

Tata Technologies (Thailand) Limited

Financial statements for the year ended
31 March 2022
and
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ home.kpmg/th

Independent Auditor's Report

To the shareholders of Tata Technologies (Thailand) Limited

Opinion

I have audited the financial statements of Tata Technologies (Thailand) Limited (the “Company”), which comprise the statement of financial position as at 31 March 2022, the statements of income and changes in equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022 and its financial performance for the year then ended in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS for NPAEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Statements

My 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 auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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 TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 management.
- Conclude on the appropriateness of management's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's 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.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

(Veerachai Ratanajaratkul)
Certified Public Accountant
Registration No. 4323

KPMG Phoomchai Audit Ltd.
Bangkok
21 April 2022

Tata Technologies (Thailand) Limited
Statement of financial position

Assets	Note	31 March	
		2022	2021
		<i>(in Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents	4	7,980,333	7,887,621
Current investments	5	380	514,139
Trade and other receivables	6	35,168,690	14,872,149
Other current assets		2,852,044	952,596
Total current assets		46,001,447	24,226,505
<i>Non-current assets</i>			
Leasehold improvement and equipment	7	676,426	1,122,760
Intangible assets	8	21,083	45,127
Other non-current assets		5,227,165	4,895,436
Total non-current assets		5,924,674	6,063,323
Total assets		51,926,121	30,289,828

The accompanying notes are an integral part of these financial statements.

Tata Technologies (Thailand) Limited
Statement of financial position

		31 March	
Liabilities and shareholders' equity	Note	2022	2021
(in Baht)			
Current liabilities			
Trade and other payables	9	41,264,602	24,130,600
Other current liabilities		17,925,991	6,659,313
Total current liabilities		59,190,593	30,789,913
Non-current liabilities			
Provision for retirement benefits	10	2,569,350	2,938,274
Total non-current liabilities		2,569,350	2,938,274
Total liabilities		61,759,943	33,728,187
Equity			
Share capital			
Authorised share capital			
(705,341 ordinary shares, par value at Baht 50 per share)		35,267,050	35,267,050
Issued and paid-up share capital			
(705,341 ordinary shares, par value at Baht 50 per share)		35,267,050	35,267,050
Retained earnings (deficit)			
Appropriated			
Legal reserve	11	2,093,081	2,093,081
Deficit		(47,193,953)	(40,798,490)
Total equity/(capital deficiency)		(9,833,822)	(3,438,359)
Total liabilities and equity		51,926,121	30,289,828

The accompanying notes are an integral part of these financial statements.

Tata Technologies (Thailand) Limited

Statement of income

		For the year ended	
		31 March	
	<i>Note</i>	2022	2021
		<i>(in Baht)</i>	
Revenue			
Revenue from rendering of services	12	63,289,507	41,169,007
Net foreign exchange gain		32,157	-
Other income		125,746	28,489
Total revenue		63,447,410	41,197,496
Expenses			
Cost of rendering of services		59,460,642	54,346,486
General and administrative expenses		10,382,231	11,964,845
Net foreign exchange loss		-	14,519
Total expenses		69,842,873	66,325,850
Loss before income tax expense		(6,395,463)	(25,128,354)
Income tax expense		-	-
Loss for the year		(6,395,463)	(25,128,354)

The accompanying notes are an integral part of these financial statements.

Tata Technologies (Thailand) Limited

Statement of changes in equity

	Issued and paid-up share capital	Retained earnings (deficit)		Total equity/ (capital deficiency)
		Legal reserve	Deficit	
		(in Baht)		
Year ended 31 March 2021				
Balance at 1 April 2020	35,267,050	2,093,081	(15,670,136)	21,689,995
Loss for the year	-	-	(25,128,354)	(25,128,354)
Balance at 31 March 2021	35,267,050	2,093,081	(40,798,490)	(3,438,359)
Year ended 31 March 2022				
Balance at 1 April 2021	35,267,050	2,093,081	(40,798,490)	(3,438,359)
Loss for the year	-	-	(6,395,463)	(6,395,463)
Balance at 31 March 2022	35,267,050	2,093,081	(47,193,953)	(9,833,822)

The accompanying notes are an integral part of these financial statements.

Tata Technologies (Thailand) Limited
Notes to the financial statements
For the year ended 31 March 2022

Note	Contents
1	General information
2	Basis for preparation of financial statements
3	Significant accounting policies
4	Cash and cash equivalents
5	Current investments
6	Trade and other receivables
7	Leasehold improvement and equipment
8	Intangible assets
9	Trade and other payables
10	Provision for retirement benefits
11	Legal reserve
12	Promotional privileges
13	Commitments

Tata Technologies (Thailand) Limited
Notes to the financial statements
For the year ended 31 March 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Board of Directors on 21 April 2022

1 General information

Tata Technologies (Thailand) Limited (the “Company”) is incorporated in Thailand and has its registered office at Thai CC Tower Unit 108-9, 10th Floor, 43 South Sathorn Rd., Yannawa, Sathorn, Bangkok.

The parent company during the financial year was Tata Technologies Pte Limited (99.99% shareholding) which was incorporated in Singapore.

The principal businesses of the Company are to engage in certain service providing for research and development in the automobile industry, and the development of enterprise computer software for which including consultation and training in design and development processes.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standard for Non-publicly Accountable Entities (TFRS for NPAEs) and guidelines promulgated by the Federation of Accounting Professions (TFAC).

The financial statements are prepared and presented in Thai Baht. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Use of going concern basis of accounting

For the year ended 31 March 2022, the Company incurred a net loss of Baht 6.40 million (2021: Baht 25.13 million) and, as of that date, the Company’s current liabilities exceeded its current assets by Baht 13.19 million (2021: Baht 6.56 million), and the Company had capital deficiency of Baht 9.83 million (2021: Baht 3.44 million). Such circumstances include the existence of an uncertainty which may cast doubt about the Company’s ability to continue as a going concern.

However, the financial statements have been prepared assuming the Company will continue on a going concern basis because the immediate parent company has provided a formal undertaking to provide financial support to enable the Company to continue its operations and to meet its liabilities as they fall due for at least one year from the reporting date. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or the classification of the recorded liabilities amounts that might be necessary should the Company be unable to continue its operations as a going concern.

Tata Technologies (Thailand) Limited
Notes to the financial statements
For the year ended 31 March 2022

3 Significant accounting policies

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

(a) Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the exchange rates at that date. Gains or losses arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities arising from foreign currency transactions that are measured at cost are translated to Thai Baht at the exchange rates at the dates of the transactions.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments.

(c) Current investment

Current investment is investment in fixed deposit with maturity term over 3 months up to 12 months and is stated at cost and without obligation.

(d) Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories. Bad debts are written off when incurred. Bad debts recovered are recognised in other income in the statement of income.

(e) Leasehold improvement and equipment

Leasehold improvement and equipment are recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset that brings it to the location and condition necessary for its intended use. Leasehold improvement and equipment are presented in the statement of financial position at cost less accumulated depreciation and allowance for impairment, if any.

Depreciation is calculated using the straight-line method over the estimated useful lives of assets as follows:

Leasehold improvement	Period of lease agreement
Office equipment	5 years

Tata Technologies (Thailand) Limited
Notes to the financial statements
For the year ended 31 March 2022

(f) Intangible assets

Intangible assets that are acquired by the Company are measured at cost less accumulated amortisation and losses on decline in value.

Amortisation is calculated based on the cost of the asset less its residual value. Amortisation is charged to the statement of income on a straight-line basis over the estimated useful lives, which are as follows:

Software license	5 years
------------------	---------

(g) Losses on decline in value

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised if the carrying amount of an asset exceeds its recoverable amount. The loss on decline in value is recognised in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

(h) Trade and other payables

Trade and other payables are stated at cost.

(i) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate method.

Provision for retirement benefits

Provision for retired benefits are recognised using the best estimate method at the reporting date. The Company derecognises the provision when actual payment is made.

(j) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Rendering of services

The Company recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

Income recognised but not yet billed is presented as "Unbilled Receivables" under trade and other receivables heading in the statement of financial position.

The proceeds received from customers before recognition of revenues are presented as "Amount due to customer" under other current liabilities heading in the statement of financial position.

Interest and other income

Interest and other income are recognised as they accrue.

Tata Technologies (Thailand) Limited
Notes to the financial statements
For the year ended 31 March 2022

(k) Operating leases

Payments made under operating leases are recognised on a straight line basis over the term of the lease.

(l) Income tax expense

Income tax is calculated on the taxable income or loss for the year, using tax rates enacted at the reporting date.

4 Cash and cash equivalents

Cash and cash equivalents as at 31 March consist of the follows:

	2022	2021
	<i>(in Baht)</i>	
Cash on hand	20,000	20,000
Cash at bank - current accounts	7,957,663	7,615,013
Cash at bank - saving accounts	2,670	252,608
Total	<u>7,980,333</u>	<u>7,887,621</u>

5 Current investments

As at 31 March 2022, temporary investments of the Company represent time deposits at a financial institution due within 12 months with interest rate at 0.15 % per annum (2021: 0.20% per annum).

6 Trade and other receivables

Trade and other receivables as at 31 March consist of the follows:

	2022	2021
	<i>(in Baht)</i>	
Trade receivables - related parties	192,600	466,520
Trade receivables - third parties	6,120,212	5,621,714
Less allowance for doubtful accounts	(2,172,100)	-
Net	<u>4,140,712</u>	<u>6,088,234</u>
Unbilled receivables - related parties	-	200,000
Unbilled receivables - third parties	30,803,210	8,221,693
Prepaid expenses	224,768	362,222
Total	<u>35,168,690</u>	<u>14,872,149</u>

Tata Technologies (Thailand) Limited
Notes to the financial statements
For the year ended 31 March 2022

7 Leasehold improvement and equipment

	Leasehold improvement	Office Equipment (in Baht)	Total
Cost			
At 1 April 2020	6,359,700	13,788,134	20,147,834
Additions	-	24,220	24,220
At 31 March 2021 and 1 April 2021	6,359,700	13,812,354	20,172,054
Disposals	(1,031,574)	(621,834)	(1,653,408)
At 31 March 2022	5,328,126	13,190,520	18,518,646
Depreciation			
At 1 April 2020	6,359,700	12,189,701	18,549,401
Depreciation charge for the year	-	499,893	499,893
At 31 March 2021 and 1 April 2021	6,359,700	12,689,594	19,049,294
Depreciation charge for the year	-	446,334	446,334
Disposals	(1,031,574)	(621,834)	(1,653,408)
At 31 March 2022	5,328,126	12,514,094	17,842,220
Net book value			
At 31 March 2021	-	1,122,760	1,122,760
At 31 March 2022	-	676,426	676,426

8 Intangible assets

	Computer Software (in Baht)
Cost	
At 1 April 2020	9,918,757
Additions	-
At 31 March 2021 and 1 April 2021	9,918,757
Additions	-
At 31 March 2022	9,918,757
Amortisation	
At 1 April 2020	9,706,109
Amortisation charge for the year	167,521
At 31 March 2021 and 1 April 2021	9,873,630
Amortisation charge for the year	24,044
At 31 March 2022	9,897,674
Net book value	
At 31 March 2021	45,127
At 31 March 2022	21,083

Tata Technologies (Thailand) Limited
Notes to the financial statements
For the year ended 31 March 2022

9 Trade and other payables

Trade and other payables as at 31 March consist of the follows:

	2022	2021
	<i>(in Baht)</i>	
Trade payables - related parties	38,174,129	19,029,254
Trade payables - other parties	515,082	1,681,629
Accrued expenses	2,575,391	3,419,717
Total	41,264,602	24,130,600

10 Provision for retirement benefits

	Retirement benefits <i>(in Baht)</i>
At 1 April 2020	2,588,318
Additions	349,956
At 31 March 2021 and 1 April 2021	2,938,274
Reversal	(368,924)
At 31 March 2022	2,569,350

11 Legal reserve

Legal reserve is set up under the provision of the Civil and Commercial Code, which requires that a company shall allocate not less than 5% of its net profit to a reserve account (“legal reserve”) upon each dividend distribution, until the balance reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

12 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Company has been granted privileges by the Board of Investment relating to support research and development business, Regional Operating Headquarters and International Headquarters, which have been replaced by International Business Center (IBC) since 11 September 2019. The privileges granted include:

- (a) exemption from payment of import duty on machinery as approved by the Board of Investment;
- (b) exemption from payment of income tax on the net profit derived from the promoted activity for a period of fifteen years from the dates on which the income is first derived from such operations;
- (c) utilize the losses occurs during the income tax exemption period as a deduction against net earnings for the losses for up to five years after the expiration of tax exemption period;
- (d) exemption from income tax for dividend paid from the profit of the promoted operations, which are in turn exempted from the inclusion in the determination of income tax;

The Company has generated income from the International Headquarters (IHQ) since 30 May 2016. IHQ has been replaced by International Business Center (IBC) since 11 September 2019.

Tata Technologies (Thailand) Limited
Notes to the financial statements
For the year ended 31 March 2022

Since 22 September 2020, the Company has been granted privileges by the Board of Investment relating to be a Promoted Person engaged in the business of International Business Center under category 7.7: A Trade and Investment Support Office (TISO), which include:

- (a) permission to bring into the Kingdom of Thailand foreign nationals who are (1) skilled workers (2) experts, (3) spouses and dependents of personas in (1) and (2) in such numbers and for such periods of time as the Board of Investment may deem appropriate.
- (b) Permission for foreign nationals who are permitted to stay in the Kingdom of Thailand as stated in (a), to be granted a work permit for a specific position approved by the Board of Investment for the period of permitted stay in the Kingdom of Thailand.
- (c) permission to own land to such an extent as the Board of Investment deems appropriate.
- (d) permission to take out or remit abroad money in foreign currency.

As promoted company, the Company must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Promoted business	2022 Non- promoted business (in Baht)	Total
Local sales	2,070,000	51,295,726	53,365,726
Export sales	-	9,923,781	9,923,781
Total	2,070,000	61,219,507	63,289,507

	Promoted business	2021 Non- promoted business (in Baht)	Total
Local sales	2,800,074	38,580,578	41,380,652
Export sales	(14,498)	(197,147)	(211,645)
Total	2,785,576	38,383,431	41,169,007

13 Commitments

The Company has entered into lease agreements in respect of the lease of office building space and office equipment. Future minimum rentals payable under these leases as at March 31 consist of the following:

	2022	2021
	(in Baht)	
Non-cancellable operating lease commitments		
Within 1 year	2,649,922	3,632,098
After 1 year but within 5 years	1,583,610	4,204,660
Total	4,233,532	7,836,758

TO THE MEMBERS OF

Tata Technologies (Thailand) Ltd

The Directors hereby present the Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2022.

1. FINANCIAL RESULTS

Particulars	(In Baht)
Income	63,289, 507
Profit/Loss for the year	(6,395,463)

2. OPERATING RESULTS

During the year the company registered a turnover of Baht 63,289, 507 and a loss of Baht (6,395,463).

3. REVIEW OF OPERATIONS

The Company has continued its focus on its core competency with and aim at its future growth and to capture a greater market share in the country.

4. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company.

5. PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were carried on garnering adequate results.

6. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2022, which have had a material effect on the financial position of the Company.

7. FUTURE DEVELOPMENT PROSPECTS AND BUSINESS STRATEGIES

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

8. ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulations.

9. DIVIDEND

Considering the overall financial performance of the Company, the Board of Directors have not recommended any dividend on equity capital of the Company during the year under reference.

10. ACKNOWLEDGMENTS

Your Directors would like to express their heartfelt gratitude to all the customers, business partners and bankers for their continued support and association. The Directors also wish to thank the Government and all the statutory authorities for their support and co-operation.

The Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company during the last year.

On behalf of Board of Directors



Ramesh Indhewat



Savitha Balachandran

Date: May 4, 2022

Place: Thailand