

# **Concorde Motors (India) Limited**

C I N : U24110MH1972PLC015561

2014 – 15

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCORDE MOTORS (INDIA) LIMITED**

### **1.0 Report on the Financial Statements**

We have audited the accompanying financial statements of **CONCORDE MOTORS (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **2.0 Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (the "Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **3.0 Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the

accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **4.0 Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

#### **5.0 Emphasis of matter**

We draw attention to the Note 17(a) in the financial statements which details that the Company has accumulated losses, its net worth has been fully eroded as at the balance sheet date, the Company has incurred a net loss during the current and previous years and the management's business plans. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis based on the mitigation plans drawn up by the management as stated in the said Note. The ability of the Company to continue as going concern is dependent on the successful outcomes of the aforesaid mitigation plans.

Our opinion is not modified in respect of these matters.

#### **6.0 Report on Other Legal and Regulatory Requirements**

6.1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.

6.2 As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

- (e) The going concern matter described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in note 17(A)(4)(i) to 17(A)(4)(iii) of the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No. 008072S

**Place: Bangalore**  
**Date:**

Sathya P. Koushik  
Partner  
Membership No. 206920

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 6.1 of our report of even date).

- (i) Having regard to the nature of the Company's business/activities/results during the year, clause (vi) of Paragraph 3 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, the discrepancies noticed have been appropriately dealt with in the books of accounts.
- (iii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act,
- (v) Except for (i) controls over review and monitoring of advances from customers for sale of goods and services (ii) and having regard to our comments in paragraph (xii(b)) below, recording of purchases and sales of Pre-owned cars and the process of raising claims for various incentives in two of the units, which need to be strengthened, in our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act.
- (vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory due in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable other than service tax dues aggregating to approximately Rs. 93.60 lakhs.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. In Lakhs)
Income tax Act, 1961	Income tax	Income Tax Appellate Tribunal	2002-03	45.06
Income tax Act, 1961	Income tax	Income Tax Appellate Tribunal	2005-06	4.31
Income tax Act, 1961	Income tax	Additional commissioner of Income tax	2006-07	15.43
Income tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals), Mumbai	2007-08	3.15
Income tax Act, 1961	Income tax	Additional commissioner of Income Tax	2009-10	2.68
Andhra Pradesh Sales Tax Act	Sales Tax	Andhra Pradesh High court	2001-2004	13.47
Andhra Pradesh Sales Tax Act	Sales Tax	Sales Tax Appellate Tribunal	2004-2009	40.76
Andhra Pradesh Sales Tax Act	Sales Tax	Appellate Deputy Commissioner (Commercial taxes)	2009-10	19.48
Central Sales Tax Act	Central Sales tax	Appellate Joint Commissioner of Commercial taxes.	2007-08 to 2008-09	13.59

The Finance Act, 1994 Chapter V	Service Tax and penalty	The Customs, Excise and Service tax Appellate Tribunal	January 2004 to March 2005	2.69
The Finance Act, 1994 Chapter V	Service Tax and penalty	The Customs, Excise and Service tax Appellate Tribunal, Bangalore	July 2003- Sep 2005	118.46
The Finance Act, 1994 Chapter V	Service Tax and penalty	The Customs, Excise and Service tax Appellate Tribunal, Bangalore	2005-2009	14.41
The Finance Act, 1994 Chapter V	Service Tax and penalty	The Customs, Excise and Service tax Appellate Tribunal, Chennai	2010-2012	7.89

- (d) There were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and has incurred cash loss in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The company has not issued any debentures.
- (x) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xii) a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year.
- b) As referred to in Note17 (D)(iii) of the financial statements, the Company is in the process of investigating certain alleged possible irregularities which have been identified by the management of the Company, in the areas of recording of purchases and sales of Pre-owned cars and raising claims for various incentives in two of its units. Except for the above, to the best of our knowledge and according to the information and explanations given to us, no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No. 008072S

**Place: Bangalore**  
**Date:**

Sathya P. Koushik  
Partner  
Membership No. 206920

**CONCORDE MOTORS (INDIA) LIMITED**  
Balance Sheet as at March 31, 2015

(Rs. in lakhs)

	Note	Page	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' Funds</b>				
(a) Share Capital	1	6	4304.77	2804.81
(b) Reserves and Surplus	2	7	<u>(5355.84)</u>	<u>(774.27)</u>
			(1051.07)	2030.54
<b>(2) Share Application money pending allotment</b>				
			-	1499.96
<b>(3) Non-current Liabilities</b>				
(a) Long-term Borrowings	3	8	1634.90	1040.42
(c) Other Long-term Liabilities	4	8	575.61	419.69
(d) Long-term Provisions	5	8	<u>46.01</u>	<u>48.78</u>
			2256.52	1508.89
<b>(4) Current Liabilities</b>				
(a) Short-term Borrowings	6	9	17380.26	17489.47
(b) Trade Payables	7	9	9082.59	3876.14
(c) Other Current Liabilities	8	9	6197.42	4310.03
(d) Short-term Provisions	5	8	<u>47.50</u>	<u>47.15</u>
			32707.77	25722.79
<b>TOTAL</b>			<u><u>33913.22</u></u>	<u><u>30762.18</u></u>
<b>II. ASSETS</b>				
<b>(1) Non-current Assets</b>				
<b>(a) Fixed Assets</b>				
(i) Tangible Assets	9 A	10	5176.02	5312.67
(ii) Intangible Assets	9 B	11	262.61	305.36
(iii) Capital Work-in-progress			<u>127.78</u>	<u>130.56</u>
			5566.41	5748.59
(b) Other Long-term Loans and Advances	10	12	2798.28	2801.83
(c) Other Non-current Assets	11	13	<u>1.42</u>	<u>1.42</u>
			8366.11	8551.84
<b>(2) Current Assets</b>				
(a) Inventories	12	13	17633.42	15483.85
(b) Trade Receivables	13	13	3689.04	2702.30
(c) Cash and Cash Equivalents	14	14	553.60	496.67
(d) Short-term loans and advances	15	14	808.99	645.76
(e) Other Current Assets	16	14	<u>2862.06</u>	<u>2881.76</u>
			25547.11	22210.34
<b>TOTAL</b>			<u><u>33913.22</u></u>	<u><u>30762.18</u></u>
<b>III. See accompanying notes forming part of the financial statements</b>				
	1 - 17	4 - 21		

In terms of our report attached

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**Sathya P. Koushik**  
Partner

**Mayank Pareek**

**Delna Avari**

**Ranjiv Kapur**  
Manager

**H. K. Sethna**

Directors

Directors

**Jawahar Seth**  
Chief Financial Officer

**Rohit Suri**

**Vinesh Kumar Jairath**

**Kaynaz Sarbhanwala**  
Company Secretary

**V. B. Somaiya**

**Mohinder Pal Bansal**

Bangalore,

Mumbai ,

Mumbai ,

**CONCORDE MOTORS (INDIA) LIMITED**  
**Cash Flow Statement for the year ended March 31, 2015**

(Rs. in lakhs)

	2014-15	2013-14
<b>A. Cash flow from Operating Activities</b>		
Loss before tax .....	(4581.57)	(3392.61)
Adjustments for:		
Depreciation / amortisation.....	713.53	531.60
Loss on sale of assets (net) .....	(1.77)	121.00
Wealth tax .....	4.27	0.60
Interest (net) .....	2127.11	1585.23
Provision for doubtful trade receivables and advances.....	866.76	191.42
Amounts no longer required written back .....	(757.27)	-
	<b>2952.63</b>	<b>2429.85</b>
Operating Profit before Working Capital changes.....	<b>2952.63</b>	<b>(962.76)</b>
Adjustments for:		
Inventories.....	(2149.57)	(2581.43)
Trade receivables.....	(1253.57)	431.41
Long-term Loans and Advances.....	180.58	(311.56)
Short-term Loans and Advances.....	(206.86)	(190.65)
Other current assets .....	(536.61)	(93.53)
Trade payables.....	5206.45	(34.70)
Long-term Provisions.....	(2.77)	13.69
Short-term Provisions.....	0.35	(0.06)
Other Long-Term liabilities .....	155.92	50.80
Other current liabilities .....	2312.69	310.48
	<b>3706.61</b>	<b>(2405.55)</b>
Cash generated from operations.....	<b>2077.67</b>	<b>(3368.31)</b>
Income taxes paid (net).....	(171.08)	(266.04)
Net Cash from/(used) in Operating Activities.....	<b>1906.59</b>	<b>(3634.35)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets.....	(532.25)	(1559.16)
Sale of fixed assets.....	29.71	12.16
Investment in fixed deposit.....	-	(0.67)
Interest received.....	123.19	194.23
Net Cash used in Investing Activities.....	<b>(379.35)</b>	<b>(1353.44)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds of Share application money pending for allotment .....	-	1499.96
Repayment of long-term borrowings.....	(605.52)	(430.52)
Proceeds from long-term borrowings.....	1500.00	-
Increase / (Decrease) in short term loans (net).....	(109.21)	5531.93
Interest paid.....	(2255.58)	(1787.76)
Net Cash from Financing Activities.....	<b>(1470.31)</b>	<b>4813.61</b>
Net Increase / (Decrease) in Cash and cash equivalents.....	<b>56.93</b>	<b>(174.18)</b>
Cash and cash equivalents at the beginning of the year .....	<b>496.67</b>	<b>670.85</b>
Cash and cash equivalents at the end of the year (Closing Balance) .....	<b>553.60</b>	<b>496.67</b>

Previous period's figures have been restated, wherever necessary, to conform to current period's classification.

Significant Accounting Policies refer note 17 (j) & (k)

In terms of our report attached

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**Sathya P. Koushik**  
Partner

**Mayank Pareek**

**H. K. Sethna**

**Rohit Suri**

**V. B. Somaiya**

**Delna Avari**

**Vinesh Kumar Jairath**

**Mohinder Pal Bansal**

Directors

Directors

**Ranjiv Kapur**  
Manager

**Jawahar Seth**  
Chief Financial Officer

**Kaynaz Sarbhanwala**  
Company Secretary

Bangalore,

Mumbai,

Mumbai,

**CONCORDE MOTORS (INDIA) LIMITED**  
**Profit and Loss Statement for the year ended March 31, 2015**

(Rs. in lakhs)

Particulars	Note	Page	2014-15	2013-14
I. Revenue from Operations	A(1)	4	78336.46	66817.88
II. Other Income	A(1)	4	1124.12	435.96
III. <b>Total Revenue (I + II)</b>			<b>79460.58</b>	<b>67253.84</b>
IV. Expenses :				
(a) Purchases of Stock-in-Trade [Refer Note 17 (B)(1)]		19	69308.67	59295.09
(b) Changes in Inventories of Stock-in-Trade			(2149.58)	(2581.43)
(c) Employee Benefits Expense	B (1)	5	3526.36	2841.44
(d) Finance Costs	B (2)	5	2250.30	1779.46
(e) Depreciation and Amortisation Expense	9 A & 9 B	10 & 11	713.53	531.60
(f) Other Expenses	B (3)	5	10432.68	9077.19
(g) Expenditure transferred to capital and other accounts			(39.81)	(296.90)
<b>Total Expenses</b>			<b>84042.15</b>	<b>70646.45</b>
V. <b>(Loss) before Tax (III - IV)</b>			<b>(4581.57)</b>	<b>(3392.61)</b>
VI. Tax Expense :				
(a) Current Tax			-	-
(b) (Less)/Add: Minimum Alternate Tax (credit)/Reversal			-	-
(c) Deferred Tax			-	-
VII. <b>(Loss) after tax (V - VI)</b>			<b>(4581.57)</b>	<b>(3392.61)</b>
VIII. <b>Earnings Per Equity Share</b> : [Refer Note 17(C)(1)]		21		
(i) Basic			(27.34)	(97.13)
(ii) Diluted			(27.34)	(97.13)
IX <b>See accompanying notes forming part of the financial statements</b>	1 - 17	4 - 21		

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

	<b>Mayank Pareek</b>       <b>H. K. Sethna</b>       <b>Rohit Suri</b>       <b>V. B. Somaiya</b>	<b>Delna Avari</b>       <b>Vinesh Kumar Jairath</b>       <b>Mohinder Pal Bansal</b>	<b>Ranjiv Kapur</b> <b>Manager</b>       <b>Jawahar Seth</b> <b>Chief Financial Officer</b>       <b>Kaynaz Sarbhanwala</b> <b>Company Secretary</b>
	} <b>Directors</b>	} <b>Directors</b>	
Bangalore,	Mumbai ,	Mumbai ,	Mumbai ,

## Notes forming part of the Profit and Loss Statement

(Rs. in lakhs)

### NOTE - A(1)

#### Total Revenue

#### 1. Revenue from Operations

- (a) Sale of Traded Goods (Refer Note 1 below)
- (b) Sale of Services (Servicing of automobiles)
- (c) Other operating revenues (Note 2 below)

#### 2. Other income

- (a) Interest income
- (b) Rental income
- (c) Amounts no longer required written back(Note 3 below)
- (d) Miscellaneous receipts
- (e) Profit on sale of fixed assets(net)

2014-15	2013-14
<b>71779.29</b>	61046.44
<b>4710.85</b>	4219.83
<b>1846.32</b>	1551.61
<b>78336.46</b>	66817.88
<b>123.19</b>	194.23
<b>55.65</b>	89.23
<b>757.27</b>	-
<b>186.24</b>	152.50
<b>1.77</b>	-
<b>1124.12</b>	435.96

#### Notes :

- (1) i. Sale of automobiles
- ii. Spare Parts and Accessories for automobiles

#### (2) Includes :

- (i) Financial Services and Sales Commission
- (ii) Handling charges and sale of scrap

2014-15	2013-14
<b>64616.00</b>	53491.91
<b>7163.29</b>	7554.53
<b>71779.29</b>	61046.44
<b>919.61</b>	811.17
<b>926.71</b>	740.44
<b>1846.32</b>	1551.61

(3) During the year, the Company undertook a detailed review of certain liabilities that were outstanding in its books for a long time and based on such review has written back an amount of Rs. 757.27 lakhs (Previous year: Rs.Nil) in these financial statements.

## Notes forming part of the Profit and Loss Statement

(Rs. in lakhs)

### NOTE - B (1)

#### Employee Benefits Expense

	2014-15	2013-14
(a) Salaries, wages and bonus	3152.59	2443.25
(b) Contribution to provident and other funds	131.06	162.93
(c) Staff welfare expenses	242.71	235.26
	<b>3526.36</b>	<b>2841.44</b>

### NOTE - B (2)

#### Finance Cost

	2014-15	2013-14
(a) Interest :		
(i) On Borrowings	2057.09	1586.34
(i) Others	193.21	193.12
(Others include interest charged on delay in payment of dues and loan processing charges)	2250.30	1779.46

### NOTE - B (3)

#### Other Expenses

	2014-15	2013-14
(a) Consumption of stores and spare parts	268.46	306.03
(b) Power and fuel	473.48	429.84
(c) Rent [Refer note 17(B)(3)(a)]	2082.99	1690.10
(d) Repairs and maintenance - buildings	75.81	99.53
(e) Repairs and maintenance - plant and machinery	94.46	109.14
(f) Repairs and maintenance - others	12.52	6.40
(g) Insurance	93.60	115.13
(h) Rates and taxes	203.04	72.02
(i) Freight, transportation, port charges, etc.	42.98	38.39
(j) Publicity	339.50	315.29
(k) Job Work Charges	1003.61	948.70
(l) Outsourced Services	2004.16	2038.03
(m) Other operating expenses	2867.04	2716.57
(n) Provision for Wealth tax	4.27	0.60
(o) Provision for doubtful trade receivables/advances	866.76	191.42
	<b>10432.68</b>	<b>9077.19</b>

Note : Other operating expenses includes Loss on scrapped capital asset due to renovation of show room and work shop and loss on sale of fixed assets of Rs.Nil ( Previous year - Rs.121.00 Lakhs)

**Notes forming part of the Balance Sheet**

(Rs. in lakhs)

**NOTE - 1**

**SHARE CAPITAL**

**Authorised :**

2,30,00,000 Equity shares of Rs. 10 each [PY: 2,30,00,000 shares]  
25,00,000 Preference shares of Rs. 100 each  
[PY: 25,00,000 shares]

**Issued, subscribed and fully paid :**

1,86,97,694 Equity shares of Rs.10 each [PY: 36,98,120 shares]  
24,35,000 Preference shares of Rs.100 each [PY: 24,35,000 shares]

As at March 31, 2015	As at March 31, 2014
<b>2300.00</b>	2300.00
<b>2500.00</b>	2500.00
<b>4800.00</b>	4800.00
<b>1869.77</b>	369.81
<b>2435.00</b>	2435.00
<b>4304.77</b>	2804.81

**Note:**

7 % Cumulative Redeemable Preference Shares of Rs.100 each, fully paid-up, allotted on October 21, 2004 has been due for redemption on 20th October 2014. It has been rolled over for further 10 years and shall be redeemable on or before 20 October 2024.

These shares are redeemable at par at the end of 10 years from the date of rollover, with an option to the Company to redeem it at anytime from the date of rollover, if mutually agreed upon between the Preference Shareholders and the Company, on the original terms of the preference share issue.

**(2) Reconciliation of number of shares outstanding :**

**(i) Equity shares**

Opening number of shares  
Add: Shares issued  
Closing number of shares

As at March 31, 2015 (Nos.)	As at March 31, 2014 (Nos.)	As at March 31, 2015 (Rs in lakhs)	As at March 31, 2014 (Rs in lakhs)
3698120	3698120	369.81	369.81
14999574	-	1499.96	-
<b>18697694</b>	3698120	<b>1869.77</b>	369.81
<b>2435000</b>	2435000	<b>2435.00</b>	2435.00
<b>2435000</b>	<b>2435000</b>	<b>2435.00</b>	<b>2435.00</b>

**(ii) Preference Shares**

Opening number of shares  
Closing number of shares

**Shares held by Holding Company and its nominees:**

1 Tata Motors Limited - Holding Company  
1,86,97,694 Equity shares of Rs.10 each [PY: 36,98,120 shares]  
13,54,195 preference shares of Rs.100 each (PY: 13,54,195)

**(3) Equity Shares**

**Shares in the Company held by each shareholder holding more than 5 percent shares**

(a) Tata Motors Limited

As at March 31, 2015	As at March 31, 2014
<b>18697694</b>	3698120
<b>18697694</b>	3698120

**(4) Preference Shares**

**Shares in the Company held by each shareholder holding more than 5 percent shares**

(a) Tata Motors Limited  
(b) Tata Industries Limited

As at March 31, 2015	As at March 31, 2014
<b>1354195</b>	1354195
<b>1080805</b>	1080805
<b>2435000</b>	2435000

(5) There are no shares reserved for issuance under options and contracts / commitments for sale of shares / disinvestment

(6) The following rights shall be attached to the preference shares aforesaid, inter se, as hereinafter provided, Vi:

(a) The profits of the company, which the Directors shall from time to time determine to distribute as dividend, shall be applied first in payment of fixed cumulative preferential dividend at the rate of 7% (seven per cent) per annum, subject to income tax, if any, on the cumulative redeemable preference shares according to the amounts paid-up thereon and subject thereto in payment of a dividend at such rate as may be determined from time to time on the equity shares.

(b) In a winding up, the assets of the company (including Capital uncalled at the commencement of the winding up) remaining after paying and discharging the debts and liabilities of the company and the cost of winding up shall be applied in the following order of priority:

(i) In repayment of the capital paid up or credited as paid up on the 7% cumulative redeemable preference share:

(ii) In repayment of the capital paid-up or credited as paid up on the equity shares.

(iii) The residue, if any, shall be divided amongst the holders of the equity shares in proportion to the amount paid up on such shares.

(7) The Company has only one class of Equity Share, having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders.

**Notes forming part of the Balance Sheet**

**NOTE - 2**

				(Rs. in lakhs)
	As at March 31, 2014	Additions	Deductions	As at March 31, 2015
<b>RESERVES AND SURPLUS</b>				
(a) Securities Premium Account	1896.90	-	-	1896.90
	1896.90	-	-	1896.90
(b) General Reserve	942.91	-	-	942.91
	942.91	-	-	942.91
(c) Profit and Loss Statement	<b>(3614.08)</b>	<b>(4,581.57)</b>	-	<b>(8195.65)</b>
	(221.47)	(3392.61)	-	(3614.08)
	<b>(774.27)</b>	<b>(4581.57)</b>	-	<b>(5355.84)</b>
	2618.34	(3392.61)	-	(774.27)

**Notes:-**

	Year ended 31 March 2015		As at March 2014	
	Additions	Deductions	Additions	Deductions
(i) Changes in Profit and Loss Statement				
(a) Profit/ ( Loss) for the year/period	(4581.57)	-	(3392.61)	-
	<b>(4581.57)</b>	-	<b>(3392.61)</b>	-

**Notes forming part of the Balance Sheet**

**NOTE - 3**

**(Rs. in lakhs)**

**Long - term Borrowings**

**(A) Secured**

- (i) Term Loans
  - (a) From banks
  - (b) From other parties
- Total**

<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
609.90	1040.42
<b>1025.00</b>	-
<b>1634.90</b>	<b>1040.42</b>

**Notes:**

- (i) The Company has taken Term Loans of Rs.2000 Lakhs from HDFC Bank Ltd. These loans are repayable in 56 Monthly installments ending on 3rd August 2017. The rate of interest is 12% per annum.
- (ii) The Company has taken Term Loans of Rs.1500 Lakhs from TATA Capital Ltd. These loans are repayable in 60 Monthly installments ending on 10th August 2019. The rate of interest is 12% per annum.
- (iii) Term Loans are Secured by exclusive first charge on building and all movable fixed assets of the company

**NOTE - 4**

**Other Long - term Liabilities**

- (a) Others - Lease deposit (Refer Note Below)
- (b) Others - Rent Straight-line

Note: Lease Deposit Includes payable to related party Rs 18.75 lakhs [PY Rs. 18.75 lakhs]

<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
34.75	34.75
<b>540.86</b>	384.94
<b>575.61</b>	<b>419.69</b>

**NOTE - 5**

**Long - term Provisions**

**Provision for employee benefits**

- (a) Compensated Absences:

**Short - term provisions**

- (a) Provision for Contingencies [Refer Note 17 (A)(8)]
- (b) Provision for Compensated Absence:

<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
46.01	48.78
<b>46.01</b>	<b>48.78</b>
45.42	45.42
<b>2.08</b>	1.73
<b>47.50</b>	<b>47.15</b>

## Notes forming part of the Balance Sheet

(Rs. in lakhs)

### NOTE - 6

#### Short - term Borrowings

##### (A) Secured

- (a) Loans repayable on demand
  - (i) from banks [Note (i)(a) below]
  - (ii) from others [Note (i)(b) below]
- (b) Loans from related party [ Note (ii) below]

##### (B) Unsecured

- (a) Deposits from Shebha Properties Ltd [Refer Note 17 (A)(2)]
- (b) Deposits from TATA Motors Ltd [Refer Note 17 (A)(2)]
- (c) Deposits from TML Distribution Company Limited [Refer Note 17 (A)(2)]

#### Total (A+B)

	As at March 31, 2015	As at March 31, 2014
	<b>3475.61</b>	3047.03
	<b>7705.74</b>	9442.44
	<b>1198.91</b>	-
	<b>12380.26</b>	12489.47
	<b>400.00</b>	1000.00
	<b>3500.00</b>	4000.00
	<b>1100.00</b>	-
	<b>5000.00</b>	5000.00
	<b>17380.26</b>	17489.47

#### Note:

##### Secured loans

- (i) Details of security given for the above items:
  - (a) Secured by way of First Pari Passu charge on all the stocks & book debts of the company both present & future
  - (b) Secured by Pari passu charge along with HDFC Bank on all the present and future Current Assets including Book Debts, Stock in trade Outstanding monies receivables, claims and bills which are now due and owing to the Borrower
- (ii) Loans from related party consists of loan taken from Tata Motors Finance Limited. The loan is secured by lien on Test drive vehicles and lien on New Cars which are financed through the loan.
- (iii) The Interest rates ranges from 10.50% to 12.00% per annum

### NOTE - 7

#### Trade payables

- (a) Acceptances
- (b) Other than Acceptances

	As at March 31, 2015	As at March 31, 2014
	<b>3698.94</b>	-
	<b>5383.65</b>	3876.14
	<b>9082.59</b>	3876.14

### NOTE - 8

#### Other Current Liabilities

- (a) Current maturities of Long - term borrowing [Refer notes given under Note
- (b) Interest accrued but not due
- (c) Advance from Customers
- (d) Statutory dues
- (e) Income received in Advance
- (f) Other payables - refer note below
- (g) Share application money refundable
- (h) Liability towards gratuit

	As at March 31, 2015	As at March 31, 2014
	<b>730.52</b>	430.52
	<b>31.46</b>	36.74
	<b>3244.55</b>	2461.76
	<b>1199.67</b>	533.54
	<b>29.24</b>	50.49
	<b>932.71</b>	764.85
	-	0.04
	<b>29.27</b>	32.09
	<b>6197.42</b>	4310.03

#### Note:

##### Other Payables Include

- (i) Amounts collected from customers for third party payments Rs.561.77 lakhs [PY Rs.368.77 lakh
- (ii) Liabilities towards Capital goods - Rs.162.71 lakhs [PY Rs.139.19 lakh
- (iii) Others - Rs 208.23 lakhs [PY Rs.256.89 lakhs]

**Notes forming part of the Condensed Balance Sheet**

NOTE - 9A

(Rs. in lakhs)

<b>FIXED ASSETS</b>	<b>Cost as at April 1, 2014</b>	<b>Additions</b>	<b>Deductions / Adjustments</b>	<b>Cost as at March 31, 2015</b>	<b>Accumulated depreciation / amortisation up to March 31, 2014</b>	<b>Depreciation / Amortisation for the year</b>	<b>Deductions / Adjustments</b>	<b>Accumulated depreciation / amortisation up to March 31, 2015</b>	<b>Net Book Value as at March 31, 2015</b>
<b>[A] Tangible Assets</b>									
(a) Land									
Own use	1493.49	-	-	1493.49	-	-	-	-	1493.49
	1493.49	-	-	1493.49	-	-	-	-	1493.49
Given under operating lease	74.87	-	-	74.87	-	-	-	-	74.87
	74.87	-	-	74.87	-	-	-	-	74.87
(b) Buildings									
Own use	955.83	28.96	-	984.79	231.32	27.36	-	258.68	726.11
	784.29	177.07	(5.53)	955.83	208.16	25.08	(1.92)	231.32	724.51
Given under operating lease	37.37	-	-	37.37	12.80	1.25	-	14.05	23.32
	37.37	-	-	37.37	11.56	1.24	-	12.80	24.57
(c) Plant & Machinery - Own use	2405.84	121.22	(1.56)	2525.5	881.38	187.64	(0.80)	1,068.22	1457.28
	2146.62	310.91	(51.69)	2405.84	728.61	168.02	(15.25)	881.38	1524.46
Given under operating lease	2.47	-	-	2.47	0.43	0.12	-	0.55	1.92
	2.47	-	-	2.47	0.32	0.11	-	0.43	2.04
(d) Office Equipment - Own use(Refer note (ii) below)	119.25	15.77	(1.53)	133.49	39.31	34.49	(0.50)	73.30	60.19
	68.73	51.23	(0.71)	119.25	33.14	6.47	(0.30)	39.31	79.94
(e) Furniture, Fixtures and Office Appliances - Own use	467.76	53.67	(0.09)	521.34	198.28	46.80	-	245.08	276.26
	484.89	70.99	(88.12)	467.76	173.21	54.31	(29.24)	198.28	269.48
Given under operating lease	8.82	-	-	8.82	3.11	0.52	-	3.63	5.19
	8.82	-	-	8.82	2.64	0.47	-	3.11	5.71
(f) Vehicles and Transport	443.04	39.82	(63.30)	419.56	147.25	91.07	(33.34)	204.98	214.58
	178.96	319.32	(55.24)	443.04	110.31	79.13	(42.19)	147.25	295.79
(g) Leasehold Improvements	1302.85	270.32	(0.63)	1572.54	491.54	244.08	(0.22)	735.40	837.14
	1116.1	229.52	(42.77)	1302.85	350.94	159.31	(18.71)	491.54	811.31
Given under operating lease	9.45	-	-	9.45	2.95	0.83	-	3.78	5.67
	9.45	-	-	9.45	2.12	0.83	-	2.95	6.50
<b>Total</b>	<b>7321.04</b>	<b>529.76</b>	<b>(67.11)</b>	<b>7783.69</b>	<b>2008.37</b>	<b>634.16</b>	<b>(34.86)</b>	<b>2607.67</b>	<b>5176.02</b>
	6406.06	1159.04	(244.06)	7321.04	1621.01	494.97	(107.61)	2008.37	5312.67

Notes :

- (i) Previous year figures are given below the current year figures
- (ii) Depreciation on Office Equipment includes Rs.28.66 Lakhs on account of changes in estimation of useful life from 20 years to 5 years

Notes forming part of the Condensed Balance Sheet

(Rs. in lakhs)

NOTE - 9B

FIXED ASSETS	Cost as at April 1, 2014	Additions	Deductions / Adjustments	Cost as at March 31, 2015	Accumulated amortisation up to March 31, 2014	Amortisation for the year	Deductions / Adjustments	Accumulated depreciation / amortisation up to March 31, 2015	Net Book Value as at March 31, 2015
<b>[B] Intangible Assets</b>									
(a) Computer Software	135.19	8.12	-	143.31	118.44	10.00	-	128.44	14.87
	128.13	7.06	-	135.19	102.20	16.24	-	118.44	16.75
(b) Goodwill	309.00	-	28.50	337.50	20.39	69.37	-	89.76	247.74
	-	309.00	-	309.00	-	20.39	-	20.39	288.61
<b>Total</b>	<b>444.19</b>	<b>8.12</b>	<b>28.50</b>	<b>480.81</b>	<b>138.83</b>	<b>79.37</b>	<b>-</b>	<b>218.20</b>	<b>262.61</b>
	128.13	316.06	-	444.19	102.20	36.63	-	138.83	305.36

Notes :

- (i) Previous year figures are given below the current years figures

**Notes forming part of the Balance Sheet**

(Rs. in lakhs)

**NOTE - 10**

**Other Long - term Loans and Advance:  
Unsecured, considered good**

- (a) Capital Advances
- (b) Security Deposits
- (c) Advance income tax (net of provisions Rs 1583.70 lakhs  
[Previous year Rs.1579.42 lakhs])
- (d) MAT credit entitlement
- (e) Others

<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>24.19</b>	13.96
<b>1580.14</b>	1595.89
<b>860.95</b>	694.15
<b>9.76</b>	9.76
<b>323.24</b>	488.07
<b>2798.28</b>	2801.83

**Notes:**

- (1) Security Deposits include  
Lease deposits amounting to Rs 1554.93 lakhs [Previous year: Rs.1572.59 lakh]
- (2) Others includes disputed sales tax of earlier years paid under protest Rs.95.69 lakhs [ Previous year: Rs. 87.22 lakh]

**Notes forming part of the Balance Sheet**

(Rs. in lakhs)

**NOTE - 11**

<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>1.42</b>	1.42
<b><u>1.42</u></b>	<b><u>1.42</u></b>

**Other Non - Current assets**  
(a) Others - Deposit with Bank

**NOTE - 12**

<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>13975.36</b>	12161.16
3523.57	3224.57
<u>134.49</u>	<u>98.12</u>
<b>3658.06</b>	3322.69
<b><u>17633.42</u></b>	<b><u>15483.85</u></b>

**Inventories**  
(a) Stock-in-trade -Automobiles, Spare Parts and Accessories for automobiles  
(b) Goods-in-transit  
(i) Automobiles  
(ii) Spare Parts and Accessories for automobiles

Note : Items (a) and (b) above are valued at lower of cost and net realisable value

**NOTE - 13**

<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
481.01	476.05
525.98	259.15
3208.03	<u>2226.25</u>
<u>4215.02</u>	2961.45
525.98	259.15
<b><u>3689.04</u></b>	<b><u>2702.30</u></b>

**Trade Receivables**  
(a) Due for Over six months : (unsecured  
    Considered good  
    Considered doubtful  
(b) Others (unsecured)  
    Considered good  
Less : Allowances for doubtful trade receivable

## Notes forming part of the Balance Sheet

(Rs. in lakhs)

### NOTE - 14

#### Cash and Cash Equivalents

- (a) Cash on hand
- (b) Cheques, drafts on hand
- (c) Current Account with banks

As at March 31, 2015	As at March 31, 2014
179.76	216.28
230.86	248.74
142.98	31.65
<b>553.60</b>	<b>496.67</b>

### NOTE - 15

#### Short - term loans and advances

- (a) Security deposits - Unsecured, considered good
  - (b) Prepaid expenses - Unsecured, considered good
  - (c) VAT, other taxes recoverable, statutory deposits and dues from government (Unsecured, considered good)
  - (d) Others
    - Unsecured, considered good
    - Doubtful
- Less: Allowance for doubtful advances

As at March 31, 2015	As at March 31, 2014
48.00	48.00
108.19	103.36
486.06	344.46
166.74	149.94
55.75	12.12
864.74	657.88
55.75	12.12
<b>808.99</b>	<b>645.76</b>

### NOTE - 16

#### Other Current Assets

Unsecured, Considered good

- (a) Amounts recoverable from related parties
- (b) Others

Less: Allowance for doubtful current assets

As at March 31, 2015	As at March 31, 2014
3320.18	2261.99
98.19	619.77
3418.37	2881.76
556.31	-
<b>2862.06</b>	<b>2881.76</b>

#### Notes:

- (1) Others pertain to insurance, free service recoverable and contractually reimbursable expense

**CONCORDE MOTORS (INDIA) LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**BACKGROUND**

Concorde Motors (India) Limited ('CML'), formerly known as Minicar (India) Limited, was incorporated in January 1972 under the Companies Act, 1956. The Company is primarily engaged in the business of sales and servicing of passenger cars and sale of automobile parts and accessories.

**17 SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The accumulated losses of the Company as at March 31, 2015 exceed the paid-up capital of the Company and the Company's current liabilities exceeded the current assets at the said date. These financial statements have been prepared on a going concern basis, based on management's assessment of raising adequate finances for the Company and expected cash flows from management's business plans and anticipated outcome of the marketing initiatives undertaken by the Company. The Company believes that with a combination of the above mentioned mitigation plans and the continuing financial support committed by the holding Company, it would be able to meet all its obligations in the normal course of business.

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable.

**(b) Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**(c) Fixed Assets & Depreciation**

Fixed assets are stated at cost, less accumulated depreciation.

Depreciation

Fixed assets are depreciated on straight-line method over the estimated useful life of the assets which are as follows.

- Buildings are being depreciated based on their useful life over 3 year to 60 years.
- Plant & Machinery
  - Computer hardware is depreciated over 4 years.
  - Others are depreciated over 20 years.
- Office equipment are depreciated over a period of 5 years (Refer Note below)
- Furniture, fixtures and other office appliances are depreciated over a period of 4-15 years
- Vehicles and transport are depreciated over a period of 4 Years
- Leasehold improvements are written off over the primary period of the lease or useful life of the asset whichever is lower
- Computer software is depreciated over a period of 3-5 years
- Goodwill is amortised over a period of 5 years

Assets costing below Rs. 5000/- are fully depreciated in the year of purchase.

In terms of the Proviso to clause 3(i) of Part A of schedule II to the Company Act, 2013 (the Act) which comes into effect from April 1, 2014, the Company has decided to retain the useful life hitherto adopted for various categories of fixed assets, which are in certain cases, different from those prescribed in the schedule II to the Act, except office equipment as mentioned below. Based on the policy followed by the company of continuous and periodic assessment, the estimated useful life and residual value adopted so far is appropriate

During the year ended March 31, 2015, the Company has reassessed the useful lives of office equipment and has reduced the same from 20 years to 5 years.

In accordance with Schedule II to the Companies Act 2013, the written down value of office equipment as at April 1, 2014, is depreciated over the remaining estimated useful life and in cases where useful life is Nil as on that date, the written down value is recognised in the Statement of Profit and loss. This change in accounting estimate has resulted in an increase in depreciation expense for the nine months period ended December 31, 2014 by Rs 28 66 Lakhs

**(d) Revenue Recognition**

Income from sale of cars is recognized on transfer of risks and rewards of ownership of the cars, which generally coincides with the constructive delivery of the cars. Performance incentive on sale of Cars is accounted on the basis of intimation received from manufacturers/schemes announced by the manufacturers.

Revenues from services are recognised when services are rendered and related costs are incurred.

Interest income is accounted on accrual basis.

**(e) Inventories**

Inventories of cars, demo cars, accessories and parts are valued at lower of cost and net realizable value. Cost represents actual cost of purchase in case of cars and weighted average cost in case of accessories, parts, stores and spares adjusted for indirect taxes.

**(f) Employee Benefits**

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences.

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

Liability for gratuity is funded with Life Insurance Corporation of India (LIC). Gratuity expenses for the year is accrued on a prorata basis based on actuarial valuation using projected unit credit method carried out at the end of the year. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Leave credit available to the employees at the year end is classified as short-term or long-term based on the experience of the management with regard to utilisation. Liability towards leave estimated to be used in the long-term is accrued based on actuarial valuation. Provision for current portion of unavailed leave is as estimated by the management and is accrued based on the last month's salary. Other short-term employee benefits like medical, leave travel, etc. are accrued based on the terms of employment on a time proportion basis.

**(g) Taxation including Deferred Taxation**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

**(h) Provisions and contingencies**

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balances sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but disclosed in the Notes to accounts.

**(i) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average share considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares, unless the same are anti-dilutive in nature.

**(j) Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**(k) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**(l) Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Profit and Loss Statement on a straight-line basis.

**(m) Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**CONCORDE MOTORS (INDIA) LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

**NOTE - 17**

**(A) Notes to Balance Sheet**

(Rs in lakhs)

1 (a) Major components of deferred tax arising on account of timing differences are :

	As at March 31, 2015	As at March 31, 2014
<b>Liabilities:</b>		
Depreciation	<b>(84.84)</b>	(131.76)
	<b>(84.84)</b>	(131.76)
<b>Assets:</b>		
Expenses allowable on payment basis	<b>216.25</b>	143.65
Provision for Doubtful Debts & Trade receivables	<b>369.24</b>	88.01
Unabsorbed Depreciation and Business Losses	<b>2573.97</b>	1489.26
	<b>3159.46</b>	1720.92
<b>Net Deferred Tax Asset / (Liability)</b>	<b>3074.62</b>	1589.16

Note : The Company has a net deferred tax asset on unabsorbed depreciation, carry forward of business loss and other items which has not been recognised in the absence of virtual certainty.

(b) There is no current tax provision created for the year as the company has incurred losses for the year.

**CONCORDE MOTORS (INDIA) LIMITED**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS**

**(A) Notes to Balance Sheet (contd.)**

**2 i) Related party disclosures for the year ended March 2015 ( with whom the company had transactions during the period)**

a) Related Party and their relationship

1. **Holding Company:**  
Tata Motors Limited

3. **Key Management Personnel:**

Mr.Ranjiv Kapur - Chief Executive Officer and Manager  
Mr.Jawahar Seth - Chief Financial Officer

2. **Fellow Subsidiaries :**

Tata Motors Insurance Services Ltd  
Tata Motors Finance Limited (TMFL)  
TML Distribution Company Limited (TMLD)  
Fiat India Automobiles Ltd.( FIAL)  
Shebha Properties Ltd. (SPL)

Note: Related party relationship is as identified by the company on the basis of information available with them and accepted by the auditors.

b) Transactions with the related parties

(Rs. in lakhs)

(Figures given within brackets are relating to the previous year)

2014-2015

Particulars	Holding Company		Fellow Subsidiaries	Key Management Personnel	Name of Fellow Subsidiary	Total
	Mar-15	Mar-14				
Purchase of goods (inclusive of taxes)	Mar-15	67624.02	5564.36	Nil	TMLD	73188.38
	Mar-14	(52795.68)	(7504.11)	(Nil)	TMLD	(60299.79)
Purchase of fixed assets (inclusive of taxes)	Mar-15	Nil	Nil	Nil		0.00
	Mar-14	(210.72)	(Nil)	(Nil)		(210.72)
Compensation and Incentives	Mar-15	9568.29	430.24	Nil	TMFL	9998.53
	Mar-14	(5516.73)	(189.83)	(Nil)	TMFL	(5706.56)
Rent received (inclusive of Service tax)	Mar-15	25.56	Nil	Nil		25.56
	Mar-14	(65.87)	(Nil)	(Nil)		(65.87)
Rent expenses	Mar-15	107.87	178.49	Nil	TMFL	286.36
	Mar-14	(107.87)	(Nil)	(Nil)	TMFL	(107.87)
Management contracts, including deputation of employees	Mar-15	156.55	Nil	Nil		156.55
	Mar-14	(158.38)	(Nil)	(Nil)		(158.38)
Salary paid to Key Management personnel	Mar-15	Nil	Nil	64.04	Mr. Ranjiv Kapur	64.04
	Mar-14	(Nil)	(Nil)	(Nil)		0.00
	Mar-15	Nil	Nil	53.20	Mr. Jawahar Seth	53.20
	Mar-14	(Nil)	(Nil)	(Nil)		0.00
Interest Paid on Corporate Deposits / (received)	Mar-15	373.40	52.59	Nil	SPL	425.99
	Mar-14	(21.86)	(105.05)	(Nil)	SPL	(126.91)
	Mar-15	Nil	19.30	Nil	TMLD	19.30
	Mar-14	(Nil)	(Nil)	(Nil)	TMLD	0.00
Interest on delayed payments	Mar-15	166.63	42.94	Nil	TMLD	209.57
	Mar-14	(123.32)	(67.31)	(Nil)	TMLD	(190.63)
Interest Claim on Event / Media Vehicle	Mar-15	70.89	Nil	Nil		70.89
	Mar-14	(185.66)	(Nil)	(Nil)		(185.66)
Other expenses	Mar-15	26.20	Nil	Nil		26.20
	Mar-14	(41.23)	(Nil)	(Nil)		(41.23)
Loan Taken	Mar-15	Nil	11542.57	Nil	TMF	11542.57
	Mar-14	(Nil)	(Nil)	(Nil)	TMF	0.00
Loan Repaid	Mar-15	Nil	10377.46	Nil	TMF	10377.46
	Mar-14	(Nil)	(9.44)	(Nil)	TMF	(9.44)
Interest accrued on Loans -income	Mar-15	Nil	Nil	Nil		0.00
	Mar-14	(0.40)	(Nil)	(Nil)		(0.40)
Interest accrued on Loans -expense	Mar-15	Nil	47.14	Nil	TMF	47.14
	Mar-14	(Nil)	(0.40)	(Nil)	TMF	(0.40)
Expenses reimbursement (inclusive of taxes)	Mar-15	1247.72	Nil	Nil		1247.72
	Mar-14	(2283.63)	(Nil)	(Nil)		(2283.63)
Provision for doubtful receivables, loans and advances for the year	Mar-15	593.46	Nil	Nil		593.46
	Mar-14	(Nil)	(Nil)	(Nil)		0.00
ICD accepted during the year	Mar-15	Nil	2600.00	Nil	SPL	2600.00
	Mar-14	(4000.00)	(Nil)	(Nil)	SPL	(4000.00)
	Mar-15	Nil	1100.00	0.00	TMLD	1100.00
	Mar-14	(Nil)	(Nil)	(Nil)	TMLD	0.00
ICD Balance outstanding	Mar-15	3500.00	400.00	Nil	SPL	3900.00
	Mar-14	(4000.00)	(1000.00)	(Nil)	SPL	(5000.00)
	Mar-15	Nil	1100.00	Nil	TMLD	1100.00
	Mar-14	(Nil)	(Nil)	(Nil)	TMLD	0.00
Repaid during the year	Mar-15	500.00	3200.00	Nil	SPL	3700.00
	Mar-14	(Nil)	(Nil)	(Nil)	SPL	0.00
Amount receivable(Gross of provision for doubtful trade receivables and other current assets)	Mar-15	1993.67	1,536.77	Nil	TMLD	3530.44
	Mar-14	(1669.32)	(682.99)	(Nil)	TMLD	(2352.31)
	Mar-15	Nil	109.16	Nil	TMFL	109.16
	Mar-14	(Nil)	(60.28)	(Nil)	TMFL	(60.28)
Provision for doubtful trade receivables and other current assets	Mar-15	593.46	Nil	Nil		593.46
	Mar-14	(Nil)	(Nil)	(Nil)		0.00
Amount payable	Mar-15	2637.24	243.82	Nil	TMLD	2881.06
	Mar-14	(1418.68)	(535.94)	(Nil)	TMLD	(1954.62)
	Mar-15	Nil	698.95	Nil	TMFL	698.95
	Mar-14	(Nil)	(Nil)	(Nil)	TMFL	0.00
Loan outstanding with interest	Mar-15	Nil	1198.91	Nil	TMFL	1198.91
	Mar-14	(Nil)	(Nil)	(Nil)	TMFL	0.00
Share application money pending allotment received	Mar-15	Nil	Nil	Nil		0.00
	Mar-14	(1499.96)	(Nil)	(Nil)		(1499.96)

**CONCORDE MOTORS (INDIA) LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

NOTE - 17

(Rs in lakhs)

**(A) Notes to Balance Sheet**

**3 Micro, Small and Medium Enterprises Development Act, 2006 :**

There are no dues to Micro and Small Enterprises at the Balance Sheet date. The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

	<b>As at March 31, 2015</b>	As at March 31, 2014
4 Claims against the Company not acknowledged as debts -		
(i) Sales Tax..... [of the above Rs.95.69 lakhs deposited under protest, (PY: Rs.87.22 lakhs)]	<b>192.42</b>	174.52
(ii) Service Tax ..... [Rs. NIL deposited under protest (PY Rs. NIL)]	<b>143.46</b>	134.69
(iii) Income tax (exclusive of the effect of similar matters in respect of assessments remaining to be completed) in respect of matters		
(a) Pending in appeal / other matters .....	<b>146.00</b>	55.47
4A Unpaid preference dividend.....	<b>616.05</b>	398.84
5 The claims / liabilities in respect of excise duty, sales tax and other matters where the issues were decided in favour of the Company for which the Department is in further appeal .....	-	42.73
6		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for .....	<b>45.67</b>	50.73

**Other Commitments**

- (b) The company has entered into agreements with another automobile dealership for a certain business arrangement under which the Company is required to pay amounts aggregating to Rs. 60 lacs per annum as fees for the tenure of the agreements (5 years inclusive of lock in period of 3 years). The lock in period expires in June 2015 .
- (c) The company acquired certain immovable properties pursuant to a scheme of Arrangement in the period 2004. Stamp duty is payable on conveyance of properties in favour of the company. The stamp duty adjudication order has been passed by District Registrar (DUS) for Bangalore property fixing the market value of the immovable property situated at Bangalore as on the date of acquisition at Rs.1165.18 lakhs on which Stamp duty @ 7% amounting to Rs.81.56 lakhs has been paid by the company during the period 2007-08 and has been capitalised under Land & Building. The company is in the process of completing similar formalities in respect of the Hyderabad Property that was acquired by the company pursuant to the scheme referred above . It is not possible to quantify the amount of duty payable, and adjustments, as and when effected, will be carried out to the cost of land and building relating the property at Hyderabad.
- 7 Taxes paid include Rs.61.40 Lakhs (PY Rs. 61.40 Lakhs) tax deducted at source (TDS) of earlier periods pertaining to sales and service business transferred on Demerger to Tata Motors Insurance Services Limited (TMISL) for which TDS certificates are filed with the Income-tax Department and the refund is expected to be received by the Company through TMISL
- 8 Short - term Provision for Contingencies relates to certain matters under dispute. The movement in the balances of the provision is as follows:

	<b>As at March 31, 2015</b>	As at March 31, 2014
Opening Balance	<b>45.42</b>	45.42
Add: Provisions made during the year	-	-
Less: Used/Withdrawn during the year	-	-
Closing Balance	<b>45.42</b>	<b>45.42</b>

**CONCORDE MOTORS (INDIA) LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

**NOTE - 17 (contd.)**

(Rs. in lakhs)

**(B) Notes to Profit and Loss Statement :**

(1) Purchase of stock-in-trade include :

	2014-15	2013-14
(a) Automobile Spare parts and accessories for sale .....	6235.02	6885.97
(b) Automobiles .....	63073.65	52409.12
	<b>69308.67</b>	<b>59295.09</b>

Notes:

Purchase amount is net off warranty reversals for the year ended 31st March, 2015 amounting to Rs.429.21 lakhs [Previous period: Rs. 590.55 lakhs]

(2) Payments to the auditors comprises (net of service tax input credit, where applicable):

	2014-15	2013-14
(i) As auditors - statutory audit	8.72	8.72
(ii) For Tax Audit	1.75	1.75
(iii) For other services	6.03	6.03
(iv) Reimbursement of travelling and out-of-pocket expenses	1.46	1.27

- (3) (a) The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 3 to 10 years and may be renewed for a further period of 3 to 10 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5% to 15%.

The Company has entered into operating leasing arrangements in respect of its premises. The lease payments under these arrangements debited to the Profit and Loss Statement are as follows:

	2014-15	2013-14
Rent expense	2082.99	1690.10

Future minimum lease payments payable:

	2014-15	2013-14
not later than one year	917.88	1,471.88
later than one year and not later than five years	1737.47	2,558.65
later than five years	100.46	176.76

- (b) The Company has entered into operating lease arrangements for certain surplus facilities. The lease is non-cancellable for a period of 3 years and may be renewed for a further period based on mutual agreement of the parties.

Future minimum lease payments receivable:

	2014-15	2013-14
not later than one year	-	8.42
later than one year and not later than five years	-	-
later than five years	-	-

Depreciation recognised on the leased assets	2.72	2.65
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**CONCORDE MOTORS (INDIA) LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

NOTE - 17 (contd.)

(B) Notes to Profit and Loss Statement (contd.)

(4) (a) Defined benefit plans - As per actuarial valuations as on March 31, 2015

		Gratuity	
		2015	2014
i	<b>Components of employer expense</b>		
	Current Service cost	32.60	24.10
	Interest cost	11.71	7.31
	Expected return on plan assets	(8.09)	(7.12)
	Actuarial (Gains) / Losses	(39.04)	24.02
	<b>Total expense recognised in the Profit and Loss Statement</b>	<b>(2.82)</b>	<b>48.31</b>
ii	<b>Actual Contribution and Benefit Payments for year ended March 31.</b>		
	Actual benefit payments	3.05	10.34
	Actual Contributions	-	40.00
iii	<b>Net Assets/( liability) recognised in Balance Sheet as at March 31.</b>		
	Present Value of Defined Benefit Obligation	(122.02)	(137.85)
	Fair value of plan assets	92.75	105.76
	<b>Net liability recognised in Balance Sheet</b>	<b>(29.27)</b>	<b>(32.09)</b>
iv	<b>Change in Defined Benefit Obligations (DBO) during the year ended March 31.</b>		
	Present Value of DBO at the beginning of the year	137.85	92.76
	Current Service cost	32.60	24.10
	Interest cost	11.71	7.31
	Actuarial (gains) / losses	(39.04)	24.02
	Benefits paid	(21.10)	(10.34)
	<b>Present Value of DBO at the end of the year</b>	<b>122.02</b>	<b>137.85</b>
v	<b>Change in Fair Value of Assets during the year ended March 31.</b>		
	Plan assets at the beginning of the year	105.76	68.98
	Expected return on plan assets	8.09	7.12
	Actual Company contributions	0.00	40.00
	Actual gains / (losses)	-	0.00
	Benefits paid	(21.10)	(10.34)
	<b>Plan assets at the end of the year</b>	<b>92.75</b>	<b>105.76</b>
vi	<b>Reconciliation of Net Assets / (Liability) recognised in the Balance Sheet</b>		
	Net Assets / (Liability) at the beginning of the year	(32.09)	(23.78)
	Employer (Expense) / Credit	2.82	(48.31)
	Employer Contribution	0.00	40.00
	<b>Net Assets / (Liability) at the end of the year</b>	<b>(29.27)</b>	<b>(32.09)</b>
vii	<b>Composition of the plan assets is as follows:</b>		
	Central Government Securities	31.35%	31.35%
	State Government Securities	10.71%	10.71%
	Debentures And Bonds	42.85%	42.85%
	Equity Shares	5.22%	5.22%
	Fixed Deposits	8.35%	8.35%
	Others	1.51%	1.51%
viii	<b>Actuarial Assumptions for Gratuity and Compensated Absences</b>	<b>2015</b>	<b>2014</b>
	Discount Rate (%)	8.00%	9.20%
	Expected Return on plan assets (%)	8.50%	8.50%
	Salary escalation (%)	5.00%	5% for next year 7% for next 3 years 8% thereafter
	Mortality	Indian assured Lives Mortality (2006-08) (Modified) ultimate	
	Withdrawal rates (%)	Age % 20 - 44 - 2% 45 and after - 1%	Age % 20 - 44 - 2% 45 and after - 1%

viii	Experience History	2014- 2015	2013- 2014	2012- 2013	2011- 2012	2010- 2011
	Defined Benefit Obligation at the end of the period	122.02	137.85	(92.76)	(77.13)	(51.53)
	Plan Assets at the end of the period	92.75	105.76	68.98	67.19	71.78
	Funded Status	(29.27)	(32.09)	(23.78)	(9.94)	20.25
	Experience Gain / (Loss) adjustment on plan liabilities	(6.32)	(7.53)	(1.59)	(9.40)	(0.84)
	Experience Gain / (Loss) adjustment on plan assets	-	-	0.99	0.86	0.55
	Actuarial Gain / (Loss) due to change in assumptions	32.72	31.55	(1.76)	(7.76)	(4.38)

(b) **Defined Contribution Plans-**

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.116.17 lakhs (Previous year: Rs. Rs.99.11) for Provident Fund contributions, Rs. 2.62 lakhs (Previous year: Rs. 2.92 lakhs) for Superannuation Fund contributions and Rs.41.51 lakhs (Previous year: Rs.34.94 lakhs) for Employee State Insurance Scheme contributions in the Profit and Loss Statement. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

- (i) The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified
- (ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- (iii) The Company expects to contribute Rs.35 lakhs to the funded pension plans in the year 2015-16 [ Previous Year Rs 35 lakhs]

**CONCORDE MOTORS (INDIA) LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

NOTE - 17 (contd.)

(Rs. in lakhs)

(C) Notes to Statement of Profit and Loss (contd.)

	2014-15	2013-14
(1) Earnings Per Share (EPS):		
(a) Loss after tax ..... Rs. lakhs	<b>(4581.57)</b>	(3392.61)
Add: Preference Dividend and Dividend tax thereon	<b>205.35</b>	199.42
Profit/(Loss) available to Equity Share holders	<b>(4786.92)</b>	(3592.03)
(b) The weighted average number of Equity Shares for Basic EPS..... Nos.	<b>17505947</b>	3698120
(c) The nominal value per Share..... Rupees	<b>10.00</b>	10.00
(d) Share of Profit/(Loss) for Equity Shares for Basic EPS..... Rs. lakhs	<b>(4786.92)</b>	(3,592.03)
(e) Earnings Per Equity Share (Basic and Diluted)..... Rupees	<b>(27.34)</b>	(97.13)

Note: Preference dividend has been considered as a matter of prudence in determining Earnings per Share, since the Preference shares are cumulative.

(D) (i) The Company has two business segments, viz. selling of cars, parts, accessories, financial services and servicing of cars in India, which have similar risks and returns and rental business. However, based on the turnover and result criteria, the rental business does not qualify as a reportable segment. Income from facilitating finance and other services cater to the same customers to whom cars are sold and therefore do not have risk and rewards which are different from business of selling of cars and hence forms the part of the same segment i.e. selling of cars, parts, accessories, Financial services etc.

The Company sells its products and services only in India and as such separate information on geographical segment is not provided.

(ii) The Company did not have transactions in foreign currencies and has not entered into any derivative transactions.

(iii) The Company is in the process of looking at certain alleged possible irregularities which have been identified by the management of the Company, in the areas of recording of purchases and sales of Pre-owned cars and raising claims for various incentives in two of its units. As on date, the Company is in the process of conducting its investigation with regard to the above. Given the nature and size of the transactions that are involved, the Company believes that the impact of such irregularities on the results of the Company and the state of affairs are not likely to be significant.

(iv) Previous years's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

(v) Current year figures are shown in bold print.