

**PT TATA MOTORS INDONESIA AND
SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
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**THE DIRECTOR'S STATEMENT OF RESPONSIBILITY
FOR THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020
PT TATA MOTORS INDONESIA (THE "COMPANY") AND SUBSIDIARY**

I, the undersigned:

1. Name : Biswadev Sengupta
- Office Address : Pondok Indah Office Tower 3 Suite 801B
Jl. Sultan Iskandar Muda Kav. V-TA Kebayoran Lama
Jakarta Selatan 12310
- Office Telephone : 021 - 29328041
- Function : President Director

On behalf of management, declare that:

1. We are responsible for the preparation and presentation of the consolidated financial statements of PT Tata Motors Indonesia and subsidiary;
2. The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3.
 - a. The disclosures we have made in the consolidated financial statements are complete and accurate;
 - b. The consolidated financial statements do not contain misleading information, and we have not omitted any information or facts that would be material to the consolidated financial statements;
4. We are responsible for the internal control.

This statement is made truthfully.

Jakarta, May 29, 2020



Biswadev Sengupta
President Director

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2020 AND 2019

	Notes	March 31, 2020 Rp	March 31, 2019 Rp
<u>ASSETS</u>			
CURRENT ASSETS			
Cash in banks and cash equivalents	4	7,875,010,388	4,782,089,974
Trade and other receivables	5	85,722,861,811	47,868,446,160
Inventories	6	76,514,923,841	74,107,386,769
Prepaid taxes	9	6,999,559,595	6,038,909,559
Prepaid expenses		732,493,577	730,335,504
Other current assets		2,131,301,474	3,253,199,784
Total Current Assets		179,976,150,686	136,780,367,750
NON-CURRENT ASSETS			
Property, plant and equipment (net)	7	13,610,529,074	5,958,153,786
Prepaid taxes	9	32,881,241,023	21,165,854,930
Right-of-use assets	8	1,177,702,807	-
Other non-current assets		762,287,252	762,287,252
Total Non-current Assets		48,431,760,156	27,886,295,968
TOTAL ASSETS		228,407,910,842	164,666,663,718
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Short-term bank loan	10	98,521,865,006	68,547,028,334
Lease liabilities		1,238,277,007	-
Trade payables	11	137,003,378,728	44,095,680,692
Other payables	12	42,157,075,945	37,065,577,426
Accrued expenses	13	46,979,823,870	32,206,509,273
Other taxes payables		193,082,224	279,513,554
Total Current Liabilities		326,093,502,780	182,194,309,279
NON-CURRENT LIABILITIES			
Accrued expenses	13	1,126,400,000	1,462,311,530
Deferred tax liabilities	20	605,125,109	769,280,091
Employee benefits obligation	21	4,919,878,388	4,444,184,691
Other non-current liabilities		1,560,574,329	1,309,522,049
Total Non-current Liabilities		8,211,977,826	7,985,298,361
EQUITY			
Share capital	14	554,544,268,740	554,544,268,740
Additional paid-in capital	15	57,543,639	57,543,639
Transaction with non-controlling interest while retaining control		(569,900,083)	(569,900,083)
Accumulated deficit		(659,927,275,584)	(579,544,455,233)
Equity attributable to the owners of the Company		(105,895,363,288)	(25,512,542,937)
Non-controlling interest		(2,206,476)	(400,985)
Total Equity		(105,897,569,764)	(25,512,943,922)
TOTAL LIABILITIES AND EQUITY		228,407,910,842	164,666,663,718

See Notes to the Consolidated Financial Statements, which form an integral part of these consolidated financial statements.

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEARS ENDED MARCH 31, 2020 AND 2019

	Notes	Year ended March 31	
		2020 Rp	2019 Rp
NET SALES	16	192,133,484,909	173,060,457,421
COST OF SALES	17	(161,255,180,224)	(146,456,508,537)
GROSS PROFIT		30,878,304,685	26,603,948,884
Salaries and employee benefits		(25,530,278,843)	(25,211,227,425)
Depreciation and amortization		(4,547,445,141)	(2,386,861,660)
General and administrative expenses	18	(30,916,982,727)	(28,484,517,838)
Selling expenses	19	(23,045,069,473)	(21,093,107,728)
Other expense		(60,253,976)	(102,697,262)
Currency exchange loss (net)		(19,428,036,221)	(1,091,859,494)
Finance costs		(8,414,095,945)	(5,581,161,252)
Finance income		168,562,685	641,518,887
Other income		271,845,292	611,312,215
LOSS BEFORE INCOME TAX		(80,623,449,664)	(56,094,652,673)
INCOME TAX (EXPENSE) BENEFIT	20	(175,473,178)	190,507,326
LOSS FOR THE YEAR		(80,798,922,842)	(55,904,145,347)
OTHER COMPREHENSIVE INCOME			
<i>Items that will never be reclassified to profit or loss:</i>			
Changes resulting from actuarial remeasurements of employee benefits obligation		414,297,000	456,172,000
Tax on other comprehensive income		-	-
		414,297,000	456,172,000
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(80,384,625,842)	(55,447,973,347)
LOSS ATTRIBUTABLE TO:			
Owner of the Company		(80,797,107,308)	(55,902,909,296)
Non-controlling interest		(1,815,534)	(1,236,051)
		(80,798,922,842)	(55,904,145,347)
TOTAL COMPREHENSIVE LOSS			
ATTRIBUTABLE TO:			
Owner of the Company		(80,382,820,351)	(55,446,748,354)
Non-controlling interest		(1,805,491)	(1,224,993)
		(80,384,625,842)	(55,447,973,347)

See Notes to the Consolidated Financial Statements, which form an integral part of these consolidated financial statements.

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEARS ENDED MARCH 31, 2020 AND 2019

	Equity attributable to owners of the Company							
	Share capital	Advances for share capital	Additional paid-in capital	Transaction with non-controlling interest while retaining control	Accumulated Deficit	Total	Non-controlling interest	Total Equity
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Balance as of March 31, 2018	529,544,274,875	25,000,000,000	57,537,504	(569,900,083)	(524,097,706,879)	29,934,205,417	824,008	29,935,029,425
Issuance of share capital	24,999,993,865	(25,000,000,000)	6,135	-	-	-	-	-
Loss for the year	-	-	-	-	(55,902,909,296)	(55,902,909,296)	(1,236,051)	(55,904,145,347)
Total other comprehensive income	-	-	-	-	456,160,942	456,160,942	11,058	456,172,000
Balance as of March 31, 2019	554,544,268,740	-	57,543,639	(569,900,083)	(579,544,455,233)	(25,512,542,937)	(400,985)	(25,512,943,922)
Loss for the year	-	-	-	-	(80,797,107,308)	(80,797,107,308)	(1,815,534)	(80,798,922,842)
Total other comprehensive income	-	-	-	-	414,286,957	414,286,957	10,043	414,297,000
Balance as of Mar 31, 2020	554,544,268,740	-	57,543,639	(569,900,083)	(659,927,275,584)	(105,895,363,288)	(2,206,476)	(105,897,569,764)

See Notes to the Consolidated Financial Statements, which form an integral part of these consolidated financial statements.

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED MARCH 31, 2020 AND 2019

	Year ended March 31	
	2020	2019
	Rp	Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(80,798,922,842)	(55,904,145,347)
Adjustments for:		
Depreciation and amortization	4,547,445,141	2,386,861,660
Finance costs	8,414,095,945	5,581,161,252
Finance income	(168,562,685)	(641,518,887)
Loss on impairment of trade and other receivables	4,816,364,752	548,268,889
Loss on sale of property, plant and equipment	11,328,170	51,999,654
(Reversal of) loss on decline in value of inventories	(2,477,347,360)	1,938,554,608
Net unrealized loss on foreign exchange	19,637,917,010	381,620,543
Income tax expense (benefit)	175,473,178	(190,507,326)
Cash flows from operating activities before changes in following assets and liabilities:	(45,842,208,691)	(45,847,704,954)
Trade and other receivables	(42,043,580,425)	(3,823,660,784)
Inventories	69,810,288	92,126,963
Prepaid taxes	(6,317,254,396)	(4,751,959,706)
Prepaid expenses	(2,158,073)	(54,706,451)
Other current assets	1,147,691,945	807,855,920
Trade payables	75,344,755,745	(4,553,164,056)
Other payables	2,363,530,187	4,983,463,355
Accrued expenses	14,437,403,067	2,608,946,510
Other non-current liabilities	251,052,280	414,594,991
Other taxes payable	(86,431,330)	(134,864,536)
Employee benefits obligation	889,990,697	935,694,186
Cash used in operations	212,601,294	(49,323,378,562)
Income tax paid	(9,546,754,733)	(6,871,742,868)
Income tax refund	2,848,344,840	1,462,721,810
Net cash used in operating activities	(6,485,808,599)	(54,732,399,620)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(10,407,754,634)	(99,542,060)
Proceed from sale of property, plant and equipment	215,525,131	298,181,818
Interest received	168,562,685	641,518,887
Net cash (used in) provided by investing activities	(10,023,666,818)	840,158,645
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term bank loan	34,000,000,000	93,000,000,000
Repayments of short-term bank loan	(4,500,000,000)	(50,500,000,000)
Payments of lease liabilities	(1,958,344,896)	-
Interest paid	(7,939,259,273)	(5,691,875,974)
Net cash provided by financing activities	19,602,395,831	36,808,124,026
NET INCREASE (DECREASE) IN CASH IN BANKS AND CASH EQUIVALENTS	3,092,920,414	(17,084,116,949)
CASH IN BANKS AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,782,089,974	21,866,206,923
CASH IN BANKS AND CASH EQUIVALENTS, END OF YEAR	7,875,010,388	4,782,089,974

See Notes to the Consolidated Financial Statements, which form an integral part of these consolidated financial statements.

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL

a. Establishment and general information

PT. Tata Motors Indonesia (the "Company") was established within the framework of the Foreign Capital Investment Law No. 25 Year 2007, based on notarial deed No. 124, dated November 24, 2011, made before Andalia Farida S.H., M.H., notary public in Jakarta. The deed of establishment was approved by the Minister of Justice and Human Rights of the Republic of Indonesia based on decree No. AHU-64421.AH.01.01 .Tahun 2011 dated December 29, 2011. The publication of the establishment was conducted in the State Gazette of the Republic of Indonesia No. 15, Supplement to the State Gazette of the Republic of Indonesia No. 6710 Year 2013. The articles of association have been amended several times, most recently by Notarial Deed No. 17 dated July 10, 2018, of Fardian, S.H., notary public in Jakarta, concerning increase of subscribed and paid up capital. This changes was reported and acknowledged by the Minister of Justice and Human Rights of the Republic of Indonesia through its Letter No. AHU-AH.01.03-0222163 dated July 16, 2018.

The Company is domiciled in South Jakarta and its office is located in Pondok Indah Office Tower 3 Floor 8 Suite 801B, Jl. Sultan Iskandar Muda Kav.V-TA Kebayoran Lama Jakarta Selatan 12310. The Company has 59 and 60 employees (unaudited) as of March 31, 2020 and 2019, respectively.

In accordance with article 3 of the Company's articles of association, the scope of its activities is to engage in the industry of vehicles with four wheel or more, with business activities in manufacturing and/or assembling of vehicles such as sedan, jeep, mini truck, pick up, buses, station wagon, lori, big buses, (omnibuses), fire truck, ambulance, golf car, library car, steel armored car, ATV, go-karts, race car and similar and selling its production as a distributor/wholesaler in domestic or export market.

The Company is one of the companies owned by TML Holdings Pte. Ltd. As of March 31, 2020, the Company's management consists of the following:

President Commissioner	: Mr. Kottamasu Venkateswara Rao
Commissioners	: Mr. Setthapathi Vaidyanathan
	: Mr. Vinay Kumar Pathak
	: Mr. Rudrarup Maitra
	: Mr. Vishal Khosla

President Director	: Mr. Biswadev Sengupta
Director	: Mr. Achmad Djauhari

b. Consolidated subsidiary

As of March 31, 2020 and 2019, the Company has direct ownership interest of 99.99% in PT. Tata Motors Distribusi Indonesia ("subsidiary").

The subsidiary domiciled in South Jakarta and in accordance with article 3 of the subsidiary's articles of association, the scope of its activities is to engage in the wholesale trading and after-sales service with business activities as distributors for new cars and parts (for vehicles with four-wheel or more wheeled vehicles which include engine, gear box, axles and propeller shafts), and importer and exporter for new domestic carrosserie vehicles, military vehicles, and parts (for vehicles with four-wheel or more wheeled vehicles which include engine, gear box, axles and propeller shafts). The subsidiary started its commercial operations in September 2013 and had total assets of Rp 230,024,150,256 and Rp 161,995,198,749 as of March 31, 2020 and 2019, respectively.

2 BASIS OF PREPARATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK").

b. The Company's directors approved the consolidated financial statements for issuance on 29 May 2020.

c. Basis of measurement

The consolidated financial statements are prepared on the accrual basis using the historical cost concept, except where the accounting standards require fair value measurement.

2 BASIS OF PREPARATION (Continued)

d. Functional and presentation currency

The consolidated financial statements are presented in full amount of Rupiah, which is the Company and subsidiary's functional currency.

e. Use of judgments, estimates and assumptions

The preparation of consolidated 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 the estimated amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Below are the critical judgments, apart from those involving estimations that the management have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment Loss on Receivables

The Company and subsidiary assesses its receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes judgment as to whether there is objective evidence that loss event has occurred. Management also makes judgment as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss.

The carrying amounts of receivables are disclosed in Note 5.

Allowance for Decline in Value of Inventories

The Company and subsidiary provides allowance for decline in value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for decline in value of inventories, which ultimately will impact the result of the Company and subsidiary's operations.

The carrying amounts and provision for decline in value of inventories are disclosed in Note 6.

Estimated Useful Lives of Property, Plant and Equipment

The useful life of each item of the Company and subsidiary's property, plant and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

A change in the estimated useful life of any item of property and equipment would affect the recorded depreciation expense and decrease in the carrying values of these assets.

The carrying amounts of property, plant and equipment are disclosed in Note 7.

2 BASIS OF PREPARATION (Continued)

e. Use of judgments, estimates and assumptions (Continued)

Employee benefits obligation

The determination of employee benefits obligation depends on selection of certain assumptions used by the actuary for the calculation of the liability. These assumptions include discount rate and rate of increase in salaries. Although the assumptions of the Company and subsidiary are considered appropriate and reasonable, significant changes in fact or significant changes in assumptions used can significantly affect the employee benefits obligation of the Company and subsidiary.

The carrying amount of employee benefits obligation is disclosed in Note 21.

Provision for buy back guarantee

The Company determines the provision for buy back guarantee based on the estimated losses that will be incurred in case of default by end customer. In estimating the provision, management considers the rate of default, cost of repossession of vehicles, cost of repairing and other incremental costs and estimated selling price to sell the repossessed vehicles. While it is believed that the assumptions used in the estimation of provision for buy back guarantee are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the provision, which ultimately will impact the result of the Company and subsidiary's operations. Each quarter, the Company and subsidiary re-evaluate the estimates to assess the adequacy of the recorded provisions and adjust the amounts as necessary.

The carrying amount of provision for buy back guarantee is disclosed in Note 13.

f. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the financial statement of entities in which the Company has the ability to control the entities, both directly or indirectly.

A subsidiary is an entity controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

A subsidiary is consolidated from the date on which effective control is obtained by the Company, and is no longer consolidated from the date such control ceases.

Non-controlling interest in the assets of a subsidiary is identified at the date of business combination and afterwards are adjusted by proportion of changes in equity of subsidiary and presented as a part of equity in the consolidated statement of financial position.

Non-controlling interest in the total comprehensive income of a subsidiary is identified at its portion and presented as a part of total attributable comprehensive income in the consolidated statements of profit or loss and other comprehensive income.

