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***TATA MOTORS (THAILAND) LTD.***

***Financial Statements***

***Year ended March 31, 2017***

## REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

### TO THE SHAREHOLDERS AND BOARD OF DIRECTORS TATA MOTORS (THAILAND) LTD.

#### Opinion

We have audited the financial statements of Tata Motors (Thailand) Ltd. (the “Company”) which comprise the statement of financial position as at March 31, 2017, and the related statements of income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tata Motors (Thailand) Ltd. as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

#### Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King’s Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Permsak Wongpatcharapakorn  
Certified Public Accountant (Thailand)  
Registration No. 3427

**BANGKOK**  
May 12, 2017

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**TATA MOTORS (THAILAND) LTD.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2017**

	Notes	Amt in Baht 2017	Amt in Rs. 2017	Amt in Baht 2016	Amt in Rs. 2016
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4.1	150,241,320	281,894,783	104,930,460	196,528,456
Trade and other receivables	5	254,118,342	476,797,164	246,162,750	461,048,061
Inventories	6	1,136,265,172	2,131,951,617	1,007,759,193	1,887,472,503
Other current assets		259,230	486,387	180,456	337,983
Total Current Assets		<u>1,540,884,063</u>	<u>2,891,129,950</u>	<u>1,359,032,859</u>	<u>2,545,387,003</u>
<b>NON-CURRENT ASSETS</b>					
Equipment	7	617,576,963	1,158,747,305	645,281,126	1,208,572,832
Non-current assets held for sale	8	0	0	154,480,547	-
Intangible asset	9	97,195	182,365	279,301	523,114
Other non-current assets	10	48,340,023	90,699,417	36,238,941	67,873,362
Total Non-current Assets		<u>666,014,181</u>	<u>1,249,629,087</u>	<u>836,279,915</u>	<u>1,566,302,104</u>
<b>TOTAL ASSETS</b>		<u><u>2,206,898,244</u></u>	<u><u>4,140,759,037</u></u>	<u><u>2,195,312,774</u></u>	<u><u>4,111,689,107</u></u>

Notes to the financial statements form an integral part of these statements

**TATA MOTORS (THAILAND) LTD.**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT MARCH 31, 2017**

	Notes	Amt in Baht 2017	Amt in Rs. 2017	Amt in Baht 2016	Amt in Rs. 2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term borrowings from financial institutions	11	1,003,000,000	1,881,908,840	1,003,000,000	1,878,558,820
Short-term borrowings from parent company		0	0	0	0
Current portion of long-term borrowings					
from parent company	14	0	0	438,000,000	820,347,720
Trade and other payables	12	946,019,373	1,774,997,229	799,879,982	1,498,127,213
Advance received of share capital increased	13	150,000,000	281,442,000	0	0
Other current liabilities		1,306,185	2,450,768	3,467,254	6,493,959
<b>Total Current Liabilities</b>		<u>2,100,325,558</u>	<u>3,940,798,837</u>	<u>2,244,347,236</u>	<u>4,203,527,712</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings from parent company	14	2,255,000,000	4,231,011,400	1,567,000,000	2,934,896,980
Employee benefit obligations	15	13,345,090	25,039,125	12,617,720	23,632,232
<b>Total Non-current Liabilities</b>		<u>2,268,345,090</u>	<u>4,256,050,525</u>	<u>1,579,617,720</u>	<u>2,958,529,212</u>
<b>TOTAL LIABILITIES</b>		<u>4,368,670,648</u>	<u>8,196,849,363</u>	<u>3,823,964,956</u>	<u>7,162,056,925</u>
<b>SHAREHOLDERS' EQUITY</b>					
<b>SHARE CAPITAL</b>					
Authorized share capital					
31,862,900 ordinary shares of Baht 100 each		<u>3,186,290,000</u>	<u>5,978,372,201</u>	<u>3,186,290,000</u>	<u>5,967,729,993</u>
Paid-up share capital					
31,862,900 ordinary shares of Baht 100 each, fully paid		3,186,290,000	5,978,372,201	3,186,290,000	5,967,729,993
<b>RETAINED EARNINGS (DEFICITS)</b>					
Unappropriated (deficit)		(5,348,062,404)	(10,034,462,527)	(4,814,942,182)	(9,018,097,810)
<b>TOTAL SHAREHOLDERS' EQUITY (CAPITAL DEFICIENCY)</b>		<u>(2,161,772,404)</u>	<u>(4,056,090,326)</u>	<u>(1,628,652,182)</u>	<u>(3,050,367,818)</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>2,206,898,244</u>	<u>4,140,759,037</u>	<u>2,195,312,774</u>	<u>4,111,689,107</u>

Notes to the financial statements form an integral part of these statements

**TATA MOTORS (THAILAND) LTD.**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2017**

		Amt in Baht	Amt in Rs.	Amt in Baht	Amt in Rs.
	<b>Note</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
Revenue from sales	17	618,839,682	1,161,116,518	622,346,281	1,165,617,244
Revenue from rendering services	17	1,173,748	2,202,280	150,365.00000	281,624.62310
Cost of sales		(637,790,894)	(1,196,674,299)	(730,497,984)	(1,368,178,894)
Cost of services		(296,908)	(557,082)	(13,863.00000)	(25,964.56722)
Gross loss		(18,074,372)	(33,912,582)	(108,015,201)	(202,305,991)
Other income					
Gain on exchange rate - net		617,469	1,158,545	4,282,185	8,020,276
Others		6,831,357	12,817,539	5,963,901	11,170,029
Loss before expenses		(10,625,546)	(19,936,499)	(97,769,115)	(183,115,686)
Selling expenses		(115,611,443)	(216,919,438)	(191,122,697)	(357,961,344)
Administrative expenses		(299,313,759)	(561,596,419)	(267,422,826)	(500,866,908)
Total Expenses		(414,925,201)	(778,515,857)	(458,545,523)	(858,828,252)
LOSS BEFORE FINANCE COSTS		(425,550,747)	(798,452,355)	(556,314,638)	(1,041,943,938)
Finance costs		(107,569,475)	(201,830,454)	(111,987,462)	(209,745,797)
<b>NET LOSS</b>		<b>(533,120,222)</b>	<b>(1,000,282,809)</b>	<b>(668,302,100)</b>	<b>(1,251,689,735)</b>

Notes to the financial statements form an integral part of these statements

**TATA MOTORS (THAILAND) LTD.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2017**

Note	Paid-up share capital		Retained earnings (deficits) Unappropriated (deficit)		Total shareholders' equity (Capital deficiency)	
	Amt in Baht	Amt in Rs.	Amt in Baht	Amt in Rs.	Amt in Baht	Amt in Rs.
<b>Beginning balance as at April 1, 2015</b>	3,186,290,000	5,978,372,201	(4,146,640,082)	(7,780,257,853)	(960,350,082)	(1,801,885,652)
Net loss	-	-	(668,302,100)	(1,253,921,864)	(668,302,100)	(1,253,921,864)
<b>Ending balance as at March 31, 2016</b>	<u>3,186,290,000</u>	<u>5,978,372,201</u>	<u>(4,814,942,182)</u>	<u>(9,034,179,717)</u>	<u>(1,628,652,182)</u>	<u>(3,055,807,516)</u>
<b>Beginning balance as at April 1, 2016</b>	3,186,290,000	5,978,372,201	(4,814,942,182)	(9,034,179,717)	(1,628,652,182)	(3,055,807,516)
Net loss	-	-	(533,120,222)	(1,000,282,809)	(533,120,222)	(1,000,282,809)
<b>Ending balance as at March 31, 2017</b>	<u>3,186,290,000</u>	<u>5,978,372,201</u>	<u>(5,348,062,404)</u>	<u>(10,034,462,527)</u>	<u>(2,161,772,404)</u>	<u>(4,056,090,326)</u>

Notes to the financial statements form an integral part of these statements

**TATA MOTORS (THAILAND) LTD.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

Notes	Amt in Baht	Amt in Rs.	Amt in Baht	Amt in Rs.
	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss	(533,120,222)	(1,000,282,809)	(668,302,100)	(1,251,689,735)
Adjustments :				
Depreciation and amortization	62,513,015	117,291,920	75,021,170	140,510,150
Doubtful accounts	440,640	826,764	16,066,405	30,091,413
Unrealized gain on foreign exchange rate	(378,993)	(711,098)	(4,835,707)	(9,056,989)
Finance costs	107,569,475	201,830,454	111,987,462	209,745,797
(Gain) loss on sale of equipment	(275,678)	(517,249)	(1,244,808)	(2,331,451)
Loss (gain) on sale of non-current assets held for sale	9,938,742	18,647,862	0	0
Loss (reversal) from diminution in valuation of inventories	(56,561,145)	(106,124,546)	(52,615,009)	(98,544,755)
Employee benefit obligations expense	1,588,290	2,980,077	5,017,330	9,397,158
	<u>(408,285,877)</u>	<u>(766,058,625)</u>	<u>(518,905,257)</u>	<u>(971,878,412)</u>
Operating assets (increase) decrease				
Trade and other receivables	(8,249,005)	(15,477,444)	131,578,701	246,439,012
Inventories	(71,944,833)	(134,988,652)	106,168,683	198,847,573
Other current assets	(78,773)	(147,800)	(36,044)	(67,508)
Other non-current assets	(12,101,082)	(22,705,018)	(4,877,214)	(9,134,729)
Operating liabilities increase (decrease)				
Trade and other payables	165,010,078	309,605,109	255,420,445	478,387,168
Employee benefit liabilities	(860,920)	(1,615,327)	0	0
Other current liabilities	(2,161,069)	(4,054,771)	1,722,210	3,225,596
Cash paid from operations	<u>(338,671,482)</u>	<u>(635,442,529)</u>	<u>(28,928,476)</u>	<u>(54,181,300)</u>
Cash paid for interest expenses	(121,381,566)	(227,745,804)	(41,222,749)	(77,207,736)
Net cash used in operating activities	<u>(460,053,048)</u>	<u>(863,188,333)</u>	<u>(70,151,225)</u>	<u>(131,389,035)</u>

**TATA MOTORS (THAILAND) LTD.**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED MARCH 31, 2017**

		Amt in Baht	Amt in Rs.	Amt in Baht	Amt in Rs.
		<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales of equipment and non-current assets held for sale		146,774,912	275,390,832	4,702,783	8,808,030
Cash payment for purchases of equipment	4.2	(41,411,005)	(77,698,640)	(30,248,138)	(56,652,948)
Cash payment for purchases of intangible asset	4.2	0	0	(5,000)	(9,365)
Net cash used in investing activities		<u>105,363,907</u>	<u>197,692,192</u>	<u>(25,550,355)</u>	<u>(47,854,282)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from long-term borrowings from related company		250,000,000	469,070,000	0	0
Proceeds from advance received from share capital increased		150,000,000	281,442,000	0	0
Proceeds from short-term borrowings from related company		0	0	0	0
Repayment from short-term borrowings from related company		0	0	0	0
Proceeds from short-term borrowings from financial institution		173,000,000	324,596,440	298,000,000	558,136,120
Repayment of short-term borrowings from financial institution		(173,000,000)	(324,596,440)	(298,000,000)	(558,136,120)
Net cash provided by financing activities		<u>400,000,000</u>	<u>750,512,000</u>	<u>0</u>	<u>0</u>
Net decrease in cash and cash equivalents		45,310,859	85,015,859	(95,701,580)	(179,243,317)
Cash and cash equivalents as at April 1,		<u>104,930,460</u>	<u>196,878,924</u>	<u>200,632,040</u>	<u>375,771,773</u>
<b>CASH AND CASH EQUIVALENTS AS AT MARCH 31,</b>	<b>4.1</b>	<u><u>150,241,319</u></u>	<u><u>281,894,783</u></u>	<u><u>104,930,460</u></u>	<u><u>196,528,456</u></u>

Notes to the interim financial statements form an integral part of these statements

**TATA MOTORS (THAILAND) LTD.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

**1. GENERAL INFORMATION OF THE COMPANY**

Tata Motors (Thailand) Ltd. was registered as a limited company under the Thai Civil and Commercial Code on February 28, 2007 to engage principally in manufacturing and assembling vehicles. The Company's registered office is located at 20<sup>th</sup> Floor, Column Tower, 199 Ratchadapisek Road, Klongtoey, Bangkok.

TML Holdings Pte. Ltd., incorporated in Singapore, is the major shareholder of the Company held 95% of the Company's shares as at March 31, 2017 and 2016.

The Company has extensive and relationship with related parties. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations would have occurred had the Company operated without such affiliation.

As shown in the financial statements for the year ended March 31, 2017, the Company incurred net losses from operations of Rs. 1,000 million, and as at March 31, 2017, the Company had deficit of Rs. 10,034 million, and had capital deficiency of Rs. 4,057 million. However, going forward, the Company has been able to lay down a short term strategy on improving the operations in year 2017-2018. Apart from adding more dealership networks in Thailand, the Company shall be introducing a refreshed version of its pickup truck with improved features and performance. As part of its exports business expansion, the Company has supplied 317 vehicles in 2016-17 to Malaysia from Thailand plant. Also, the Company introduced Ultra range of LCV trucks in the month of March'17. Company will also introduce Prima range of Heavy Trucks going forward. All of the above steps will help the Company improve its performance in the year ahead.

Additionally, the Company received advance for share capital increase of Rs. 281 million on March 3, 2017 from TML Holdings Pte. Ltd. (Note 13). Moreover, TML Holdings Pte. Ltd. also accepts responsibility of providing and undertakes to provide sufficient financial assistance to the Company by issuance of letters of comfort to the financial institutions to secure the credit facilities granted to the Company as mentioned in Notes 11 and 14. The financial statements for the year ended March 31, 2017 as presented do not include any adjustment relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

## **2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS**

The Company maintains its accounting records in Thai Baht and prepares its financial statements in the Thai language in conformity with Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs) issued by the Federation of Accounting Professions and accounting practices generally accepted in Thailand.

TFRS for NPAEs does not require the Company to prepare the statement of cash flows. However, the Company selects to adopt Thai Accounting Standard No. 7 (Revised 2014) “Statement of Cash Flows” in the preparation of the financial statements.

