

***PT. TATA MOTORS INDONESIA
AND ITS SUBSIDIARY***

CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED MARCH 31, 2016

AND INDEPENDENT AUDITORS' REPORT

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY
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**DIRECTORS' STATEMENT LETTER
RELATING TO
THE RESPONSIBILITY ON
THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2016
AND FOR THE YEAR THEN ENDED
PT TATA MOTORS INDONESIA**

We, the undersigned:

- | | |
|--------------------|---|
| 1. Name | : Biswadev Sengupta |
| Office address | : Pondok Indah Office Tower 3 Floor 8 Suite 801B
Jl. Sultan Iskandar Muda Kav. V-TA Kebayoran Lama,
Jakarta Selatan 12310 |
| Domicile as stated | : Pondok Indah Office Tower 3 Floor 8 Suite 801B
Jl. Sultan Iskandar Muda Kav. V-TA Kebayoran Lama,
Jakarta Selatan 12310 |
| Telephone | : 29328041 |
| Position | : President Director |
| | |
| 2. Name | : Aftab Patel |
| Office address | : Pondok Indah Office Tower 3 Floor 8 Suite 801B
Jl. Sultan Iskandar Muda Kav. V-TA Kebayoran Lama,
Jakarta Selatan 12310 |
| Domicile as stated | : Pondok Indah Office Tower 3 Floor 8 Suite 801B
Jl. Sultan Iskandar Muda Kav. V-TA Kebayoran Lama,
Jakarta Selatan 12310 |
| Telephone | : 29328041 |
| Position | : Chief Financial Officer |

Declare that:

1. We are responsible for the preparation and presentation of the consolidated financial statements;
2. The consolidated financial statements as at March 31, 2016, and for the year then ended have been prepared and presented in accordance with the Indonesian Financial Accounting Standards;
3. a. All information in the consolidated financial statements are complete and correct;
b. The consolidated financial statements do not contain false material information or facts and do not omit material information or facts;
4. We are responsible for the Company's internal control system.

This statement letter is made truthfully.

Jakarta, May 17, 2016

For and on behalf of the Board of Directors

Mr. Biswadev Sengupta
President Director

Mr. Aftab Patel
Chief Financial Officer

Independent Auditors' Report

GA116 0560 TMI XAU

The Stockholders, Boards of Commissioner and Directors
PT. Tata Motors Indonesia

We have audited the accompanying consolidated financial statements of PT. Tata Motors Indonesia and its subsidiary, which comprise the consolidated statement of financial position as of March 31, 2016 and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 the 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 auditing standards 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 the auditors' 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, the auditors 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.

Osman Bing Satrio & Eny

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Osman Bing Satrio & Eny

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of PT. Tata Motors Indonesia and its subsidiary as of March 31, 2016, and their financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Emphasis of Matter

As discussed in Note 33 to the consolidated financial statements, in 2015, the Company adopted several Statement of Financial Accounting Standards (PSAK) which have been applied retrospectively and the prior year corresponding figures have been restated, including the third statement of financial position as of April 1, 2014/March 31, 2014. Our opinion is not modified in respect of this matter.

Other Matters

Our audit of the accompanying consolidated financial statements of the Company (Parent Entity) and its subsidiary as of March 31, 2016 and for the year then ended was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying financial information of the Parent Entity, which consists of the statement of financial position as of March 31, 2016, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended (collectively referred to as "Parent Entity Financial Information"), which is presented as supplementary information to the accompanying consolidated financial statements, is presented for purposes of additional analysis and is not a required part of the accompanying consolidated financial statements under Indonesian Financial Accounting Standards. The Parent Entity financial information is the responsibility of the Company's management and was derived from and relates directly to the underlying accounting and other records used to prepare the accompanying consolidated financial statements. The Parent Entity financial information has been subjected to the auditing procedures applied in the audit of the accompanying consolidated financial statements in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. In our opinion, the Parent Entity financial information is fairly stated in all material respects, in relation to the accompanying consolidated financial statements taken as a whole.

OSMAN BING SATRIO & ENY



Xenia Ayubudhi
Public Accountant License No. AP.0575

May 17, 2016

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2016

	Notes	March 31, 2016 INR	March 31, 2015 *) INR	April 1, 2014 *)/ March 31, 2014 *) INR
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5	28,307,618	103,210,781	39,486,419
Trade accounts receivable	6	88,491,005	118,219,406	26,680,362
Other accounts receivable				
Related party	7,28	14,656,374	9,933,682	10,866,955
Third parties	29	9,421,442	3,309,437	1,861,895
Inventories	8	243,484,613	275,126,758	285,975,816
Prepaid taxes	9	0	9,945,946	0
Prepaid expenses	10	7,511,773	6,007,251	6,384,328
Other current assets		15,580,298	27,239,409	17,595,593
Total Current Assets		407,453,123	552,992,669	388,851,368
NONCURRENT ASSETS				
Property and equipment - net of accumulated depreciation of INR 20,601,416 at March 31, 2016, INR 9,744,514 at March 31, 2015, and INR 2,654,825 at April 1, 2014	11	56,056,150	48,381,972	40,168,354
Prepaid taxes	9	110,394,335	72,342,611	60,728,156
Other noncurrent assets	12	27,924,870	42,699,318	53,302,242
Total Noncurrent Assets		194,375,355	163,423,901	154,198,753
TOTAL ASSETS		601,828,477	716,416,570	543,050,121
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade accounts payable - related party	13,28	139,909,138	143,777,762	165,846,971
Other accounts payable	14			
Related parties	28	66,108,395	53,121,027	89,853,505
Third parties		70,783,587	81,938,730	30,795,819
Derivative liabilities	15	36,049,105	0	0
Accrued expenses	16	55,648,619	46,699,285	60,453,895
Short-term bank loan	18	171,398,994	165,519,624	0
Taxes payable	17	2,361,348	1,456,265	2,812,547
Total Current Liabilities		542,259,185	492,512,694	349,762,737
NONCURRENT LIABILITIES				
Noncurrent portion of accrued expenses	16	2,086,168	1,708,239	493,827
Deferred tax liability	26	2,115,626	1,006,543	257,823
Post-employment benefit obligation	27	18,035,566	13,773,605	6,567,166
Total Noncurrent Liabilities		22,237,360	16,488,387	7,318,816
EQUITY				
Capital stock - Rp 8,855 par value per share				
Authorized - 45,000,000 shares in 2016 and 2015 and 10,000,000 shares in 2014				
Subscribed and paid-up - 39,894,842 shares in 2016, 32,802,539 shares in 2015 and 9,384,941 shares in 2014	19	1,780,140,216	1,463,675,902	418,763,681
Additional paid-in capital	21	289,896	289,833	289,746
Share in changes in equity in a subsidiary		(2,844,592)	(2,822,286)	-
Advances for future capital stock subscription	20	78,751,852	-	469,135,535
Deficit		(1,819,004,959)	(1,253,734,613)	(701,026,956)
Equity attributable to the owners of the Company		37,332,413	207,408,836	187,162,006
Non-controlling interests		(480)	6,652	(1,193,438)
Total Equity		37,331,932	207,415,488	185,968,568
TOTAL LIABILITIES AND EQUITY		601,828,477	716,416,570	543,050,121

*) As restated (Note 33)

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2016

	Notes	2016 INR	2015 *) INR
NET SALES	22	559,726,228	481,500,472
COST OF SALES	23,28	549,940,906	501,191,423
GROSS PROFIT (LOSS)		9,785,322	(19,690,951)
General and administrative expenses	24	(330,484,897)	(316,863,014)
Selling expenses	25	(187,028,024)	(203,519,543)
Loss on foreign exchange	15	(46,786,884)	(9,299,060)
Interest expense	18	(13,962,460)	(692,212)
Interest income		581,115	876,895
Others - net		585,147	(912,225)
LOSS BEFORE INCOME TAX		(567,310,681)	(550,100,110)
TAX EXPENSE - DEFERRED	26	1,109,083	748,720
LOSS FOR THE YEAR		(568,419,764)	(550,848,830)
OTHER COMPREHENSIVE INCOME ITEM THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Actuarial gain (loss) on defined benefit obligation		3,119,980	(3,491,101)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(565,299,784)	(554,339,931)
LOSS ATTRIBUTABLE TO			
Owners of the Company		(568,390,185)	(549,221,045)
Non-controlling interests		(29,579)	(1,627,785)
Loss for the year		(568,419,764)	(550,848,830)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :			
Owners of the Company		(565,270,346)	(552,707,657)
Non-controlling interests		(29,438)	(1,632,274)
Total comprehensive income for the year		(565,299,784)	(554,339,931)

*) As restated (Note 33)

