct representation of the equity situation, the financial position and the economic result of the financial year.

INFORMATION REGARDING THE BALANCE SHEET - ASSETS

RECEIVABLES FROM SHAREHOLDERS

The amount of receivables from shareholders for payments due at the balance sheet date was equal to € 0 (€ 0 in the previous year), of which € 0 were recalled. So, there no receivables from shareholders.

ASSETS

Intangible fixed assets

Intangible fixed assets are equal to a € 10.380 (€ 47.318 in the previous year).

The composition and movements of the single items are as follows:

	Start-up and expansion costs	Development costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Goodwill	Intangible assets in process and advances	Other intangible fixed assets	Total intangible fixed assets
Year opening balance								
Cost	2.313	0	1.097.983	0	0	0	63.334	1.163.630
Amortisation (amortisation fund)	2.313	0	1.057.765	0	0	0	56.234	1.116.312
Balance sheet value	0	0	40.218	0	0	0	7.100	47.318
Changes during the year								
Depreciation/ amortisation	0	0	34.698	0	0	0	2.240	36.938

for the year								
Total changes	0	0	-34.698	0	0	0	-2.240	-36.938
Year closing balance								
Cost	2.313	0	1.097.983	0	0	0	63.334	1.163.630
Amortisation (amortisation fund)	2.313	0	1.092.463	0	0	0	58.474	1.153.250
Balance sheet value	0	0	5.520	0	0	0	4.860	10.380

Further information is provided below

Composition of the item "Other intangible fixed assets"

The item "Other intangible fixed assets", equal to € 4.860 is composed as follows:

	Description	Year opening balance	Changes during the year	Year closing balance
	Maintenance costs leasehold	7.100	-2.240	4.860
Total		7.100	-2.240	4.860

Composition of "start-up and expansion costs" and "development costs"

In compliance with the provisions contained in art. 2427, paragraph 1 no. 3 of the Italian Civil Code, it is stated that there are not start up and expansion costs and development costs.

Tangible fixed assets

Tangible fixed assets are equal to € 127.864 (€ 187.260 in the previous year)

The composition and movements of single items are as follows:

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible assets in process and advances	Total tangible fixed assets
Year opening balance						
Cost	0	287.715	0	523.874	0	811.589
Amortisation (amortisation fund)	0	175.558	0	448.772	0	624.330
Balance sheet value	0	112.157	0	75.103	0	187.260
Changes during the year						
Increases for purchases	0	580	0	10.311	0	10.891
Depreciation/ amortisation for the year	0	36.405	0	33.883	0	70.288
Other changes	0	0	0	1	0	1
Total changes	0	-35.825	0	-23.571	0	-59.396

Year closing balance						
Cost	0	288.295	0	534.187	0	822.482
Amortisation (amortisation fund)	0	211.963	0	482.655	0	694.618
Balance sheet value	0	76.332	0	51.532	0	127.864

Further information is provided below

Composition of the item "Other assets"

The item "other assets", equal to € 51.532 is structured as follows:

	Description	Year opening balance	Changes during the year	Year closing balance
	Office furniture and technical systems	9.119	-2.321	6.798
	Electronic office equipments	38.422	-12.325	26.097
	Vehicles	27.562	-8.925	18.637
Total		75.103	-23.571	51.532

Financial leases

Pursuant to art. 2427, paragraph 1 number 22 of the Italian Civil Code, it is stated that Trilix does not have any financial lease.

Financial fixed assets

Equity investments, other active financial securities and derivatives

Trilix does not have any Equity investment, other active financial security and derivatives.

Receivables

Receivables included in the financial fixed assets amounted to € 39.700 (€ 39.700 in the previous year).

It is the result of two lease deposits.

The composition and movements of single items are as follows:

	Opening nominal amount	Opening provisions for bad debt	Net opening value	Provisions for bad debt	Utilisation of provisions for bad debt
Due from others after 12 months	39.700	0	39.700	0	0
Total	39.700	0	39.700	0	0

	(Writedowns)/Reset of value	Reclassified from/(to) other items	Other movement Increase/(decreases)	Closing nominal amount	Closing provisions for bad debt	Net closing value
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Due from others after 12 months	0	0	0	39.700	0	39.700
Total	0	0	0	39.700	0	39.700

	Year opening balance	Changes during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
Non-current receivables due from others	39.700	0	39.700	0	39.700	0
Total non-current receivables	39.700	0	39.700	0	39.700	0

Investments in subsidiary companies

Pursuant to art. 2427, par. 1 no. 5 of the Italian Civil Code, it is stated that there are no investments in subsidiary companies.

Investments in companies involving unlimited liability

Pursuant to art. 2361, paragraph 2 of the Italian Civil Code, it is stated that there are no investments of this type.

Investments in associates

Pursuant to art. 2427, paragraph 1 number 5 of the Italian Civil Code, there are no Investments in associates.

Long-term receivables - Division by geographical area

Data regarding the division of receivables according to their geographical area are hereby reported, according to art. 2427, paragraph 1 number 6 of the Italian Civil Code

	Geographic area	Non-current receivables due from others	Total non-current receivables
	ITALIA	39.700	39.700
Total		39.700	39.700

Long-term receivables - Transactions with a repurchase agreement

According to art. 2427, paragraph 1 number 6c of the Italian Civil Code, it is stated that there are not transactions with a repurchase agreement.

Financial fixed assets registered at a value higher than the fair value

According to art. 2427a, paragraph 1, number 2 letter a) of the Italian Civil Code, it is stated that Trilix does not have financial fixed assets recorded at a value higher than their fair value.

CURRENT ASSETS

Inventories

Trilix does not have inventories to evaluate.

Receivables

Receivables included under current assets amounted to € 8.904.010 (€ 8.105.583 in the previous year).

The composition is represented as follows:

	Due within the following year	Due beyond the following year	Total nominal value	(Risk funds/write-downs)	Net value
Due from parent companies	2.607.668	0	2.607.668	0	2.607.668
Due from companies controlled by parent companies	1.300	0	1.300	0	1.300
Tax receivables	678.252	5.594.212	6.272.464		6.272.464
Other receivables	22.578	0	22.578	0	22.578
Total	3.309.798	5.594.212	8.904.010	0	8.904.010

The item Receivables from parent companies refers to existing commercial relationships with the parent company TATA Motors LTD. The item includes 905,180 euros of invoices to be issued, determined on the basis of the progress of the related activities.

Tax receivables include VAT receivables for € 650,722, Irap receivables for € 27,530, Credit for Law decree 66/2014 for € 77, Receivables for taxes paid abroad for € 5,594,212.

The excesses of foreign taxes thus determined, can be carried forward until the eighth subsequent year and be used as a tax credit as provided for by Article 165, paragraph 6 of the TUIR; the relevant deadlines start from the year 2021/2022.

The "Other receivables" item includes Trade receivables and Receivables from various institutions.

The item Loans to companies subject to control by the parent companies refers to the trade receivables claimed from Tata Motors UK (TMETC) and corresponds to the amount of € 1,300.

Receivables - Division according to the expiration date

Pursuant to art. 2426, paragraph 1 number 6 of the Italian Civil Code, data regarding the division of receivables according to the expiration date are hereby reported:

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
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Trade receivables included among current assets	19.160	-19.160	0	0	0	0
Receivables due from parent companies included among current assets	2.254.373	353.295	2.607.668	2.607.668	0	0
Receivables due from companies controlled by parent companies posted to current assets	0	1.300	1.300	1.300	0	0
Tax receivables included among current assets	5.816.429	456.035	6.272.464	678.252	5.594.212	0
Other receivables included among current assets	15.621	6.957	22.578	22.578	0	0
Total receivables included among current assets	8.105.583	798.427	8.904.010	3.309.798	5.594.212	0

Receivables registered in the current assets - Division by geographical areas

Pursuant to art. 2426, paragraph 1 number 6 of the Italian Civil Code, data regarding the division of receivables registered as current assets according to the geographical area are hereby reported:

	Total				
Geographic area		Italia	Altri Paesi UE	Resto d'Europa	Altri
Receivables due from parent companies included among current assets	2.607.668	0	0	0	2.607.668
Receivables due from companies controlled by parent companies posted to current assets	1.300	0	1.300	0	0
Tax receivables included among current assets	6.272.464	6.272.464	0	0	0
Other receivables included among current assets	22.578	22.578	0	0	0
Total receivables included among current assets	8.904.010	6.295.042	1.300	0	2.607.668

Receivables registered in the current assets - transactions with the obligation of reconveyance

Pursuant to art. 2427, paragraph 1 number 6c of the Italian Civil Code, it is stated that there are no current assets that provide for the obligation of reconveyance by the purchaser.

Financial operations

Trilix does not have financial operations included as current assets.

Investments in subsidiary companies

Pursuant to art. 2427, paragraph 1 number 5 of the Italian Civil Code, it is stated that there are no investments in subsidiary companies.

Investments in associate companies

Pursuant to art. 2427, paragraph 1 number 5 of the Italian Civil Code, it is stated that there are no investments in associate companies.

Cash and cash equivalents

Cash and cash equivalents included under current assets amounted to 401.274 (€ 2.569.982 in the previous year).

The composition and changes in the individual items are reported as follows:

	Year opening balance	Change during the year	Year closing balance
Bank and post office deposits	2.569.000	-2.168.855	400.145
Cash and other cash in hand	982	147	1.129
Total liquid funds	2.569.982	-2.168.708	401.274

PREPAID AND ACCRUED EXPENSES

Prepaid and accrued expenses amounted to € 87.365 (€ 173.226 in the previous year).

The composition and changes in the individual items are reported as follows:

	Year opening balance	Change during the year	Year closing balance
Accrued income	20	-12	8
Prepayments	173.206	-85.849	87.357
Total accrued income and prepaid expenses	173.226	-85.861	87.365

Composition of accrued income:

	Description	Amount
	Interests on bank deposits	8
Total		8

Composition of prepaid expenses:

	Description	Amount
	Maintenances	2.572

	Rights, licenses and patents	33.007
	Rent	2.898
	Assicurazione infortuni	14.092
	Insurances	23.960
	Car hire expenses	2.774
	Beyond the year	8.054
Total		87.357

Capitalised borrowing costs

In accordance with art. 2427, paragraph 1 no. 8 of the Italian Civil Code, it is stated that there are no borrowing costs registered at the values as per the balance sheet in the financial year.

In addition to the information regarding the assets provided in the Balance Sheet, 'Write-downs for impairment losses' and "Revaluations of tangible and intangible fixed assets" are described as follows.

Write-downs for impairment of tangible and intangible assets

Pursuant to article 2427, paragraph 1 no. 3a of the Italian Civil Code, it is stated that there were no reduction in values applied to tangible and intangible assets.

Revaluation of tangible and intangible fixed assets

Pursuant to article 10 of Law 72/1983, it is stated that there were no monetary and economic revaluations made by the company.

INFORMATION REGARDING THE BALANCE SHEET LIABILITIES AND NET EQUITY

NET EQUITY

The existing net equity at the year end amounted to € 3.395.219 (€ 6.037.156 in the previous year).

The following tables show changes to the individual items during the financial year, which constitute the net equity and the breakdown of the 'Other reserves'.

	Year opening balance	Dividend allocations	Other destinations	Increases
Capital	100.000	0	0	0
Legal reserve	20.000	0	0	0
Other reserves				
Extraordinary reserve	7.395.939	0	0	0
Miscellaneous other reserves	0	0	0	0
Total other reserves	7.395.939	0	0	0
Profit (loss) for the year	-1.478.783	0	1.478.783	0
Total shareholders' equity	6.037.156	0	1.478.783	0

	Decreases	Reclassifications	Result for the year	Year closing balance
Capital	0	0		100.000
Legal reserve	0	0		20.000
Other reserves				
Extraordinary reserve	0	-1.478.783		5.917.156
Miscellaneous other reserves	0	-3		-3
Total other reserves	0	-1.478.786		5.917.153
Profit (loss) for the year	0	0	-2.641.934	-2.641.934
Total shareholders' equity	0	-1.478.786	-2.641.934	3.395.219

In order to better understand the changes to the net equity, changes to net equity during the previous years are hereby described:

	Year opening balance	Dividend allocations	Other destinations	Increases
Capital	100.000	0	0	0
Legal reserve	20.000	0	0	0
Other reserves				
Extraordinary reserve	5.400.346	0	0	0
Total other reserves	5.400.346	0	0	0
Profit (loss) for the year	1.995.593	0	-1.995.593	0
Total shareholders' equity	7.515.939	0	-1.995.593	0

	Decreases	Reclassifications	Result for the year	Year closing balance
Capital	0	0		100.000
Legal reserve	0	0		20.000
Other reserves				
Extraordinary reserve	0	1.995.593		7.395.939
Total other reserves	0	1.995.593		7.395.939
Profit (loss) for the year	0	0	-1.478.783	-1.478.783
Total shareholders' equity	0	1.995.593	-1.478.783	6.037.156

Statement of availability and use of net equity's items

The information required by article 2427, paragraph 1 no. 7a of the Italian Civil Code regarding the specification of the items included as net equity with reference to their origin, possibility of use and distribution, as well as their utilisation in previous years, can be ascertained from the tables below:

	Amount	Origin/nature	Possible use	Available amount	Summary of uses in the three previous years to cover losses	Summary of uses in the three previous years for other reasons
Capital	100.000			0	0	0
Legal reserve	20.000		B	0	0	0

Other reserves						
Extraordinary reserve	5.917.156		A,B,C	0	0	0
Miscellaneous other reserves	-3			0	0	0
Total other reserves	5.917.153			0	0	0
Total	6.037.153			0	0	0
Key: A: for capital increase, B: to hedge losses, C: distribution to shareholders, D: for other article of association restraints, E: other						

Reserve for the hedging of expected cash flows

For the information required by Article 2427a, paragraph 1 number 1 letters b-d) of the Italian Civil Code it is stated that there are is no a reserve of this kind.

Revaluation reserves

There is not a revaluation reserve.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recorded as liabilities with a total amount of € 516.417 (€ 0 in the previous year).

The provision refers to a dispute with the Inland Revenue regarding taxes used in compensation in previous years.

The composition and movements in the individual items are analysed as follows

	Provisions for pension liabilities and similar obligations	Deferred tax fund	Passive derivative financial instruments	Other funds	Total provisions for risks and charges
Changes during the year					
Other changes	0	0	0	516.417	516.417
Total changes	0	0	0	516.417	516.417
Year closing balance	0	0	0	516.417	516.417

With regard to information about movements for the "Provision for deferred taxes", see the section "Current, deferred and prepaid taxes on income"

EMPLOYEE SEVERANCE INDEMNITIES

Employee severance indemnities are recorded in liabilities with a total amount of € 1.325.272 (€ 1.161.271 in the previous year).

The composition and movements in the individual items are analysed as follows:

	Staff severance fund
Year opening balance	1.161.271
Changes during the year	
Other changes	164.001
Total changes	164.001
Year closing balance	1.325.272

PAYABLES

Payables are recorded as liabilities with a total amount of € 4.333.685 (€ 3.923.857 in the previous year).

The composition and the movements in the individual items are analysed as follows:

	Year opening balance	Changes during the year	Year closing balance
Payables to banks	9.498	-12	9.486
Payables to suppliers	359.596	410.201	769.797
Tax payables	2.457.438	134.183	2.591.621
Payables due to social security and welfare institutions	502.606	-136.028	366.578
Other payables	594.719	1.484	596.203
Total	3.923.857	409.828	4.333.685

Payables- Division according to their maturity

According to art. 2427, paragraph 1, number 6 of the Italian Civil Code, data regarding the division of payables according to their maturity are hereby reported:

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
Payables to banks	9.498	-12	9.486	9.486	0	0
Payables to suppliers	359.596	410.201	769.797	769.797	0	0
Tax payables	2.457.438	134.183	2.591.621	2.591.621	0	0
Payables due to social security and welfare institutions	502.606	-136.028	366.578	366.578	0	0
Other payables	594.719	1.484	596.203	596.203	0	0
Total payables (D)	3.923.857	409.828	4.333.685	4.333.685	0	0

Payables - Division according to the geographical area

According to art. 2427, paragraph 1, number 6 of the Italian Civil Code, data regarding the division of payables according to the geographical area are hereby reported:

	Total	
Geographic area		ITALIA
Payables to banks	9.486	9.486
Payables to suppliers	769.797	769.797
Tax payables	2.591.621	2.591.621
Payables due to social security and welfare institutions	366.578	366.578
Other payables	596.203	596.203
Payables	4.333.685	4.333.685

	Payables not covered by real guarantees	Total
Payables to banks	9.486	9.486
Payables to suppliers	769.797	769.797
Tax payables	2.591.621	2.591.621
Payables due to social security and welfare institutions	366.578	366.578
Other payables	596.203	596.203
Total payables (D)	4.333.685	4.333.685

Payables - transactions with a repurchase agreement

According to article 2427, paragraph 1 number 6c of the Italian Civil Code, there are no payables deriving from transactions that provide for the obligation of reconveyance by the purchaser.

Loans made by shareholders

There are no loans made by the company's shareholders, in accordance with art. 2427, paragraph 1 number 19a of the Italian Civil Code.

Debt restructuring

In the current year the company, has not activated a debt restructuring operation.

ACCRUED LIABILITIES AND DEFERRED INCOME

Accrued liabilities and deferred income are registered as liabilities with a total amount of 0 (€ 785 in the previous year).

	Year opening balance	Change during the year	Year closing balance
Accrued liabilities	785	-785	0
Total accrued liabilities and deferred income	785	-785	0

INFORMATION REGARDING THE INCOME STATEMENT

PRODUCTION VALUE

Revenues from sales and services by business category

In relation to the provisions of art. 2427, paragraph 1 number 10 of the Italian Civil Code, the following tables report the breakdown of revenues by business segment:

	Business category	Current year value
	Sale of services	6.950.643
Total		6.950.643

Revenues from sales and services by geographical area

Pursuant to art. 2427, paragraph 1 number 10 of the Italian Civil Code, the following tables report the division of revenues by geographical area:

	Geographic area	Current year value
	Italy	0
	Other UE Countries	15.800
	Other countries in Europe	0
	Other	6.934.843
Total		6.950.643

Other revenues and income

Other revenues and income are registered under production value in the income statement, with a total amount of € 1.175.687 (€ 66.501 in the previous year).

The composition of the individual items is detailed as follows:

	Previous year value	Changey	Current year value
Operating grants	0	1.092.955	1.092.955
Other			
Contingent and non-existent assets	66.460	16.053	82.513
Other income and revenues	41	178	219
Total other	66.501	16.231	82.732

Total other income and revenues	66.501	1.109.186	1.175.687
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PRODUCTION COSTS

Costs for services

Costs for services are registered under production costs in the income statement with a total amount of € 1.498.961 (€ 2.225.517 in the previous years).

The composition of the individual items is detailed as follows:

	Previous year value	Change	Current year value
Transportation	61.704	-36.074	25.630
External workings	1.438.913	-753.696	685.217
Electric power	45.473	-11.016	34.457
Gas	14.612	580	15.192
Maintenance and repair costs	43.675	48.378	92.053
Remuneration of auditors and auditors	16.800	-7.560	9.240
Commissions payable	326	-326	0
Advertising	15.972	-13.578	2.394
Consultations on tax, administrative and commercial	117.571	110.012	227.583
Telephone	16.453	-519	15.934
Services by financial firms and banks, non-financial	25.509	-12.280	13.229
Insurance	96.184	-29.954	66.230
Agency fees	13.242	-292	12.950
Travelling expenses	176.309	-60.918	115.391
Update and training costs	4.407	34.269	38.676
Other	138.367	6.418	144.785
Total	2.225.517	-726.556	1.498.961

Expenses for leased assets

Expenses for leased assets are registered under production costs in the income statement with a total amount of € 789.881 (€ 878.020 in the previous year).

The composition of the individual items is detailed as follows:

	Previous year value	Change	Current year value
Leases and rentals	379.926	-19.479	360.447
Royalties, copyright and patents	338.039	-15.662	322.377
Other	160.055	-52.998	107.057
Total	878.020	-88.139	789.881

Other operating expenses

Other operating expenses are registered under production costs in the income statement with a total

amount of € 810.596 (€ 267.779 in the previous year).

The composition of the individual items is detailed as follows:

	Previous year value	Change	Current year value
Stamp tax	310	207	517
Register tax	1.660	22	1.682
Chamber of commerce dues	1.195	168	1.363
Magazine and newspaper subscriptions	1.377	-1.171	206
Contingent and non-existent liabilities	136.084	498.443	634.527
Other operating expenses	127.153	45.148	172.301
Total	267.779	542.817	810.596

FINANCIAL INCOME AND EXPENSES

Investment income

Pursuant to art. 2427, paragraph 1 number 11 of the Italian Civil Code, Trilix does not have any income from investments different which are defined as distinct from dividends.

Interest and other financial expenses - Division by type of debt

Pursuant to art. 2427, paragraph 1 number 12 of the Italian Civil Code, the following table shows the division of the item "Interest and other financial charges":

	Interest and other financial liabilities
Payables to banks	8.924
Other	20.071
Total	28.995

Gains and losses on foreign exchange

Information regarding the division of profits and losses on foreign exchange arising from the valuation at year-end compared to those actually incurred:

	Valuation part	Profit part	Total
Losses on change	0	19	19

INCOME OF EXCEPTIONAL SIZE OR INCIDENCE

Pursuant to art. 2427, paragraph 1 number 13 of the Italian Civil Code, the following chart reports income of exceptional size or incidence:

COSTS OF EXCEPTIONAL SIZE OR INCIDENCE

Pursuant to art. 2427, paragraph 1 number 13 of the Italian Civil Code, Trilix does not have costs of exceptional size or incidence.

CURRENT, DEFERRED AND PREPAID TAXES ON INCOME

The composition of the individual items is represented as follows:

	Current taxes	Tax related to previous years	Deferred taxes	Prepaid taxes	Income (expense) arising from the adoption of the fiscal consolidated system/fiscal transparency
IRES	0	516.417	0	0	
Total	0	516.417	0	0	0

It is pointed out that deferred taxes also contain repayments related to the initial valuations of the deferred tax provision that produced direct effects on the net equity.

The following tables, drafted on the basis of the provisions suggested by OIC 25, show the information required by art. 2427, paragraph 1 number 14, letters a) and b) of the Italian Civil Code.

The amount of € 516.417 refers to the provision to the provision for risks relating to a dispute with the Tax Agency for the taxes of previous years

OTHER INFORMATION

Employment data

Information concerning the staff is hereby reported, according to art. 2427, paragraph 1 number 15 of the Italian Civil Code:

	Average number
Directors	6
Middle management	16
Office staff	59
Other employees	3
Total employees	84

Remuneration of corporate bodies

There has not been any remuneration regarding managers and auditors, according to art. 2427, paragraph 1 number 16 of the Italian Civil Code:

Remuneration of the statutory auditor or of the audit firm

Information regarding the remuneration of the statutory auditor or of the audit firm is hereby reported, according to art. 2427, paragraph 1 number 16 a of the Italian Civil Code:

	Value
Legal audit of annual accounts	19.500
Total remuneration due to the legal auditor or audit firm	19.500

Category of shares issued by the company

According to article 2427, paragraph 1 number 17 of the Italian Civil Code regarding data on the shares that constitute the company's capital, it is stated that Trilix didn't issue shares.

Securities issued by the company

Information required by art. 2427, paragraph 1 number 18 of the Italian Civil Code, regarding securities issued by the company: it is stated that Trilix did not issue any security.

Financial instruments

Information required by art. 2427, paragraph 1 number 19 of the Italian Civil Code, regarding financial instruments issued by the company: it is stated that Trilix does not have any financial instrument.

Commitments, guarantees and contingent liabilities that are not recorded in the balance sheet

Pursuant to art. 2427, paragraph 1, number 9 of the Italian Civil Code, the following chart reports commitments, guarantees and contingent liabilities that are not recorded in the balance sheet:

	Amount
Guarantees	108.600

These are two annual guarantee policies for temporary imported goods issued by Atradius Agenzia Nica Srl

More precisely, the first of € 95,000 on 2 March 2019, the second of € 13,600 on 17 December 2018.

Information regarding assets and funding for a specific transaction

there are not assets intended for a specific transaction is hereby reported, in accordance with art. 2447a of the Italian Civil Code:

Transactions with related parties

Information concerning the transactions with related parties, pursuant to art 2427, paragraph 1 number 22a of the Italian Civil Code, it is noted that transactions were carried out for the sale of services to TATA Motors Ltd.

These operations are carried out at normal market conditions

Agreements not disclosed in the balance sheet

There are no agreements not included in the balance sheet, in accordance with art. 2427, paragraph 1 number 22c of the Italian Civil Code.

Relevant events after the reporting period

Information concerning the nature and the equity, financial and economic impact of significant events occurring after the reporting period, pursuant to art. 2427, paragraph 1 number 22c of the Italian Civil Code, is hereby reported:

on 8 May, the Tax Agency officially announced that the dispute concerning the PVC 2012 prepared by the Office on 10.05.2018 and relating to the financial year 01.04.2012- 31.03.2013 was filed with Provision dated 07.12.2018. Therefore the provision for litigation risks recorded in the financial statements for € 516.417 is to be considered no longer existing and will generate a non-taxable contingent asset in the next financial statements

Name and registered office of companies drafting the consolidated financial statements of the largest/smallest set of companies they belong to

The following table reports information required by article 2427, paragraph 1 number 22d and 22e of the Italian Civil Code:

	Larger unit	Smaller unit
Company name	TATA GROUP	TATA MOTORS LTD
Town (if in Italy) or foreign state	INDIA	INDIA
Tax code (for Italian companies)		
Place where consolidated balance sheet is filed	INDIA	INDIA

Derivative financial instruments

There are no derivative financial instruments.

Information regarding companies or entities that perform management and coordination activities - art. 2497a of the Italian Civil Code

The company is not subject to management or coordination activities by any other company or entity.

Allocation of the operating profit

Pursuant to article. 2427, paragraph 1 number 22 f of the Italian Civil Code, it is suggested that the operating results of the company's activities should be allocated as follows:

Operating loss of € 2.641.934 to be covered by the utilization of the Extraordinary Reserve for the same amount.

Information regarding the obligation for the drafting of the Consolidated Financial Statements

The company took advantage of the exemption from drafting a consolidated financial statements in accordance with Article 27 of Legislative Decree 127/1991, since the size requirements set out in paragraph 1 of that Article were not met.

The Board of Directors

Signed in original by

JONES BRYN IDRIS

O'CONNOR JOHN

GUENTER BUTSCHEK

Declaration of conformity

The undersigned Francesco Petrarulo, as a professional in charge, declares pursuant to Article 31, paragraph 2 quinquies of law 340/2000, that this document is in conformity with the corresponding original document deposited at the Company

Torino li, 30 Aprile 2019

TRILIX SRL

Management report at 31/03/2019

	Name and id code
Company site	TORINO
Fiscal code	09353300016
Registration number	TORINO 1044707
Vat number	09353300016
Share capital euro	100.000,00 (fully paid up)
Legal form	Limited Liability Company
Activity Code (ATECO)	711220
Company being wound up	no
Company with a single shareholder	yes
Company subject to the management and coordination of others	no
Name of the company or entity that exercises management and coordination	
Belonging to a group	yes
Name of the controlling entity	TATA MOTORS LTD
Country of the controlling entity	INDIA
Cooperative company Registration number	

All amounts are expressed in units of Euro

Dear Shareholders/Partners,

the year ends with a negative result of € -2.641.934 . The previous year ended with a negative result of € -1.478.783

General trend and market situation

TML, company that controls 100% TRILIX, is a manufacturer of passenger and commercial vehicles. Your company provides support in the development phases of these products and more specifically in the development of the style (for exteriors and interiors) and the engineering of car bodies and finishes. These services are exclusively provided to the subsidiary Tata Motors Ltd.

The year ended March 31, 2019 was not particularly brilliant for TML and this situation had negative effects on Trilix, which closed the year with an operating loss.

Management performance

TRILIX started the year coming off the back of a very disappointing 2017-2018 in which it lost just under € 1.5 million on sales of € 9.0million.

The cause of this loss was attributable exclusively to insufficient program work from TATA motors, as a result of which TRILIX spent the whole year in a situation of gross over-capacity.

Fiscal Year 2018-2019 did not start in promising way, in fact the trend which had so negatively influenced the previous year simply continued unheeded and unabated.

Though initially the foreseen sales revenues were around € 8.5 million, based mainly on a realistic estimation, no agreements were in place to support the estimations, which were in any case insufficient to saturate TRILIX resources.

As a matter of fact, by the end of the first quarter, this already depressed estimation, dropped further to around € 7.5million.

The basic assumptions underlying TRILIX's revenue forecasts were participation in various TATA Motors passenger vehicle programs.

The flaw in this strategy was that no TATA Motors passenger vehicle programs were being launched and there were no clear set plans for their launching.

As a result, an alternative two-pronged strategy was put into act:

1. Participation in on-going passenger vehicle programs
2. Participation in commercial vehicles programs

Access to both proved difficult and not without internal resistance by TML.

The resistance was mainly economic, TRILIX rates are higher than those of the Indian vendors who traditionally support the ERC.

However, a simple comparison of hourly rates, cannot take into account the quality of support TRILIX is able to provide nor TRILIX's ability to maintain timing, both of which bring enormous benefit to the program, cost and others.

Whereas the first part of the initiative was simply designed to get some TRILIX employees working on remunerative programs again and bring in some revenues, by its very nature it was a one-off activity and not a long-term strategy.

The second part of the initiative however, participating in commercial vehicles programs was, far more important in terms of volume of work and hence revenues generated.

Very importantly, this initiative forms part of a longer term strategy by which TRILIX will continue to participate in commercial vehicle programs, a strategy designed not only to support TRILIX but also to help TATA Motors commercial vehicles products to compete with the ever more aggressive local competition, many of whom have collaboration with European OEMs.

The net result of the above initiatives, plus some others was not enough to save TRILIX's financials, TRILIX closed FY 2018-2019 with a dismal loss of € 2.64 million on sales of € 6.95 million.

The logic by which TRILIX lost € 4.0 million in two years, deserves some comment and criticism.

If TATA Motors placed € 4.0 million of orders with TRILIX for design and engineering services, TRILIX's balance sheets for the past two years would have resulted in no or very little loss.

TATA Motors balance sheets would result in € 4.0 million of outsourcing costs.

The net effect at consolidated level of TRILIX losing € 4.0 million or TATA Motors buying € 4.0 million of TRILIX services would be very similar.

However, one of the above strategies would have resulted in TATA Motors receiving € 4.0 million of quality design/engineering data from TRILIX, data which would have gone a long way to developing a TATA Motors commercial or passenger vehicle and would have avoided TATA Motors having to purchase the same volume of work from third party Indian vendors (€ 1.5 million assumed Indian costs).

In going forward, encouraging factors which suggest FY 2019-2020 will be the year of change, include.

- TRILIX's continued role in the commercial vehicle sector
- Signs that TATA Motors are finally launching some passenger vehicle programs
- TATA Motors have invested in purchasing the remaining 20% quota-holding of TRILIX which they did not possess.
- The adoption of a working model designed to ensure a more correct distribution of workload amongst the three locations (Pune, Italy and the UK).
- The adoption of a system whereby the rates charged to the Chief Engineers/Vehicle Line directors for Design, and later, Engineering services, will be common across the three locations – a submerged and parallel accounting system will ensure the three locations will receive payment in line with each's specific cost structure.