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standard No. 7 (Revised 2015) “Statement of Cash Flows” to be effective for the financial statements for the periods beginning on or after January 1, 2016 onwards. The Company’s management will adopt such standard in the preparation of the Company’s financial statements when it becomes effective. The Company’s management has assessed the effects of this standard and believes that it will not have any significant impact on the financial statements for the period in which it is initially applied.

The financial statements of the Company are prepared in compliance with the Notification of the Department of Business Development dated September 28, 2011 regarding “The Brief Particulars in the Financial Statements B.E. 2554”.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies as follows:

### **3.1 Cash and cash equivalents**

Cash and cash equivalents are cash on hand and all types of deposits at financial institutions with original maturities of 3 months or less and excluding deposits at financial institutions used as collateral, if any.

### **3.2 Trade accounts receivable**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful accounts receivable based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off in which they are identified and recognised as a part of administrative expenses in the statement of income.

### **3.3 Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. 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. Allowance is made, where necessary, for obsolete and slow-moving inventories (if any).

### 3.4 Equipment

Equipment is stated at cost less accumulated depreciation and allowance for devaluation, if any.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

Machinery	20 years
Factory equipment	5 years
Furniture and fixtures	5 years
Office equipment	5 years
Motor vehicles	5 years

Expenditure for additions, renewals and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

### 3.5 Non-current assets held for sale

Non-current assets held for sale are stated at the lower of net book value amount and the expected amount to sell less the costs of sales.

### 3.6 Intangible asset

Intangible asset represents the computer software which is stated at cost less accumulated amortization. The amortization is calculated based on the straight-line method over estimated useful lives of 5 years.

### 3.7 Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessors are classified as operating leases. Lease payment under an operating lease is recognized as an expense under the lease term.

### 3.8 Foreign currency transactions

Transactions denominated in foreign currencies are converted into Baht at the rates of exchange prevailing at the transaction dates. All balances of monetary assets and liabilities in foreign currencies at the statement of financial position date are converted into Baht at the reference exchange rates established by the Bank of Thailand at that date.

Gains or losses on foreign exchange arising on settlement and translation are recognized as revenue or expenses when incurred.

### 3.9 Product warranty reserve

The Company offers warranties on the sales of products for a period of three years or 100,000 Kilometers - whichever is earlier. A provision for estimated future costs relating to warranty claims is recorded when products are delivered and revenue recognized.

3.10 Employee benefit obligations

Employee benefit obligations are obligations recognized under the Thai Labor Protection Act. The Company used the assumption based on actuarial assumptions at the reporting date, by an independent actuary using the Projected Unit Credit Method in accordance with TAS No. 19 “Employee Benefits”. The Company has recognized employee benefit obligations under the Thai Labor Protection Act based on the actuarial assumptions such as employee salaries, turnover rate, ages of employees, mortality rate, years of services of employees and other factors.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of income in the period in which they arise.

3.11 Provident fund

The Company records contribution to provident fund as expenses in the statement of income.

3.12 Revenue recognition

The Company recognizes revenue from sales when transfer of risks and reward of ownership of goods have been transferred to the buyer.

The Company recognizes revenue from rendering services, when services are rendered.

Other income is recognized on an accrual basis.

3.13 Income tax expense

Income tax expense, if any, is based on tax paid and accrued for the year.

3.14 Use of management’s judgment

The preparation of financial statements in conformity with TFRS for NPAEs also requires the Company’s management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management’s reasonable consideration of current events, actual results may differ from these estimates.

**4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION**

4.1 Cash and cash equivalents as at March 31, 2017 and 2016 consist of the followings:

	<b>2017</b>	<b>2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Cash on hand	433,434	145,359
Deposit at banks in savings and current accounts	281,461,350	196,383,097
Cash and cash equivalents	<u>281,894,784</u>	<u>196,528,456</u>

4.2 Payables for purchases of equipment and intangible asset as at March 31, 2017 and 2016 consist of the followings:

	<b>2017</b>	<b>2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Payables brought forward as at April 1,	12,452,118	3,087,948
<u>Add</u> Purchases during the years	68,341,949	66,004,316
<u>Less</u> Payments of equipment during the years	(77,398,438)	(56,652,948)
Payments of intangible asset during the years	-	(9,365)
Payables carried forward as at March 31,	<u>3,395,632</u>	<u>12,429,952</u>

## 5. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at March 31, 2017 and 2016 consist of the followings:

	<b>2017</b>	<b>2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Trade accounts receivable - other companies	291,190,252	268,463,082
<u>Less</u> Allowance for doubtful accounts	(30,971,837)	(30,091,411)
	<u>260,218,416</u>	<u>238,371,672</u>
Trade accounts receivable - related companies	14,807,249	14,780,890
Other receivables - related companies	109,671,210	171,808,867
Value-added-tax refundable	-	-
Prepaid expenses	92,100,288	36,086,632
Trade and other receivables	<u>476,797,163</u>	<u>461,048,061</u>

## 6. INVENTORIES

Inventories as at March 31, 2017 and 2016 consist of the followings:

	<b>2017</b>	<b>2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Raw materials	907,735,532	907,441,172
Work in process	10,319,720	12,059,465
Finished goods	1,263,684,939	1,097,449,650
Goods in transit	27,286,536	53,395,757
	<u>2,209,026,726</u>	<u>2,070,346,044</u>
<u>Less</u> Allowance for diminution in valuation of inventories	(77,075,111)	(182,873,541)
Inventories	<u>2,131,951,615</u>	<u>1,887,472,503</u>

The amount of inventories recognized as cost of sales in the financial statements for the year ended March 31, 2017 and 2016, of Rs. 1,302.80 million and Rs. 1,466.72 million, respectively.

The amount of inventories recognized as cost of sales in the financial statements for the years ended March 31, 2017 and 2016, included reversal loss from diminution in valuation of inventories of Rs. 106.12 million and Rs. 98.54 million, respectively.

## 7. EQUIPMENT

Equipment as at March 31, 2017 and 2016 consists of the followings:

As at March 31, 2017

	Beginning balances as at April 1, 2016 Rs.	Additions Rs.	Disposals Rs.	Transfer in (out)/ Reclassify Rs.	Ending balances as at March 31, 2017 Rs.
<b>Cost</b>					
Machinery	1,726,478,964	7,896,945	(3,282,488)	21,997,173	1,753,090,594
Factory equipment	86,386,200	1,080,264	-	-	87,466,464
Furniture and fixtures	72,435,225	450,883	-	-	72,886,108
Office equipment	33,430,919	1,800,576	(50,660)	-	35,180,835
Motor vehicles	121,683,338	41,307,831	(40,938,133)	-	122,053,038
Total	<u>2,040,414,646</u>	<u>52,536,500</u>	<u>(44,271,281)</u>	<u>21,997,173</u>	<u>2,070,677,040</u>
<b>Accumulated Depreciation:</b>					
Machinery	(633,423,503)	(88,296,979)	7,447,104	-	(714,273,378)
Factory equipment	(81,021,386)	(2,804,241)	-	-	(83,825,627)
Furniture and fixtures	(55,420,825)	(4,092,454)	-	-	(59,513,281)
Office equipment	(30,906,354)	(1,362,209)	50,658	-	(32,217,906)
Motor vehicles	(67,959,443)	(20,394,351)	33,100,833	-	(55,252,962)
Total	<u>(868,731,511)</u>	<u>(116,950,234)</u>	<u>40,598,594</u>	<u>-</u>	<u>(945,083,154)</u>
Machinery under installation	39,044,936	16,105,654	-	(21,997,173))	33,153,417
Construction in progress	-	-	-	-	-
<b>Equipment</b>	<u>1,210,728,071</u>				<u>1,158,747,304</u>

As at March 31, 2016

	Beginning balances as at April 1, 2015 Rs.	Additions Rs.	Disposals Rs.	Transfer in (out)/ Reclassify Rs.	Ending balances as at March 31, 2016 Rs.
<b>Cost</b>					
Machinery	2,162,066,574	9,635,402	-	(448,296,348)*	920,160,618
Factory equipment	84,683,684	1,454,016	-	94,722	46,041,209
Furniture and fixtures	54,397,591	3,188,030	-	14,720,660	38,605,765
Office equipment	32,410,517	277,776	-	683,116	17,817,660
Motor vehicles	146,110,962	24,220,459	(54,317,918)	5,453,226	64,853,508
Total	<u>2,479,669,327</u>	<u>38,775,683</u>	<u>(54,317,918)</u>	<u>(427,344,624)</u>	<u>1,087,478,760</u>
<b>Accumulated Depreciation:</b>					
Machinery	(369,346,895)	(57,969,611)	-	168,042,243 *	(632,295,934)
Factory equipment	(41,218,738)	(1,963,189)	-	-	(80,877,158)
Furniture and fixtures	(26,750,075)	(2,787,535)	-	-	(55,322,171)
Office equipment	(15,317,475)	(1,154,669)	-	-	(30,851,337)
Motor vehicles	(50,898,454)	(10,865,300)	25,543,444	-	(67,838,467)
Total	<u>(503,531,637)</u>	<u>(74,740,304)</u>	<u>25,543,444</u>	<u>168,042,243</u>	<u>(867,185,069)</u>
Machinery under installation	41,786,580	12,498,606	-	(15,309,754)	38,975,432
Construction in progress	-	14,720,660	-	(14,720,660)	-
<b>Equipment</b>	<u>1,578,371,363</u>				<u>1,208,572,832</u>

\* As at March 31, 2016, the Company reclassifies machinery at the cost value of Rs. 458,190,672 and its accumulated depreciation of Rs. 168,341,911 to be non-current assets held for sale (see Note 8).