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2016

	Notes	Capital stock INR	Additional paid-in capital INR	Advances for future capital stock subscription INR	Deficit INR	Share in changes in equity in the subsidiaries	Equity attributable to owners of the Company INR	Non-controlling interests INR	Total Equity INR
Balance as of April 1, 2014 (as previously reported)		418,763,681	289,746	469,135,535	(703,758,490)	-	184,430,472	(1,200,730)	183,229,742
Adjustments	2, 33	-	-	-	2,731,534	-	2,731,534	7,292	2,738,826
Balance as of April 1, 2014 *)		418,763,681	289,746	469,135,535	(701,026,956)	-	187,162,006	(1,193,438)	185,968,568
Issuance of 23,417,598 shares with Rp 8,855 par value per share	19	1,044,912,221	88	(469,135,535)	-	-	575,776,774	-	575,776,774
Increase in shares of non-controlling interests	19	-	-	-	-	-	-	10,078	10,078
Dilution of minority share		-	-	-	-	(2,822,286)	(2,822,286)	2,822,286	-
Net loss for the year		-	-	-	(549,221,045)	-	(549,221,045)	(1,627,785)	(550,848,830)
Other comprehensive income for the year		-	-	-	(3,486,612)	-	(3,486,612)	(4,489)	(3,491,101)
Balance as of March 31, 2015 *)		1,463,675,902	289,833	-	(1,253,734,613)	(2,822,286)	207,408,836	6,652	207,415,488
Issuance of 7,092,303 shares with Rp 8,855 par value per share	19	316,464,314	62	-	-	-	316,464,376	-	316,464,376
Advances for future capital stock subscription	20	-	-	78,751,852	-	-	78,751,852	-	78,751,852
Dilution of minority share		-	-	-	-	(22,306)	(22,306)	22,306	-
Net loss for the year		-	-	-	(568,390,185)	-	(568,390,185)	(29,579)	(568,419,764)
Other comprehensive income for the year		-	-	-	3,119,839	-	3,119,839	140	3,119,980
Balance as of March 31, 2016		<u>1,780,140,216</u>	<u>289,896</u>	<u>78,751,852</u>	<u>(1,819,004,959)</u>	<u>(2,844,592)</u>	<u>37,332,413</u>	<u>(480)</u>	<u>37,331,932</u>

*) As restated (Note 33)

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

	2016 INR	2015 *) INR
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(567,310,681)	(550,100,110)
Adjustment for:		
Net unrealized loss on derivative liabilities	36,049,105	-
Depreciation and amortization	24,987,126	21,169,845
Provision for after sales service	15,261,248	-
Interest expense	13,962,460	692,212
Provision for impairment losses	8,624,144	-
Provision for post-employment benefit obligation	7,381,940	3,715,339
Provision for buyback guarantee	3,168,864	-
Net unrealized loss on foreign exchange	3,081,408	-
Write off of office equipment	228,713	-
Interest income	(581,115)	(876,895)
Reversal of decline in value of inventories	(756,118)	(1,705,607)
Operating loss before changes in working capital	(455,902,907)	(527,105,216)
Changes in operating assets and liabilities:		
Trade accounts receivable	29,728,401	(91,539,044)
Other accounts receivable	(19,458,841)	(514,270)
Inventories	32,398,263	12,554,665
Prepaid taxes	(30,088,142)	(16,273,356)
Prepaid expenses	(1,504,522)	377,077
Other current assets	11,659,110	(9,643,816)
Trade accounts payable	(3,868,624)	(22,069,209)
Other accounts payable	1,832,224	14,410,433
Taxes payable	905,082	(1,356,282)
Accrued expenses	(9,102,848)	(12,540,198)
Cash Used in Operations	(443,402,802)	(653,699,215)
Income tax paid	(7,741,275)	(5,287,044)
Collection of estimated tax refund	9,723,638	-
Net Cash Used in Operating Activities	(441,420,439)	(658,986,259)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in other noncurrent assets	644,225	108,562
Acquisitions of property and equipment	(18,759,793)	(18,889,100)
Interest received	581,115	876,895
Net Cash Used in Investing Activities	(17,534,453)	(17,903,643)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term loan payable	352,733,686	164,827,412
Proceeds from issuance of capital stock	316,464,376	575,776,774
Proceeds from advances for future capital stock subscription	78,751,852	-
Interest paid	(14,641,445)	-
Repayment of short-term loan payable	(349,256,740)	-
Proceeds from issuance of shares to non-controlling interest	-	10,078
Net Cash Provided by Investing Activities	384,051,729	740,614,264
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(74,903,163)	63,724,362
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	103,210,781	39,486,419
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	28,307,618	103,210,781

*) As restated (Note 33)

See accompanying notes to financial statements
which are an integral part of the 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 dated December 29, 2011. The publication of the establishment in the State Gazette of the Republic of Indonesia is still in process as of the issuance of these consolidated financial statements. The articles of association have been amended several times, most recently by Notarial Deed No. 10 dated March 4, 2016, of Fardian, S.H., notary public in Jakarta, concerning issuance of additional 7,092,303 shares. This changes was reported and acknowledged by the Minister of Justice and Human Rights of the Republic of Indonesia through his Letter No. AHU-AH.01.03-0030820 dated March 12, 2016.

The Company has been in the development stage since its establishment on November 24, 2011. A development stage enterprise will typically be devoting most of its efforts to activities such as financial planning, raising funds, establishing sources of supply, acquiring property, equipment or the operating assets and construction of facilities. Development stage activities will be considered completed upon the commencement of commercial operations of the principal activities. Realization of major portion of the Company's assets is dependent upon the Company's ability to meet its future financing requirements and the success of future operations, the outcome of which cannot be presently determined.

The Company is domiciled in South Jakarta and its office is located in Pondok Indah Office Tower 3 Floor 8 Suite 801A, Jl. Sultan Iskandar Muda Kav.V-TA Pondok Pinang Jakarta Selatan 12310. The Company has 54 employees as of March 31, 2016 and 2015.

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, 2016, the Company's management consists of the following:

President Commissioner	:	Mr. Kottamasu Venkateswara Rao
Commissioners	:	Mr. Ravindra Pisharody
		Mr. Abhijit Aravind Gajendragadkar
		Mr. Ramanathan Ramakrishnan
		Mr. Ajit Kumar Jindal
President Director	:	Mr. Biswadev Sengupta
Director	:	Mr. Haji Achmad Djauhari, SH.
	:	Mr. Pankaj Jain

b. Consolidated Subsidiary

As of March 31, 2016 and 2015, the Company has direct ownership interest of 99.99% in PT Tata Motors Distribusi Indonesia (TMDI).

TMDI is domiciled in South Jakarta and the scope of its activities is to engage in the wholesale trading and after-sales service with business activities as distributors and importer for new cars, parts; for vehicles with four- wheel or more wheeled vehicles which include engine, gear box, axles and propeller shafts. TMDI started its commercial operations in September 2013 and had total assets of INR 573,783,737 and INR 659,917,869 as of March 31, 2016 and 2015, respectively.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (“PSAK”) AND INTERPRETATION OF PSAK (“ISAK”)

a. Standards effective in the current period

In the current year, the Company and its subsidiary (collectively known as the “Group”) has adopted the following new and revised standards and interpretations issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are relevant to its operations and effective for accounting periods beginning on January 1, 2015.

- PSAK 1 (revised 2013), Presentation of Financial Statements

The amendments to PSAK 1 introduce new terminology for the statement of comprehensive income. Under the amendments to PSAK 1, the statement of comprehensive income is renamed as a “statement of profit or loss and other comprehensive income”. The amendments to PSAK 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to PSAK 1, require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (1) items that will not be reclassified subsequently to profit or loss; and (2) items that may be reclassified subsequently to profit or loss when specific conditions are met.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Also relevant to the Group is the amendment to PSAK 1 regarding when a statement of financial position as of the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statement of financial position is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position.

In the current year, the Group has applied a number of new and revised PSAK (see discussion below). In accordance with the amendments to PSAK 1, the Company has presented a third statement of financial position as of April 1, 2014/March 31, 2014 without the related notes except for the disclosure requirements of PSAK 25, Accounting Policies, Changes in Accounting Estimates and Errors.

- **PSAK 24 (revised 2013), Employee Benefits**

The amendments to PSAK 24 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of PSAK 24 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of PSAK 24 are replaced with a "net interest" amount under PSAK 24 (revised 2013) which is calculated by applying the discount rate to the net defined benefit liability or asset.

These changes have had an impact on the amounts recognized in profit or loss and other comprehensive income in prior years. In addition, PSAK 24 (revised 2013) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

Specific transitional provisions are applicable to first-time application of PSAK 24 (revised 2013). The Company has applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis (Note 33).

The following new and revised standards and interpretations effective in the current period have no material impact on the disclosures or on the amounts recognized in the consolidated financial statements are as follows:

- PSAK 4 (revised 2013), Separate Financial Statements
- PSAK 15 (revised 2013), Instruments in Associates and Joint Ventures
- PSAK 46 (revised 2014), Income Taxes
- PSAK 48 (revised 2014), Impairment of Assets
- PSAK 50 (revised 2014), Financial Instruments : Presentation
- PSAK 55 (revised 2014), Financial Instruments : Recognition and Measurement
- PSAK 60 (revised 2014), Financial Instruments : Disclosures
- PSAK 65, Consolidated Financial Statements
- PSAK 66, Joint Arrangements
- PSAK 67, Disclosures of Interest in Other Entities
- PSAK 68, Fair value Measurements
- ISAK 26, Reassessment of Embedded Derivatives

b. Standards and interpretations issued not yet adopted

Standard and improvements to standards effective for periods beginning on or after January 1, 2016, with early application permitted as are follows:

Standard

- PSAK 110 (revised 2015): Accounting for Sukuk.

Improvements

- PSAK 5: Operating Segments,
- PSAK 7: Related Party Disclosures,
- PSAK 13: Investments Property,
- PSAK 16: Property, Plant and Equipment,
- PSAK 19: Intangible Assets,
- PSAK 22: Business Combination,

- PSAK 25: Accounting Policies, Changes in Accounting Estimates and Errors,
- PSAK 53: Share-based Payments, and
- PSAK 68: Fair Value Measurement.

Amendments to standards and interpretation which are effective for periods beginning on or after January 1, 2016, with retrospective application are as follows:

- PSAK 4: Separate Financial Statements about Equity Method in Separate Financial Statements,
- PSAK 15: Investment in Associates and Joint Venture about Investment Entities: Applying the Consolidation Exception,
- PSAK 24: Defined Benefit Plans: Employee Contributions,
- PSAK 65: Consolidation Financial Statements about Investment Entities: Applying the Consolidation Exception,
- PSAK 67: Disclosures of Interest in Other Entities about Investment Entities: Applying the Consolidation Exception, and
- ISAK 30: Levies.

The amendments to standards effective for periods beginning on or after January 1, 2016, with amendments to be applied prospectively are as follows:

- PSAK 16: Property, Plant and Equipment about Clarification of Acceptable Methods of Depreciation and Amortization,
- PSAK 19: Intangible Asset about Clarification of Acceptable Methods of Depreciation and Amortization, and
- PSAK 66: Joint Arrangements about Accounting for Acquisitions of Interests in Joint Operation.

Amendments to standard and interpretation effective for periods beginning on or after January 1, 2017, with early application permitted are amendments to PSAK 1: Presentation of Financial Statements about Disclosure Initiative and ISAK 31, Scope Interpretation of PSAK 13: Investment property.

Standard and amendment to standard effective for periods beginning on or after January 1, 2018 with early application permitted are PSAK 69: Agriculture and amendments to PSAK 16: Plant, Property and Equipment about Agriculture: Bearer Plants.

As of the issuance date of the consolidated financial statements, the effect of adoption of those standards and interpretations in the financial statements is not known nor reasonably estimate by management.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indonesian Financial Accounting Standards. These consolidated financial statements are not intended to present the financial position, result of operations and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

b. Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. The presentation currency used in the preparation of the consolidated financial statements is the Indonesian Rupiah.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of PSAK 53, leasing transactions that are within the scope of PSAK 30, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in PSAK 14 or value in use in PSAK 48.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated statements of cash flows are prepared using the indirect method with classifications of cash flows into operating, investing and financing activities.

c. Principles of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary. Control is achieved where the Company has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including (i) the size of the Company's holding of voting rights relative to the size and dispersion of holding of the other vote holders; (ii) potential voting rights held by the Company, other vote holders or other parties; (iii) rights arising from other contractual arrangements; and (iv) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustment are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable accounting standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under PSAK 55, Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

d. Foreign Currency Transactions and Balances

The books of accounts of the Company and its subsidiary are maintained in Indonesian Rupiah, the currency of the primary economic environment in which the entity operates (its functional currency). Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At reporting date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are charged to profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

e. Transactions with Related Parties

A related party is a person or entity that is related to the Group (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 a 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 in 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 a parent of the entity).

All transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the consolidated financial statements.

f. Financial Assets

All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Group's financial assets as of the reporting dates are classified as loans and receivables.

Loans and receivables

Cash and cash equivalents, trade receivables, other receivables and other current assets that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method less impairment.

Interest is recognized by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of financial asset other than its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

g. Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are classified as either “at Fair Value Through Profit or Loss (FVTPL)” or at “amortized cost”.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing in the near term; or
- on initial recognition it is part of an identified portfolio of financial instruments that the entity manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel (as defined in PSAK 7: Related Party Disclosures), for example the entity's board of directors and chief executive officer.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss.

Financial Liabilities at amortized cost

Financial liabilities, which include trade and other payables and other borrowings, are initially measured at fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or has expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Reclassification of Financial Liabilities

The Group is not allowed to reclassify any financial liabilities from or to a group of FVTPL financial liabilities.

h. Netting of Financial Assets and Financial Liabilities

The Group only offsets financial assets and liabilities and present the net amount in the consolidated statements of financial position where it:

- currently has a legal enforceable right to set off the recognized amount; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

i. Cash and Cash Equivalents

For cash flow presentation purposes, cash and cash equivalents consist of cash on hand and in banks and all unrestricted investments with maturities of three months or less from the date of placement.

j. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

k. Prepaid Expenses

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

l. Property and Equipment

Property and equipment held for use in the supply of goods or for administrative purposes are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized so as to write-off the cost of assets less residual values using the straight-line method based on the estimated useful lives of the assets as follows:

	<u>Years</u>
Vehicles	5
Furniture and fixtures and office equipment	4 – 8
IT equipment	4
Factory equipment	4
Tools	4
Building improvements	Lease term or 10 years whichever is shorter

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

When assets are retired or otherwise disposed of, their carrying values are removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Construction in progress is stated at cost and transferred to the respective property and equipment account when completed and ready for use.

m. System Software

System software, included under "Other noncurrent assets" account in the statement of financial position, is carried at cost less accumulated amortization and any impairment losses. Amortization is computed using the straight-line method over 4 years.

n. Impairment of Non-Financial Assets

At the end of each reporting period, the Group 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 Group 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 against earnings.

Accounting policy for impairment of financial assets is discussed in Note 3f.

o. Provisions

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

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

p. Leases

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.

q. Revenue and Expense Recognition

Sale of Goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from sale of goods is recognized when all of the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Expenses

Expenses are recognized when incurred.

r. Employee Benefits

The Group provides post-employment benefits as required under Labor Law No. 13/2003 (the "Labor Law") for all the local permanent employees. No funding of benefits has been made to date.

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. Remeasurement, 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. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings (deficit) and 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 categorised 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.
- Remeasurement.

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

The benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

s. Income Tax

The tax currently payable is based on taxable income to the year. Taxable income differs from profit before tax as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates and tax laws that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

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 Group intends to settle its current tax assets and current tax liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

t. Derivative Financial Instrument

The Company uses derivative financial instruments to manage its exposure to foreign exchange rate risk. Further details on the use of derivatives are disclosed in Notes 15 and 32.

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently measured to their fair value at each reporting date. Although the entered into as economic hedge of exposure against foreign exchange rate risks, these derivatives are not designated and do not qualify as accounting hedge and therefore changes in fair values are recognized immediately in earnings.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognized in earnings.

A derivative is presented as non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 (twelve) months and is not expected to be realized or settled within 12 (twelve) months. Other derivatives are presented as current assets or current liabilities.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies described in Note 3, management has not made any critical judgment that has significant impact on the amounts recognized in the financial statements, apart from those involving estimates, which are dealt with below.

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 Group 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 Notes 6 and 7.

Allowance for Decline in Value of Inventories

The Group 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 Group's operations.

The carrying amounts and provision for decline in value of inventories are disclosed in Note 8.

Estimated Useful Lives of Property and Equipment and System Software

The useful life of each item of the Group's property and equipment and system software 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 and system software would affect the recorded depreciation and amortization expense and decrease in the carrying values of these assets.

The carrying amounts of property and equipment and system software are disclosed in Notes 11 and 12, respectively.

Post-employment benefits obligation

The determination of post-employment 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. Actual results that differ from the Group's assumptions are recognized immediately in the profit or loss as and when they occur. Although the assumptions of the Group are considered appropriate and reasonable, significant changes in fact or significant changes in assumptions used can significantly affect the post-employment benefits obligation of the Group.

The carrying amount of post-employees benefit obligation is disclosed in Note 27.

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's operations. Each quarter, the Company 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 16.

5. CASH AND CASH EQUIVALENTS

	March 31, 2016 INR	March 31, 2015 INR
Cash on hand	33,995	33,520
Cash in banks		
Indonesian Rupiah	15,887,236	27,238,808
US Dollar	11,177,014	41,386,676
Time deposits		
Indonesian Rupiah	1,209,373	21,365,583
US Dollar	-	13,186,193
Total	<u>28,307,618</u>	<u>103,210,781</u>

Time deposits denominated in Rupiah, earns interest at an annual rate ranging from 5.4% to 7.50% in 2016 and 5.4% to 7.75% in 2015.

Time deposits denominated in US dollar earns interest at an annual rate of 2.5% in 2015.

6. TRADE ACCOUNTS RECEIVABLE

This account represents the outstanding balances relating to the sales transactions with third parties. These are all denominated in Indonesian Rupiah.

The age of the Group's trade accounts receivable that are past due but not impaired are as follows:

	March 31, 2016	March 31, 2015
	INR	INR
Not yet due	52,634,689	84,716,430
Past due:		
Under 90 days	2,245,010	15,045,689
91-180 days	17,895,120	7,192,058
more than 180 days	15,716,186	11,265,229
Total	88,491,005	118,219,406

The average credit period on sales of goods is 37 days. No interests are charged on trade receivables and for the outstanding balance.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The Group's receivables are secured with post-dated checks (GIRO) amounting to INR 80,927,689 and INR 109,370,173 as of March 31, 2016 and 2015.

Management believes that all receivables are collectible thus no allowance for impairment losses is required to cover possible losses from the non-collectible accounts. Management also believes that there are no significant concentrations of credit risk in third party receivables as the customer base is large and unrelated.

7. OTHER ACCOUNTS RECEIVABLE FROM A RELATED PARTY

As of March 31, 2016 and 2015, receivable from a related party pertains to the reimbursement of various charges from TML.

The foregoing accounts are non-interest bearing and collectible on demand. No allowance for impairment loss has been provided for these accounts as the management believes the receivables from related parties are fully collectible.

8. INVENTORIES

	March 31, 2016	March 31, 2015
	INR	INR
Vehicles	203,589,477	242,429,350
Spare parts	39,895,136	33,453,526
Total	243,484,613	275,882,876
Allowance in decline in value	-	(756,118)
Net	243,484,613	275,126,758

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Movements in the allowance in decline in value follows:

	March 31, 2016	March 31, 2015
	INR	INR
Beginning balance	756,118	2,461,724
Provision during year	-	756,118
Reversal during the year	(756,118)	(2,461,724)
Ending Balance	-	756,118

Management believes that the allowance for decline in value of inventories is adequate to cover possible losses to the Group.

The Group's inventories are being used as security over short term loan (Note 18).