It provides a better picture of the management's progress and results, as well as the equity and the financial situation, the charts below show: a reclassification of the value added Income Statement, a reclassification of the Financial Statements by functional areas and on a financial basis and the most important indices of the financial statements.

Reclassified Income Statement	31/03/2019	31/03/2018
Revenues from sales	6.950.643	9.165.239
Cost of sales	1.092.955	0
Operating production value	8.043.598	9.165.239
External operating costs	2.310.856	3.210.498
Added value	5.732.742	5.954.741
Payroll and related costs	6.994.490	6.994.490

Earnings Before Interest, Taxes, Depreciation and Amortization	(1.261.748)	(1.126.406)
Amortisations and provisions	107.226	137.780
Operating Profit	(1.368.974)	(1.264.186)
Income from ancillary activities	(93.131)	(63.817)
Income from financial activities (net of financial expenses)	110	2.655
Normalised EBIT	(1.461.995)	(1.325.348)
Income from extraordinary activities	(1.150.944)	(136.084)
Stated EBIT	(2.612.939)	(1.461.432)
Financial expenses	28.995	17.351
Gross profit	(2.641.934)	(1.478.783)
Income taxes	0	0
Net profit	(2.641.934)	(1.478.783)

Financing indicators of fixed assets	31/03/2019	31/03/2018
Fixed asset to equity capital margin	(2.376.937)	886.562
Fixed asset to equity capital ratio	0,59	1,17
Fixed asset to equity capital and medium-long term debt margin	(535.248)	2.047.833
Fixed asset to equity capital and medium-long term debt ratio	0,91	1,40

Financing structure indexes	31/03/2019	31/03/2018
Debt to equity ratio	1,82	0,84
Debt (long-term interest bearing) to equity ratio	0	0

Balance Sheet by functional areas	31/03/2019	31/03/2018
DEPOSITS		
Operating Invested Capital	9.443.528	10.910.143
- Operating liabilities	6.165.888	5.075.630
Net Operating Invested Capital	3.277.640	5.834.513
Non-operational deposits	127.065	212.926
Net Invested capital	3.404.705	6.047.439
SOURCES		
Equity	3.395.219	6.037.156
Financial payables	9.486	10.283

Financing capital	3.404.705	6.047.439
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Profitability indexes	31/03/2019	31/03/2018
Net ROE	-77,81 %	-24,49 %
Gross ROE	-77,81 %	-24,49 %
ROI	-15,28 %	-11,92 %
ROS	-21,03 %	-14,46 %

Balance Sheet	31/03/2019	31/03/2018
FIXED ASSETS	5.772.156	5.150.594
Intangible fixed assets	10.380	47.318
Tangible fixed assets	127.864	187.260
Investments	5.633.912	4.916.016
CURRENT ASSETS	3.798.437	5.972.475
Stock	0	0
Trade debtors	3.397.163	3.402.493
Cash and cash equivalents	401.274	2.569.982
INVESTED CAPITAL	9.570.593	11.123.069
EQUITY	3.395.219	6.037.156
Share Capital	100.000	100.000
Reserves	3.295.219	5.937.156
CONSOLIDATED LIABILITIES	1.841.689	1.161.271
CURRENT LIABILITIES	4.333.685	3.924.642
FINANCING CAPITAL	9.570.593	11.123.069

Solvency ratios	31/03/2019	31/03/2018
Current assets minus current liabilities (NWC)	(535.248)	2.047.833
Current ratio	87,65 %	152,18 %
(Cash and cash equivalents+trade and receivables) - current liabilities	(535.248)	2.047.833
Quick ratio	87,65 %	152,18 %

Information concerning the relationship to the environment and the staff

According to art. 2428 par. 2 of the Italian Civil Code, information regarding the environment and staffing is provided below.

For what concerns environment topics, TRILIX has planned its initial environmental investment in a perspective of eco-efficiency, through a policy of reduction of printed paper.

Printed paper, in fact, represents the largest share of waste that we produce.

For what concerns the personnel, TRILIX has undertaken, from some time now, all the initiatives necessary to guarantee the comfort and safety of the work place, in accordance with the provisions of law, but not only to answer to these provisions; we note that the following initiatives have been realized:

- A "relax" zone, including armchairs and readings,
- A sport zone including table tennis equipment, with the intention of expanding this area and of introducing further leisure time equipment, for instance table football,
- A small kitchen in order to complete the canteen zone.

Even though these initiatives are quite modest, we believe that, grouped with others (e.g. summer celebrations, Christmas celebrations, skiing day, TRILIX pullovers, etc), they help forming a very fundamental feeling of belonging to the company.

Furthermore, we think they contribute to maintain a very low level of personnel turnover.