Where control of an entity is obtained during a financial period, its results are included in the consolidated financial statements from the date on which control commences. Where control ceases during a financial period, its results are included in the consolidated financial statements for the part of the year during which control existed.

The accounting policies adopted in preparing the consolidated financial statements have been consistently applied by the Company and subsidiary in all material respects.

All material transactions and balances between consolidated companies have been eliminated, including unrealized gains and losses arising from intercompany transactions.

Changes in the Company's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When control over a previous subsidiary is lost, any remaining interest in the entity is re-measured at fair value and the resulting gains or loss is recognized in profit or loss.

2 BASIS OF PREPARATION (Continued)

g. *New/revised accounting standards*

The following new interpretations became effective from annual periods beginning on or after April 1, 2019 and have been applied in preparing these financial statements for the year ended March 31, 2020:

- ISAK 33 "Foreign Currency Transactions and Advance Considerations"
- ISAK 34 "Uncertainty over Income Tax Treatment"

The Company and subsidiary have assessed that the application of the aforementioned interpretations did not result in substantial changes to the Company and subsidiary's accounting policies and did not have significant impact to the amount reported for the current or prior financial periods.

The following new accounting standards that are mandatorily effective for annual periods beginning on or after January 1, 2020, but that allows for early adoption:

- PSAK 71 "Financial Instruments"
- PSAK 72 "Revenue from Contracts with Customers"
- PSAK 73 "Leases"

Up to the issuance of these consolidated financial statements, management has not determined the extend of the retrospective impact, if any, that the future adoption of PSAK 71 will have on the Company and subsidiary's financial position and operating results. While PSAK 72 and PSAK 73 were early adopted by the Company and subsidiary starting from April 1, 2019.

PSAK 72 "Revenue from Contracts with Customers"

PSAK 72 is based on the principal of recognizing revenue when the control of goods or services is transferred to customers at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognized over time, in a manner that depicts the entity's performance, or at a point in time, when control of goods or services is transferred to the customer.

The Company applied PSAK 72 using the modified retrospective approach. Accordingly, the comparative information presented for the year ended March 31, 2019 is not restated and continues to be reported under PSAK 23 "Revenue". The adoption of PSAK 72 had no material impact on the Company and subsidiary's financial statements.

PSAK 73 "Leases"

In accordance to the transitional provisions, the Company and subsidiary has applied PSAK 73 using the modified retrospective approach, i.e. by recognizing the cumulative effect of initially applying PSAK 73 as an adjustment to the opening balance of equity at April 1, 2020. Accordingly, the comparative information presented for the year ended March 31, 2019 is not restated and continues to be reported under PSAK 30, "Leases".

i. *Definition of a lease*

PSAK 73 defines a lease as a contract that conveys the right to control the use of an asset for a period of time. Under the new standard, the previous accounting model for lessees, which distinguished between on-balance sheet finance leases and off-balance sheet operating leases, has been eliminated.

ii. *Classification - lessee*

As a lessee, the Company and subsidiary previously classified leases as operating or finance lease based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company and subsidiary. Under PSAK 73, the Company and subsidiary recognizes right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Company and subsidiary has opted to apply the standard's recognition exemption for short-term leases (see Note 3d). For leases of other assets, which were previously classified as operating lease under PSAK 30, the Company and subsidiary recognized right-of-use assets and lease liabilities.

On transition, for leases that previously classified as operating lease under PSAK 30, the lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company and subsidiary's incremental borrowing rate at April 1, 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2 BASIS OF PREPARATION (Continued)

g. *New/revised accounting standards (Continued)*

The Company used the following practical expedients when applying PSAK 73 to leases previously classified as operating lease under PSAK 30:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with a remaining term of less than 12 months;
- Excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

iii. *Impact on consolidated financial statements*

On transition to PSAK 73, the Company and subsidiary recognized Rp 3,197 million of right-of-use assets and lease liabilities.

When measuring the lease liabilities, the Company and subsidiary discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted-average rate applied is 10.76%.

As a result of adoption of PSAK 73, the Company and subsidiary changed its accounting policy for leases as disclosed in Note 3d.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

a. *Cash equivalents*

Cash equivalents consist of time deposits with maturities of three months or less from the date of placement.

b. *Inventory valuation*

Inventories are measured at the lower of cost and net realizable value; cost is determined using the weighted average method, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

c. *Property, plant and equipment*

Property, plant and equipment are measured using the cost model, i.e. initially measured at cost and subsequently carried net of accumulated depreciation. Depreciation is applied using the straight-line method over the estimated useful lives of the assets as follows:

IT equipment	4 Years
Furniture, fixtures and office equipment	4 - 8 Years
Vehicles	8 Years
Building improvements	10 Years
Factory equipment	4 Years
Tools	4 Years

d. *Leases*

Policy applicable from April 1, 2019

At inception of a contract, the Company and subsidiary assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company and subsidiary assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company and subsidiary has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company and subsidiary has the right to direct the use of the asset. The Company and subsidiary has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

This policy is applied to contracts entered into, or changed, on or after April 1, 2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Leases (Continued)

At inception or on reassessment of a contract that contains a lease component, the Company and subsidiary allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company and subsidiary recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company and subsidiary's incremental borrowing rate. Generally, the Company and subsidiary use its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on the index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company and subsidiary are reasonably certain to exercise, lease payments in an option renewal period if the Company and subsidiary are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company and subsidiary are reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company and subsidiary's estimate of the amount expected to be payable under a residual value guarantee, or if the Company and subsidiary changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is measured this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company and subsidiary has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Company and subsidiary recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before April 1, 2019

Leasing arrangements in which risks and rewards of ownership are not conveyed to the Company and subsidiary are classified as operating leases and treated as an executory contract.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

e. Prepaid expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. *Provision*

A provision is recognized if, as a result of a past event, the Company and subsidiary has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, 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.

A provision for product warranty is recognized when products are sold. The provision is estimated based on historical warranty claims and a weighing of all possibilities outcomes against their associated probabilities.

g. *Employee benefits*

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Re-measurement.

The Company and subsidiary presents the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

h. *Revenue recognition*

Revenue from sales of products is measured at the fair value of the consideration received or receivable, net of returns and trade discounts. The Company and subsidiary recognizes revenue when it transfers control over a product to a customer (i.e. when sales invoice is made).

i. *Financial instruments*

The Company and subsidiary's financial assets comprise cash in bank and cash equivalents, trade and other receivables, and refundable deposits (other current assets and other non-current assets) which are categorized as "Loans and receivables". Financial liabilities comprise short-term bank loan, lease liabilities, trade payables, other payables, and accrued expenses (exclude product warranty and buy back guarantee) which are categorized as "Financial liabilities measured at amortized cost".

A financial instrument is recognized when the Company and subsidiary becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the Company and subsidiary's contractual rights to the cash flows from the financial assets expire, i.e. when the asset is transferred to another party without retaining control, or when substantially all risks and rewards are transferred. Financial liabilities are derecognized if the Company and subsidiary's obligations expire, or are discharged or cancelled.

Financial assets that are categorized as loans and receivables are initially measured at fair value, plus any directly attributable transaction costs. Subsequent to initial measurement, they are carried at amortized cost, net of provision for impairment, if necessary. Amortized cost is measured by discounting the asset amounts using the effective interest rate, unless the effect of discounting would be insignificant. The effective interest rate is the rate that discounts expected future cash flows to the net carrying amount, on initial recognition. Interest effects from the application of the effective interest method are recognized in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. *Financial instruments (Continued)*

An impairment provision is recognized for financial assets that are categorized as loans and receivables when there is objective evidence that the Company and subsidiary will not be able to recover the carrying amounts according to the original terms of the instrument. The amount of the impairment loss is the difference between the carrying amount of the financial asset and the present value of its estimated future cash flows, discounted at the original effective interest rate. Changes in the impairment provision are recognized in profit or loss.

Financial assets and financial liabilities at fair value through profit or loss are measured at fair value, changes therein are recognized in profit or loss. Transaction costs are recognized immediately in profit or loss as incurred.