Depreciation for the years ended March 31,

2017	Rs.	<u>116,950,234</u>
2016	Rs.	<u>139,984,105</u>

## 8. NON-CURRENT ASSETS HELD FOR SALE

As at March 31, 2016, the Company reclassifies machinery at the net book value of Rs. 289,848,761 (net of accumulated depreciation of Rs. 168,341,911) to be non-current assets held for sale (see Note 7) However, during April & May 2016, the Company sold the machinery to Tata Motors Limited with loss from sale of such machinery of Rs. 18.12 million. The Company recognized loss from sale of non-current assets held for sale in statement of income for the year ended March 31, 2017.

## 9. INTANGIBLE ASSET

Intangible asset as at March 31, 2017 and 2016 consists of the followings:

As at March 31, 2017

	<b>Beginning balances as at April 1, 2016 Rs.</b>	<b>Additions  Rs.</b>	<b>Disposals  Rs.</b>	<b>Ending balances as at March 31, 2017 Rs.</b>
<b>Cost</b>				
Computer software	40,858,500	-	-	40,858,500
Total	<u>40,858,500</u>	<u>-</u>	<u>-</u>	<u>40,858,500</u>
<b>Accumulated amortization:</b>				
Computer software	(40,343,834)	(341,682)	-	(40,685,516)
Total	<u>(40,343,834)</u>	<u>(341,682)</u>	<u>-</u>	<u>(40,685,516)</u>
<b>Intangible asset</b>	<u>524,047</u>			<u>182,365</u>

As at March 31, 2016

	<b>Beginning balances as at April 1, 2015 Rs.</b>	<b>Additions  Rs.</b>	<b>Disposals  Rs.</b>	<b>Ending balances as at March 31, 2016 Rs.</b>
<b>Cost</b>				
Computer software	40,785,767	9,365	-	40,795,132
Total	<u>40,785,767</u>	<u>9,365</u>	<u>-</u>	<u>40,795,132</u>
<b>Accumulated amortization:</b>				
Computer software	(39,745,973)	(526,045)	-	(40,272,018)
Total	<u>(39,745,973)</u>	<u>(526,045)</u>	<u>-</u>	<u>(40,272,018)</u>
<b>Intangible asset</b>	<u>1,039,794</u>			<u>523,114</u>

**Amortization for the years ended March 31,**

2017	<b>Rs.</b>	<u>341,682</u>
2016	<b>Rs.</b>	<u>526,045</u>

## 10. OTHER NON-CURRENT ASSETS

Other non-current assets as at March 31, 2017 and 2016 consist of the followings:

	<b>2017</b>	<b>2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Value-added-tax refundable	81,546,697	59,268,439
Deposits	9,152,721	8,604,923
Other non-current assets	<u>90,699,418</u>	<u>67,873,362</u>

## 11. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

As at March 31, 2017 and 2016, the Company has short-term borrowings from certain banks amounted to Rs. 1,882 million. The Company has entered into the following loan facilities agreements with such banks as follow:

### 11.1 Revolving Loan Facility Agreement of Rs. 507 million

As at March 31, 2017 and 2016, the borrowing from a local branch of oversea bank carries the fixed interest rate at 4.50% per annum and 3.90% per annum, respectively. Borrowing repayment shall be in full of each amount on the maturity date as specified in each promissory note, but shall be in no case beyond one year from the date of the facility agreement.

### 11.2 Revolving Loan Facility Agreement of Rs. 375 million

As at March 31, 2017 and 2016, the borrowing from a local branch of oversea bank carries the fixed interest rate at 4.25% per annum and 3.85% per annum, respectively. Borrowing repayment shall be in full of each amount on the maturity date as specified in each promissory note, but shall be in no case beyond one year from the date of the facility agreement.

### 11.3 Revolving Loan Facility Agreement of Rs. 441 million

On September 4, 2013, the long-term borrowing of Rs. 816 million from a local branch of an overseas bank was changed into as short-term facilities for 1 year which is presented as short-term borrowing from financial institution under current liabilities in the statement of financial position.

On August 21, 2014, the Company has made the partial repayment back to the bank of Rs. 375 million.

As at March 31, 2016, the borrowing from a local branch of an overseas bank of Rs. 441 million carries the fixed interest rate at 3.85% per annum. Borrowing repayment shall be in full of each amount on the maturity date as specified in each promissory note, but shall be in no case beyond one year from the date of the facility agreement.