Inventories were insured with PT ACE Jaya Proteksi against fire, earthquake, flood, landslide and RSCC (Riots, Strike and Civil Commotions) for INR 292,910,053 as of March 31, 2016 and with PT. Asuransi Indrapura against earthquake, flood and RSCC (Riots, Strike, and Civil Commotions) for INR 296,195,515 as of March 31, 2015. Marine cargo of inventories were insured with PT. Asuransi Rama Satria for US\$ 2,000,000 as of March 31, 2016 and 2015.

9. PREPAID TAXES

	March 31, 2016	March 31, 2015
	INR	INR
<u>The Company</u>		
Overpayment of corporate income tax - 2014	-	209,322
Value added tax (VAT) - net	4,560,671	4,433,243
<u>TMDI</u>		
Overpayment of corporate income tax		
2016	7,741,275	-
2015	5,279,305	5,287,044
2014	-	9,736,624
VAT - net	92,813,084	62,622,323
Total	110,394,335	82,288,557
Less current maturities	-	9,945,946
Noncurrent portion	110,394,335	72,342,611

In July 2015, the Group received tax assessment letter from the Tax Authority approving the overpayment of 2014 corporate income tax amounted to INR 9,723,638, and the difference with the recorded balance was charged to profit or loss. The Group received the refund on September 2, 2015.

10. PREPAID EXPENSES

This account is composed of prepayment for rental expenses.

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11. PROPERTY AND EQUIPMENT

	April 1, 2015	Additions	Deductions	Reclassifications	March 31, 2016
	INR	INR	INR	INR	INR
Cost:					
IT equipment	6,248,054	276,402	-	-	6,524,457
Furniture and fixtures and office equipment	35,678,146	11,258,275	-	166,289	47,102,709
Vehicles	9,095,228	2,634,120	-	-	11,729,347
Building improvements	5,794,911	-	-	-	5,794,911
Factory equipment	778,894				778,894
Tools	-	2,282,919	-	-	2,282,919
Construction in-progress	531,254	2,308,078	228,713	(166,289)	2,444,330
Total	58,126,486	18,759,793	228,713	-	76,657,566
Accumulated Depreciation:					
IT equipment	1,844,247	1,619,350	-	-	3,463,597
Furniture and fixtures and office equipment	6,688,849	6,883,388	-	-	13,572,237
Vehicles	936,247	1,300,884	-	-	2,237,131
Building improvements	48,291	579,491	-	-	627,782
Factory equipment	226,879	194,723	-	-	421,603
Tools	-	279,066	-	-	279,066
Total	9,744,514	10,856,902	-	-	20,601,416
Net Carrying Value	48,381,972				56,056,150

	April 1, 2014	Additions	Reclassifications	March 31, 2015
	INR	INR	INR	INR
Cost:				
IT equipment	4,331,548	505,375	1,411,132	6,248,054
Furniture and fixtures and office equipment	24,360,593	9,082,075	2,235,478	35,678,146
Vehicles	5,255,901	1,771,769	2,067,558	9,095,228
Building improvements	-	5,794,911	-	5,794,911
Factory equipment	778,894	-	-	778,894
Construction in-progress	8,096,245	1,734,971	(9,299,962)	531,254
Total	42,823,180	18,889,100	(3,585,794)	58,126,486
Accumulated Depreciation:				
IT equipment	576,463	1,267,784	-	1,844,247
Furniture and fixtures and office equipment	2,046,206	4,642,643	-	6,688,849
Vehicles	-	936,247	-	936,247
Building improvements	-	48,291	-	48,291
Factory equipment	32,156	194,723	-	226,879
Total	2,654,825	7,089,688	-	9,744,514
Net Carrying Value	40,168,354			48,381,972

Depreciation expense recognized as part of general administrative expenses amounted to INR 10,856,902 and INR 7,089,688 in 2016 and 2015, respectively. Loss on disposal amounted to INR 228,713 in 2016.

Construction in progress represents building under construction for the expansion of the Company, which are estimated to be completed by end of 2016.

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Vehicles were insured with PT Asuransi Asoka Mas and PT. Asuransi Rama Satria Wibawa against FLEXA (Fire, Lightning, Explosion and Falling of Air-craft), RSMD (Riot, Strike and Malicious Damage) and catastrophe (typhoon, storm, flood, landslide and water damage) for INR 8,224,394 and INR 7,780,297 as of March 31, 2016 and 2015, respectively.

12. OTHER NONCURRENT ASSETS

	March 31, 2016	March 31, 2015
	INR	INR
System software - net	23,540,085	37,670,308
Deposits	4,384,785	5,029,010
Total	27,924,870	42,699,318

Movements of system software are as follows:

	March 31, 2016	March 31, 2015
	INR	INR
Cost		
Beginning balance	56,520,892	52,935,098
Additions	-	3,585,794
Ending balance	56,520,892	56,520,892
Accumulated Amortization:		
Beginning balance	18,850,585	4,770,429
Additions	14,130,223	14,080,156
Ending balance	32,980,808	18,850,585
Net carrying amount	23,540,085	37,670,308

Amortization expense recognized as part of general administrative expenses amounted to INR 14,130,323 and INR 14,080,156 in 2016 and 2015, respectively.

13. TRADE ACCOUNTS PAYABLE

This balance pertains to the outstanding balance from purchases of vehicles and spare parts from TML, a related party.

These purchases have normal credit terms of 90 days. No interest is charged on past due trade accounts payable.

14. OTHER ACCOUNTS PAYABLE

	March 31, 2016 INR	March 31, 2015 INR
Related parties		
TML	62,583,181	49,704,014
Tata Technologies Limited (TTL)	3,596,041	3,417,013
	<u>66,179,222</u>	<u>53,121,027</u>
Third parties	<u>70,712,759</u>	<u>81,938,730</u>

Other accounts payable to TML pertains to expenses which are non-interest bearing and payable on demand.

Other accounts payable to TTL pertains to IT support charges. This is non-interest bearing and payable on demand.

Other accounts payable from third parties as of March 31, 2016 and 2015 represents amounts due to third parties for expenses incurred for advertising and promotions, rental, professional fees, insurance, travel and transportation, among others.

15. DERIVATIVE LIABILITIES

TMDI utilizes the following derivative instruments, principally foreign exchange contracts to enhance its ability to manage risks, primarily foreign currency fluctuations, which exist as part of its ongoing business operations:

Foreign Exchange Forward

TMDI uses forward foreign exchange contracts to cover specific foreign currency payments and receipts. The forward foreign exchange contracts require TMDI, at a future date, to buy foreign currencies in exchange for Rupiah. The maturity date of the contracts ranges from April 2016 to September 2016.

The estimated fair values of TMDI's derivative instruments are summarized below:

		March 31, 2016		March 31, 2015	
		Total notional amount	Fair value INR	Total notional amount INR	Fair value INR
Forward contracts buy Rupiah	US\$	2,863,749	(2,680,771)	-	-
Forward contracts buy US\$	INR	784,448,208	(33,368,334)	-	-
Total fair value			<u>(36,049,105)</u>		<u>-</u>
Presented on financial position as:					
Current liabilities			<u>(36,049,105)</u>		<u>-</u>

The fair values of these derivative assets are calculated using quoted market prices. Where such prices are not available, discounted cash flow analysis are used, which are discounted using the applicable yield curve for the duration of the instruments.

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Net unrealized gain and loss on derivative from foreign exchange forward amounting to INR 36 million loss and INR Nil for the year ended March 31, 2016 and 2015, respectively, are presented as part of "Gain (loss) on foreign exchange" in the consolidated statement of profit or loss and other comprehensive income. The above contracts economically hedge transactions and balances for periods consistent with the related exposures and do not constitute investments independent of these exposures.

16. ACCRUED EXPENSES

	March 31, 2016 INR	March 31, 2015 INR
Current portion		
After sales service	19,970,180	9,375,712
Marketing	10,794,972	11,215,217
Bonus	10,078,105	12,427,131
Buy back guarantee (Note 29)	8,355,906	6,413,643
Professional fees	2,121,555	12,533
Transportation and logistics	1,009,158	2,486,603
Others	3,318,743	4,768,446
Total	<u>55,648,619</u>	<u>46,699,285</u>
Noncurrent portion		
Warranty	<u>2,086,168</u>	<u>1,708,239</u>

Management recognized provision for buy back guarantee loss based on estimated losses in relation to the agreement entered into with third parties (Note 29). Management believes that the estimated provision is sufficient to cover probable losses from the buyback agreement.

17. TAXES PAYABLE

	March 31, 2016 INR	March 31, 2015 INR
<u>The Company</u>		
Income taxes:		
Article 4(2)	50,446	-
Article 21	300,883	161,013
Article 23	15,730	19,038
<u>TMDI</u>		
Income taxes:		
Article 4(2)	541,621	303,191
Article 21	1,056,389	496,611
Article 22	73,311	240,870
Article 23	322,968	235,542
Total	<u>2,361,348</u>	<u>1,456,265</u>

18. SHORT-TERM BANK LOAN

On December 1, 2014, TMDI entered into a facility agreement with PT Bank ANZ Indonesia granting TMDI a short term revolving credit facility amounting to US\$ 750,000 and overdraft facility amounting to US\$ 250,000 for the total facility of US\$ 1,000,000. On March 4, 2015, an amendment was made increasing the total facility to US\$ 5,000,000. Interest rate is at the bank cost of funds plus 1% per annum, payable monthly in arrears. The loan has a term of 6 months, renewable every year based on the agreement of both parties.

This loan is secured by a fiducial security over inventories. The loan agreement contains certain covenants, which among others, restrict TMDI to enter into any amalgamation, demerger, or corporate reconstruction which might reasonably be expected to have a material adverse effect; to sell, lease, transfer or otherwise dispose of any asset, unless in the general course of business. As an impact of the amendment in March 2015, TMDI is entitled to receive more drawdowns and the drawdown can be made in US\$ or Rupiah.

As of March 31, 2016 and 2015, the outstanding loan balance amounted to INR 171,398,994 and US\$ 2,510,499 or equivalent to INR 165,519,624, respectively. As of March 31, 2016 and 2015, the outstanding loan balance includes accrued interest amounting to INR 71,203 and INR 692,211, respectively.

19. CAPITAL STOCK

Name of Stockholders	March 31, 2016		
	Number of Shares	Percentage of Ownership	Total Paid-up Capital INR
TML Holdings Pte., Ltd.	39,893,622	99.99%	1,780,085,779
Tata Motors Limited	1,220	0.01%	54,437
Total	<u>39,894,842</u>	<u>100%</u>	<u>1,780,140,216</u>

Name of Stockholders	March 31, 2015		
	Number of Shares	Percentage of Ownership	Total Paid-up Capital INR
TML Holdings Pte., Ltd.	29,418,622	89.68%	1,312,682,781
Tata Motors Limited	3,383,917	10.32%	150,993,122
Total	<u>32,802,539</u>	<u>100%</u>	<u>1,463,675,902</u>

During 2014, the Company received advances for capital stock subscription from its stockholders amounting to INR 469,135,535 which was converted into capital stock after receiving approval from Minister of Justice and Human Rights of the Republic of Indonesia thru his letter No AHU-00298.40.20.2014 dated April 8, 2014 and No. AHU-07680.40.20.2014 dated September 9, 2014. The Company also received additional capital stock subscription totaling to INR 302,864,972 in June and September 2014. This resulted in an increase in additional paid-in capital of INR 55,61

Based on Notarial Deed No. 27 dated March 20, 2015 of Fardian S.H., notary public in Jakarta, the shareholders of the Company agreed to increase the subscribed and paid-up capital to 32,802,539 shares which were approved by BKPM on March 19, 2015 thru his letter no. 793/1/IP-PB/PMA/2015 and acknowledged by Minister of Justice and Human Rights of the Republic of Indonesia thru its letter No. AHU-AH.01.03-0018476 dated March 23, 2015. The Company received capital infusion totaling to IDR 272,911,801 in relation to this issuance on July and October 2014. The capital infusion resulted in an increase in additional paid-in capital amounting to IDR 32.12.

Based on Notarial Deed No. 33 dated May 20, 2015 of Fardian S.H., notary public in Jakarta, the shareholders of the Company agreed to transfer 3,382,697 shares amounting to IDR 150,938,684 from TML to TML Holdings Pte. Ltd. (THPL) which increased THPL ownership to 99.99% of the Company. This was approved by BKPM on May 20, 2015 thru its letter no. 1504/1/IP-PB/PMA/2015 and acknowledged by Minister of Justice and Human Rights of the Republic of Indonesia thru his letter No. AHU-AH.01.03-0935403 dated May 28, 2015.

Based on Notarial Deed No. 10 dated March 4, 2016 of Fardian S.H., notary public in Jakarta, the shareholders of the Company agreed to issue 7,092,303 shares to THPL with par value of IDR 44.62 per share. This increased the subscribed and paid-up capital to 39,894,842 shares which was acknowledged by Minister of Justice and Human Rights of the Republic of Indonesia thru his letter No. AHU-AH.01.03-0030820 dated March 12, 2016. The Company received capital infusion totaling to IDR 316,464,376 in relation to this issuance on June and September 2015. The capital infusion resulted in an increase in additional paid-in capital amounting to IDR 62.28.

20. ADVANCE FOR FUTURE CAPITAL STOCK SUBSCRIPTION

On February 29, 2016, the Company received IDR 78,751,852 from THPL which is intended as an advance for capital stock subscription. As of the issuance date of the financial statements, the notarial deed and other legal documents are still in process.

21. ADDITIONAL PAID-IN CAPITAL

This account relates to the difference in amount of subscribed and paid-up capital arising due to the difference between the foreign exchange rate stated in the Articles of Association and the foreign exchange rate at the time the stockholders paid their subscriptions.

22. SALES

	2016 IDR	2015 IDR
Vehicles	542,272,525	471,343,036
Spareparts	17,453,704	10,157,436
Total	<u>559,726,228</u>	<u>481,500,472</u>

23. COST OF SALES

	2016	2015
	INR	INR
Vehicles	538,536,476	490,052,096
Spareparts	11,404,430	11,139,327
Total	549,940,906	501,191,423

All vehicles and spare parts were purchased from TML, a related party.

24. GENERAL AND ADMINISTRATIVE EXPENSES

	2016	2015 *)
	INR	INR
Salaries and employee benefits (Note 27)	138,817,174	126,433,915
Rental	75,341,492	72,001,394
Transportation, logistics and trials	36,179,455	39,945,819
Depreciation and amortization (Notes 11 and 12)	24,987,126	21,169,845
Office expenses	20,540,413	24,891,339
After sales service	11,699,663	6,140,228
Professional fees	10,629,521	16,279,766
Utilities	6,787,854	4,361,128
Others	5,502,200	5,639,580
Total	330,484,897	316,863,014

*) As restated (Note 33)

25. SELLING EXPENSES

	2016	2015
	INR	INR
Marketing and promotion (Note 29)	134,602,751	157,321,059
Sponsorship	42,016,712	40,838,326
Others	10,408,560	5,360,158
Total	187,028,024	203,519,543

26. TAXATION

The Group's income tax in 2016 and 2015 represents deferred tax expense of the Company and TMDI amounting to INR 1,109,083 and INR 748,720, respectively.

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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:

	2016 INR	2015 *) INR
Loss before tax per consolidated statement of profit or loss and other comprehensive income	(567,310,681)	(550,100,110)
Loss before tax of TMDI	516,193,483	486,299,600
Loss before tax of the Company	(51,117,198)	(63,800,510)
Temporary difference:		
Difference between commercial and fiscal depreciation	(739,472)	(716,166)
Difference between commercial and fiscal amortization	23,306	-
Provision for post-employment benefit obligation	2,274,119	186,531
Total	1,557,953	(529,636)
Permanent differences:		
Benefits in kind	5,194,819	9,062,886
Non-deductible expenses	2,354,825	4,029,155
Interest income subject to final tax	(89,696)	(247,621)
Total	7,459,947	12,844,421
Fiscal loss before fiscal loss carryforward	(42,099,298)	(51,485,725)
Fiscal loss carryforward		
2015	(51,485,725)	-
2014	(82,546,146)	(82,546,146)
2013	(236,584,181)	(236,584,181)
Fiscal Losses	(412,715,350)	(370,616,052)

*) As restated (Note 33)

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 in any of the 5 years following the year in which the fiscal loss was incurred.

Under the taxation laws of Indonesia, the Company submits tax returns on a self-assessment basis. Effective for fiscal year 2009, the tax authorities may assess taxes within 5 years after the date when the tax becomes due.

Deferred Tax

As of March 31, 2016 and 2015, the Company did not recognize deferred tax asset on temporary differences from available fiscal losses and post-employment obligation due to uncertainty of generating future taxable income.

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Deferred tax liability amounting to INR 2,115,626 and INR 1,006,543 as of March 31, 2016 and 2015, respectively, pertains to the difference between the carrying amounts of property and equipment and system software per commercial and per fiscal.

A reconciliation between the tax expense 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:

	2016 INR	2015 *) INR
Loss before tax per consolidated statement of comprehensive income	(567,310,681)	(550,100,110)
Loss before tax of TMDI	516,193,483	486,299,600
Loss before tax of the Company	(51,117,198)	(63,800,510)
Tax benefit at enacted tax rates	(12,779,299)	(15,950,128)
Tax effect of permanent differences:		
Benefits in kind	1,298,705	2,265,722
Interest income subject to final tax	(22,424)	(61,905)
Non-deductible expenses	588,706	1,007,289
Total	(10,914,313)	(12,739,022)
Unrecognized deferred tax	11,099,181	12,918,064
Tax Expense	184,868	179,042

*) As restated (Note 33)

27. POST-EMPLOYMENT BENEFIT OBLIGATION

Post-employment Benefits Under Labor law No. 13/20013

The Group provides post-employment benefits for its qualifying employees in accordance with the Labor Law No. 13/2003. The number of employees entitled to the benefits is 44 in 2016 and 2015.

The defined benefit pension plan typically expose the Group to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

The present value of the defined benefits obligation is calculated using a discount rate determined by reference to high quality corporate bond yields. A decrease in the bond interest rate will increase the benefits obligation.

Longevity risk

The present value of the defined benefits obligation is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants 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. As such, an increase in the salary of the plan participants will increase the benefits obligation.

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

	2016 INR	2015 *) INR
Service Cost		
Current service cost	6,470,864	3,257,385
Interest cost	911,076	457,954
Components of defined benefit costs recognised in profit or loss	7,381,940	3,715,339
Remeasurement on the net defined benefit liability:		
Actuarial (gains) and losses arising from changes in demographic assumptions	(288,738)	-
Actuarial (gains) and losses arising from changes in financial assumptions	(1,665,513)	2,695,636
Actuarial (gains) and losses arising from experience adjustments	(1,165,729)	795,465
Components of defined benefit costs recognised in other comprehensive income	(3,119,980)	3,491,101
Total	4,261,960	7,206,440

*) As restated (Note 33)

Movements in the present value of the post-employment benefits obligation were as follows:

	March 31, 2016 INR	March 31, 2015 *) INR
Beginning balance	13,773,605	6,567,166
Current service cost	6,470,864	3,257,385
Interest cost	911,076	457,954
Remeasurement (gains)/losses:		
Actuarial (gains) and losses arising from changes in demographic assumptions	(288,738)	-
Actuarial (gains) and losses arising from experience adjustments	(1,165,729)	795,465
Actuarial (gains) and losses arising from changes in financial assumptions	(1,665,513)	2,695,636
Ending balance	18,035,566	13,773,605

*) As restated (Note 33)

As of March 31, 2016 and 2015, 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, 2016		March 31, 2015	
	Increase INR million	Decrease INR million	Increase INR million	Decrease INR million
Discount rate	(1,466)	1,701	(1,143)	1,334
Salary incremental rate	1,698	(1,489)	1,319	(1,152)

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The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

The history of experience adjustments is as follows:

	2016	2015 *)	March 31 2014 *)	2013 *)	2012 *)
Present Value of Unfunded Obligation	18,035,566	13,773,605	6,567,166	3,489,932	3,564,067
Experience adjustment on obligation - gain (loss)	1,165,729	(896,246)	692,653	21,628	-

*) As restated (Note 33)

The cost of providing post-employment benefits under Labor Law No. 13/2003 is calculated by an independent actuary, PT Dayamandiri Dharmakonsilindo. The actuarial valuation was carried out using the following key assumptions:

	2016	2015
Discount rate	8.7% per annum	7.8% per annum
Salary increment rate	8% per annum	8% per annum
Mortality rate	100% of Table Mortality of Indonesia ("TMI3") 5% TMI 3	USA Table of Mortality, Commissioners' Standard Ordinary 1980 (CSO '80)
Disability rate	10% of Mortality Rate	10% of Mortality Rate
Resignation rate	5% at age 30 reducing linearly to 0% at age 55	5% at age 30 reducing linearly to 0% at age 55
Retirement rate	100% at 55 years old	100% at 55 years old

28. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES

Nature of Relationship

- TML is the minority stockholder of the Company and is also the ultimate controlling party of the Group.
- TTL is an entity under same shareholder, which is TML.
- Key management personnel is composed of Commissioners and Directors of the Company

Transactions with Related Parties

- a. Purchases of spare parts and vehicles from related party represent 100% of the total purchases in 2016 and 2015. At reporting dates, the liabilities for these purchases were presented as trade accounts payable.
- b. The Group entered into other transactions with related parties as disclosed in Notes 7 and 14.
- c. The Group provides short-term employee benefits to its key management personnel amounting to IDR 24,106,373 and IDR 21,899,516 for 2016 and 2015, respectively.

29. SIGNIFICANT AGREEMENTS

The following are the Group's significant agreements as of the reporting period:

The Company

- a. The Company entered into a lease agreement with PT Metropolitan Kentjana Tbk for office rental for a period of 3 years effective March 1, 2013 until February 28, 2016. As at reporting date, the extension lease agreement with PT Metropolitan Kentjana Tbk is still in process.

Rental expense recognized from this agreement amounted to IDR 5,917,854 and IDR 5,789,978 in 2016 and 2015, respectively.

TMDI

- b. TMDI entered into a distribution agreement with TML effective July 2, 2013 and shall be valid for five years and shall automatically expire unless renewed by both parties. Under the agreement, TMDI is appointed to exclusively market, sell and distribute vehicles manufactured by TML. The title of the vehicles including the risks and costs shall pass to TMDI when the vehicles are shipped from TML's premises. The agreement can be terminated by either party, by giving an advance notice in writing to the other party.
- c. TMDI entered into dealership agreements with various dealers under which the dealers will distribute TMDI's product at a price agreed by both parties. Under the agreement, the dealers will sell TMDI's products at its name, account and risk. The agreements shall be valid unless terminated by either party, by giving an advance notice in writing.
- d. TMDI entered into a lease agreement with PT Metropolitan Kentjana Tbk for office rental for a period of 3 years effective March 1, 2013 until February 28, 2016. As at reporting date, the extension lease agreement with PT Metropolitan Kentjana Tbk is still in process,

Rental expense recognized from this agreement amounted to IDR 11,280,308 and IDR 10,752,924 in 2016 and 2015, respectively.

- e. TMDI entered into a cancellable warehouse and logistic agreement with PT Toll Indonesia for warehouse storage rental and inventory handling management for a period of one year effective July 1, 2014 until June 30, 2015. On November 18, 2015, the term was extended until June 30, 2016. Under the agreement, PT Toll Indonesia shall provide the warehouse and logistic support, including inventory management to the Company.

Rental expense recognized from this agreement amounted to IDR 5,106,680 and IDR 4,507,146 in 2016 and 2015, respectively.

- f. The Company entered into a cancellable stockyard rental and logistics services agreement with PT Multi Land for stockyard rental and logistic services for the Company's vehicles for a period of three years effective July 25, 2013 until July 24, 2016. Under the agreement, PT Multi Land shall make available its stockyard and facilities for the Company's vehicles and provide logistic support, including inventory management to the Company.

Rental expense recognized from this agreement amounted to INR 11,928,496 and INR 10,725,120 in 2016 and 2015, respectively.

- g. During 2015 and 2016, the Company entered into buy back guarantee cooperation agreements with several financing companies such as : PT Mandiri Tunas Finance, PT BPR Cikarang Raharja and PT CIMB Niaga Auto Finance (CNAF). The terms of the agreement is one year and can be extended with term and conditions which shall be determined based on mutual agreement between Parties. The salient point in the agreement among others: the Company is obliged to pay the unpaid installment on behalf of dealer if there is a default in the customer based on certain conditions as stipulated in the agreement. The buy back guarantee only valid within 12 months after the date of the consumer financing agreement.

In addition to the above, on March 1, 2016, the Company entered into an agreement on vehicle financing with PT Adira Dinamika Multi Finance Tbk (Adira) in which Adira agree to provide financing facility for public transportation vehicles of TMDI through dealers or TMDI on behalf of dealers has the rights to execute buy back guarantee program based on certain conditions as stipulated in the agreement. The agreement is valid for one year and can be extended until further written notice from both or either parties.

As of March 31, 2016 and 2015, the Company provided provision for buy back guarantee which was presented as part of accrued expense.

In relation to the buy back guarantee above, the Company also entered into cooperation agreement for the execution of buy back guarantee program with various dealers. The salient point among others are the Company will act as the proxy receiver for and on behalf of the dealer and will buy back the repossessed vehicles from the financing companies based on certain conditions as stipulated in the agreement. The payment by TMDI to financing companies will be repaid back by dealers within 90 days and 50% of the payment is secured by GIRO. Dealers are required to sell the repossessed vehicles with certain period and the gain/loss will be shared between dealers and the Company as stipulated in the agreement.

As of March 31, 2016 and 2015, total payment made by the Company to financing companies on behalf of dealers was presented as other accounts receivable – third parties

- h. In May 2015, the Company entered into dealer financing agreement with PT Bank SBI Indonesia and dealers to finance the purchase of new Tata vehicles. Under the agreement, PT Bank SBI will provide financing facility to dealer based on certain conditions as stipulated in the agreement. The agreement is effective upon signing of the agreements and remain enforced unless terminated by PT Bank SBI based on conditions stipulated in the agreement.

30. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

At March 31, 2016 and 2015, the Group had monetary assets and liabilities in foreign currencies as follows:

		2016		2015	
		In Original Currency	Equivalent in INR	In Original Currency	Equivalent in INR
ASSETS					
Cash and cash equivalents	US\$	167,223	11,186,968	827,727	54,572,869
Other accounts receivable					
Related party	US\$	219,084	14,656,374	150,668	9,933,682
Third party	US\$	500	33,449		
Other current assets	US\$	41,699	2,789,566	-	-
Total Assets			28,666,357		64,506,551
LIABILITIES					
Trade accounts payable	US\$	1,402,570	93,829,775	2,017,237	143,777,762
Other accounts payable					
Related parties	US\$	880,170	58,882,006	694,271	45,773,987
Third parties	US\$	509,999	34,895,877	108,458	7,150,722
Short-term bank loans	US\$	-	-	2,510,499	165,519,624
Total Liabilities			187,607,658		362,222,096
Net Liabilities			(158,941,301)		(297,715,545)

The conversion rates per US\$ used by the Group as of March 31, 2016 and March 31, 2015 and the prevailing rates on May 17, 2016 are Rp 13,276, Rp 13,084 and Rp 13,278, respectively.

31. CATEGORIES AND CLASSES OF FINANCIAL INSTRUMENTS

	March 31, 2016 INR	March 31, 2015 INR
Financial Asset		
<u>Loans and receivables</u>		
Cash and cash equivalents	28,307,618	103,210,781
Trade accounts receivables	88,491,005	118,219,406
Other accounts receivable		
Related party	14,656,374	9,933,682
Third parties	9,421,442	3,309,437
Other current assets	990,479	7,646,842
Other noncurrent assets	4,384,785	-
Total	146,251,703	242,320,148
Financial Liabilities		
<u>Current liabilities at amortized cost</u>		
Trade accounts payable	139,909,138	143,777,762
Other accounts payable		
Related parties	66,108,395	53,121,027
Third parties	70,783,587	81,938,730
Accrued expenses	55,648,619	46,699,285
Short-term bank loan	171,398,994	165,519,624
<u>Current liabilities at FVTPL</u>		
Derivative liabilities	36,049,105	-
<u>Noncurrent liabilities at amortized cost</u>		
Accrued expenses	2,086,168	1,708,239
Total	541,984,006	492,764,668

32. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Capital risk management

The Group manages capital risk to ensure that it will be able to continue as going concern, in addition to maximizing the profits of the shareholders through the optimization of the balance of debt and equity. The Group's capital structure consists short-term bank loan (Note 18) offset by cash and cash equivalents (Note 5) and equity shareholders consisting of capital stock (Note 19), advances for future capital stock subscription (Note 20), additional paid-in capital (Note 21), non-controlling interest and deficit.

The Directors of the Group periodically reviews the Group's capital structure. As part of this review, the Directors consider the cost of capital and related risks.

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The gearing ratio as of March 31, 2016 and 2015 are as follows:

	March 31, 2016	March 31, 2015
Debt	171,398,994	165,519,624
Cash and cash equivalents	(28,307,618)	(103,210,781)
Net debt	143,091,376	62,308,844
Equity	37,331,932	207,415,488
Net debt to equity ratio	383%	30%

b. Financial risk management objectives and policies

The Group's overall financial risk management and policies seek to ensure that adequate financial resources are available for operation and development of its business, while managing its exposure to market risk (i.e. interest rate risk and foreign exchange rate risk), credit and liquidity risks. The core function of the Group's risk management is to identify all key risks for the Group, measure these risks and manage the risk positions in accordance with its policies and Group's risk appetite. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to market risks, in particular, interest rate risk and foreign currency exchange risk.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group believes that exposure to interest rate fluctuations is not significant because borrowings are only short-term in nature as of the reporting date. The interest rate risk exposure in deposits of cash in bank is considered manageable.

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign exchange exposure on its US Dollar denominated purchases of vehicles and spare part, short-term availment of loan and bank deposits. The Group periodically reviews the impact of foreign exchange rate movement so that appropriate action is taken to mitigate this risk.

The Group manages the foreign currency exposure by matching, as far as possible, receipts and payments in each individual currency. To help manage the risk, the Group entered into forward foreign exchange contracts with financial institution. The Group's net open foreign currency exposure as of reporting date is disclosed in Note 30.

The following table details the Group's sensitivity to percentage rate increase and decrease in the Rupiah against US Dollar in 2016 and 2015. The percentage rate is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for change in foreign currency rates.

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	2016		2015	
	Increase (decrease) in percentage	Increase (decrease) on loss before tax INR	Increase (decrease) in percentage	Increase (decrease) on loss before tax INR
US Dollar	4.0% (4.0%)	6,357,652 (6,357,652)	8.0% (8.0%)	23,817,244 (23,817,244)

ii. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Group.

The Group's credit risk is primarily attributed to its cash in bank and trade and other accounts receivable. The Group places its bank balances with credit worthy financial institutions. Trade and other accounts receivable are entered with respected and credit worthy third parties and related parties. The Group's exposure is continuously monitored and the credit exposure are reviewed and approved by the Group's Board of Directors. There are no significant concentrations of credit risk in the Group.

The carrying amount of financial assets recorded in the consolidated financial statements represents the Group's exposure to credit risk.

iii. Liquidity risk management

Liquidity risk refers to the risk of the Group's inability to fulfill its commitment with regards to its financial liabilities. The management closely evaluates and monitors cash-in flows and cash-out flows to ensure the availability of fund to settle the due obligation. Since the financial liabilities mainly resulted from transactions with related parties, management believes that it has the ability to manage the related liquidity risk.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Annual Interest	1 to 3 months	3 months to 1 year	1 to 5 years	Total
		INR	INR	INR	INR
March 31, 2016					
Non-interest bearing					
Trade accounts payable		139,909,138	-	-	139,909,138
Other accounts payable					
Related parties		66,108,395	-	-	66,108,395
Third parties		70,783,587	-	-	70,783,587
Derivative liabilities		36,049,105			36,049,105
Accrued expenses		46,473,629	7,088,823	2,086,168	55,648,619
Interest-bearing					
Short-term bank loan	9.6% - 12.15%	-	173,230,409	-	173,230,409
Total		359,323,854	180,319,232	2,086,168	541,729,253

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MARCH 31, 2016 AND FOR THE YEAR THEN ENDED (Continued)

	Annual Interest	1 to 3 months INR	3 months to 1 year INR	1 to 5 years INR	Total INR
March 31, 2015					
Non-interest bearing					
Trade accounts payable		143,777,762	-	-	143,777,762
Other accounts payable					
Related parties		53,121,027	-	-	53,121,027
Third parties		81,938,730	-	-	81,938,730
Accrued expenses		30,909,930	15,789,355	1,708,239	48,407,524
Interest-bearing					
Short-term bank loan	3.3% - 3.4%	-	166,343,761	-	166,343,761
Total		<u>309,747,450</u>	<u>182,133,116</u>	<u>1,708,239</u>	<u>493,588,805</u>

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Annual Interest	Less than 3 months INR	3 months to 1 year INR	1 year to 5 years INR	Total INR
March 31, 2016					
Variable interest rate instruments					
Cash in banks	0.25% - 3%	27,226,636	-	-	27,226,636
Fixed interest rate instruments					
Time deposits	5.4% - 7.75%	1,228,118	-	-	1,228,118
Non-interest bearing					
Cash on hand		33,995	-	-	33,995
Trade accounts receivable		88,491,005	-	-	88,491,005
Other accounts receivable					
Related party		14,656,374	-	-	14,656,374
Third parties		9,421,442	-	-	9,421,442
Other current assets		-	990,479	-	990,479
Other noncurrent assets		-	-	4,384,785	4,384,785
Total		<u>141,057,570</u>	<u>990,479</u>	<u>4,384,785</u>	<u>146,432,834</u>

	Annual Interest	Less than 3 months INR	3 months to 1 year INR	Total INR
March 31, 2015				
Variable interest rate instruments				
Cash in banks	0.5% - 1.25%	68,682,672	-	68,682,672
Fixed interest rate instruments				
Time deposits	5.4% - 7.75%	35,087,329	-	35,087,329
Non-interest bearing				
Cash on hand		33,520	-	33,520
Trade accounts receivable		118,219,406	-	118,219,406
Other accounts receivable				
Related party		9,933,682	-	9,933,682
Third parties		3,309,437	-	3,309,437
Other current assets		-	7,646,842	7,646,842
Total		<u>131,496,045</u>	<u>7,646,842</u>	<u>139,142,887</u>

iv. Fair value of financial instruments

Fair value of financial instruments

Except for financial instruments at FVTPL, as disclosed in Note 15, management considers that the carrying amount of financial assets and financial liabilities recorded at amortized cost in the financial statements approximate their fair values either because of their short-term maturities or they carry market rates of interest.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves are derived from quoted interest rates matching maturities of the contracts.

Fair Value Measurement hierarchy of the Group's assets and liabilities:

The following tables summarize the carrying amounts and fair values of the assets and liabilities, analyzed among those whose fair value is based on:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	INR	INR	INR	INR
March 31, 2016				
Liability measured at Fair Value				
Derivative liabilities	-	36,049,105	-	36,049,105

The fair value of the Group's financial assets and liabilities, except cash in banks and time deposits are measured using input level 3 which include inputs for the financial assets or liability that are not based on observable market data. Cash in banks and time deposits are measured using input level 2 which include other than quoted prices included within Level 1, that are observable for the financial asset or liability, either directly or indirectly.

33. RESTATEMENT & RECLASSIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

As described in Note 2 to the consolidated financial statements, the Company and its Subsidiary restated its consolidated statement of financial position as of March 31, 2015 and April 1, 2014/ March 31, 2014 and consolidated statement of profit or loss and other comprehensive income for the year ended March 31, 2015 due to adoption of PSAK 24 (revised 2013), Employee Benefits. The Company and its Subsidiary also made reclassifications for prepaid taxes from current to non current to conform with the presentation as of March 31, 2016.

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016 AND FOR THE YEAR THEN ENDED (Continued)

The following is the summary of the accounts in the consolidated statements of financial position as of March 31, 2015 and April 1, 2014/ March 31, 2014 before and after restatements and reclassification:

	March 31, 2015			
	As previously reported	Adjustments PSAK 24 (revised 2013)	Reclassification	As restated
	INR	INR	INR	INR
STATEMENTS OF FINANCIAL POSITION				
<u>ASSETS</u>				
CURRENT ASSETS				
Prepaid taxes	82,288,557	-	(72,342,611)	9,945,946
Total Current Assets	625,335,280	-	(72,342,611)	552,992,669
NONCURRENT ASSETS				
Prepaid taxes	-	-	72,342,611	72,342,611
Total Noncurrent Assets	91,081,290	-	72,342,611	163,423,901
TOTAL ASSETS	716,416,570	-	-	716,416,570
<u>LIABILITIES AND EQUITY</u>				
NONCURRENT LIABILITIES				
Employee benefits obligation	12,888,335	885,271	-	13,773,605
Total Noncurrent Liabilities	15,603,117	885,271	-	16,488,387
EQUITY				
Share in changes in equity in a subsidiary	(2,771,147)	(51,139)	-	(2,822,286)
Deficit	(1,252,846,423)	(888,190)	-	(1,253,734,613)
Equity attributable to the owners of the Company	208,348,165	(939,329)	-	207,408,836
Non-controlling interests	(47,406)	54,058	-	6,652
Total Equity	208,300,759	(885,271)	-	207,415,488
TOTAL LIABILITIES AND EQUITY	716,416,570	-	-	716,416,570

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016 AND FOR THE YEAR THEN ENDED (Continued)

	April 1, 2014/March 31, 2014			
	As previously reported	Adjustments PSAK 24 (revised 2013)	Reclassification	As restated
	INR	INR	INR	INR
STATEMENTS OF FINANCIAL POSITION				
<u>ASSETS</u>				
CURRENT ASSETS				
Prepaid taxes	60,728,156	-	(60,728,156)	-
Total Current Assets	449,579,524	-	(60,728,156)	388,851,368
NONCURRENT ASSETS				
Prepaid taxes	-	-	60,728,156	60,728,156
Total Noncurrent Assets	93,470,597	-	60,728,156	154,198,753
TOTAL ASSETS	543,050,121	-	-	543,050,121
<u>LIABILITIES AND EQUITY</u>				
NONCURRENT LIABILITIES				
Employee benefits obligation	9,305,991	(2,738,826)	-	6,567,166
Total Noncurrent Liabilities	10,057,642	(2,738,826)	-	7,318,816
EQUITY				
Deficit	(703,758,490)	2,731,534	-	(701,026,956)
Equity attributable to the owners of the Company	184,430,472	2,731,534	-	187,162,006
Non-controlling interests	(1,200,730)	7,292	-	(1,193,438)
Total Equity	183,229,742	2,738,826	-	185,968,568
TOTAL LIABILITIES AND EQUITY	543,050,121	-	-	543,050,121