Short-term bank loan, lease liabilities, trade payables, other payables, and accrued expenses (exclude product warranty and buy back guarantee) are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial measurement, these financial liabilities are measured at amortized cost using the effective interest method.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when there is a legal right of offset and there is an intention to settle on a net basis, or when the asset is realized and the liability settled simultaneously.

j. *Impairment of non-financial assets*

At the end of each reporting period, the Company and subsidiary reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company and subsidiary estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

k. *Transaction with related party*

A related party is a person or entity that is related to the Company and subsidiary (the reporting entity):

- a. A person or a close member of that person's family is related to the reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of the parent of the reporting entity.
- b. An entity is related to the reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - iii. Both entities are joint ventures of the same third party;
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - vi. The entity is controlled, or jointly controlled, by a person identified in (a);
 - vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Foreign currency transactions

Transactions in foreign currencies are translated to the Company and subsidiary's functional currency (Rupiah) at the rates of exchange prevailing at transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange rate at the reporting date. Foreign currency gains or losses on monetary items are comprised of the difference between amortized cost measured in the functional currency at the beginning of the period as adjusted for effective interest and payments during the period, and the amortized cost measured in foreign currency translated at the exchange rate at reporting date.

Non-monetary assets and liabilities denominated in a foreign currency that are measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated.

Foreign currency gains and losses on retranslation of monetary assets and liabilities that arise from operating activities are generally recognized in profit or loss.

m. Finance income and finance costs

Finance income comprises interest income on funds invested.

Finance costs comprise interest expense on borrowings and lease liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

n. Income Tax

Income tax expense comprises current and deferred corporate income tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or refundable on taxable income or loss for the year, using tax rates substantively enacted as of the reporting date, and includes true-up adjustments made to the previous years' tax provisions either to reconcile them with the income tax reported in annual tax returns, or to account for differences arising from tax assessments. Current tax payable or refundable is measured using the best estimate of the amount expected to be paid or received, taking into consideration the uncertainty associated with the complexity of tax regulations.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted as of the reporting date. This method also requires the recognition of future tax benefits, such as tax loss carry forwards, to the extent that realization of such benefits is probable.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company and subsidiary intends to settle its current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

4 CASH IN BANKS AND CASH EQUIVALENTS

	March 31, 2020 Rp	March 31, 2019 Rp
Cash in banks	7,635,010,388	3,642,089,974
Short-term time deposits	240,000,000	1,140,000,000
Total	<u>7,875,010,388</u>	<u>4,782,089,974</u>

Short-term deposits denominated in Rupiah, earns interest at an annual rate ranging from 4.75% to 5% (March 31, 2019: 6.75% to 7%).

5 TRADE AND OTHER RECEIVABLES

	March 31, 2020 Rp	March 31, 2019 Rp
Receivables resulting from revenue generation activities consists of:		
Trade receivables from third parties	82,136,287,912	43,222,379,455
Less: Provision for impairment	<u>(5,817,751,884)</u>	<u>(3,891,045,435)</u>
	<u>76,318,536,028</u>	<u>39,331,334,020</u>
Other receivables		
Related party	5,932,049,184	6,592,697,593
Third parties (net of provision for impairment of Rp 5,524,957,695 at March 31, 2020 and Rp 2,635,299,392 at March 31, 2019)	<u>3,472,276,599</u>	<u>1,944,414,547</u>
Total other receivables	<u>9,404,325,783</u>	<u>8,537,112,140</u>
Total	<u>85,722,861,811</u>	<u>47,868,446,160</u>

Movement in the balance of provision for impairment was as follows:

	March 31, 2020 Rp	March 31, 2019 Rp
Balance at beginning of year	(6,526,344,827)	(5,978,075,938)
Provision made during the year for trade receivables	(1,926,706,449)	(174,443,920)
Provision made during the year for other receivables	<u>(2,889,658,303)</u>	<u>(373,824,969)</u>
Balance at end of year	<u>(11,342,709,579)</u>	<u>(6,526,344,827)</u>

6 INVENTORIES

	March 31, 2020 Rp	March 31, 2019 Rp
Vehicles	59,672,520,783	63,716,547,450
Spare parts	<u>19,282,547,324</u>	<u>15,308,330,945</u>
	<u>78,955,068,107</u>	<u>79,024,878,395</u>
Less: Provision for decline in value of inventories	<u>(2,440,144,266)</u>	<u>(4,917,491,626)</u>
	<u>76,514,923,841</u>	<u>74,107,386,769</u>

All of the subsidiary's vehicles inventories are pledged as collaterals for the bank loan (Note 10).

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

7 PROPERTY, PLANT AND EQUIPMENT (NET)

	April 1, 2019	Additions	Deductions	Reclassifications	March 31, 2020
	Rp	Rp	Rp	Rp	Rp
Cost:					
IT equipment	2,294,409,249	102,000,000	-	-	2,396,409,249
Furniture, fixtures and office equipment	11,069,271,642	76,000,000	-	-	11,145,271,642
Vehicles	1,872,986,797	9,141,243,123	(229,240,487)	-	10,784,989,433
Building improvements	1,150,000,000	-	-	-	1,150,000,000
Factory equipment	154,571,454	-	-	-	154,571,454
Tools	629,035,623	-	-	-	629,035,623
Construction in-progress	97,077,299	1,088,511,511	-	-	1,185,588,810
Total	17,267,352,064	10,407,754,634	(229,240,487)	-	27,445,866,211
Accumulated Depreciation:					
IT equipment	(2,185,516,266)	(62,239,410)	-	-	(2,247,755,676)
Furniture, fixtures and office equipment	(6,992,211,262)	(1,694,071,359)	-	-	(8,686,282,621)
Vehicles	(1,044,109,594)	(555,337,023)	2,387,186	-	(1,597,059,431)
Building improvements	(469,583,333)	(115,000,000)	-	-	(584,583,333)
Factory equipment	(154,571,454)	-	-	-	(154,571,454)
Tools	(463,206,369)	(101,878,253)	-	-	(565,084,622)
Total	(11,309,198,278)	(2,528,526,045)	2,387,186	-	(13,835,337,137)
Net Carrying Value	5,958,153,786				13,610,529,074

	April 1, 2018	Additions	Deductions	Reclassifications	March 31, 2019
	Rp	Rp	Rp	Rp	Rp
Cost:					
IT equipment	2,246,444,989	31,064,260	-	16,900,000	2,294,409,249
Furniture, fixtures and office equipment	10,709,271,642	-	-	360,000,000	11,069,271,642
Vehicles	2,350,567,215	-	(547,580,418)	70,000,000	1,872,986,797
Building improvements	1,150,000,000	-	-	-	1,150,000,000
Factory equipment	154,571,454	-	-	-	154,571,454
Tools	560,557,823	68,477,800	-	-	629,035,623
Construction in-progress	543,977,299	-	-	(446,900,000)	97,077,299
Total	17,715,390,422	99,542,060	(547,580,418)	-	17,267,352,064
Accumulated Depreciation:					
IT equipment	(2,218,430,169)	(120,147,330)	-	153,061,233	(2,185,516,266)
Furniture, fixtures and office equipment	(5,097,974,012)	(1,741,176,017)	-	(153,061,233)	(6,992,211,262)
Vehicles	(986,538,763)	(254,969,777)	197,398,946	-	(1,044,109,594)
Building improvements	(354,583,333)	(115,000,000)	-	-	(469,583,333)
Factory equipment	(154,571,454)	-	-	-	(154,571,454)
Tools	(317,573,625)	(145,632,744)	-	-	(463,206,369)
Total	(9,129,671,356)	(2,376,925,868)	197,398,946	-	(11,309,198,278)
Net Carrying Value	8,585,719,066				5,958,153,786

As of Mar 31, 2020, management has reviewed the estimated useful lives of fixed assets and has found them to be appropriate. The useful lives are based on the estimated period over which future economic benefits will be received by the Company and subsidiary, taking into account any unexpected adverse changes in circumstances or events.

Construction in-progress represents vehicles to be capitalized by April 2020.

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

8 RIGHT-OF-USE ASSETS

	April 1, 2019 Rp	Additions Rp	March 31, 2020 Rp
Cost:			
Commercial Premises	-	3,196,621,903	3,196,621,903
Total	-	3,196,621,903	3,196,621,903
Accumulated Depreciation:			
Commercial Premises	-	(2,018,919,096)	(2,018,919,096)
Total	-	(2,018,919,096)	(2,018,919,096)
Net Carrying Value	-		1,177,702,807

9 PREPAID TAXES

	March 31, 2020 Rp	March 31, 2019 Rp
<u>Company</u>		
VAT - net	1,040,004,831	1,015,887,482
<u>Subsidiary</u>		
Overpayment of corporate income tax :		
Fiscal year 2019 (year ended 31 March 2020)	9,546,754,733	-
Fiscal year 2018 (year ended 31 March 2019)	6,871,742,868	6,871,742,868
Fiscal year 2017 (year ended 31 March 2018)	-	3,187,973,000
Overpayment of income tax article 23:		
April 2017 - March 2018	436,952,676	-
Overpayment of income tax article 26:		
April 2017 - March 2018	1,240,850,894	-
Claim for VAT refund:		
April 2017 - March 2018	3,698,275,519	-
March 2017	219,779,653	254,245,728
April 2016 - February 2017	3,313,671,990	3,297,054,058
January - February 2016	357,280,352	357,281,184
January - December 2015	4,221,294,580	4,221,294,580
January - December 2014	1,934,632,927	1,960,376,030
VAT - net	6,999,559,595	6,038,909,559
	38,840,795,787	26,188,877,007
Total	39,880,800,618	27,204,764,489
Less: current portion	(6,999,559,595)	(6,038,909,559)
Non-current portion	32,881,241,023	21,165,854,930

In July 2019, the subsidiary received tax assessment result from the tax authorities which accepted the subsidiary's overpayment of corporate income tax for fiscal year 2017. The subsidiary has received the refund on 29 August 2019 amounted to Rp 2,848,344,840. The remaining amount was recognized in the current year's consolidated profit or loss.

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

10 SHORT-TERM BANK LOAN

	March 31, 2020 Rp	March 31, 2019 Rp
Working capital loan and bank overdraft facility from PT Bank ANZ Indonesia	98,000,000,000	68,500,000,000
Accrued interest	521,865,006	47,028,334
	<u>98,521,865,006</u>	<u>68,547,028,334</u>

This loan is secured by a fiducial security over inventories. Maximum facility: USD 7,000,000 or its equivalent in Rupiah, bearing interest rate per annum at 1% above bank cost of fund. Outstanding amount as of March 31, 2020: Rp 18,000,000,000 due in April 2020 and subsequently has been rolled over to June 2020; Rp 5,000,000,000 due in April 2020 and subsequently has been rolled over to July 2020; and Rp 75,000,000,000 due in May 2020 and subsequently has been rolled over to August 2020 (March 31, 2019: Rp 68,500,000,000, due in April 2019). The facility agreement include certain restrictions, among other things, on compliance with certain administrative requirements.

11 TRADE PAYABLES

	March 31, 2020 Rp	March 31, 2019 Rp
Payables arising from purchases of products and services consist of the following:		
Related party	128,795,954,796	40,275,862,506
Third parties	8,207,423,932	3,819,818,186
Total	<u>137,003,378,728</u>	<u>44,095,680,692</u>

12 OTHER PAYABLES

	March 31, 2020 Rp	March 31, 2019 Rp
Other payables		
Related parties	30,639,852,944	23,512,897,309
Third parties	11,517,223,001	13,552,680,117
Total	<u>42,157,075,945</u>	<u>37,065,577,426</u>

13 ACCRUED EXPENSES

	March 31, 2020 Rp	March 31, 2019 Rp
Current portion		
Buy back guarantee (Note 22)	16,272,453,306	11,530,300,775
Advertising and promotion expenses	12,288,343,480	6,858,265,153
Product warranty	4,785,889,808	5,120,786,306
Employees' compensation	3,534,755,443	3,435,823,481
Professional fees	625,977,200	717,588,000
Transportation and logistics	101,905,762	300,809,596
Others	9,370,498,871	4,242,935,962
Total	<u>46,979,823,870</u>	<u>32,206,509,273</u>
Non-current portion		
Product warranty	<u>1,126,400,000</u>	<u>1,462,311,530</u>

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

14 SHARE CAPITAL

The Company's authorized share capital amounted to Rp 619,850,000,000 (70,000,000 shares at nominal value of Rp 8,855 per share).

The Company's shareholding as of March 31, 2020 and 2019 was as follows:

Name of Shareholders	Number of Shares	March 31, 2020 and 2019	
		Percentage of Ownership	Total Paid-up Capital Rp
TML Holdings Pte., Ltd., Singapore	62,623,768	99.99%	554,533,465,640
Tata Motors Limited, India	1,220	0.01%	10,803,100
Total	62,624,988	100%	554,544,268,740

15 ADDITIONAL PAID-IN CAPITAL

This account represents difference between the share capital payment and nominal value of shares specified in the Company's articles of association.

16 NET SALES

	March 31, 2020 Rp	March 31, 2019 Rp
Vehicles	178,525,995,793	163,925,963,821
Spare parts	13,607,489,116	9,134,493,600
	192,133,484,909	173,060,457,421

17 COST OF SALES

	March 31, 2020 Rp	March 31, 2019 Rp
Inventories (net), beginning of year	74,107,386,769	76,138,068,340
Purchases of vehicles and spare parts	163,662,717,296	144,425,826,966
Less: Inventories (net), end of year	(76,514,923,841)	(74,107,386,769)
	161,255,180,224	146,456,508,537

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

18 GENERAL AND ADMINISTRATIVE EXPENSES

	March 31, 2020 Rp	March 31, 2019 Rp
Rental	6,261,496,819	8,135,851,490
Transportation, logistics, and trials	7,968,147,665	8,096,572,763
Office expenses	4,064,591,176	3,836,790,249
Provision for impairment losses on trade receivables	1,926,706,449	174,443,920
Utilities	1,876,818,999	1,533,959,391
Professional fees	1,493,616,909	1,404,570,564
After sales service	1,468,732,044	1,612,176,615
Others	5,856,872,666	3,690,152,846
Total	30,916,982,727	28,484,517,838

19 SELLING EXPENSES

	March 31, 2020 Rp	March 31, 2019 Rp
Advertising and promotion	10,044,654,070	10,116,786,848
Buy back guarantee	8,392,886,703	6,276,837,460
Sponsorship	1,434,760,702	838,745,638
Others	3,172,767,998	3,860,737,782
Total	23,045,069,473	21,093,107,728

20 TAXATION

	March 31, 2020 Rp	March 31, 2019 Rp
The components of income tax recognized in profit or loss are as follows:		
Company:		
Current	-	-
Deferred	(36,195,834)	(36,489,318)
	(36,195,834)	(36,489,318)
Subsidiary:		
Current	339,628,160	-
Deferred	(127,959,148)	(154,018,008)
	211,669,012	(154,018,008)
Total	175,473,178	(190,507,326)

Current tax

The reconciliations between loss before tax per consolidated statement of profit or loss and other comprehensive income and the Company's fiscal losses are as follows:

	March 31, 2020 Rp	March 31, 2019 Rp
Consolidated loss before income tax	(80,623,449,664)	(56,094,652,673)
Less: Loss before tax of the subsidiary	74,687,258,409	51,146,672,461
Loss before tax of the Company	(5,936,191,255)	(4,947,980,212)
Temporary difference:		
Difference between commercial and fiscal depreciation	144,783,338	145,957,272
Employee benefits obligation	(195,109,612)	-
Accrued expenses	76,800,000	305,409,706
Total	26,473,726	451,366,978
Permanent differences:		
Non-deductible expenses	720,066,912	525,484,966
Benefits in kind	41,907,019	47,142,360
Interest income subject to final tax	(7,461,834)	(71,633,064)
Total	754,512,097	500,994,262
Fiscal loss before fiscal loss carryforward	(5,155,205,432)	(3,995,618,972)
Fiscal loss carryforward		
Fiscal year 2018 (year ended 31 March 2019)	(3,995,618,972)	-
Fiscal year 2017 (year ended 31 March 2018)	(4,051,739,263)	(4,051,739,263)
Fiscal year 2016 (year ended 31 March 2017)	(4,430,362,119)	(4,430,362,119)
Fiscal year 2015 (year ended 31 March 2016)	(8,354,605,603)	(8,354,605,603)
Fiscal year 2014 (year ended 31 March 2015)	-	(10,217,342,217)
Accumulated fiscal losses	(25,987,531,389)	(31,049,668,174)

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

20 TAXATION (Continued)

A reconciliation between the tax expense of the Company and the amounts computed by applying the enacted tax rates to loss before tax per consolidated statement of profit or loss and other comprehensive income is as follows:

	March 31, 2020 Rp	March 31, 2019 Rp
Consolidated loss before income tax	(80,623,449,664)	(56,094,652,673)
Less: loss before tax of the subsidiary	74,687,258,409	51,146,672,461
Loss before tax of the Company	<u>(5,936,191,255)</u>	<u>(4,947,980,212)</u>
Tax benefit at enacted tax rates (25%)	(1,484,047,813)	(1,236,995,053)
Tax effect of permanent differences:		
Non-deductible expenses	180,016,728	131,371,242
Benefits in kind	10,476,755	11,785,590
Interest income subject to final tax	<u>(1,865,459)</u>	<u>(17,908,266)</u>
Total	<u>(1,295,419,789)</u>	<u>(1,111,746,487)</u>
Unrecognized deferred tax	936,738,916	1,075,257,169
Impact from changes in the statutory tax rate	322,485,039	-
Income tax expense	<u><u>(36,195,834)</u></u>	<u><u>(36,489,318)</u></u>

No current tax expense was provided as the Company incurred fiscal loss. According to tax regulations, such loss maybe carried forward and applied against taxable income (if any) of the 5 years following the year in which the fiscal loss was incurred.

Deferred Tax

As of March 31, 2020 and 2019, the Company and subsidiary did not recognize the following deferred tax assets:

	March 31, 2020 Rp	March 31, 2019 Rp
<u>Company</u>		
Fiscal loss carryforward	5,453,205,632	7,762,417,044
Accrued expenses	450,049,351	492,219,716
Employee benefits obligation	<u>24,599,338</u>	<u>76,730,750</u>
	<u>5,927,854,321</u>	<u>8,331,367,510</u>
<u>Subsidiary</u>		
Fiscal loss carryforward	63,186,689,499	82,911,790,540
Accrued expenses	5,478,174,905	5,346,872,262
Provision for impairment of trade and other receivables	2,495,396,107	1,631,586,207
Provision for decline in value of inventories	536,831,739	1,229,372,907
Employee benefits obligation	<u>981,612,580</u>	<u>1,034,315,423</u>
	<u>72,678,704,830</u>	<u>92,153,937,339</u>
Total	<u><u>78,606,559,151</u></u>	<u><u>100,485,304,849</u></u>

Realization of deferred tax assets is depend upon the Company and subsidiary's profitable operations. Deferred tax assets have not been recognized with respect of these items because it is not probable that future taxable profits will be available against which the Company and subsidiary can utilize the benefits therefrom.

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

20 TAXATION (Continued)

Recognized deferred tax balances, and the movement thereof during the year were comprised of the following:

	March 31, 2019 Rp	Recognized in Profit or Loss Rp	Recognized in Other Comprehensive Income Rp	March 31, 2020 Rp
Deferred tax liability of the Company:				
Property, plant and equipment	(92,697,717)	36,195,834	-	(56,501,883)
Deferred tax liability of the subsidiary:	(676,582,374)	127,959,148	-	(548,623,226)
Property, plant and equipment	<u>(769,280,091)</u>	<u>164,154,982</u>	<u>-</u>	<u>(605,125,109)</u>
	March 31, 2018 Rp	Recognized in Profit or Loss Rp	Recognized in Other Comprehensive Income Rp	March 31, 2019 Rp
Deferred tax liability of the Company:				
Property, plant and equipment	(129,187,035)	36,489,318	-	(92,697,717)
Deferred tax liability of the subsidiary:	(830,600,382)	154,018,008	-	(676,582,374)
Property, plant and equipment	<u>(959,787,417)</u>	<u>190,507,326</u>	<u>-</u>	<u>(769,280,091)</u>

Under the taxation laws of Indonesia, the Company and subsidiary submits tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within the statute of limitations, under prevailing regulations.

The Company and subsidiary's tax positions may be challenged by the tax authorities. Management vigorously defends the Company and subsidiary's tax positions which are believed to be grounded on sound technical basis, in compliance with the tax regulations. Accordingly, management believes that the accruals for tax liabilities are adequate for all open tax years based on the assessment of various factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve judgment about future events. New information may become available that causes management to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period in which such determination is made.

On 31 March 2020, the Government of the Republic of Indonesia has issued Government Regulation in Lieu of Law No. 1 Year 2020, which reduced the statutory tax rate to 22% for fiscal years of 2020 and 2021, and to 20% starting from fiscal year 2022. This regulation has been impacted to the changes in the enacted tax rate used for calculation of the Company and subsidiary's deferred taxes as of March 31, 2020.

21 EMPLOYEE BENEFITS OBLIGATION

Post-employment Benefits Under Labor Law No. 13/2003

The Company and subsidiary provides post-employment benefits for its qualifying employees in accordance with the Labor Law No. 13/2003. As of March 31, 2020 the number of employees entitled to the benefits is 44 employees (March 31, 2019: 41 employees).

Amounts recognized in the consolidated statement of profit or loss and other comprehensive income with respect to these employee benefits obligation are as follows:

	March 31, 2020 Rp	March 31, 2019 Rp
Service Cost		
Current service cost	978,894,000	882,992,000
Interest cost	334,051,000	270,641,000
Excess benefits paid	<u>50,484,000</u>	<u>28,391,000</u>
Components of defined benefit costs recognized in profit or loss	<u>1,363,429,000</u>	<u>1,182,024,000</u>
Remeasurement on the net defined benefit liability:		
Actuarial gain arising from changes in financial assumptions	(178,506,000)	(352,370,000)
Actuarial gain arising from experience adjustments	<u>(235,791,000)</u>	<u>(103,802,000)</u>
Components of defined benefit costs recognized in other comprehensive income	<u>(414,297,000)</u>	<u>(456,172,000)</u>
Total	<u>949,132,000</u>	<u>725,852,000</u>

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

21 EMPLOYEE BENEFITS OBLIGATION (Continued)

Movements in the present value of the employee benefits obligation were as follows:

	March 31, 2020 Rp	March 31, 2019 Rp
Beginning balance	4,444,184,691	3,964,662,505
Current service cost	978,894,000	882,992,000
Interest cost	334,051,000	270,641,000
Excess benefits paid	50,484,000	28,391,000
Benefits paid	(473,438,303)	(246,329,814)
Remeasurement gain:		
Actuarial gain arising from changes in financial assumptions	(178,506,000)	(352,370,000)
Actuarial gain arising from experience adjustments	(235,791,000)	(103,802,000)
Ending balance	<u>4,919,878,388</u>	<u>4,444,184,691</u>

The defined benefit pension plan typically exposes the Company and subsidiary to actuarial risks such as interest rate risk and salary risk.

Interest risk

The present value of the defined benefits obligation is calculated using a discount rate that correlates with the yield on high quality government bonds that are traded in active capital markets at the reporting date. Decrease in the interest rate will increase the benefits obligation.

Salary risk

The present value of the defined benefits obligation is calculated by reference to the future salaries of plan participants. The salary increase rate is generally determined by applying inflation adjustments to pay scales, and by taking account of the length of service. Increase in the salary of the plan participants will increase the benefits obligation.

As of March 31, 2020 and 2019, the effect of 1% movement in assumed discount rate and salary incremental rate on present value of defined benefit obligation is as follows:

	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
	Rp	Rp	Rp	Rp
Discount rate	(351,268,000)	395,967,000	(338,621,000)	383,816,000
Salary incremental rate	432,797,000	(388,773,000)	414,752,000	(370,426,000)

This analysis provides an approximation of the sensitivity of the assumptions shown, but does not take account of the variability in the timing of the distribution of benefit payments expected under the plan.

Calculation of employee benefits obligation is performed by a qualified actuary (i.e. PT Dayamandiri Dharmakonsilindo) using the following key assumptions:

	2020	2019
Discount rate	8.85% per annum	8.20% per annum
Salary increment rate	5% per annum	5% per annum

22 COMMITMENT

Under an buy back guarantee cooperation agreement with several financing companies, the subsidiary is obliged to pay the unpaid installment on behalf of the end-customers in the events of default.

The subsidiary also entered into cooperation agreement with various dealers for the execution of buy back guarantee above. Under this agreement, the subsidiary act as the proxy receiver for and on behalf of the dealer, where the subsidiary will buy back the vehicles from financing companies under certain conditions as mention in the agreement. Buy back cost will be charge to the dealers, and the dealers are required to sell the vehicles within certain period of time. Any gain or loss from this transaction will be shared between the subsidiary and dealers.

The subsidiary record buy back cost that charged to dealers as part of other receivables, while the estimated loss from buy back guarantee was recorded as part of accrued expenses.

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

23 RELATED PARTY TRANSACTIONS

The following table summarizes related party transactions and balances included in the consolidated financial statements for the year ended/as at March 31:

	2020			2019		
	Tata Motors Limited	Tata Technologies Limited	PT Tata Consultancy Services Indonesia	Tata Motors Limited	Tata Technologies Limited	PT Tata Consultancy Services Indonesia
Purchase of products	126,377,090,932	-	-	116,369,753,912	-	-
Services received	1,229,132,566	2,193,264,855	576,000,000	864,911,206	2,102,154,940	433,032,605
Receivables	5,932,049,184	-	-	6,592,697,593	-	-
Trade payables	128,795,954,796	-	-	40,275,862,506	-	-
Other payables	26,829,129,501	2,418,723,443	1,392,000,000	22,532,421,841	164,475,468	816,000,000

Key management compensation:

Key management includes directors and commissioners. The following reflects the compensation paid or payable to key management individuals for services rendered in their capacity as employees:

	2020	2019
Salaries and other short-term benefits	5,621,657,270	5,619,714,813

24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments

The Company and subsidiary's financial assets and liabilities are expected to be realized, or settled in the near term. Therefore, their carrying amounts approximate their fair values.

Financial risk management

The main risks arising from the Company and subsidiary's financial instruments are credit risk, liquidity risk, and market risk.

Credit risk

The Company and subsidiary's credit risk mainly arises from risk of loss if customers fail to discharge their contractual obligations. The Company and subsidiary manages and controls the credit risk of receivables by assessing and monitoring the credit worthiness of customers.

To avoid concentration of risk of loss that might result from bank failures, cash in banks and cash equivalents are deposited at multiple financial institutions of good standing.

The ultimate amount of exposure to credit risk of financial assets is equal to their carrying amounts, as follows:

	March 31, 2020 Rp	March 31, 2019 Rp
Cash in banks and cash equivalents	7,875,010,388	4,782,089,974
Trade and other receivables	85,722,861,811	47,868,446,160
Refundable deposits (other current assets and other non-current assets)	1,155,281,321	2,413,270,802
	<u>94,753,153,520</u>	<u>55,063,806,936</u>

Impairment exposure

The aging of trade receivables that were not impaired was as follows at reporting dates:

	March 31, 2020 Rp	March 31, 2019 Rp
Not past due	5,430,287,004	24,281,114,610
Past due 1 - 90 days	15,352,515,235	9,509,117,240
Past due 91 - 180 days	42,828,221,184	544,932,428
Past due more than 180 days	12,707,512,605	4,996,169,742
	<u>76,318,536,028</u>	<u>39,331,334,020</u>

Management believes that the unimpaired amounts that are past due remain collectible, based on historical payment behavior and analyses of the underlying customer's credit worthiness.

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk

Liquidity risk is the risk that the Company and subsidiary will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company and subsidiary manages this liquidity risk by on-going monitoring of the projected and actual cash flows.

As of March 31, 2020, the Company and subsidiary has a working capital deficit of Rp 146,117,352,094. The Company and subsidiary has obtained a confirmation from TML Holdings Pte., Ltd., Singapore (a shareholder) which confirmed that it will continue to provide the Company and subsidiary with all financial support necessary to sustain its financial viability at least for the next twelve months.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

		Contractual cash flows		
	Carrying amount	Total	Within 1 year	Beyond 1 year
March 31, 2020				
Financial liabilities				
Trade payables	137,003,378,728	137,003,378,728	137,003,378,728	-
Other payables	42,157,075,945	42,157,075,945	42,157,075,945	-
Accrued expenses (exclude product warranty and buy back guarantee)	25,921,480,756	25,921,480,756	25,921,480,756	-
Short-term bank loan	98,521,865,006	99,542,850,562	99,542,850,562	-
Lease liabilities	1,238,277,007	1,281,000,001	1,281,000,001	-
	304,842,077,442	305,905,785,992	305,905,785,992	-

		Contractual cash flows		
	Carrying amount	Total	Within 1 year	Beyond 1 year
March 31, 2019				
Financial liabilities				
Trade payables	44,095,680,692	44,095,680,692	44,095,680,692	-
Other payables	37,065,577,426	37,065,577,426	37,065,577,426	-
Accrued expenses (exclude product warranty and buy back guarantee)	15,555,422,192	15,555,422,192	15,555,422,192	-
Short-term bank loan	68,547,028,334	68,547,028,334	68,547,028,334	-
	165,263,708,644	165,263,708,644	165,263,708,644	-

Market risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Company and subsidiary's income or the value of its financial instruments. The objective of market risk management is to maintain market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Monetary liabilities arising from purchases of inventories from overseas suppliers expose the Company and subsidiary to fluctuating foreign exchange rates, from the currencies other than the Company and subsidiary's functional currency, primarily US Dollar. The Company and subsidiary manages this risk by buying or selling foreign currencies at spot rates, when necessary.

The Company and subsidiary's net exposure to currency risk is as follows:

	2020		2019	
	In USD	Equivalent in Rp	In USD	Equivalent in Rp
Assets:				
Cash in banks and cash equivalents	100,944	1,652,150,448	11,635	165,728,940
Trade and other receivables	362,440	5,932,049,184	462,840	6,592,697,593
Total Assets	<u>463,384</u>	<u>7,584,199,632</u>	<u>474,475</u>	<u>6,758,426,533</u>
Liabilities:				
Trade payables	(7,869,246)	(128,795,954,796)	(2,827,567)	(40,275,862,506)
Other payables	(1,342,276)	(21,969,031,292)	(1,084,232)	(15,443,800,608)
Total Liabilities	<u>(9,211,522)</u>	<u>(150,764,986,088)</u>	<u>(3,911,799)</u>	<u>(55,719,663,114)</u>
Net Liabilities	<u>(8,748,138)</u>	<u>(143,180,786,456)</u>	<u>(3,437,324)</u>	<u>(48,961,236,581)</u>

PT. TATA MOTORS INDONESIA AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

24 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

At reporting dates, balances of monetary assets and liabilities denominated in foreign currencies are translated into Rupiah using the prevailing exchange rates, which were Rp 16,367/US Dollar at March 31, 2020 and Rp 14,244/US Dollar at March 31, 2019.

A strengthening/weakening of the Rupiah, as indicated below, against the US Dollar at March 31, 2020 and 2019 would have increased (decreased) equity and profit or loss before income tax by the amounts shown below. This analysis is based on US Dollar rate variances that management considers as being reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Impact on profit or loss before income tax / equity Rp
March 31, 2020:	
2% strengthening of US Dollar	(2,863,615,729)
2% weakening of US Dollar	2,863,615,729
March 31, 2019:	
2% strengthening of US Dollar	(979,224,732)
2% weakening of US Dollar	979,224,732

Interest rate risk

The subsidiary has a variable-rate bank loan. The subsidiary's variable-rate loan is exposed to fluctuation in cash flows due to changes in interest rate.