As at March 31, 2017, the borrowing from a local branch of an overseas bank of Rs. 441 million carries the fixed interest rate at 4.25% per annum. Borrowing repayment shall be in full of each amount on the maturity date as specified in each promissory note, but shall be in no case beyond one year from the date of the

facility agreement.

The amended term loan agreement places certain restrictions on the Company that:

- a) the loan is first ranked in priority of payment of other obligations of the Company provided or given by the related companies (“Subordinated Loans”), for which those principal repayments shall be due and payable only after the loan has been paid in full;
- b) the interest rate on the Subordinated Loans is to be lower than that of the term loan. The Company will promptly notify the bank in writing if the interest rate is higher than that of the amended term loan agreement.

The above loan facilities (No. 11.1, 11.2 and 11.3) are secured by letters of comfort from TML Holdings Pte. Ltd.

#### 11.4 Revolving Loan Facility Agreement of Rs. 559 million

On September 2, 2011, the Company has borrowing from a local bank in amount of Rs. 559 million with interest at rate of 3.95% per annum. This borrowing is due for repayment on September 2012. Such borrowing is secured by the letter of guarantee issued by a bank of Rs. 563 million. Subsequently, on September 5, 2012, there was another memorandum to extend the grace period for principle repayment for another 1 year. This borrowing is due for repayment on September 2013. On September 2, 2013, there was another memorandum to extend the grace period for principle repayment for another 1 year. This borrowing is due for repayment on September 2014. Subsequently, on September 5, 2014, there was another memorandum to extend the grace period for principle repayment for another 1 year. These borrowings are due for repayment on September 2015. As at March 31, 2015, the Company has borrowing from a local bank in amount of Rs. 559 million with interest at rate 4.05% per annum. Such loan was paid in September 2015.

On September 4, 2015, the Company has borrowing from a local branch of an oversea bank in amount of Rs. 559 million with interest at rate of 4.00% per annum. This borrowing is due for repayment on September 2016. Borrowing repayment shall be in full of each amount on the maturity date as specified in promissory note, but shall be in no case beyond one year from the date of the facility agreement.

On September 2, 2016, the Company has borrowings from a local branch of an oversea bank in total amount of Rs. 559 million with interest at rates of 4.00% per annum. These borrowings are due for repayments until March 2018. Borrowing repayments shall be in full of each amount on the maturity dates as specified in promissory notes, but shall be in no case beyond one year from the dates of the facility agreement.

Such loan facility is secured by a letter of comfort from TML Holdings Pte. Ltd.

## 12. TRADE AND OTHER PAYABLES

Trade and other payables as at March 31, 2017 and 2016 consist of the followings:

	<b>2017</b>	<b>2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Trade accounts payable - other companies	98,856,337	100,149,353
Trade accounts payable - related companies	1,062,023,655	821,218,600
Other payables - other companies	215,850,818	195,467,995
Other payables - related companies	62,908,593	52,033,440
Accrued expenses	173,404,475	146,022,366
Product warranty reserve	17,618,699	9,357,311
Accrued interest - parent company	144,334,651	173,878,148
Trade and other payables	<u>1,774,997,229</u>	<u>1,498,127,213</u>

## 13. ADVANCE RECEIVED OF SHARE CAPITAL INCREASE

As at March 31, 2017, the Company received advance received of share capital increase of Rs. 150 million on March 3, 2017. However, as of March 31, 2017, the share capital increment has not been approved by the Shareholders' meeting and has not been registered with the Ministry of Commerce. Accordingly, the Company presented such transaction as "Advance received of share capital increase" under Current Liabilities heading in statement of financial position.

## 14. LONG-TERM BORROWINGS FROM PARENT COMPANY

Long-term borrowings from parent company as at March 31, 2017 and 2016 consist of the followings:

<b>Principle amount</b>	<b>Repayment date</b>	<b>Interest rate per loan agreement</b>	<b>2017</b>	<b>2016</b>
<b>Rs.</b>		<b>% p.a.</b>	<b>Rs.</b>	<b>Rs.</b>
210,143,360	October 2018	BIBOR+50bps	210,143,360	209,769,280
611,667,280	February 2019	BIBOR+50bps	611,667,280	610,578,440
600,409,600	March 2020	BIBOR+50bps	600,409,600	599,340,800
337,730,400	March 2020	BIBOR+50bps	337,730,400	337,129,200
1,069,479,600	March 2020	BIBOR+50bps	1,069,479,600	1,067,575,800
932,511,160	July 2018, 2019	BIBOR+50bps	932,511,160	930,851,180
281,442,000	August 2018	BIBOR+50bps	281,442,000	-
187,628,000	December 2018	BIBOR+50bps	187,628,000	-
			<u>4,231,011,400</u>	<u>3,755,244,700</u>
			-	(820,347,720)
			<u>4,231,011,400</u>	<u>2,934,896,980</u>

Long-term borrowings from parent company are unsecured.

