

Company Registration No. 02377350

INCAT International PLC

Annual Report and Financial Statements

31 March 2018

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

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

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

Opinion

We have audited the financial statements of INCAT International PLC ("the company") for the year ended 31 March 2018 set out on pages 8 to 17, which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and related notes, including the significant accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March, 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

Independent Auditor's Report to the members of INCAT International PLC (*continued*)

- we have not received all the information and explanations we require for our auditor.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

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



**Matthew Buckingham (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

3 May 2018

INCAT International Plc
Income Statement
Year ended 31 March 2018

	Notes	2018		2017	
		£000	INR000 (see note 2)	£000	INR000 (see note 2)
Administrative expenditure (Net)		(3)	(256)	(190)	(15,458)
Operating Loss		(3)	(256)	(190)	(15,458)
Other Income (Net)		73	6,277	-	-
Finance Income (Net)	7,8	44	3,800	16	3,725
Profit/(Loss) on ordinary activities before taxation		114	9,821	(174)	(11,733)
Tax on Profit/(Loss) on ordinary activities	9	-	-	-	-
Profit/(Loss) for the financial year		114	9,821	(174)	(11,733)

Operating profit 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.


The accompanying notes form an integral part of these Financial Statements

INCAT International PLC
Balance Sheet
At 31 March 2018

	Note	2018		2017	
		£000	INR000 (see note 2)	£000	INR000 (see note 2)
Non-Current Assets					
Investments	10	10,365	956,576	10,304	833,816
Current assets					
Cash at bank and in hand		205	18,961	156	12,609
Total Assets		10,570	975,537	10,460	846,425
Trade Payables- amounts falling due within one year	11	(4,596)	(424,142)	(4,600)	(372,820)
Total assets less current liabilities, being net assets		5,974	551,395	5,860	474,605
Equity and Reserves					
Share Capital	12	243	22,402	243	19,643
Share premium account		3,029	279,569	3,029	245,137
Merger reserve		853	78,742	853	69,044
Capital redemption reserve		12	1,083	12	950
Retained Earnings		1,837	169,599	1,723	139,831
Shareholders Equity		5,974	551,395	5,860	474,605

These financial statements of INCAT International PLC, registered number 02377350 were approved by the Board of Directors and authorised for issue on April 26 2018

Signed on behalf of the Board of Directors



Warren Harris
Director

The accompanying notes form an integral part of these Financial Statements

INCAT International PLC

Statement of changes in equity For the year ended 31 March 2018

	Share Capital £'000	Share Premium A/c £'000	Merger Reserve £'000	Capital Redemption £'000	Retained Earnings £'000	Total £'000
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
Balance at 1 April 2017	243	3,029	853	12	1,723	5,860
Profit for the financial year	-	-	-	-	114	114
Foreign exchange difference	-	-	-	-	-	-
Balance at 31 March 2018	243	3,029	853	12	1,837	5,974

	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 2016	23,171	289,166	81,445	1,121	181,050	575,953
Profit 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
Balance at 1 April 2017	19,643	245,137	69,044	950	139,831	474,605
Profit for the financial year	-	-	-	-	9,821	9,821
Foreign exchange difference	2,759	34,432	9,698	133	19,947	66,969
Balance at 31 March 2018	22,402	279,569	78,742	1,083	169,599	551,395

The accompanying notes form an integral part of these Financial Statements

INCAT International PLC

Notes to the Financial Statements Year ended 31 March 2018

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 16. 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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of all Key Management Personnel; and

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

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 2018.

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.

Investments

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

Accounting policies (continued)

INCAT International PLC

Notes to the Financial Statements Year ended 31 March 2018

Interest income

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

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 85.4652 for the Profit and Loss Account for year ended 31 March 2018 and 1 Pounds Sterling = INR 92.28463 for the Balance Sheet as at 31 March 2018 (Previous Year -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). 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 of 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 KPMG LLP and their associates for the audit of the Company's annual accounts were included within the Audit fees payable by its subsidiary company, Tata Technologies Europe Limited.

There are no fees payable to KPMG LLP and their associates for non-audit services to the Company.

INCAT International PLC

Notes to the Financial Statements Year ended 31 March 2018

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

Operating Profit/ (Loss) is stated after charging:

	2018		2017	
	£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*	4	342	5	366
Foreign exchange (Gain)/losses	(73)	(6,277)	115	9,354

* 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. Finance Income

	2018		2017	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Dividend received	138	11,755	117	9,524
	<u>138</u>	<u>11,755</u>	<u>117</u>	<u>9,524</u>

8. Finance Expense

	2018		2017	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Interest payable and similar charges - Bank charges	94	7,955	101	5,798
	<u>94</u>	<u>7,955</u>	<u>101</u>	<u>5,798</u>

INCAT International PLC

Notes to the Financial Statements Year ended 31 March 2018

9. Tax on profit on ordinary activities

	2018		2017	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
UK corporation tax at 19% (2017: 20%)	-	-	-	-

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK of 19% (2017: 20%).

The Budget 2016 introduced a reduction in the main rate of corporation tax to 17% from 1 April 2020 and as such the deferred tax recorded at the balance sheet date has been recalculated at 19%.

The differences are explained below:

	2018		2017	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Profit/ (Loss) on ordinary activities before taxation	114	9,821	(174)	(11,733)
UK Corporation tax at 19% (2017: 20%) thereon	22	1,880	(35)	(2,347)
Plus the effect of:				
Utilization of previous year losses	-	-	-	-
Income not considered for tax	22	1,880	35	2,347
Expenses not deductible for tax	-	-	-	-
Group Relief with no payment	-	-	-	-
Total tax	-	-	-	-

INCAT International PLC

Notes to the Financial Statements Year ended 31 March 2018

10. Non-Current Investments

	Shares in subsidiary undertakings £000	Shares in parent undertaking £000	Total £000
Cost and net book value			
At 1 April 2017	4,247	6,057	10,304
Addition	-	61	61
At 31 March 2018	4,247	6,118	10,365
	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 2017	343,696	490,120	833,816
Addition	-	5,640	5,640
Exchange Difference	48,276	68,844	117,120
At 31 March 2018	391,972	564,604	956,576

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 Limited (‘TTEL’)	Great Britain	2 Temple Back East, Temple Quay, Bristol, BS1 6EG	Ordinary	100	Trading
INCAT GmbH (now part of TTEL)	Germany	Breitwiesenstrasse 19, 70565, Stuttgart, Germany	Ordinary	100	Dormant

INCAT International PLC

Notes to the Financial Statements Year ended 31 March 2018

11. Creditors: amounts falling due within one year

	2018		2017	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Amounts owed to group undertakings	4,230	390,325	4,475	362,083
Accruals and deferred income	50	4,611	55	4,520
Other Creditors	316	29,206	70	5,217
	<u>4,596</u>	<u>424,142</u>	<u>4,600</u>	<u>371,820</u>

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

12. Share capital

	2018		2017	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Called up & Paid Up :				
24,275,000 ordinary shares of 1p each (2017: 24,275,000)	<u>243</u>	<u>22,402</u>	<u>243</u>	<u>19,643</u>

INCAT International PLC

Notes to the Financial Statements Year ended 31 March 2018

13. 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 grant/exercise was Rs. 645 per share.

14. 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.

15. 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.

16. 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, Hinjewadi, Pune, India.