Cash flow sensitivity analysis for variable rate instruments

A change of 25 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss before income tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for March 31, 2019.

	Impact on profit or loss before income tax / equity	
	25 bp increase	25 bp decrease
	Rp	Rp
March 31, 2020:		
Variable rate instruments	(245,000,000)	245,000,000
March 31, 2019:		
Variable rate instruments	(171,250,000)	171,250,000

Capital risk management

The Company and subsidiary manages capital with the objective of being able to continue as a going concern and sustaining its ability to provide returns for shareholders and benefits for other stakeholders, as well as maintaining an optimal capital structure to minimize the effective cost of capital. This objective is achieved by optimizing debt levels.

PT. TATA MOTORS INDONESIA
APPENDIX 1: STATEMENT OF FINANCIAL POSITION (PARENT COMPANY ONLY)
AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

The following parent company only financial information of PT. Tata Motors Indonesia has been prepared and presented using the accounting policies that are consistent with those applied to the Company's consolidated financial statements, except for investment in subsidiary, which has been presented at cost.

	March 31, 2020 Rp	March 31, 2019 Rp
<u>ASSETS</u>		
CURRENT ASSETS		
Cash in banks and cash equivalents	565,321,400	287,002,580
Other receivables	65,581,594	44,030,077
Prepaid expenses	5,808,802	10,847,699
Other current assets	4,874,186	180,548,425
Total Current Assets	641,585,982	522,428,781
NON-CURRENT ASSETS		
Investment in subsidiary	447,806,720,000	447,806,720,000
Property, plant and equipment (net)	226,007,531	370,861,454
Prepaid taxes	1,040,004,831	1,015,887,482
Other non-current assets	762,287,252	762,287,252
Total Non-current Assets	449,835,019,614	449,955,756,188
TOTAL ASSETS	450,476,605,596	450,478,184,969
<u>LIABILITIES AND EQUITY</u>		
CURRENT LIABILITIES		
Other payables	10,839,532,829	9,080,475,437
Loan from subsidiary	4,286,125,010	-
Accrued expenses	2,176,157,797	2,105,857,797
Other taxes payables	70,242,301	56,003,209
Total Current Liabilities	17,372,057,937	11,242,336,443
NON-CURRENT LIABILITIES		
Deferred tax liabilities	56,501,883	92,697,717
Employee benefits obligation	111,813,388	306,923,000
Total Non-current Liabilities	168,315,271	399,620,717
EQUITY		
Share capital	554,544,268,740	554,544,268,740
Additional paid-in capital	57,543,639	57,543,639
Accumulated deficit	(121,665,579,991)	(115,765,584,570)
Total Equity	432,936,232,388	438,836,227,809
TOTAL LIABILITIES AND EQUITY	450,476,605,596	450,478,184,969

PT. TATA MOTORS INDONESIA

APPENDIX 2: STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (PARENT COMPANY ONLY)

YEARS ENDED MARCH 31, 2020 AND 2019

	Year ended March, 31	
	2020	2019
	Rp	Rp
Salaries and employee benefits	(3,992,284,897)	(4,175,994,434)
Depreciation and amortization	(144,853,923)	(144,783,338)
General and administrative expenses	(306,689,993)	(447,764,057)
Currency exchange loss (net)	(1,207,377,074)	(243,717,097)
Finance income	7,461,834	71,633,064
Finance costs	(286,125,010)	-
Other expense	(6,322,192)	(7,354,350)
LOSS BEFORE TAX	(5,936,191,255)	(4,947,980,212)
INCOME TAX BENEFIT	36,195,834	36,489,318
LOSS	(5,899,995,421)	(4,911,490,894)
OTHER COMPREHENSIVE INCOME -		
<i>Items that will never be reclassified to profit or loss:</i>		
Changes resulting from actuarial remeasurements of employee benefits obligation	-	-
Tax on other comprehensive income	-	-
TOTAL COMPREHENSIVE LOSS	(5,899,995,421)	(4,911,490,894)

PT. TATA MOTORS INDONESIA
APPENDIX 3: STATEMENT OF CHANGES IN EQUITY (PARENT COMPANY ONLY)
YEARS ENDED MARCH 31, 2020 AND 2019

	<u>Share capital</u>	<u>Advances for</u>	<u>Additional</u>	<u>Accumulated</u>	<u>Total</u>
	Rp	share capital	paid-in	Deficit	Rp
		Rp	capital	Rp	
			Rp		
Balance as of March 31, 2018	529,544,274,875	25,000,000,000	57,537,504	(110,854,093,676)	443,747,718,703
Issuance of share capital	24,999,993,865	(25,000,000,000)	6,135	-	-
Loss / Total comprehensive loss	-	-	-	(4,911,490,894)	(4,911,490,894)
Balance as of March 31, 2019	554,544,268,740	-	57,543,639	(115,765,584,570)	438,836,227,809
Loss / Total comprehensive loss	-	-	-	(5,899,995,421)	(5,899,995,421)
Balance as of March 31, 2020	<u>554,544,268,740</u>	<u>-</u>	<u>57,543,639</u>	<u>(121,665,579,991)</u>	<u>432,936,232,388</u>

PT. TATA MOTORS INDONESIA
APPENDIX 4: STATEMENT OF CASH FLOWS (PARENT COMPANY ONLY)
YEARS ENDED MARCH 31, 2020 AND 2019

	Year ended March, 31	
	2020	2019
	Rp	Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss	(5,899,995,421)	(4,911,490,894)
Adjustments for:		
Depreciation	144,853,923	144,783,338
Finance costs	286,125,010	-
Finance income	(7,461,834)	(71,633,064)
Net unrealized loss on foreign exchange	1,080,663,145	244,159,552
Income tax benefit	(36,195,834)	(36,489,318)
Cash flows from operating activities before changes in following assets and liabilities:	(4,432,011,011)	(4,630,670,386)
Other receivables	(21,551,517)	(8,956,341)
Prepaid expenses	5,038,897	(977,002)
Prepaid taxes	(24,117,349)	(21,724,990)
Other current assets	139,754,834	-
Other payables	714,313,652	1,277,035,706
Accrued expenses	70,300,000	400,627,206
Other taxes payables	14,239,092	3,386,565
Employee benefits obligation	(195,109,612)	-
Cash used in operations	(3,729,143,014)	(2,981,279,242)
Net cash used in operating activities	(3,729,143,014)	(2,981,279,242)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received/ Net cash provided by investing activities	7,461,834	71,633,064
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from subsidiary/ Net cash provided by financing activities	4,000,000,000	-
NET INCREASE (DECREASE) IN CASH IN BANKS AND CASH EQUIVALENTS	278,318,820	(2,909,646,178)
CASH IN BANKS AND CASH EQUIVALENTS, BEGINNING OF YEAR	287,002,580	3,196,648,758
CASH IN BANKS AND CASH EQUIVALENTS, END OF YEAR	565,321,400	287,002,580



Siddharta Widjaja & Rekan **Registered Public Accountants**

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Independent Auditors' Report

No: 00386/2.1005/AU.1/05/1547-3/1/V/2020

The Shareholders,
Board of Commissioners and Board of Directors
PT Tata Motors Indonesia:

We have audited the accompanying consolidated financial statements of PT Tata Motors Indonesia and subsidiary, which comprise the consolidated statement of financial position as of 31 March 2020, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Tata Motors Indonesia and subsidiary as of 31 March 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Other matter

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information include in Appendices 1 to 4, which comprises the statement of financial position (parent company only) as of 31 March 2020, and the related statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements in accordance with Indonesian Financial Accounting Standards. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Siddharta Widjaja & Rekan
Registered Public Accountants

A handwritten signature in black ink, appearing to read 'Beatrice', with a horizontal line underneath it.

Beatrice Tanuwijaya, S.E., CPA
Public Accountant License No. AP. 1547

Jakarta, 29 May 2020