

Company Registration No. 02377350

INCAT International PLC

Annual Report and Financial Statements

31 March 2016

INCAT International PLC

Report and Financial Statements 2016

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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
Birmingham, UK

INCAT International PLC

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2016.

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 £159,047 (INR 15,138,151) in 2016 in comparison to a Profit after tax of £151,998 (INR 14,986,603) in 2015.

Dividends

No dividend has been proposed for the year 2016 (2015: £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 2016.

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 is 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 is 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

April 2016

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. The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. Accordingly, in the year ended 31 March 2016 the Company has changed its accounting framework from pre-2015 UK GAAP to Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 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.

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

We have audited the financial statements for the year ended 31 March 2016 which comprise the Income Statement, the Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and 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 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework; 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

April 2016

INCAT International PLC

Income Statement Year ended 31 March 2016

	Notes	2016		2015	
		£000	INR000 (see note 2)	£000	INR000 (see note 2)
Administrative expenditure (Net)		(153)	(14,598)	(80)	(7,877)
Operating Loss		(153)	(14,598)	(80)	(7,877)
Finance Income	7,8	312	29,736	232	22,864
Profit on ordinary activities before taxation		159	15,138	152	14,987
Tax on Profit on ordinary activities	9	-	-	-	-
Profit for the financial year		159	15,138	152	14,987

Revenue and operating profit are all 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.

INCAT International PLC

Balance Sheet At 31 March 2016

		2016		2015	
	Note	£000	INR000 (see note 2)	£000	INR000 (see note 2)
Non-Current Assets					
Investments		8,535	814,690	8,176	755,847
Current assets					
Trade Receivables	11	141	13,488	551	49,597
Cash at bank and in hand	12	548	52,273	296	28,714
Total Assets		9,224	880,451	9,023	834,158
Trade Payables- amounts falling due within one year		(3,190)	(304,499)	(3,148)	(229,719)
Total assets less current liabilities, being net assets		6,034	575,952	5,875	604,439
Equity and Reserves					
Share Capital	10	243	23,171	243	24,162
Share premium account	10	3,029	289,166	3,029	301,534
Merger reserve	10	853	81,445	853	84,928
Capital redemption reserve	10	12	1,120	12	1,168
Retained Earnings	10	1,897	181,050	1,738	192,647
Shareholders Equity		6,034	575,952	5,875	604,439

These financial statements of INCAT International PLC, registered number 02377350 were approved by the Board of Directors and authorised for issue on April 2016

Signed on behalf of the Board of Directors

Warren Harris
Director

INCAT International PLC

Statement of changes in equity For the year ended 31 March 2016

	Share Capital £'000	Share Premium A/c £'000	Merger Reserve £'000	Capital Redemption £'000	Retained Earnings £'000	Total £'000
Balance at 1 April 2014	243	3,029	853	12	1637	5,774
Profit for the financial year	-	-	-	-	152	152
Foreign exchange difference	-	-	-	-	(51)	(51)
Balance at 31 March 2015	243	3,029	853	12	1,738	5,875
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

	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	24,162	301,534	84,928	1,168	162,920	574,712
Profit for the financial year	-	-	-	-	14,987	14,987
Foreign exchange difference	(1,720)	(21,467)	(6,046)	(83)	(11,595)	14,740
Balance at 31 March 2016	22,442	280,067	78,882	1,085	221,963	604,439
Balance at 1 April 2015	22,442	280,067	78,882	1,085	221,963	604,439
Profit for the financial year	-	-	-	-	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

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Notes to the Financial Statements Year ended 31 March 2016

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 43. The registered office address of the parent Company preparing consolidated accounts is Bombay House, 24 Homi Mody Street, Mumbai, 400 00, India.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 April 2016.

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. Accordingly, in the year ended 31 March 2016 the Company has changed its accounting framework from pre-2015 UK GAAP to FRS 101 and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'

This transition is not considered to have had a material effect on the financial statements.

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 2016.

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.

INCAT International PLC

Notes to the Financial Statements Year ended 31 March 2016

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.

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.