Furthermore, the following significant indicators are provided:

Composition:

	Directors	Middle management	Office staff	Blue collar workers	Other employees
Men (number)	6	16	54	0	3
Women (number)	0	0	5	0	0
Average age	56	50	42	46	25
Seniority	8	10	6	0	2
Permanent contract	6	16	59	0	3
Qualification: Graduate	1	5	10	0	1
Qualification: Diploma	5	11	46	0	2
Qualification: Middle school	0	0	3	0	0

Turnover:

	Opening number of employees	Hiring in the year	Dismissals/resignation in the year	Ranking changes +/-	Closing number of employees	Average employees of the year
Permanent staff						
Directors	6	0	1	0	5	6
Middle management	16	0	0	0	16	16
Office staff	58	1	1	1	59	59
Other	4	0	0	-1	3	3
Permanent staff - total	84	1	2	0	83	84
Temporary staff						
Blue collar workers	0	1	0	0	1	0
Temporary staff -	0	1	0	0	1	0

total						
Other staff						
Total	84	2	2	0	84	84

Training:

	Directors	Middle management	Office staff	Blue collar workers
Hours of training of permanent staff	228,00	878,00	3.395,25	1,00

Remuneration practices:

	Directors	Middle management	Office staff	Blue collar workers
The average gross earnings of permanent contract	190.692	75.534	45.254	5.918

Health and safety:

	Disease	Injury	Other
Permanent contract	36	2	5
Part-time contract	1	0	0
Other types of contracts	3	0	0

Description of the main risks and uncertainties to which the company is exposed

The company has developed an adequate process in order to identify, monitor and manage the main risks that could jeopardise the achievement of corporate objectives.

Pursuant to art. 2428 paragraph 1 of the Italian Civil Code, the main risks to which the company is exposed are listed below.

In the financial year ending March 31st 2018, TRILIX participated, for the first time, in TML's Enterprise Risk Management process (ERM).

This process has been replicated in the Financial Year ended at 31.03.2019-

How TRILIX's ERM strategy was implemented, in brief:

- 1.A TRILIX Risk Committee was established, made up of the three senior most employees of the company.
- 2.Twenty specific Risk Statements were generated.
- 3.Each Risk was attributed two scores of:
- 4.Likelihood: i.e. the foreseen time in which the Risk would occur
- 5.Impact: i.e. the negative effect of the Risk if it should occur
- 6.The twenty identified Risks were listed in an order based on the "Risk Score" (the number resulting from the multiplication of the above two scores)
- 7.The ten most serious Risks were subject to further analysis and the resulting data presented on the "Risk Register"
- 8.Mitigation Plans were developed for the four highest ranking Risks, which were:
 1. Dependence on single source of revenue

2. Failure to meet Revenue and/or Profitability Targets.
3. Absence of a governing strategy for TATA Motors' Design & Engineering centres.
4. Competition from other Design & Engineering Service Providers ("Related" and "3rd" Parties)

The problems which afflicted TRILIX in financial year ending March 31st 2018 are a combination of all four above identified risks.

This situation improved in the course of this Financial Year but is not yet fully resolved

The fact is that all four risks are "exogenous", i.e. external environment generated, and thus it is unlikely that TRILIX's risk mitigation plans have any real effect!

For this reason, it is imperative that an effective strategy for the distribution of TML's Design and Engineering Work-load requirement between TML's three locations be implemented and managed in a correct way, with provision for intervention if, as happened to TRILIX, the work-load foreseen disappears overnight.

In accordance with the provisions of art. 2428 paragraph 1 of the Civil Code, hereunder are listed the main risks to which the company is exposed.

For what concerns the characteristics of the company and of its business, no significant risk relative to the collection of credit is faced, whilst the company is characterized by a relevant concentration of customers, due to the natural exposition to TATA Motors' demand market.

Furthermore, we notice a relevant presence of significant tax credits, on which no particular risk has to be noticed for what concerns the collection of the mentioned credits, except for the timing of collection.

However, the company is able to manage this source of risk through a consistent usage of tax carryforward and carryback, that allow tax compensation, and a systematic planning of the demands of drawbacks to the relative fiscal authorities.

Referring to the financing activity of the company, the variability of the interest rates does not represent a relevant source of risk, given the relatively low level of financial exposition to private debt.

Research and development activity

In 2018/19 TRILIX continued its activity of research and development, particularly addressing the following project:

01. STUDYING, DESIGNING AND DEVELOPING NEW SOLUTIONS IN THE AUTOMOTIVE FIELD

The company is willing to obtain fiscal facilitations in accordance with Article 1, paragraph 35, Law n. 190, 23rd December 2014.

Research and development activities will also continue in 2019/2020.

We believe that positive innovations will generate good results in terms of financial revenue and, consequently, on the growth of the company.

Investments

Investments in the year are equal to € 10.893, of which € 10.893 are for tangible fixed assets.

In particular:

€ 580 in industrial and commercial equipment

€ 7.382 in vehicles

€ 2.931 in electronic office equipments

Information on management and coordination activities and relations with group companies

According to art. 2497 and the following articles of the Italian Civil Code TRILIX is not subject to the management and coordination of any other company or entity.

In accordance with paragraph 5 of art. 2497-bis of the Italian Civil Code, below are the relationships with the head group company: it is noted that direct sales transactions with the majority (and only) shareholder identified in the company TATA MOTORS LTD.

With reference to the established relationships, it is reported that the transactions were carried out at normal market conditions.

Own shares and shares/holdings in parent companies

It should be noted that TRILIX does not hold shares of the parent company. Furthermore, as a direct consequence of the corporate nature of TRILIX (limited liability company) the same does not hold any own shares.

Business outlook

With reference to the foreseeable evolution of the management, it is specified that Trilix, as highlighted above, has modeled its own strategy based on the market demands of Tata Motors, the company on which it totally depends. Business results are expected to improve compared to the last two years.

Secondary headquarters

According to paragraph 4 of art. 2428 of the Italian Civil Code, it should be noted that there are no Company's secondary headquarters.

The Board of Directors

JONES BRYN IDRIS

O'CONNOR JOHN

GUENTER BUTSCHEK

END