PT. TATA MOTORS INDONESIA AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016 AND FOR THE YEAR THEN ENDED (Continued)

The following is the summary of the classes of transactions of the consolidated statement of profit or loss and other comprehensive income for the year ended March 31, 2015 before and after restatements:

	2015		
	As previously reported	Adjustments PSAK 24 (revised 2013)	As restated
	INR	INR	INR
<u>IMPACT ON PROFIT OR LOSS FOR THE YEAR</u>			
General and administrative expenses	(316,730,018)	(132,996)	(316,863,014)
LOSS BEFORE TAX	(549,967,115)	(132,996)	(550,100,110)
LOSS FOR THE YEAR	(550,715,835)	(132,996)	(550,848,830)
OTHER COMPREHENSIVE INCOME			
ITEM THAT WILL NOT BE RECLASSIFIED			
SUBSEQUENTLY TO PROFIT OR LOSS			
Actuarial loss on defined benefit obligation	-	(3,491,101)	(3,491,101)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(550,715,835)	(3,624,097)	(554,339,931)
LOSS ATTRIBUTABLE TO			
Owners of the Company	(549,087,933)	(133,112)	(549,221,045)
Non-controlling interests	(1,627,902)	117	(1,627,785)
Loss for the year	(550,715,835)	(132,996)	(550,848,830)
TOTAL COMPREHENSIVE INCOME			
ATTRIBUTABLE TO :			
Owners of the Company	(549,087,933)	(3,619,724)	(552,707,657)
Non-controlling interests	(1,627,902)	(4,373)	(1,632,274)
Total comprehensive income for the year	(550,715,835)	(3,624,097)	(554,339,931)

34. FINANCIAL INFORMATION OF PARENT ENTITY ONLY

The financial information that are presented on pages 44 to 47 are the Company's financial statements, which comprise the statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows in an individual basis. These Parent Entity only financial information follow the accounting policies used in the preparation of the consolidated financial statements that are described in Note 3, except for the investment in a subsidiary which is accounted for using cost method.

35. MANAGEMENT RESPONSIBILITY AND APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The preparation and fair presentation of the consolidated financial statements on pages 1 to 43 and the supplementary information on pages 44 to 47 were the responsibilities of the management, and were approved by the Directors and authorized for issue on May 17, 2016.

36. CONVERSION RATE ON FINANCIALS

The financial information is expressed in IDR only in the audited Accounting packs based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirement of section 212 of the Indian Companies Act, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate of INR 1 = IDR 198.45 as on March 31, 2016 and March 31, 2015. These translations should not be construed as a representation that any or all the amounts could be converted to Indian Rupees at this or any other rate

PT. TATA MOTORS INDONESIA
ADDITIONAL INFORMATION
SCHEDULE I: PARENT ENTITY'S STATEMENT OF FINANCIAL POSITION
MARCH 31, 2016

	March 31, 2016 INR	March 31, 2015 *) INR	April 1, 2014 *)/ March 31, 2014 *) INR
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7,119,814	28,414,865	13,805,218
Other accounts receivable			
Related party	-	-	3,614,327
Third parties	1,180,187	615,007	986,846
Prepaid taxes	-	209,322	-
Prepaid expenses	445,956	1,558,147	2,450,460
Other current assets	812,613	2,215,317	961,666
Total Current Assets	9,558,570	33,012,658	21,818,516
NONCURRENT ASSETS			
Investment in subsidiary	1,371,515,646	994,148,526	514,665,029
Property and equipment - net of accumulated depreciation of INR 5,740,100 at March 31, 2016, INR 3,574,411 at March 31, 2015 and INR 1,408,722 at March 31, 2014	5,787,678	7,953,367	10,150,533
Prepaid taxes	4,560,671	4,433,243	3,524,367
Other noncurrent assets	8,137,822	11,099,433	13,227,602
Total Noncurrent Assets	1,390,001,817	1,017,634,570	541,567,531
TOTAL ASSETS	1,399,560,387	1,050,647,227	563,386,047
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Other accounts payable			
Related party	34,963,682	31,162,455	52,218,536
Third parties	3,575,120	5,237,011	1,667,491
Accrued expenses	3,115,245	2,901,579	10,285,084
Taxes payable	367,059	180,051	211,599
Total Current Liabilities	42,021,106	39,481,096	64,382,710
NONCURRENT LIABILITIES			
Deferred tax liability	438,661	253,793	74,751
Post-employment benefit obligation	7,432,608	5,824,807	3,489,932
Total Noncurrent Liabilities	7,871,268	6,078,600	3,564,683
EQUITY			
Capital stock - Rp 8,855 par value per share			
Authorized - 45,000,000 shares in 2016 and 2015 and 10,000,000 shares in 2014			
Subscribed and paid-up - 39,894,842 shares in 2016, 32,802,539 shares in 2015 and 9,384,941 shares in 2014	1,780,140,216	1,463,675,902	418,763,681
Additional paid-in capital	289,896	289,833	289,746
Advances for future capital stock subscription	78,751,852	-	469,135,535
Deficit	(509,513,951)	(458,878,204)	(392,750,308)
Total Equity	1,349,668,012	1,005,087,532	495,438,654
TOTAL LIABILITIES AND EQUITY	1,399,560,387	1,050,647,227	563,386,047

*) As restated

PT. TATA MOTORS INDONESIA
 ADDITIONAL INFORMATION
 SCHEDULE II: PARENT ENTITY'S STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED MARCH 31, 2016

	2016 INR	2015 *) INR
General and administrative expenses	(46,536,365)	(66,995,224)
Gain on foreign exchange	(4,330,362)	3,073,906
Interest income	89,696	247,621
Others - net	(340,168)	(126,813)
LOSS BEFORE INCOME TAX	(51,117,198)	(63,800,510)
TAX EXPENSE - DEFERRED	184,868	179,042
NET LOSS FOR THE YEAR	(51,302,066)	(63,979,552)
OTHER COMPREHENSIVE INCOME ITEM THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		
Actuarial gain (loss) on defined benefit obligation	666,319	(2,148,345)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(50,635,747)	(66,127,897)

*) As restated

PT. TATA MOTORS INDONESIA
 ADDITIONAL INFORMATION
 SCHEDULE III: PARENT ENTITY'S STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED MARCH 31, 2016

	Capital stock INR	Additional paid-in capital INR	Advances for future capital stock subscription INR	Deficit INR	Total Equity INR
Balance as of April 1, 2014 (as previously reported)	418,763,681	289,746	469,135,535	(393,666,155)	494,522,807
Adjustment	-	-	-	915,848	915,848
Balance as of April 1, 2014 *)	418,763,681	289,746	469,135,535	(392,750,308)	495,438,654
Issuance of 23,417,598 shares with Rp 8,855 par value per share	1,044,912,221	88	(469,135,535)	-	575,776,774
Net loss for the year	-	-	-	(63,979,552)	(63,979,552)
Other comprehensive income	-	-	-	(2,148,345)	(2,148,345)
Balance as of March 31, 2015	1,463,675,902	289,833	-	(458,878,204)	1,005,087,532
Issuance of 7,092,303 shares with Rp 8,855 par value per share	316,464,314	62	-	-	316,464,376
Advances for future capital stock subscription	-	-	78,751,852	-	78,751,852
Net loss for the year	-	-	-	(51,302,066)	(51,302,066)
Other comprehensive income	-	-	-	666,319	666,319
Balance as of March 31, 2016	<u>1,780,140,216</u>	<u>289,896</u>	<u>78,751,852</u>	<u>(509,513,951)</u>	<u>1,349,668,012</u>

*) As restated

PT. TATA MOTORS INDONESIA
ADDITIONAL INFORMATION
SCHEDULE IV: PARENT ENTITY'S STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

	2016 INR	2015 *) INR
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(51,117,198)	(63,800,510)
Adjustment for:		
Depreciation and amortization	4,483,075	4,483,075
Provision for (income from) post-employment benefit obligation	2,274,119	186,531
Interest income	(89,696)	(247,621)
Operating loss before changes in working capital	(44,449,699)	(59,378,525)
Changes in operating assets and liabilities:		
Other accounts receivable	(565,180)	3,986,166
Prepaid value added taxes	81,894	(1,118,198)
Prepaid expenses	1,112,191	892,313
Other current assets	1,402,704	(1,253,651)
Other accounts payable	1,452,295	(17,486,561)
Taxes payable	187,008	(31,548)
Accrued expenses	900,708	(7,383,505)
Net Cash Used in Operating Activities	(39,878,080)	(81,773,509)
CASH FLOWS FROM INVESTING ACTIVITY		
Investment to a subsidiary	(377,367,120)	(479,483,497)
Decrease (increase) in other noncurrent assets	644,225	108,562
Acquisitions of property and equipment	-	(266,304)
Interest received	89,696	247,621
Net Cash Used in Investing Activities	(376,633,199)	(479,393,618)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issuance of capital stock	316,464,376	575,776,774
Proceeds from advances for future capital stock subscription	78,751,852	-
Net Cash Provided by Investing Activities	395,216,228	575,776,774
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(21,295,051)	14,609,648
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	28,414,865	13,805,218
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	7,119,814	28,414,865

*) As restated