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 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 (Previous Year: 1 Pounds Sterling = INR 98.5974 for the Profit and Loss Account for year ended 31 March 2015 and 1 Pounds Sterling = INR 92.4489 for the Balance Sheet as at 31 March 2015). 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.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

INCAT International PLC

Notes to the Financial Statements Year ended 31 March 2016

2. 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.

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 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.

On April 2015 the members of the Company approved the principal terms of a liability limitation agreement with Deloitte LLP in relation to the year ended 31 March 2016.

4. Profit on ordinary activities before taxation

Operating profit is stated after charging:

	2016		2015	
	£000	INR000	£000	INR000
	(see Note 2)		(see Note 2)	
Auditor's remuneration				
- fees payable to the Company's auditors for the audit of the Company's annual financial statements*	-	-	-	-
Foreign exchange losses	74	7,064	44	4,296

* 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.

INCAT International PLC

Notes to the Financial Statements Year ended 31 March 2016

6. Employees

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

7. Interest receivable and Other Operating income

	2016		2015	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Profit on sale of Investments	93	8,900	137	5,738
Interest received	-	-	-	3,163
Dividend received	224	21,269	96	8,426
	<u>317</u>	<u>30,169</u>	<u>233</u>	<u>17,327</u>

8. Interest payable and similar charges

	2016		2015	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Bank charges	5	432	1	85
	<u>5</u>	<u>432</u>	<u>1</u>	<u>85</u>

9. Tax on profit on ordinary activities

	2016		2015	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
UK corporation tax at 20% (2015: 21%)	-	-	-	-
	<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 20% (2015: 21%). The future tax rate for 2016-17 shall continue to be at 20%.

The differences are explained below:

	2016		2015	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Profit on ordinary activities before taxation	159	15,138	152	14,987
UK Corporation tax at 20% (2015: 21%) thereon	32	3,028	32	3,147
Plus the effect of:				
Utilization of previous year losses	-	-	(30)	(2,918)
Income not taxable	(63)	(6,034)	(2)	(189)
Expenses not deductible for tax	19	1,808	-	-
Group Relief with no payment	12	1,198	-	-
Total tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Notes to the Financial Statements Year ended 31 March 2016

10. Non-Current Investments

	Shares in subsidiary undertakings £000	Shares in parent undertaking £000	Total £000
Cost and net book value			
At 1 April 2015	4,247	3,929	8,176
Addition	-	359	359
	<hr/>	<hr/>	<hr/>
At 31 March 2016	4,247	4,288	8,535
	<hr/>	<hr/>	<hr/>
	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 2015	392,670	363,177	755,847
Addition	-	34,267	34,267
Exchange Difference	12,757	11,819	24,576
	<hr/>	<hr/>	<hr/>
At 31 March 2016	405,427	409,263	814,690
	<hr/>	<hr/>	<hr/>

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 2016

11. Debtors

	2016		2015	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Other debtors	141	13,488	551	49,597
	<u>141</u>	<u>13,488</u>	<u>551</u>	<u>49,597</u>
	<u><u>141</u></u>	<u><u>13,488</u></u>	<u><u>551</u></u>	<u><u>49,597</u></u>

12. Creditors: amounts falling due within one year

	2016		2015	
	£000	INR000 (see Note 2)	£000	INR000 (see Note 2)
Amounts owed to group undertakings	3,158	301,395	3,122	227,278
Accruals and deferred income	32	3,104	26	2,441
	<u>3,190</u>	<u>304,499</u>	<u>3,148</u>	<u>229,719</u>
	<u><u>3,190</u></u>	<u><u>304,499</u></u>	<u><u>3,148</u></u>	<u><u>229,719</u></u>

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

13. Share capital

	2016		2015	
	£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	23,171	243	24,162
	<u>243</u>	<u>23,171</u>	<u>243</u>	<u>24,162</u>
	<u><u>243</u></u>	<u><u>23,171</u></u>	<u><u>243</u></u>	<u><u>24,162</u></u>

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Notes to the Financial Statements Year ended 31 March 2016

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 Rs. 645 per share.

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.

18. Explanation of transition to FRS 101

This is the first year that the Company has presented its financial statements under FRS 101. The last financial statements under a previous GAAP (pre-2015 UK GAAP) were for the year ended 31 March 2016 and the date of transition to FRS 101 was therefore 1 April 2014. There have been no material changes from the transition.