

Tata Motors (Thailand) Ltd.

Financial statements for the year ended
31 March 2018
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Tata Motors (Thailand) Ltd.

Opinion

I have audited the financial statements of Tata Motors (Thailand) Ltd. which comprise of the statement of financial position as at 31 March 2018, the statements of income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2018 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities (TFRS for NPAEs).

Basis for Opinion

I conducted my audit in accordance with Thai Standard on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

The financial statements of Tata Motors (Thailand) Ltd. for the year ended 31 March 2017 was audited by another auditor who expressed an unqualified opinion thereon in his report dated 12 May 2017.

Responsibilities of Management for the Interim Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Interim Financial Statements

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

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

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

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

(Veerachai Ratanajaratkul)
Certified Public Accountant
Registration No. 4323

KPMG Phoomchai Audit Ltd.
Bangkok
7 May 2018

Tata Motors (Thailand) Ltd.
Statement of financial position

Assets	Note	31 March			
		2018 (in Baht)	2018 (in Rs.)	2017 (in Baht)	2017 (in Rs.)
Current assets					
Cash and cash equivalents	4	45,334,708	94,133,440	153,266,726	287,571,292
Trade and other accounts receivables	5	137,096,871	284,669,314	254,118,342	476,797,163
Inventories	6	909,978,413	1,889,488,277	1,136,265,171	2,131,951,615
Other current assets		412,606	856,739	259,230	486,388
Total current assets		1,092,822,598	2,269,147,770	1,543,909,469	2,896,806,458
Non-current assets					
Equipment	7	555,448,781	1,153,339,403	617,576,963	1,158,747,304
Intangible assets	8	57,318	119,016	97,195	182,365
Other non-current assets	9	56,008,786	116,297,204	48,340,023	90,699,418
Total non-current assets		611,514,885	1,269,755,623	666,014,181	1,249,629,088
Total assets		1,704,337,483	3,538,903,393	2,209,923,650	4,146,435,545

The accompanying notes are an integral part of these financial statements.

Tata Motors (Thailand) Ltd.
Statement of financial position

Liabilities and equity	<i>Note</i>	31 March			
		2018 <i>(in Baht)</i>	2018 <i>(in Rs.)</i>	2017 <i>(in Baht)</i>	2017 <i>(in Rs.)</i>
Current liabilities					
Bank overdrafts	10	3,441,789	7,146,565	3,025,406	5,676,508
Short-term loans from financial institutions	10	1,003,000,000	2,082,639,230	1,003,000,000	1,881,908,840
Trade and other accounts payables	11	1,022,746,493	2,123,641,045	946,019,373	1,774,997,229
Current portion of long-term loans					
from related party	10	753,666,600	1,564,920,865	-	-
Advance received of share capital increased	12	250,000,000	519,102,500	150,000,000	281,442,000
Other current liabilities		1,865,967	3,874,512	1,306,185	2,450,769
Total current liabilities		3,034,720,849	6,301,324,717	2,103,350,964	3,946,475,346
Non-current liabilities					
Long-term loans from related party	10	1,501,333,400	3,117,383,685	2,255,000,000	4,231,011,400
Provision for retirement benefits	13	15,270,190	31,707,175	13,345,090	25,039,125
Total non-current liabilities		1,516,603,590	3,149,090,860	2,268,345,090	4,256,050,525
Total liabilities		4,551,324,439	9,450,415,578	4,371,696,054	8,202,525,871
Equity					
Share capital					
Authorised share capital		3,336,290,000	6,927,505,919	3,186,290,000	5,978,372,201
Issued and paid-up share capital	14	3,336,290,000	6,927,505,919	3,186,290,000	5,978,372,201
Deficit		(6,183,276,956)	(12,839,018,103)	(5,348,062,404)	(10,034,462,527)
Total capital deficiency		(2,846,986,956)	(5,911,512,184)	(2,161,772,404)	(4,056,090,326)
Total liabilities and equity		1,704,337,483	3,538,903,393	2,209,923,650	4,146,435,545

The accompanying notes are an integral part of these financial statements.

Tata Motors (Thailand) Ltd.**Statement of income**

		For the year ended			
		31 March			
	<i>Note</i>	2018	2018	2017	2017
		<i>(in Baht)</i>	<i>(in Rs.)</i>	<i>(in Baht)</i>	<i>(in Rs.)</i>
Income					
Revenue from sale of goods		353,117,042	733,215,757	618,839,682	1,161,116,518
Revenue from rendering of services		684,826	1,421,980	1,173,748	2,202,280
Other income		2,125,327	4,413,051	6,831,357	12,817,539
Gain from exchange rate		351,044	728,911	617,469	1,158,545
Total income		356,278,239	739,779,699	627,462,256	1,177,294,882
Expenses					
Cost of sales of goods		567,659,101	1,178,693,035	637,790,894	1,196,674,299
Cost of rendering of services		272,209	565,217	296,908	557,082
Selling expenses	15	115,814,984	240,479,392	115,611,443	216,919,438
Administrative expenses	16	397,335,142	825,030,661	299,313,759	561,596,419
Total expenses		1,081,081,436	2,244,768,305	1,053,013,003	1,975,747,237
Loss before finance costs and					
income tax expense		(724,803,197)	(1,504,988,606)	(425,550,747)	(798,452,355)
Finance costs		110,411,355	229,259,241	107,569,475	201,830,454
Loss before income tax expense		(835,214,552)	(1,734,247,848)	(533,120,222)	(1,000,282,809)
Income tax expense		-	-	-	-
Loss for the year		(835,214,552)	(1,734,247,848)	(533,120,222)	(1,000,282,809)

The accompanying notes are an integral part of these financial statements.

Tata Motors (Thailand) Ltd.

Statement of changes in equity

	Note	Issued and paid-up share capital		Deficit		Total capital deficiency	
		(in Baht)	(in Rs.)	(in Baht)	(in Rs.)	(in Baht)	(in Rs.)
Year ended 31 March 2017							
Balance as at 1 April 2016	14	3,186,290,000	6,616,044,419	(4,814,942,182)	(9,997,794,096)	(1,628,652,182)	(3,381,749,677)
Changes in equity							
Loss for the year		-	-	(533,120,222)	(1,000,282,809)	(533,120,222)	(1,000,282,809)
Balance as at 31 March 2017		3,186,290,000	6,616,044,419	(5,348,062,404)	(10,998,076,906)	(2,161,772,404)	(4,382,032,487)
Year ended 31 March 2018							
Balance as at 1 April 2017	14	3,186,290,000	6,616,044,419	(5,348,062,404)	(11,104,770,256)	(2,161,772,404)	(4,488,725,837)
Changes in equity							
Increase in authorised share capital		150,000,000	311,461,500	-	-	150,000,000	311,461,500
Loss for the year		-	-	(835,214,552)	(1,734,247,848)	(835,214,552)	(1,734,247,848)
Balance as at 31 March 2018		3,336,290,000	6,927,505,919	(6,183,276,956)	(12,839,018,103)	(2,846,986,956)	(5,911,512,184)

The accompanying notes are an integral part of these financial statements.

Tata Motors (Thailand) Ltd.

Statement of cash flows

	Note	For the period ended			
		2018	31 March	2017	2017
		(in Baht)	(in Rs.)	(in Baht)	(in Rs.)
Cash flows from operating activities					
Loss for the year		(835,214,552)	(1,734,247,848)	(533,120,222)	(1,000,282,809)
<i>Adjustments for</i>					
Depreciation and amortisation		62,312,847	129,387,019	62,513,013	117,291,916
Doubtful accounts		25,072,011	52,059,774	440,640	826,764
Finance costs		110,411,355	229,259,242	107,569,475	201,830,455
Unrealised gain on exchange		(439,805)	(913,216)	(378,992)	(711,095)
Loss on disposal of equipment		69,314,074	143,924,436	9,663,064	18,130,614
Loss on write-off of inventories		120,856,342	250,947,317	-	-
Loss (reversal) of allowance for decline in value of inventories		880,674	1,828,640	(56,561,145)	(106,124,545)
Provision for employee benefits		3,528,920	7,327,485	1,588,290	2,980,077
		(443,278,134)	(920,427,150)	(408,285,877)	(766,058,625)
<i>Changes in operating assets and liabilities</i>					
Trade and others accounts receivable		91,973,537	190,974,772	(8,249,006)	(15,477,445)
Inventories		104,549,743	217,088,132	(71,944,832)	(134,988,649)
Other current assets		(153,376)	(318,471)	(78,774)	(147,802)
Other non-current assets		(7,668,764)	(15,923,498)	(12,101,082)	(22,705,018)
Trade and others accounts payable		(15,759,638)	(32,723,470)	165,010,079	309,605,111
Employee benefits paid		(1,603,820)	(3,330,188)	(860,920)	(1,615,327)
Other current liabilities		(1,023,381)	(2,124,959)	(2,161,069)	(4,054,771)
Net cash used in operating activities		(272,963,833)	(566,784,832)	(338,671,481)	(635,442,526)

The accompanying notes are an integral part of these financial statements.

Tata Motors (Thailand) Ltd.

Statement of cash flows

	<i>Note</i>	For the period ended			
		2018	31 March	2017	2017
		(in Baht)	(in Rs.)	(in Baht)	(in Rs.)
<i>Cash flows from investing activities</i>					
Proceeds from sales of equipment and non-current assets held for sale		1,239,660	2,574,042	146,774,913	275,390,834
Purchase of equipment		(42,627,757)	(88,512,701)	(41,411,006)	(77,698,642)
Purchase of intangible assets		(28,920)	(60,050)	-	-
Net cash (used in) from investing activities		(41,417,017)	(85,998,708)	105,363,907	197,692,191
<i>Cash flows from financing activities</i>					
Interest paid		(43,967,551)	(91,294,663)	(121,381,566)	(227,745,805)
Proceeds from issuance of new ordinary share capital		150,000,000	311,461,500		
Advance for share capital increase		100,000,000	207,641,000	150,000,000	281,442,000
Proceeds from borrowings		298,000,000	618,770,180	423,000,000	793,666,440
Repayment of borrowings		(298,000,000)	(618,770,180)	(173,000,000)	(324,596,440)
Net cash from financing activities		206,032,449	427,807,837	278,618,434	522,766,195
Net (decrease) increase in cash and cash equivalents		(108,348,401)	(224,975,703)	45,310,860	85,015,861
Cash and cash equivalents as at 1 April		150,241,320	311,962,578	104,930,460	196,878,923
Cash and cash equivalents as at 31 March		41,892,919	86,986,875	150,241,320	281,894,785
Cash and cash equivalents		45,334,708	94,133,440	153,266,726	287,571,292
Bank overdrafts		(3,441,789)	(7,146,565)	(3,025,406)	(5,676,508)
		41,892,919	86,986,875	150,241,320	281,894,784

The accompanying notes are an integral part of these financial statements.

Tata Motors (Thailand) Ltd.
Notes to the interim financial statements
For the year ended 31 March 2018

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Tata Motors (Thailand) Ltd.
Notes to the interim financial statements
For the year ended 31 March 2018

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the directors on 7 May 2018.

1 General information

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

TML Holdings Pte. Ltd., incorporated in Singapore, is the major shareholder of the Company held 95% of the Company's shares as at 31 March 2018 and 31 March 2017.

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

As shown in the financial statements for the year ended 31 March 2018, the Company incurred net losses from operations of Rs. 1,734 million, and as at 31 March 2018, the Company had deficits of Rs. 12,838 million, and had total current liabilities excess total current assets by Rs. 4,030 million. However, going forward, the Company has been able to lay down a short-term strategy on improving the operations in year 2018-2019, focusing on fixed cost reduction initiatives. Apart from adding more dealership networks in Thailand, the Company shall be introducing a refreshed version of its pickup truck with improved features and performance. The Company has also entered into several contracts of which first phase of delivery is expected during 2018. All of the above steps will help the Company improve its performance in the year ahead.

Additionally, the Company received advance for share capital increase of Rs. 208 million on 25 May 2017 from TML Holdings Pte. Ltd. (see Note 12) also accepts responsibility of providing and undertakes to provide sufficient financial assistance to the Company by issuance of letters of comfort to the financial institutions to secure the credit facilities granted to the Company.

2 Basis of preparation of the interim financial statements

The financial statements are prepared in accordance with the Thai Financial Reporting Standards for Non-Publicly Accountable Entities (TFRS for NPAEs) and guidelines promulgated by the Federation of Accounting Professions (FAP).

In addition, the Company has complied with Thai Financial Reporting Standards for Publicly Accountable Entities for TAS 7 (revised 2016) statement of cash flows.

The financial statements are prepared and presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand, unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

Tata Motors (Thailand) Ltd.
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The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognized in the financial statements is included in the following notes:

Notes 3 (c), 5	Allowance for doubtful accounts
Notes 3 (d), 6	Allowance for decline in value of inventories
Notes 3 (i), 11	Provision for warranty
Notes 3 (i), 13	Measurement of provision for retirement benefit

3 Significant accounting policies

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

(a) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments.

(c) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Bad debts recovered are recognised in other income in the statement of income.

Tata Motors (Thailand) Ltd.
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(d) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

(e) Equipment

Owned assets

Equipment is stated at cost less accumulated depreciation and losses on decline in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognised net in the statement of income.

Subsequent costs

The cost of replacing a part of an item of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of equipment are recognised in the statement of income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Tata Motors (Thailand) Ltd.
Notes to the interim financial statements
For the year ended 31 March 2018

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each component of an item of equipment. The estimated useful lives are as follows:

Machinery	20 years
Factory equipment	5 years
Furniture, fixtures and office equipment	5 years
Vehicle	5 years

No depreciation is provided on assets under construction.

(f) Intangible assets

Software licenses

Software licenses that are acquired by the Company are stated at cost less accumulated amortisation and loss on decline in value.

Amortisation

Amortisation is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in the statement of income on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful live for the current period is as follows:

Computer software	5 years
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(g) Losses on decline in value

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised in the statement of income.

(h) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(i) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate method.

Employee benefits

Obligations for retired benefits are recognised using the best estimate method at the reporting date.

Tata Motors (Thailand) Ltd.
Notes to the interim financial statements
For the year ended 31 March 2018

(j) Revenue

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Other income

Other income are recognised in the statement of income as they accrue.

(k) Expenses

Lease payments

Payments made under operating leases are recognized in the statement of income on a straight line basis over the term of the lease.

Finance cost

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred.

(l) Income tax

Income tax on the profit or loss for the period comprises current tax. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

In determining the amount of current tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Tata Motors (Thailand) Ltd.
Notes to the interim financial statements
For the year ended 31 March 2018

4 Cash and cash equivalents

	2018	2017
	<i>(in thousand Rs.)</i>	
Cash on hand	721	433
Cash at banks - savings accounts	92,971	203,381
Cash at banks - current accounts	442	83,757
Total	<u>94,134</u>	<u>287,572</u>

5 Trade and other accounts receivables

	2018	2017
	<i>(in thousand Rs.)</i>	
Trade accounts receivable – related parties	-	14,808
Trade accounts receivable – other parties	206,374	291,189
<i>Less</i> allowance for doubtful accounts	(59,657)	(30,972)
Trade accounts receivable - net	<u>146,717</u>	<u>275,025</u>
Other receivables – related parties	41,146	109,670
Other receivables – other parties	79,572	54,969
	<u>267,435</u>	439,665
Prepaid expenses	17,234	37,132
Total	<u>284,670</u>	<u>476,797</u>
Bad and doubtful debts expense for the period	<u>52,060</u>	<u>826</u>

6 Inventories

	2018	2017
	<i>(in thousand Rs.)</i>	
Raw materials	701,004	907,735
Work in process	7,984	10,320
Finished goods	1,242,077	1,263,686
Goods in transit	25,546	27,287
	<u>1,976,612</u>	<u>2,209,027</u>
<i>Less</i> allowance for decline in value	(87,124)	(77,076)
Net	<u>1,889,487</u>	<u>2,131,951</u>

Tata Motors (Thailand) Ltd.
Notes to the interim financial statements
For the year ended 31 March 2018

7 Equipment

	Machinery	Factory equipment	Furniture and fixtures	Office equipment <i>(in thousand Rs.)</i>	Vehicle	Asset under construction	Total
Cost							
At 1 April 2016	1,910,629	95,600	80,162	36,997	134,663	43,210	2,301,262
Additions	8,740	1,196	498	1,991	45,714	17,824	75,963
Transfers	24,344	-	-	-	-	(24,344)	-
Disposals and write-off	(3,632)	-	-	(56)	(45,305)	-	(48,993)
At 31 March 2017 and 1 April 2017	1,940,081	96,796	80,660	38,933	135,073	36,690	2,328,233
Additions	3,717	5,797	6,397	3,326	31,757	95,355	146,350
Transfers	-	-	-	-	467	(467)	-
Disposals and write-off	(144,138)	-	-	-	(8,127)	-	(152,265)
At 31 March 2018	1,799,660	102,593	87,058	42,259	159,169	131,578	2,322,317
Depreciation							
At 1 April 2016	700,986	89,664	61,333	34,203	75,208	-	961,392
Depreciation charge for the year	97,716	3,104	4,529	1,507	22,571	-	129,427
Disposals and write-off	(8,241)	-	-	(56)	(36,632)	-	(44,929)
At 31 March 2017 and 1 April 2017	790,460	92,768	65,862	35,654	61,146	-	1,045,890
Depreciation charge for the period	97,116	2,020	5,318	1,364	23,401	-	129,219
Disposals and write-off	-	-	-	-	(6,132)	-	(6,132)
At 31 March 2018	887,576	94,788	71,179	37,018	78,416	-	1,168,977
Net book value							
At 31 March 2017	1,149,621	4,028	14,799	1,579	73,926	36,690	1,282,343
At 31 March 2018	912,084	7,805	15,878	2,524	80,754	131,578	1,153,340

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8 Intangible assets

	Total (in thousand Rs.)
<i>Cost</i>	
At 1 April 2016	45,226
At 31 March 2017 and 1 April 2017	45,226
Additions	60
At 31 March 2018	45,287
<i>Amortisation</i>	
At 1 April 2016	44,647
Amortisation charge for the year	378
At 31 March 2017 and 1 April 2017	45,025
Amortisation charge for the period	143
At 31 March 2018	45,168
<i>Net book value</i>	
At 31 March 2017	201
At 31 March 2018	118

9 Other non-current assets

	2018	2017
	(in thousand Rs.)	
Value-added tax refundable	106,354	81,547
Deposits	9,944	9,152
Total	116,298	90,699

10 Interest-bearing liabilities

	Note	2018	2017
		(in thousand Rs.)	
Current			
Bank overdrafts		7,147	5,676
Loans from financial institutions	(1)	2,082,639	1,881,909
Loans from related party	(2)	1,564,922	-
Total		3,654,708	1,887,585
Non-current			
Loans from related party	(2)	3,117,383	4,231,011
Total		3,117,383	4,231,011
Total Interest-bearing liabilities		6,772,091	6,118,596

(1) During 2017, the Company has promissory note with ANZ bank in amount of Rs. 2,083 million. This loans had interest rate 4.0-4.5% per annum. Rs. 1,464 million of the amount are secured by letters of comfort from TML Holdings Pte. Ltd.

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- (2) On 17 February 2017, the Company has unsecured loan from TML Holding Pte. Ltd. which is the Parent Company in amount of Rs. 4,682 million (*31 March 2017: Rs. 4,682 million*). The indicative rate of interest chargeable shall be on the basis of 12 months BIBOR plus a spread of 50 bps. The loan is repayable within August 2018 to March 2020.

11 Trade and other accounts payables

	2018	2017
	<i>(in thousand Rs.)</i>	
Trade accounts payables - related parties	1,200,879	1,062,023
Trade accounts payables - other parties	41,152	98,857
Other payables - related parties	138,449	62,908
Other payables - other parties	209,566	215,851
Accrued expenses	136,788	111,824
Accrued interest - parent company	296,663	144,335
Product warranty reserve	5,133	17,618
Others	95,010	67,257
Total	<u>2,123,640</u>	<u>1,774,997</u>

12 Advance received of share capital increase

As at 31 March 2018, the Company received advance received of share capital increase of Rs. 519 million on 28 September 2017 (*31 March 2017: Rs. 311 million on 3 March 2017*). However, as of 31 March 2018, the share capital increment has not been approved by the Shareholders' meeting and has not been registered with the ministry of Commerce. Accordingly, the Company presented such transaction as "Advance received of share capital increase" under Current Liabilities heading in statement of financial position.

13 Provision for retirement benefits

	<i>(in thousand Rs.)</i>
At 1 April 2016	26,200
Provisions made	3,297
Paid	<u>(1,788)</u>
At 31 March 2017 and 1 April 2017	27,710
Provisions made	7,328
Paid	<u>(3,331)</u>
At 31 March 2018	<u>31,707</u>

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14 Share capital

	Par value per share (in Rs.)	2018		2017	
		Number	Amount (thousand shares/thousand Rs.)	Number	Amount
Authorised					
Beginning balance	208	31,863	6,616,044	31,863	5,978,372
- ordinary shares					
Increase of shares	208	1,500	311,462	-	-
Ending balance					
- ordinary shares		33,363	6,927,506	31,863	5,978,372
Issued and paid - up					
Beginning balance	208	31,863	6,616,044	31,863	5,978,372
- ordinary shares					
Increase of shares	208	1,500	311,462	-	-
Ending balance					
- ordinary shares		33,363	6,927,506	31,863	5,978,372

The extraordinary general meetings of shareholders held on 5 June 2017 passed a special resolution to authorize the increase of the Company's authorised share capital from Rs. 6,615 million to Rs. 6,927 million by increasing 1,500,000 new ordinary shares of Rs. 208 per value. The Company completed registration of the increase in authorised share capital with the Ministry of Commence on 6 June 2017.

15 Selling expenses

	2018	2017
	(in thousand Rs.)	
Incentive to dealer	102,392	112,029
Employee benefit expenses	62,097	52,290
Advertising expenses	70,515	48,202
Other expenses	5,475	4,398
Total	240,479	216,919

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16 Administrative expenses

	2018	2017
	<i>(in thousand Rs.)</i>	
Employee benefit expenses	237,138	226,525
Relocation expenses	195,913	-
Storage expenses	54,713	43,359
Service expenses	42,049	31,148
Rental expenses	37,247	34,009
Depreciation expenses	28,083	23,401
Insurance expenses	16,755	14,066
Engineering expenses	5,995	5,336
Repair and maintenance service	4,483	5,090
Supply charges	3,881	4,884
Telephone expenses	1,175	638
Training expenses	496	471
Other expenses	197,101	172,668
Total	825,030	561,597

17 Employee benefit expenses

	2018	2017
	<i>(in thousand Rs.)</i>	
Basic salary and personal pay	191,113	183,138
Salary allowances	46,470	37,935
Other employee benefit	16,543	11,582
Performance linked bonus	16,115	23,300
House rent allowance and other subsidy	10,100	8,145
Provident fund and Social security	8,609	8,239
Employee retirement benefit	5,438	2,060
Overtime and double pay	625	805
Other benefit	4,223	3,612
Total	299,236	278,815

The defined contribution plans comprise provident funds established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rate 5% of their basic salaries and by the Company at rate 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

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18 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Company has been granted privileges by the Board of Investment. The privileges granted include:

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

As a promoted company, the Company must comply with certain terms and conditions prescribed in the promotional certificate.

As at 31 March 2018 the Company has not use the promotional privileges.

19 Commitments

(a) Lease agreements

	2018	2017
	<i>(in thousand Rs.)</i>	
<i>Non-cancellable operating lease commitments</i>		
Within one year	16,069	16,447
After one year but within five years	20,220	1,034
Total	<u>36,289</u>	<u>17,481</u>

The Company had entered into various lease and service agreements for office space. These agreements will be expired on 30 June 2020.

(b) Other commitments

As at 31 March 2018, the Company has commitment on banks guarantee for Value-added tax refundable amounting to Rs. 337.85 million (31 March 2017: Rs. 1,611.63 million).

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20 Reclassification of accounts

Certain accounts in the 31 March 2017 financial statements have been reclassified to conform to the presentation in the 31 March 2018 financial statements as follows:

	Before reclass	2017 reclass (in thousand Rs.)	After reclass
<i>Statement of financial position</i>			
Cash and cash equivalents	311,964	6,281	318,245
Bank overdrafts	-	<u>(6,281)</u>	(6,281)
		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.

21 CONVERSION TO INDIAN RUPEES

The financial information is expressed in Thailand and only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amount appearing in Indian Rupees have been translated at a fixed exchange rate @ Baht = Rs. 1.8763 as on March 31, 2017 and Baht = Rs. 2.0764 as on March 31, 2018. These translations should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate