

ANNUAL REPORT OF INCAT INTERNATIONAL PLC

Company Registration No. 02377350

INCAT International PLC

Annual Report and Financial Statements

31 March 2017

INCAT International PLC

Report and Financial Statements 2017

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INCAT International PLC

Officers and Professional Advisers

Directors

Praveen Kadle
Warren Harris

Secretary

Osborne Clark LLP
2 Temple Back East,
Temple Quay,
Bristol BS1 6EG

Registered office

2 Temple Back East
Temple Quay
Bristol
BS1 6EG

Bankers

JP Morgan Chase
125 London Wall
London EC2Y 5AJ

Auditor

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

INCAT International PLC

Strategic Report

Overview of the Company

The Strategic Report has been prepared solely to provide additional information to shareholders as a body to assess the Company's strategies and the potential for those strategies to succeed, and therefore, should not be relied on by any other party or for any other purpose. INCAT International PLC is the European entity of Tata Technologies Limited (TTL), an Indian Company and a 100% subsidiary of Tata Technologies Pte Limited, a company registered in Singapore.

Principal risks

The Company deals in multiple currencies such as USD, EUR and INR which results in some exchange rate fluctuation risks in a post-Brexit scenario. The company undertakes certain Forward Covers in the foreign currency towards the larger contracts, to minimize the risks in consequence to this fluctuation.

Future Outlook

In reflection of the strong outlook and growth in opportunities within UK and across Europe, the Company has invested in the development of its European Headquarters, (EIDC) Engineering, Innovation and Development Centre at Tachbrook Park, Warwick. Further, the company continues to make investments in Research & Development activities as part of the Tata Technologies group.

Key Performance Indicators

The Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company.

Financial Performance

The Tata Technologies group is highly focused on delivery of value to its customers, marketing and sales and as such, it is seeing improved order bookings. With its pragmatic approach to business, strong client relationships, unique service offerings along with the financial backing and global reach of the Tata Technologies Group, the Company continues to be well placed for future success and growth.

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



Warren Harris
Director
May 4th 2017

INCAT International PLC

Directors Report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2017.

The statement of Directors' responsibilities, as given on page 4, is considered to be part of this Directors' report.

Business review and principal activities

The principal activity of the Company is to act as a holding Company for the European Tata Technologies subsidiaries, whose business is the provision of IT and engineering design services.

The Company made a Loss for the year of £ 173,904 (INR 11,732,531) in 2017 in comparison to a Profit after tax of £159,047 (INR 15,138,151) in 2016.

Dividends

No dividend has been proposed for the year 2017 (2016: £Nil).

Future outlook

It is expected that INCAT International PLC will continue to be the holding Company for the European INCAT Companies for the foreseeable future.

Going Concern

The Directors report & financial statements describe the financial and liquidity position of the Company. The Company has a net current asset position as at 31 March 2017.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The Directors, who served throughout the financial year and to the date of this report, are as shown on page 1.

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Directors' Report (continued)

Auditor

Each of the person who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all steps that he was required to undertaken as a Director, to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Deloitte LLP have acted as auditor in the current year. Deloitte LLP will resign as auditor and a resolution to appoint a new auditor will be proposed at the forthcoming Annual General Meeting.

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

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



Warren Harris

Director

May 4th 2017

INCAT International PLC

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The auditor's responsibilities in relation to the financial statements are set out in its report on page 9.

Independent Auditor's Report to the members of INCAT International PLC

We have audited the financial statements for the year ended 31 March 2017 of Tata Technologies Europe Limited which comprises the Income Statement, the Balance Sheet, the Statement of changes in equity and the related notes, 1-19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (UKGAAP), including Financial Reporting Standard 101 "Reduced Disclosure Framework".

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

Respective responsibilities of Directors and Auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the members of INCAT International PLC

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

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

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



Jonathan Dodworth (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Birmingham, UK

May 4th 2017

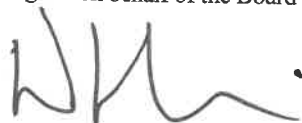
INCAT International PLC

Balance Sheet At 31 March 2017

		2017		2016	
	Note	£000	INR000 (see note 2)	£000	INR000 (see note 2)
Non-Current Assets					
Investments	10	10,304	833,816	8,535	814,690
Current assets					
Trade Receivables	11	-	-	141	13,488
Cash at bank and in hand		156	12,609	548	52,273
Total Assets		10,460	846,425	9,224	880,451
Trade Payables- amounts falling due within one year	12	(4,600)	(371,820)	(3,190)	(304,499)
Total assets less current liabilities, being net assets		5,860	474,605	6,034	575,952
Equity and Reserves					
Share Capital	13	243	19,643	243	23,171
Share premium account	13	3,029	245,137	3,029	289,166
Merger reserve	13	853	69,044	853	81,445
Capital redemption reserve	13	12	950	12	1,120
Retained Earnings	13	1,723	139,832	1,897	181,050
Shareholder's Equity		5,860	474,605	6,034	575,952

These financial statements of INCAT International PLC, registered number 02377350 were approved by the Board of Directors and authorised for issue on May 4th 2017

Signed on behalf of the Board of Directors



Warren Harris
Director

INCAT International PLC

Income Statement Year ended 31 March 2017

	Notes	2017		2016	
		£000	INR000 (see note 2)	£000	INR000 (see note 2)
Administrative expenditure (Net)		(190)	(15,458)	(153)	(14,598)
Operating Loss		(190)	(15,458)	(153)	(14,598)
Finance Income	7,8	16	3,725	312	29,736
(Loss)/ Profit on ordinary activities before taxation		(174)	(11,733)	159	15,138
Tax on (Loss)/ Profit on ordinary activities	9	-	-	-	-
(Loss)/ Profit for the financial year		(174)	(11,733)	159	15,138

Operating loss is derived from continuing operations. There are no items of other comprehensive income in either year other than those reflected in the profit and loss account. Accordingly no separate statement of other comprehensive income is presented.

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Statement of changes in equity For the year ended 31 March 2017

	Share Capital £'000	Share Premium A/c £'000	Merger Reserve £'000	Capital Redemption £'000	Retained Earnings £'000	Total £'000
Balance at 1 April 2015	243	3,029	853	12	1,738	5,875
Profit for the financial year	-	-	-	-	159	159
Foreign exchange difference	-	-	-	-	-	-
Balance at 31 March 2016	243	3,029	853	12	1,897	6,034
Balance at 1 April 2016	243	3,029	853	12	1,897	6,034
Loss for the financial year	-	-	-	-	(174)	(174)
Foreign exchange difference	-	-	-	-	-	-
Balance at 31 March 2017	243	3,029	853	12	1,723	5,860

	Share Capital INR'000 (see note 2)	Share Premium A/c INR'000 (see note 2)	Merger Reserve INR'000 (see note 2)	Capital Redemption INR'000 (see note 2)	Retained Earnings INR'000 (see note 2)	Total INR'000 (see note 2)
Balance at 1 April 2015	22,442	280,067	78,882	1,085	221,963	604,439
Profit for the financial year	-	-	-	-	15,182	15,182
Foreign exchange difference	729	9,099	2,563	35	(56,095)	(43,669)
Balance at 31 March 2016	23,171	289,166	81,445	1,121	181,050	575,952
Balance at 1 April 2016	23,171	289,166	81,445	1,121	181,050	575,952
Loss for the financial year	-	-	-	-	(11,733)	(11,733)
Foreign exchange difference	(3,528)	(44,029)	(12,401)	(171)	(29,486)	(89,615)
Balance at 31 March 2017	19,643	245,137	69,044	950	139,831	474,605

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Notes to the Financial Statements Year ended 31 March 2017

1. General Information

The Company is a private Company limited by shares and is registered in England. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the strategic report.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Tata Motors Limited, a company registered in India. The group accounts of Tata Motors Limited, India are available to the public and can be obtained as set out in note 17. The registered office address of the parent Company preparing consolidated accounts is Bombay House, 24 Homi Mody Street, Mumbai, 400 00, India.

2. Significant Accounting policies

Basis of Accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. These financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'

Going Concern

The Directors report & financial statements describe the financial and liquidity position of the Company. The Company has a Net Current Asset position as at 31 March 2017.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Group financial statements

Group financial statements have not been prepared as the group is entitled to the exemption conferred by s1162 of the Companies Act and the group accounts are prepared in accordance with the provisions of EU seventh directive. Its ultimate parent Company, Tata Motors Limited, a Company registered in India, prepares consolidated financial statements which include the results of all group Companies. These financial statements therefore include information relating to INCAT International PLC.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Interest revenue

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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Notes to the Financial Statements Year ended 31 March 2017

Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

General note on translation to Indian Rupees

The financial information is prepared in accordance with FRS 101 and is expressed in Pounds Sterling, the functional currency of the company. The balances presented in Indian Rupees alongside the Pound Sterling balances represent the FRS 101 balances translated into Indian Rupees at a fixed exchange rate of 1 Pounds Sterling = INR 81.2403 for the Profit and Loss Account for year ended 31 March 2017 and 1 Pounds Sterling = INR 80.9185 for the Balance Sheet as at 31 March 2017 (Previous Year -1 Pounds Sterling = INR 95.1802 for the Profit and Loss Account for year ended 31 March 2016 and 1 Pounds Sterling = INR 95.4523 for the Balance Sheet as at 31 March 2016. These have been provided solely for the convenience of the reader and to meet the requirements of Section 129 of the Indian Companies Act, 2013, which requires that a parent company must also file subsidiary financial statements in India. These translations should not be construed as a representation, that any or all the amounts could be converted into Indian Rupees at this or any other rate, or that any of all the amounts presented are prepared in accordance with Indian GAAP.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Exchange differences arising from the re-translation of the opening net assets of subsidiaries which operate in currencies other than sterling are taken to reserves together with the difference arising when the profit and loss accounts are translated at average rates and compared with rates ruling at the period-end.

Cash flow statement

The Company is a wholly owned subsidiary and the cash flows of the Company are included in the consolidated cash flow statement of Tata Motors Limited. Consequently the Company is exempt under section 8 of FRS 101 from the requirement to prepare a cash flow statement.

3. Auditor's remuneration

Fees payable to Deloitte LLP, Birmingham and their associates for the audit of the Company's annual accounts were £4,500 (2016- £3,000) and were also included within the Audit fees payable by its subsidiary company, Tata Technologies Europe Limited.

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

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Notes to the Financial Statements Year ended 31 March 2017

4. Profit/ (Loss) on ordinary activities before taxation

Operating Profit/ (Loss) is stated after charging:

	2017		2016	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Auditor's remuneration				
- fees payable to the Company's auditors for the audit of the Company's annual financial statements*	5	366	3	286
Foreign exchange losses	115	9,354	74	7,064

* The Audit fees is borne by the subsidiary Company, Tata Technologies Europe Limited.

There is no non audit fee.

5. Directors' remuneration

The Directors of INCAT International Plc are not employed or paid by the Company. The remuneration of the Directors can be found in the financial statements of other group Companies in both the current and the prior financial year as follows:

P Kadle –	Tata Capital Limited;
W Harris –	Tata Technologies Inc.

It is not practicable to allocate their remuneration between group Companies.

6. Employees

The Company had no employees in either the current financial year or the prior financial year.

7. Other Income

	2017		2016	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Profit on sale of Investments	-	-	93	8,900
Dividend received	117	9,524	224	21,269
	117	9,524	317	30,169

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Notes to the Financial Statements Year ended 31 March 2017

8. Interest payable and similar charges

	2017		2016	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Bank charges	101	5,798	5	432

9. Tax on profit on ordinary activities

	2017		2016	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
UK corporation tax at 20% (2016: 20%)	-	-	-	-

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK of 20% (2016: 20%).

A further reduction to 19% from 1 April 2017 and 17% from 1 April 2020 have been substantively enacted. UK temporary differences are measured at the rate at which they are expected to reverse.

The differences are explained below:

	2017		2016	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Profit/ (Loss) on ordinary activities before taxation	(174)	(11,733)	159	15,138
UK Corporation tax at 20% (2016: 20%) thereon	(35)	(2,347)	32	3,028
Plus the effect of:				
Income not considered for tax	35	2,347	(63)	(6,034)
Expenses not deductible for tax	-	-	19	1,808
Group Relief with no payment	-	-	12	1,198
Total tax	-	-	-	-

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Notes to the Financial Statements Year ended 31 March 2017

10. Non-Current Investments

	Shares in subsidiary undertakings £000	Shares in parent undertaking £000	Total £000
Cost and net book value			
At 1 April 2016	4,247	4,288	8,535
Addition	-	1,769	1,769
At 31 March 2017	4,247	6,057	10,304
	Shares in subsidiary undertakings INR000 (see Note 2)	Shares in parent undertaking INR000 (see Note 2)	Total INR000 (see Note 2)
Cost and net book value			
At 1 April 2016	405,427	409,263	814,690
Addition	-	143,145	143,145
Exchange Difference	(61,731)	(62,288)	(124,019)
At 31 March 2017	343,696	490,120	833,816

Addition of investments represents the increase in the shares held by the ESOP Trust in Tata Technologies Limited.

The Company holds more than 20% of the share capital of the following Companies, the activities of which are all computer and related services.

Subsidiary undertakings and Companies directly held by parent Company	Country of incorporation	Registered Office	Class	Shares held %	Status
Tata Technologies Europe Ltd	Great Britain	2 Temple Back East, Temple Quay, Bristol, BS1 6EG	Ordinary	100	Trading
INCAT GmbH	Germany	Breitwiesenstrasse 19, 70565, Stuttgart, Germany	Ordinary	100	Dormant
INCAT Holdings BV	Netherlands	César Domelahof 15, 3544MJ Utrecht	Ordinary	100	Dormant

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Notes to the Financial Statements **Year ended 31 March 2017**

11. Debtors

	2017		2016	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Other debtors	-	-	141	13,488
	-	-	141	13,488

12. Creditors: amounts falling due within one year

	2017		2016	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Amounts owed to group undertakings	4,475	362,083	3,158	301,395
Accruals and deferred income	56	4,520	32	3,104
Other Creditors	70	5,217		
	4,600	371,820	3,190	304,499

Amounts owed to group undertakings are repayable on demand. No interest was charged in either the current or prior financial year.

13. Share capital

	2017		2016	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Called up & Paid Up :				
24,275,000 ordinary shares of 1p each (2015: 24,275,000)	243	19,643	243	23,171

14. Share-based payments

Employee Share Option scheme:

The Company participates in a share option scheme for certain employees. Options are exercisable on the shares of the parent Company, Tata Technologies Limited, India at a price equal to the estimated fair value of the parent Company's shares on the date of grant. The vesting period is three years. The weighted average share price at the date of exercise for share options exercised during the period was INR 645 per share for the period ending March 2016.

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Notes to the Financial Statements Year ended 31 March 2017

15. ESOP Trust

INCAT International Limited ESOP 2000 is a Trust which was formed on 3 January 2000. The object of the Trust was to benefit, by means of an employee share scheme within the meaning of section 831 of the Companies Act 2006, employees and former employees of the Company.

The Trust holds shares in the Tata Technologies Limited, India and sells these at market value to staff within the Group. It does not grant share options or issue shares at less than market value.

The income, related costs and the assets and liabilities of the Trust are included in these financial statements, in line with FRS 101.

16. Related party transactions

The Company has taken advantage of the exemption available under Section 8 of FRS 101 "Related Party Transactions" not to disclose details of transactions with fellow group Companies.

17. Ultimate parent Company and controlling party

The ultimate parent Company and controlling party of the Company is Tata Motors Limited, a Company registered in India.

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

The immediate parent undertaking of the Company is Tata Technologies Pte Ltd, a Company registered in Singapore. Copies of the consolidated financial statements of Tata Technologies Pte Ltd can be obtained from 25, Pune Infotech Park, Hinjawadi, Pune, India.