

**INCAT GmbH**  
**Annual Financial Statements**  
**For the year ended March 31, 2018**

**INCAT GmbH, GERMANY**

**DIRECTORS:** Nick Sale  
Stephane Bechot

**REGISTERED:** Breitwiesenstrasse 19,  
**OFFICE** 70565, Stuttgart, Germany

## **Nineteenth Annual Report 2017-18**

### **INCAT GmbH**

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

### **Significant Accounting Policies**

#### **1.1 Basis of Preparation of Financial Statements**

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

#### **1.2 Use of Estimates**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### **1.3 Revenue recognition**

Revenue is measured at fair value of consideration received or receivable.

Revenue from services on time and materials contracts is recognized when services are rendered and related costs are incurred i.e. based on certification of time sheets as per the terms of specific contracts. Revenues from fixed price contracts are recognized when collectability of the resulting receivable is reasonably assured or percentage of completion method depending on terms of the contract. The percentage of completion is determined on the degree of the cost incurred. Foreseeable losses on such contracts are recognized when probable. Revenue accrued from the end of the last billing to the balance sheet date is recognised as unbilled revenue.

Revenue from third party software products and hardware sale is recognized upon delivery.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income 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.

#### **1.4 Fixed assets and depreciation**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready

for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Type of Asset	Useful life
Lease hold improvements	Lower of Lease period or useful life
Buildings	15 to 25 years
Plant and machinery	1 to 21 years
Computer equipment's	1 to 4 years
Vehicles	3 to 11 years
Furniture & fixtures	1 to 21 years
Software	1 to 4 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end with the effect of any changes in the estimate accounted for on a prospective basis.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the statement of profit and loss.

## 1.5 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the statement of profit and loss.

## 1.6 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories are ascertained on a first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

## 1.7 Taxation

Current income tax expense is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that taxable income will be available to realize

these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that future taxable income will be available to realize these assets.

### **1.8 Foreign currency transaction and translation**

Foreign-currency denominated monetary assets and liabilities are re-instated at exchange rates at the balance sheet date. The gains or losses resulting from such translations are included in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. The functional currency of the Company and its foreign branch is the Indian Rupee.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit/loss for the year in which the transaction is settled and is charged to the statement of Profit & Loss. Revenue, expense and cash-flow items denominated in foreign currencies are re-instated using the exchange rate in effect on the date of the transaction.

### **1.9 Impairment of Assets**

At each balance sheet date, the Company reviews using internal resources the carrying amounts of its fixed assets to determine whether there is any indication that the assets suffered an impairment loss. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from continuing use of the asset and from its disposal are discounted to their present value using a pre tax rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the Profit and Loss Account.

### **1.10 Provisions, contingent liabilities and contingent assets**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are determined at present value based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

**INCAT GmbH**  
**Balance Sheet as on March 31, 2018**

Particulars	Note No	(Amount in €)	(Amount in INR)	(Amount in €)	(Amount in INR)
		March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
<b>I. ASSETS</b>					
<b>(1) Current Assets</b>					
(a) Financial assets:					
(i) Trade receivables	2	2,048,601	165,543,487	2,028,261	140,558,477
(ii) Cash and cash equivalents	3	225,104	18,190,208	223,554	15,492,275
(b) Other current assets	4	481	38,832	389	26,969
<b>Total Current Assets</b>		<b>2,274,186</b>	<b>183,772,527</b>	<b>2,252,204</b>	<b>156,077,721</b>
<b>Total Assets</b>		<b>2,274,186</b>	<b>183,772,527</b>	<b>2,252,204</b>	<b>156,077,721</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>(1) Equity</b>					
(a) Equity Share capital	5	164,000	13,252,523	164,000	11,365,200
(b) Other Equity		2,078,101	167,927,315	2,014,368	139,595,673
<b>Total Equity</b>		<b>2,242,101</b>	<b>181,179,838</b>	<b>2,178,368</b>	<b>150,960,873</b>
<b>Liabilities</b>					
<b>(1) Current Liabilities</b>					
(a) Financial liabilities:					
(i) Trade payables		32,085	2,592,689	51,579	3,574,432.79
(b) Current income tax liabilities		-	-	22,257	1,542,415
<b>Total Current Liabilities</b>		<b>32,085</b>	<b>2,592,689</b>	<b>73,836</b>	<b>5,116,848</b>
<b>Total Liabilities</b>		<b>32,085</b>	<b>2,592,689</b>	<b>73,836</b>	<b>5,116,848</b>
<b>Total Equity and Liabilities</b>		<b>2,274,186</b>	<b>183,772,527</b>	<b>2,252,204</b>	<b>156,077,721</b>

Notes forming part of Financial Statements

1-10

For and on behalf of the Board of Directors

Nick Sale

Director

Stephane Bechot

Director

Place: Germany

Date:

**INCAT GmbH**  
**Statement of Profit and Loss for the year ended March 31, 2018**

Particulars	Note No	(Amount in €)	(Amount in INR)	(Amount in €)	(Amount in INR)
		Year ended March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2017
I. Other Income	6	40,157	3,245,034	47,661	3,302,926
<b>Total Income</b>		<b>40,157</b>	<b>3,245,034</b>	<b>47,661</b>	<b>3,302,926</b>
II. Expenses :					
(a) Consultancy fees, softwares and others	7	-	-	3,000	207,900
(b) Other expenses	8	784	63,324	290	20,130
<b>Total expenses (II)</b>		<b>784</b>	<b>63,324</b>	<b>3,290</b>	<b>228,030</b>
<b>III. Profit before tax (I-II)</b>		<b>39,374</b>	<b>3,181,710</b>	<b>44,371</b>	<b>3,074,896</b>
IV. Tax Expense :					
(a) Current tax		(24,359)	(1,968,367)	-	-
		<b>(24,359)</b>	<b>(1,968,367)</b>	<b>-</b>	<b>-</b>
<b>V. Profit for the year (III-IV)</b>		<b>63,733</b>	<b>5,150,077</b>	<b>44,371</b>	<b>3,074,896</b>
VI. Other comprehensive income:					
(i) Exchange differences on translation of foreign operations		-	-	-	-
<b>VII. Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. Total comprehensive income for the period (VI+VII)</b>		<b>63,733</b>	<b>5,150,077</b>	<b>44,371</b>	<b>3,074,896</b>
Notes forming part of Standalone Financial Statements	1-10				

For and on behalf of the Board of Directors

Nick Sale  
Stephane Bechot

Director  
Director

Place: Germany  
Date:

INCAT GmbH  
Cash Flow Statement

	(Amount in € )	(Amount in INR)	(Amount in € )	(Amount in INR)
	Year ended March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit after taxation	63,733	5,150,077	44,371	3,074,896
<b>Operating profit before working capital changes</b>	<b>63,733</b>	<b>5,150,077</b>	<b>44,371</b>	<b>3,074,896</b>
<b>Adjustments for (Increase) / Decrease in operating assets and liabilities</b>				
Trade receivables	(20,340)	(1,643,643)	144,429	10,008,962
Other current assets	(91)	(7,385)	45,368	3,144,024
Other Loans and advances	-	-	-	-
Other liabilities	(22,257)	(1,798,551)	(2,101)	(145,633)
Trade payables	(19,495)	1,575,236.58	(8,513)	(589,975)
<b>CASH (USED IN) / GENERATED FROM OPERATIONS</b>	<b>1,550</b>	<b>125,261</b>	<b>223,554</b>	<b>15,492,275</b>
<b>NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,550</b>	<b>125,261</b>	<b>223,554</b>	<b>15,492,275</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>1,550</b>	<b>125,261</b>	<b>223,554</b>	<b>15,492,275</b>
Cash & Bank balances at the close of the year (Refer Note 3) #	225,104	18,190,208	223,554	15,492,275
Cash & Bank balances at the beginning of the year (Refer Note 3) #	223,554	18,064,947	-	-
	<b>1,550</b>	<b>125,261</b>	<b>223,554</b>	<b>15,492,275</b>

Notes forming part of Financial Statements

1-10

For and on behalf of the Board of Directors

Nick Sale  
Stephane Bechot

Director  
Director

Place: Germany

Date:

**INCAT GmbH**  
**Statement of changes in equity**

(Amount in € )

Other Equity	Equity Share Capital	Reserves and Surplus		Total equity
		Capital Reserve	Retained earnings	
<b>Balance as at April 1, 2016</b>	164,000	832,809	1,137,188	2,133,997
Income for the year	-	-	44,371	44,371
Total comprehensive income/(loss) for the year	164,000	832,809	1,181,559	2,178,368
Dividend paid (including dividend tax)	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>164,000</b>	<b>832,809</b>	<b>1,181,559</b>	<b>2,178,368</b>
<b>Balance as at April 1, 2017</b>	164,000	832,809	1,181,559	2,178,368
Income for the year	-	-	63,733	63,733
Total comprehensive income/(loss) for the year	164,000	832,809	1,245,292	2,242,101
Dividend paid (including dividend tax)	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>164,000</b>	<b>832,809</b>	<b>1,245,292</b>	<b>2,242,101</b>

(Amount in INR)

Other Equity	Equity Share Capital	Reserves and Surplus		Total equity
		Capital Reserve	Retained earnings	
<b>Balance as at April 1, 2016</b>	11,365,200	57,713,664	78,807,113	147,885,977
Income for the year	-	-	3,074,896	3,074,896
Total comprehensive income/(loss) for the year	11,365,200	57,713,664	81,882,010	150,960,873
Dividend paid (including dividend tax)	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>11,365,200</b>	<b>57,713,664</b>	<b>81,882,010</b>	<b>150,960,873</b>
<b>Balance as at April 1, 2017</b>	13,252,523	67,297,688	95,479,468	176,029,679
Income for the year	-	-	5,150,159	5,150,159
Total comprehensive income/(loss) for the year	13,252,523	67,297,688	100,629,627	181,179,838
Dividend paid (including dividend tax)	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>13,252,523</b>	<b>67,297,688</b>	<b>100,629,627</b>	<b>181,179,838</b>

Notes forming part of Standalone Financial Statements

1-10

For and on behalf of the Board of Directors

Nick Sale  
Stephane Bechot

Director  
Director

Place: Germany

Date:

**INCAT GmbH**  
**Notes forming part of the Financial Statements**

	(Amount in € ) As at March 31, 2018	(Amount in INR) As at March 31, 2018	(Amount in € ) As at March 31, 2017	(Amount in INR) As at March 31, 2017
<b>2 TRADE RECEIVABLES</b> (Unsecured, considered good unless otherwise stated)				
Considered good	20,48,601	16,55,43,487	20,28,261	14,05,58,477
Considered doubtful	-	-	-	-
	<b>20,48,601</b>	<b>16,55,43,487</b>	<b>20,28,261</b>	<b>14,05,58,477</b>
Less : Expected credit loss allowance	-	-	-	-
	20,48,601	16,55,43,487	20,28,261	14,05,58,477
	<b>20,48,601</b>	<b>16,55,43,487</b>	<b>20,28,261</b>	<b>14,05,58,477</b>

In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of receivables that are due and rates used in the provision matrix.

**3 CASH AND CASH EQUIVALENTS**

	(Amount in € ) As at March 31, 2018	(Amount in INR) As at March 31, 2018	(Amount in € ) As at March 31, 2017	(Amount in INR) As at March 31, 2017
(a) Balances with banks:				
- Current account with banks	2,25,104	1,81,90,208	2,23,554	1,54,92,275
	<b>2,25,104</b>	<b>1,81,90,208</b>	<b>2,23,554</b>	<b>1,54,92,275</b>

	(Amount in € ) As at March 31, 2018	(Amount in INR) As at March 31, 2018	(Amount in € ) As at March 31, 2017	(Amount in INR) As at March 31, 2017
<b>4 OTHER CURRENT ASSETS</b>				
(a) VAT, other taxes recoverable, statutory deposits	481	38,832	389	26,969
	<b>481</b>	<b>38,832</b>	<b>389</b>	<b>26,969</b>

**INCAT GmbH**  
**Notes forming part of the Financial Statements**

	(Amount in € )	(Amount in INR)	(Amount in € )	(Amount in INR)
	As at	As at	As at	As at
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
<b>5 Equity Share Capital</b>				
<b>(a) Authorised share capital</b>				
1640 (previous year 1640) Ordinary shares of EUR 100 each	1,64,000	1,32,52,523	1,64,000	1,13,65,200
<b>(b) Issued,Subscribed and Fully paid up capital:</b>				
1640 (previous year 1640) Ordinary shares of EUR 100 each	1,64,000	1,32,52,523	1,64,000	1,13,65,200
<b>Total</b>	<b>1,64,000</b>	<b>1,32,52,523</b>	<b>1,64,000</b>	<b>1,13,65,200</b>

**INCAT GmbH**  
**Notes forming part of the Financial Statements**

	(Amount in € )	(Amount in INR)	(Amount in € )	(Amount in INR)
	Year ended	Year ended	Year ended	Year ended
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017

**6 OTHER INCOME**

**(a) Interest Income**

Interest income earned on financial assets that are not designated as at fair value through profit and loss

(i) Interest income-others	40,157	32,45,034	47,661	33,02,926
	<b>40,157</b>	<b>32,45,034</b>	<b>47,661</b>	<b>33,02,926</b>

	(Amount in € )	(Amount in INR)	(Amount in € )	(Amount in INR)
	Year ended	Year ended	Year ended	Year ended
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017

**7 CONSULTANCY FEES, SOFTWARES AND OTHERS**

(a) Professional fees

-	-	3,000	2,07,900
	<b>-</b>	<b>3,000</b>	<b>2,07,900</b>

	(Amount in € )	(Amount in INR)	(Amount in € )	(Amount in INR)
	Year ended	Year ended	Year ended	Year ended
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017

**8 OTHER EXPENSES**

(a) Miscellaneous expenses

784	63,324	290	20,130
	<b>784</b>	<b>63,324</b>	<b>290</b>

## 9 Related Party disclosures

A statement of transactions with related parties has been attached herewith:

Nature of Transaction	Tata Technologies Europe Limited (€)	Tata Technologies Europe Limited (₹)
<b>Financial services Provided by the Reporting Enterprise</b>		
Interest received on Loans	40,151 (42,480)	32,44,525 (31,26,549)
<b>Dues Receivable by the Reporting Enterprise as on the date of the Reporting Period</b>		
Loans paid and outstanding (Incl. of interest)	25,77,916 -21,19,270	20,83,16,417 -14,68,65,436
<b>Dues Payable by the Reporting Enterprise as on the date of the Reporting Period</b>		
Due payable	4,18,495 (-)	3,38,17,744 (-)
<b>Any other items</b>		
Sale of business / undertakings	91,010 -91,010	63,06,993 -63,06,993

(Previous year figures are in brackets)

### 10 (a) Conversion into Indian Rupees

The financial information is expressed in Euro only in the Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 129 of the Companies (Accounts) Rules, 2014, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of 1 € = Rs. 80.80807 as on March 31, 2018 (1 Euro=Rs. Rs. 69.3 as at 31st March 2017) These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate.

**10 (b)** The above Financial Statements are prepared from the internally prepared management accounts of the Company. There is no separate audit report is given in respect of the Company. An audit report for the Group is issued by B S R & Co. LLP, Chartered Accountants and is included in its financial statements.

**TO THE MEMBERS OF  
INCAT GmbH**

The Directors hereby present the Eighteenth Annual Report on the Business and Operations of the Company and Statement of Accounts for the year ended March 31, 2018.

**1. FINANCIAL RESULTS**

The Financial Results of the Company for the year ended March 31, 2018 are as follows:

	For the year ended	
	(In €)	(In ₹)
Other Income	40,157	3,245,034
Profit for the year	63,733	5,150,077

**2. OPERATIONS**

As a part of Euro one restructuring exercise, the business operations of the Company along with assets and liabilities were transferred to Tata Technologies Europe Limited as on 1st April 2009. As a result, the Company has not carried out any business operations during the year under consideration. The Company is in the process of liquidation.

Consequently, no sales turnover has been reported. However, the Company has incurred certain Interest income earned over loan given to Tata Technologies Europe Limited (its fellow subsidiary) was € 40,157 (₹3,245,034). During the year, the company reported profit of € 63,733 (₹5,150,077)

**3. CHANGE IN SHARE CAPITAL**

During the year, no changes have occurred in the authorized and paid up capital of the Company.

**4. 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.

**5. POST BALANCE SHEET EVENTS**

There have been no significant post balance sheet events, since the end of the financial year ended 31st March 2016, which have had a material effect on the financial position of the Company.

**6. PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public.

## **7. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION**

The operations of the Company are such that they are not deemed as energy intensive. However, the Company constantly makes effort to avoid excessive consumption of energy and encourage conservation of energy.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 134 (5) of the Companies Act, 2013 the directors, based on the representations received from the operating management, confirm that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. they have, in selection of the accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;
3. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. they have prepared the annual accounts on a "going concern basis".
5. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **9. LIQUIDATION OF THE COMPANY**

The management of the Company has initiated the liquidation of the Company during the year and the same will be completed in the next financial year 17-18.

## **10. ACKNOWLEDGEMENTS**

The Directors wish to place on record their gratitude to all the Company's customers, business partners, bankers, auditors and government/statutory authorities for their support.

**On behalf of the Board of Directors;**

Stephane Bechot	Director
Nick Sale	Director

**Place : Stuttgart, Germany**

**Date :**