

**ANNUAL REPORT OF INCAT
INTERNATIONAL PLC**

Company Registration No. 02377350

INCAT International PLC

Annual Report and Financial Statements

31 March 2015

INCAT International PLC

Report and Financial Statements 2015

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INCAT International PLC

Officers and Professional Advisers

Directors

Praveen Kadle
Warren Harris

Secretary

Ovalsec Limited

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
Birmingham, UK

INCAT International PLC

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2015.

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

This Directors' report has been prepared in accordance with the provisions applicable to Companies entitled to the small Company's exemption.

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 Profit after tax for the year of £151,998 (INR 14,986,603) in comparison to a Profit after tax of £83,742 (INR 8,036,000) for the year ended 31 March 2014.

Dividends

No dividend has been proposed for the year 2015 (2014: £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 liability position as at 31 March 2015.

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.

INCAT International PLC

Directors' Report (continued)

Auditor

Each of the persons 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 are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

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

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

In preparing the Directors' report advantage has been taken of the small companies' exemption under the Companies Act 2006. As a result of the small companies' exemption, the company is not required to prepare a Strategic Report

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

Warren Harris
Director

June 2015

INCAT International PLC

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

We have audited the financial statements of INCAT International PLC for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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.
- the Directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' report.

Jonathan Dodworth (Senior Statutory Auditor)

for and behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Birmingham, UK

June 2015

INCAT International PLC

Profit and Loss Account Year ended 31 March 2015

	Notes	2015		2014	
		£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Administrative expenditure (Net)		(80)	(7,878)	(74)	(7,124)
Operating Loss		(80)	(7,878)	(74)	(7,124)
Other interest receivable and similar income	5	233	22,950	180	17,327
Interest payable and similar charges	6	(1)	(85)	(22)	(2,167)
Profit on ordinary activities before taxation	2	152	14,987	84	8,036
Tax on Profit on ordinary activities	7	-	-	-	-
Profit for the financial year	12	152	14,987	84	8,036

There are no recognised gains or losses in either the current or the prior financial year other than as stated above and therefore no separate statement of total recognised gains and losses is presented.

All results derive from continuing operations.

INCAT International PLC

Balance Sheet At 31 March 2014

		2015		2014	
	Note	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Fixed assets					
Investments	8	8,176	755,847	7,077	704,431
Current assets					
Debtors	9	602	55,629	716	71,286
Cash at bank and in hand		296	27,411	289	28,714
		898	83,040	1,005	100,000
Creditors: amounts falling due within one year	10	(3,148)	(291,033)	(2,308)	(229,719)
Net current liabilities		(2,250)	(207,993)	(1,303)	(129,719)
Net assets		5,926	547,854	5,774	574,712
Capital and reserves					
Called up share capital	11	243	22,442	243	24,162
Share premium account	12	3,029	280,067	3,029	301,534
Merger reserve	12	853	78,882	853	84,928
Capital redemption reserve	12	12	1,085	12	1,168
Profit and loss account	12	1,789	166,312	1,637	162,920
Shareholders' funds		5,926	548,788	5,774	574,712

These financial statements of INCAT International PLC, registered number 02377350 were approved by the Board of Directors and authorised for issue on June 2015

Signed on behalf of the Board of Directors

Warren Harris
Director

INCAT International PLC

Notes to the Financial Statements Year ended 31 March 2015

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Going Concern

The Directors report & financial statements describe the financial and liquidity position of the Company. The Company has a Net Current Liability position as at 31 March 2015.

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.

Taxation

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

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less, at a future date, at rates expected to apply when they crystallise based on current tax rates and law or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

INCAT International PLC

Notes to the Financial Statements Year ended 31 March 2015

1. Accounting policies (continued)

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.

General note on translation to Indian Rupees

The financial information is prepared in accordance with UK GAAP 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 UK GAAP balances translated into Indian Rupees at a fixed exchange rate of 1 Pounds Sterling = INR **98.5974** for the Profit and Loss Account for year ended 31 March 2015 and 1 Pounds Sterling = INR **92.4488** for the Balance Sheet as at 31 March 2015 (Previous Year: 1 Pounds Sterling = INR **96.1730** for the Profit and Loss Account for year ended 31 March 2014 and 1 Pounds Sterling = INR **99.5351** for the Balance Sheet as at 31 March 2014). These have been provided solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, which requires that a parent company must also file subsidiary financial statements in India. These translations should not be construed as a representation that any or all the amounts could be converted into Indian Rupees at this or any other rate, or that any of all of the amounts presented are prepared in accordance with Indian GAAP.

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 Financial Reporting Standard No. 1 (Revised) from the requirement to prepare a cash flow statement.

2. Profit on ordinary activities before taxation

Operating profit is stated after charging:

	2015		2014	
	£000	INR000	£000	INR000
	(see Note 1)		(see Note 1)	
Auditor's remuneration				
- fees payable to the Company's auditors for the audit of the Company's annual financial statements*	-	-	-	-
Foreign exchange losses	44	4,296	63	6,054
	<u>44</u>	<u>4,296</u>	<u>63</u>	<u>6,054</u>

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

There is no non audit fee.

3. 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.

INCAT International PLC

Notes to the Financial Statements Year ended 31 March 2015

4. Employees

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

5. Interest receivable and similar income

	2015		2014	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Profit on sale of Investments	137	13,512	60	5,738
Interest received	-	-	32	3,163
Dividend received	96	9,438	88	8,426
	<u>233</u>	<u>22,950</u>	<u>180</u>	<u>17,327</u>

6. Interest payable and similar charges

	2015		2014	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Bank charges	<u>1</u>	<u>85</u>	<u>23</u>	<u>2,167</u>

7. Tax on profit on ordinary activities

	2015		2014	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
UK corporation tax at 21% (2014: 23%)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	2015		2014	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Profit on ordinary activities before taxation	<u>152</u>	<u>14,987</u>	<u>84</u>	<u>8,036</u>
UK Corporation tax at 21% (2014: 23%) thereon	32	3,147	19	1,852
Plus the effect of:				
Utilization of previous year losses	(30)	(2,918)	(19)	(1,852)
Income not taxable	(2)	(189)	-	-
Current tax credit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Notes to the Financial Statements Year ended 31 March 2015

The Finance Act 2013, which provided for a reduction in the main rate of corporation tax to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. As a result, these rate reductions have been reflected in the calculation of current tax for the period and deferred tax at the balance sheet date

In the 2015 Budget, issued on 18th March 2015, the Chancellor announced that the main rate of corporation tax would be further reduced to 20% with effect from 1 April 2015, and is expected to stay at 20% from 1st April 2016 as well and therefore, no impact of the same have been reflected in these financial statements. The effect of these tax rate reductions will be accounted for in the period they are substantively enacted.

8. Fixed asset investments

	Shares in subsidiary undertakings £000	Shares in parent undertaking £000	Total £000
Cost and net book value			
At 1 April 2014	4,247	2,830	7,077
Addition	-	1,099	1,099
At 31 March 2015	4,247	3,929	8,176
	Shares in subsidiary undertakings INR000 (see Note 1)	Shares in parent undertaking INR000 (see Note 1)	Total INR000 (see Note 1)
Cost and net book value			
At 1 April 2014	422,768	281,663	704,431
Addition	-	108,358	108,358
Exchange Difference	(30,098)	(26,844)	(56,942)
At 31 March 2015	392,670	363,177	755,847

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	Class	Shares held and voting rights %	Status
Tata Technologies Europe Limited	Great Britain	Ordinary	100	Trading
INCAT GmbH	Germany	Ordinary	100	Dormant
INCAT Holdings BV	Netherlands	Ordinary	100	Dormant

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Notes to the Financial Statements Year ended 31 March 2015

9. Debtors

	2015		2014	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Other debtors	602	55,629	716	71,286
	<u>602</u>	<u>55,629</u>	<u>716</u>	<u>71,286</u>

10. Creditors: amounts falling due within one year

	2015		2014	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Amounts owed to group undertakings	3,122	288,592	2,294	228,358
Accruals and deferred income	26	2,441	14	1,361
	<u>3,148</u>	<u>291,033</u>	<u>2,308</u>	<u>229,719</u>

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

11. Authorised share capital

	2015		2014	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Authorised:				
35,000,000 ordinary shares of 1p each (2014: 35,000,000)	350	32,357	350	34,837
	<u>350</u>	<u>32,357</u>	<u>350</u>	<u>34,837</u>

	2015		2014	
	£000	INR000 (see Note 1)	£000	INR000 (see Note 1)
Called up & Paid Up :				
24,275,000 ordinary shares of 1p each (2014: 24,275,000)	243	22,442	243	24,162
	<u>243</u>	<u>22,442</u>	<u>243</u>	<u>24,162</u>

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Notes to the Financial Statements Year ended 31 March 2015

12. Statement of movements on reserves

	Called up Share Capital £000	Capital redemption reserve £000	Merger reserve £000	Share premium account £000	Profit and loss account £000	Total £000
Balance at 1 April 2014	243	12	853	3,029	1,637	5,774
Profit for the financial year	-	-	-	-	152	152
Balance at 31 March 2015	243	12	853	3,029	1,789	5,926

	INR000 Called up Share Capital (see Note 1)	INR000 Capital redemption reserve (see Note 1)	INR000 Merger reserve (see Note 1)	INR000 Share premium account (see Note 1)	INR000 Profit and loss account (see Note 1)	INR000 (see Note 1)
Balance at 1 April 2014	24,162	1,168	84,928	301,534	162,920	574,712
Profit for the financial year	-	-	-	-	14,987	14,987
Exchange difference	(1,720)	(83)	(6,046)	(21,467)	(11,595)	(40,911)
Balance at 31 March 2015	22,442	1,085	78,882	280,067	166,312	548,788

13. 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 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 UITF Abstract 38 - Accounting for ESOP Trusts.

14. Related party transactions

The Company has taken advantage of the exemption available under Section 3(c) of FRS 8 "Related Party Transactions" not to disclose details of transactions with fellow group Companies.

15. 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.