## 15. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations for the years ended March 31, 2017 and 2016 consist of the followings:

	<b>2017</b>	<b>2016</b>
	<b>Rs.</b>	<b>Rs.</b>
Balance brought forward	23,674,376	14,235,074
<u>Add</u> Increase during the years - recognized as expense for the years	2,980,077	9,397,158
<u>Less</u> Payment during period	(1,615,327)	-
Balance carried forward	<u>25,039,125</u>	<u>23,632,232</u>

## 16. PROVIDENT FUND

The Company has set up a contributory provident fund. The Contribution from employee is deducted from the monthly salaries, with the Company matching the individual's contribution. The Company registered its provident fund in accordance with the Provident Fund Act. B.E. 2530 (1987) in 2012. This provident fund is managed by an authorized fund manager.

For the years ended March 31, 2017 and 2016, the Company contributed Rs. 8.24 million and Rs. 7.98 million, respectively to the provident fund and recorded them as expenses in the statements of income for each year.

## 17. PROMOTIONAL PRIVILEGES

The Company received promotional privileges under the Investment Promotion Act B.E. 2520 in respect of the assembly of pick-up trucks. Subject to certain imposed conditions, the promotional privileges include:

- 17.1 50% exemption from import duty on imported machinery as approved by the Board of Investment, except such machinery for which its import duty rate is less than 10%,
- 17.2 Exemption from import duty on imported materials and necessary parts used in assembly for export sales for a period of one year commencing the date of first import,
- 17.3 Exemption from import duty on items imported and re-exported within one year from the date of first import

As a promoted entity, the Company is required to comply with certain conditions stipulated in the promotional certificates, such as size of investment and operating location.

As at March 31, 2017, the Company has not used the promotional privileges.

For the years ended March 31, 2017 and 2016, the Company had revenue from BOI promoted and non-promoted activities as follows:

	<b>2017</b>		
	<b>Promoted activity</b>	<b>Non-promoted activity</b>	<b>Total</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Revenue from:</b>			
Domestic sales	-	929,156,396	929,156,396
Export sales	-	231,960,123	231,960,123
Rendering services	-	2,202,280	2,202,280
Total	-	<u>1,163,318,798</u>	<u>1,163,318,798</u>
	<b>2016</b>		
	<b>Promoted activity</b>	<b>Non-promoted activity</b>	<b>Total</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Revenue from:</b>			
Domestic sales	-	979,091,113	979,091,113
Export sales	-	186,526,130	186,526,130
Rendering services	-	150,365	281,625
Total	-	<u>1,165,898,868</u>	<u>1,165,898,868</u>

## 18. COMMITMENTS

18.1 The Company has entered into lease agreements in respect of the lease of office building space and related services. Future minimum rentals payable under these leases as at March 31, 2017 and 2016, consist of the following:

	<b>2017</b>	<b>2016</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Payment due</b>		
Not later than 1 year	16,446,632	18,015,739
Later than 1 year and not later than 5 years	<u>1,033,917</u>	<u>4,214,594</u>
Total	<u>17,480,548</u>	<u>22,230,333</u>

The Company paid rental and service fee which recorded as expenses for the years ended March 31, 2017 and 2016 of Rs. 22.53 million and Rs. 18.24 million, respectively.

18.2 The Company has commitment as at March 31, 2017 and 2016 in respect of the purchase of fixed assets of Rs. 26.44 million and Rs. 34.18 million, respectively.

18.3 Commitment for assembly agreement with an assembler, a related company. Under the term of the agreement, the Company shall provide the assembler with the equipment required for the assembly and shall install at the assembly plant. The Company committed the minimum assembly vehicle units and the rate as stipulated in the agreement.

18.4 Commitment for engineering fee and service fee provided by a related company with monthly service charges of Rs. 0.90 million.

18.5 Commitment for technical service provided by a related company for which the technical service fees are based on certain amounts invoiced.

**19. BANK GUARANTEES**

As at March 31, 2017 and 2016, the Company has bank guarantees issued on behalf of the Company to the government agencies for temporary move out vehicles from free trade zone and value-added-tax refundable amounting to Rs. 776.16 million and Rs. 785.17 million, respectively.

As at March 31, 2017 and 2016, bank guarantees issued on behalf of the Company to the government agencies for value-added-tax refundable amounting to Rs. 776.16 million is secured by a letter of comfort from TML Holdings Pte. Ltd.

**20. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the authorized director on May 12, 2017.

**21. CONVERSION TO INDIAN RUPEES**

The financial information is expressed in Thailand and only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amount appearing in Indian Rupees have been translated at a fixed exchange rate @ Baht = Rs. 1.8729 as on March 31, 2016 and Baht = Rs. 1.8763 as on March 31, 2017. These translations should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate