



Audit, Conseil & Expertise comptable

Cabinet d'expertise comptable et de commissariat aux comptes inscrit au tableau de l'ordre du Maroc

TATA HISPANO MOTORS CARROCERRIES MAGHREB

Société Anonyme au Capital de 202 000 000 DHS
IF : 1004723- Taxe Professionnelle : 40721185



Headquarter

Zone Industrielle
Berrechid



STATUTORY AUDIT REPORT

FROM APRIL 1st, 2018 TO MARCH 31, 2019

This is a free translation into English of the statutory audit report issued in French
and it is provided solely for the convenience of English-speaking users



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To the shareholders of
TATA HISPANO MOTORS CARROCERRIES MAGHREB S.A.

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STATUTORY AUDIT REPORT FROM APRIL 1ST, 2018 TO MARCH 31, 2019

In accordance with our assignment as statutory auditors by your Shareholders' Decision, we have audited the accompanying financial statements of TATA HISPANO MOTORS CARROCERRIES MAGHREB S.A. as at March 31, 2019 which include the balance sheet, the income statement, the statement of management accounts, the cash flow statement and the notes to the financial statements for the year then ended these financial statements show a negative net equity of MAD 50.042.072 including a net loss of MAD 8.766.999

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Moroccan GAAP. This responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Moroccan standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

1- TATA HISPANO MOTORS CARROCERRIES MAGHREB financial statements reveal a net book value of less than a quarter of the share capital.

2- The financial statements as at March 31, 2019 have been prepared on a going concern basis and do not take into account any adjustments that may prove necessary if the company decides to stop the activity.

Subject to the impact of the situation described in paragraphs 1 and 2 above, we certify that the above-mentioned financial statements present fairly, in all material respects, of the assets and liabilities and of the financial position of TATA HISPANO MOTORS CARROCERRIES MAGHREB S.A. as at March 31, 2019 and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in Morocco.

Specific verifications and information

We have also performed the specific controls required by the law and made sure that the information provided in the management report to be presented to the shareholders are consistent with the financial statements of the company.

Casablanca, May 6, 2019

Statutory auditor

Mohammed MAIMOUNI

BALANCE SHEET

7,15951 MAD to INR 31st Mar'19

ASSETS	INR		MAD		SHAREHOLDER'S EQUITY AND LIABILITIES	INR		MAD	
	31/03/2019	31/Mar/19	31/03/2018	31/Mar/18		31/03/2019	31/Mar/19	31/Mar/18	31/Mar/18
NON CURRENT ASSETS	235 747	32 927,86	241 960,33	34 369,37					
Intangible assets					SHAREHOLDER'S EQUITY	(358 277)	-50 042,07	-290 576,51	-41 275,07
Development	0	0,00	0,00	0,00	Capital				
Concession					Share capital	1 446 221	202 000,00	1 422 080	202 000,00
Patents					Capital surplus				
Purchased goodwill					Reserves				
Computer Software					Legal and bylaws reserves	2 977	415,80	2 927	415,80
Other intangible assets					Other reserves				
Property, plant and equipment					Parent company shares				
Land and buildings	235 747	32 927,86	240 561,49	34 170,67	Prior year results				
Other fixtures, tools and furniture	0	0,00	1 396,84	198,70	Retained earnings				
Advances and property, plant and equipment in the course of construction	0		0,00		Prior Period losses	(1 744 707)	-243 890,67	(1 670 263)	-237 253,31
Property investment					Other shareholders investments				
Land					Profit (Loss) for the year	(62 767)	-8 767,00	(45 320)	-6 437,56
Buildings					Interim Dividend				
Investments on group, multigroup and associated companies					Other equity instruments				
Equity instruments					CHANGE OF VALUE ADJUSTMENTS-				
Loans					Financial assets available for sale				
Representative values of debt					Coverage operations				
Derivatives					Other				
Other financial assets					GRANTS-				
Long-term financial assets					Grants related to assets				
Equity instruments									
Loans					NON CURRENT LIABILITIES	606 740,00	84 746,02	596 612,01	84 746,02
Representative values of debt					Long term provisions				
Derivatives					Pension commitments and similar obligations				
Other financial assets					Environmental liabilities				
Deferred tax asset					Restructuring				
					Other	0	0,00	0,00	0,00
CURRENT ASSETS	181 256	25 316,87	194 374,03	27 669,95	Long term liabilities				
Noncurrent assets and disposable groups of items held for sale					Payable to TML	606 740	84 746,02	596 612,01	84 746,02
Inventories-					Securities and debentures				
Merchandise	10 422	1 455,74	10 253,81	1 456,51	Bank borrowings				
Raw materials and other supplies					Long term financial loanings				
Work in progress and semi-finished goods	9 439	1 317,03	9 277,26	1 317,79	Derivatives				
Finished goods	225	31,48	221,59	31,48	Other financial liabilities				
	768	107,24	754,96	107,24	Deudas con empresas del grupo y asociadas a largo plazo				
Accounts receivable-					Deferred taxes liabilities				
Trade receivables for sales and services	140 843	19 672,18	137 230,42	19 492,96	Accrual accounts				
Receivable from Group companies and associates	9 568	1 330,44	9 438,19	1 340,65					
Other Recoverable	18 464	2 578,80	18 155,39	2 575,89	CURRENT LIABILITIES	168 540	23 540,77	130 298,67	18 508,36
Employees	00	12,55	88,33	12,56	Liabilities related with noncurrent assets and disposable groups of items held for sale				
Current tax asset - VAT	106 698	14 902,96	103 277,25	14 670,06	Short term provisions	17 781	2 483,52	17 484,00	2 483,52
Current tax asset - Income Tax	1 940	270,98	1 928,79	273,98	Payable to TML - Interest on Loan				
Current tax asset - Social Security Tax	1 341	187,35	1 318,93	187,35	Payable to TMLHS & Supplier - Interest	114 744	16 026,76	77 031,65	10 942,00
Deposit	172	23,98	168,85	23,98	Other financial liabilities	0	0,00	0,00	0,00
Advances to suppliers	832	116,24	914,27	129,87	Short-term liabilities on group, multigroup and associated companies	4 100	572,66	4 031,54	572,66
Prepaid Expenses	202	28,28	430,17	61,10	Notes payable				
Short-term investments on group, multigroup and associated companies					Payable to Group companies and associated	0	0,00	0,00	0,00
Equity instruments					Other trades payable	0	0,00	0,00	0,00
Loans					Employees	9 708	1 355,91	9 700,59	1 390,71
Representative values of debt					Current taxes payable - VAT	2 046	368,51	2 700,93	383,85
Derivatives					Current taxes payable - Income Tax	11 704	1 634,80	11 513,87	1 635,49
Other financial assets					Current taxes payable - Social Security Tax	1 268	177,09	1 266,22	179,86
Short term financial assets					Other taxes payable	22	3,12	21,58	3,07
Equity instruments					Advances from customers	0	0,00	0,00	0,00
Loans					Accrual accounts	6 568	917,40	6 458,50	917,40
Representative values of debt									
Derivatives									
Other financial assets									
Accrual accounts									
Cash	29 991	4 188,95	46 888,80	6 660,48					
Cash & bank	29 410	4 107,79	46 318,46	6 579,33					
Restricted Deposit	581	81,15	571,32	81,15					
Cash equivalent	0		0,00						
TOTAL ASSETS	417 004	58 244,72	436 334,37	61 978,31	TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	417 004	58 244,72	436 334,37	61 978,31

Excellence Partner
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INCOME STATEMENTS FOR 2018-19

(Currency)

	(in '000)	(in '000)
	INR 31/03/2019	MAD 31/03/2019
CONTINUOUS OPERATIONS		
Revenue	7	1
Sales	7	1
Other operating income		
Increase in finished goods and work in progress inventories	(5)	(1)
Capitalized expenses of in-house work of fixed assets		
Procurements	1 684	235
Cost of merchandise sold		
Cost of raw materials and other consumables used	1 684	235
Other external expenses		
Depreciation of raw materials and other consumables		
Other operating revenues	5	1
Non-core and other current operating revenues	5	1
Subsidies		
Personnel expenses	8 323	1 162
Wages, salaries and similar expenses	4 660	651
Employee welfare expenses	3 663	512
Provisions		
Other operating expenses	6 035	843
External services		
Taxes other than income tax	3 337	466
Losses, depreciation and change in operating provisions		
Other operating expenses	2 698	377
Depreciation and amortisation charge	10 321	1 442
Asset-related grants transferred to profit		
Overprovision		
Depreciation and net gain or losses on fixed assets		
Depreciation and losses		
Results on sales		
ORDINARY ACTIVITIES RESULT	(26 356,1)	(3 681,3)
Financial income		
From equity investments		
-Group companies		
-Non Group companies		
From other marketable securities and loans		
-Group companies		
-Non Group companies		
Financial expenses	36 411	5 086
On debts to group companies	36 404	5 085
On debts to third parties and similar expenses		
On provisions update		
Change in financial assets' value		
Portfolio		
Results on financial assets held for sale		
Exchange Gain/loss	7	1
Depreciations and gains or losses on financial assets		
Depreciations and losses		
Resultados por enajenaciones y otros		
FINANCIAL RESULT	(36 411)	(5 086)
RESULT BEFORE TAXES	(62 767)	(8 767)
Corporate income tax		
CONTINUOUS OPERATIONS RESULT	(62 767)	(8 767)
DISCONTINUED OPERATIONS		
Discontinued operations result		
PROFIT/ LOSS FOR THE YEAR	(62 767)	(8 767,00)

(62 767 421)

(8 766 999)

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INCOME STATEMENTS FOR 2018-19
(Currency)

	(in '000) INR Jan-Mar 19	(in '000) MAD Jan-Mar 19	(in '000) MAD 31/03/2019	(in '000) MAD 31/12/2018
CONTINUOUS OPERATIONS				
Revenue				
Sales			1	1
Other operating income			1	1
Increase in finished goods and work in progress inventories			(1)	(1)
Capitalized expenses of in-house work of fixed assets				
Procurements	(1 942)	(271)	235	506
Cost of merchandise sold				
Cost of raw materials and other consumables used	(1 942)	(271)	235	506
Other external expenses				
Depreciation of raw materials and other consumables				
Other operating revenues	5	1	1	1
Non-core and other current operating revenues				
Subsidies	5	1	1	1
Personnel expenses	4 829	674	1 162	488
Wages, salaries and similar expenses	1 166	163	651	488
Employee welfare expenses	3 663	512	512	
Provisions				
Other operating expenses	1 611	225	843	618
External services				
Taxes other than income tax	852	119	466	347
Losses, depreciation and change in operating provisions				
Other operating expenses	759	106	377	271
Depreciation and amortisation charge	2 224	311	1 442	1 131
Asset-related grants transferred to profit				
Overprovision				
Depreciation and net gain or losses on fixed assets				
Depreciation and losses				
Results on sales				
ORDINARY ACTIVITIES RESULT	(6 717,1)	(938,9)	(3 681,3)	(2 742,4)
Financial income				
From equity investments				
-Group companies				
-Non Group companies				
From other marketable securities and loans				
-Group companies				
-Non Group companies				
Financial expenses	8 976	1 254	5 086	3 832
On debts to group companies	8 976	1 254	5 085	3 831
On debts to third parties and similar expenses				
On provisions update				
Change in financial assets' value				
Portfolio				
Results on financial assets held for sale				
Exchange Gain/loss			1	1
Depreciations and gains or losses on financial assets				
Depreciations and losses				
Resultados por enajenaciones y otros				
FINANCIAL RESULT	(8 976)	(1 253,8)	(5 086)	(3 832)
RESULT BEFORE TAXES	(15 694)	(2 192,6)	(8 767)	(6 574)
Corporate income tax				
CONTINUOUS OPERATIONS RESULT	(15 694)	(2 192,6)	(8 767)	(6 574)
DISCONTINUED OPERATIONS				
Discontinued operations result				
PROFIT/ LOSS FOR THE YEAR	(15 694)	(2 192,64)	(8 767,00)	(6 574,36)
	(15 698 234)	(2 192 641)	(8 766 999)	(7 433 008)
			(3 710 772)	(2 376 780)