
TATA MOTORS (THAILAND) LTD.

Financial Statements

Year ended March 31, 2016



บริษัท ดีลอยท์ ทูเช่ โทมัทสึ ไชยยศ
สอบบัญชี จำกัด
อาคารจินนาการ ชั้น 25-26, 28
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REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the financial statements of Tata Motors (Thailand) Ltd., which comprise the statement of financial position as at March 31, 2016, and the statement of income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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 Thai Standards on Auditing. 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 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 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.

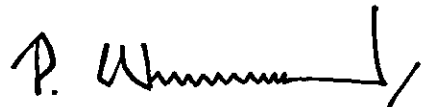
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Tata Motors (Thailand) Ltd. as at March 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, for the year ended March 31, 2016, the Company incurred net loss from operations of Baht 668 million and as at March 31, 2016, the Company had deficit of Baht 4,815 million and had capital deficiency of Baht 1,629 million. 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. Our opinion is not qualified in respect of this matter.



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

BANGKOK
May 3, 2016

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

TATA MOTORS (THAILAND) LTD.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016

BAHT

ASSETS	Notes	2016	2015
CURRENT ASSETS			
Cash and cash equivalents	4.1	104,930,460	200,632,040
Trade and other receivables	5	246,162,750	393,734,675
Inventories	6	1,007,759,193	1,061,312,868
Other current assets		180,456	144,412
Total Current Assets		1,359,032,859	1,655,823,995
NON-CURRENT ASSETS			
Equipment	7	645,281,126	842,723,933
Non-current assets held for sale	8	154,480,547	-
Intangible asset	9	279,301	555,167
Other non-current assets	10	36,238,941	31,361,727
Total Non-current Assets		836,279,915	874,640,827
TOTAL ASSETS		2,195,312,774	2,530,464,822

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

TATA MOTORS (THAILAND) LTD.
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2016

			BAHT
	Notes	2016	2015
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	11	1,003,000,000	1,003,000,000
Current portion of long-term borrowings			
from parent company	13	438,000,000	500,000,000
Trade and other payables	12	799,879,982	473,469,470
Other current liabilities		3,467,254	1,745,044
Total Current Liabilities		<u>2,244,347,236</u>	<u>1,978,214,514</u>
NON-CURRENT LIABILITIES			
Long-term borrowings from parent company	13	1,567,000,000	1,505,000,000
Employee benefit obligations	14	12,617,720	7,600,390
Total Non-current Liabilities		<u>1,579,617,720</u>	<u>1,512,600,390</u>
TOTAL LIABILITIES		<u>3,823,964,956</u>	<u>3,490,814,904</u>
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
31,862,900 ordinary shares of Baht 100 each	15	<u>3,186,290,000</u>	<u>3,186,290,000</u>
Paid-up share capital			
31,862,900 ordinary shares of Baht 100 each, fully paid		3,186,290,000	3,186,290,000
RETAINED EARNINGS (DEFICITS)			
Unappropriated (deficit)		<u>(4,814,942,182)</u>	<u>(4,146,640,082)</u>
TOTAL SHAREHOLDERS' EQUITY (CAPITAL DEFICIENCY)		<u>(1,628,652,182)</u>	<u>(960,350,082)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>2,195,312,774</u>	<u>2,530,464,822</u>

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

TATA MOTORS (THAILAND) LTD.
STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2016

	Note	2016	2015
			BAHT
Revenue from sales	17	622,346,281	656,119,801
Revenue from rendering services	17	150,365	-
Cost of sales		(730,497,984)	(772,791,005)
Cost of services		(13,863)	-
Gross loss		<u>(108,015,201)</u>	<u>(116,671,204)</u>
Other income			
Gain on exchange rate - net		4,282,185	220,859
Others		5,963,901	4,383,977
Loss before expenses		<u>(97,769,115)</u>	<u>(112,066,368)</u>
Selling expenses		(191,122,697)	(150,404,754)
Administrative expenses		(267,422,826)	(329,224,612)
Total Expenses		<u>(458,545,523)</u>	<u>(479,629,366)</u>
LOSS BEFORE FINANCE COSTS		<u>(556,314,638)</u>	<u>(591,695,734)</u>
Finance costs		(111,987,462)	(111,689,254)
NET LOSS		<u><u>(668,302,100)</u></u>	<u><u>(703,384,988)</u></u>

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

TATA MOTORS (THAILAND) LTD.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2016

BAHT

	Notes	Paid-up share capital	Retained earnings (deficits) Unappropriated (deficit)	Total shareholders' equity (Capital deficiency)
Beginning balance as at April 1, 2014		2,663,290,000	(3,443,255,094)	(779,965,094)
Increase in share capital	15	523,000,000	-	523,000,000
Net loss		-	(703,384,988)	(703,384,988)
Ending balance as at March 31, 2015		<u>3,186,290,000</u>	<u>(4,146,640,082)</u>	<u>(960,350,082)</u>
Beginning balance as at April 1, 2015		3,186,290,000	(4,146,640,082)	(960,350,082)
Net loss		-	(668,302,100)	(668,302,100)
Ending balance as at March 31, 2016		<u>3,186,290,000</u>	<u>(4,814,942,182)</u>	<u>(1,628,652,182)</u>

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

TATA MOTORS (THAILAND) LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

BAHT

	Notes	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss		(668,302,100)	(703,384,988)
Adjustments :			
Depreciation and amortization		75,021,170	73,754,738
Doubtful accounts		16,066,405	2,947,212
Unrealized gain on foreign exchange rate		(4,835,707)	(1,093,900)
Finance costs		111,987,462	111,689,254
(Gain) loss on sale of equipment		(1,244,808)	254,193
Loss (reversal) from diminution in valuation of inventories		(52,615,009)	133,540,034
Employee benefit obligations expense		5,017,330	1,323,390
		<u>(518,905,257)</u>	<u>(380,970,067)</u>
Operating assets (increase) decrease			
Trade and other receivables		131,578,701	259,773,982
Inventories		106,168,683	141,162,782
Other current assets		(36,044)	(41,440)
Other non-current assets		(4,877,214)	409,828,073
Operating liabilities increase (decrease)			
Trade and other payables		255,420,445	(1,111,720,180)
Other current liabilities		1,722,210	(258,916)
Cash paid from operations		<u>(28,928,476)</u>	<u>(682,225,766)</u>
Cash paid for interest expenses		(41,222,749)	(110,188,488)
Net cash used in operating activities		<u>(70,151,225)</u>	<u>(792,414,254)</u>

TATA MOTORS (THAILAND) LTD.
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2016

		BAHT	
	Notes	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of equipment		4,702,783	1,528,300
Cash payment for purchases of equipment	4.2	(30,248,138)	(30,423,151)
Cash payment for purchases of intangible asset	4.2	(5,000)	(94,406)
Net cash used in investing activities		(25,550,355)	(28,989,257)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings from related company		-	497,000,000
Proceeds from issuance of ordinary shares		-	523,000,000
Proceeds from short-term borrowings from financial institution		298,000,000	-
Repayment of short-term borrowings from financial institution		(298,000,000)	(200,000,000)
Net cash provided by financing activities		-	820,000,000
Net decrease in cash and cash equivalents		(95,701,580)	(1,403,511)
Cash and cash equivalents as at April 1,		200,632,040	202,035,551
CASH AND CASH EQUIVALENTS AS AT MARCH 31,	4.1	104,930,460	200,632,040

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

**TATA MOTORS (THAILAND) LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016**

1. GENERAL INFORMATION OF THE COMPANY

Tata Motors (Thailand) Ltd. was registered as a limited company under the Thai Civil and Commercial Code on February 28, 2007 to engage principally in manufacturing and assembling vehicles. The Company's registered office is located at 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 March 31, 2016 and 2015.

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

As shown in the financial statements for the year ended March 31, 2016, the Company incurred net losses from operations of Baht 668 million, and as at March 31, 2016, the Company had deficit of Baht 4,815 million, and had capital deficiency of Baht 1,629 million. However, going forward, the Company has been able to lay down a short term strategy on improving the operations in year 2016-2017. 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 that shall be focusing on single cab and double cap segment, primarily. As part of its exports business expansion, the Company has started with vehicle exports to Malaysia from Thailand plant. Also, the heavy truck business is planned for a formal launch in the latter part of the year. All of the above steps will help the Company improve its performance in the year ahead.

Additionally, the Company registered the share capital increment from TML Holdings Pte. Ltd. of Baht 523 million on February 24, 2015. Moreover, TML Holdings Pte. Ltd. also accepts responsibility of providing and undertakes to provide sufficient financial assistance to the Company by issuance of letters of comfort to the financial institutions to secure the credit facilities granted to the Company as mentioned in Notes 11 and 13. The financial statements for the year ended March 31, 2016 as presented do not include any adjustment relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Trade accounts receivable

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

3.3 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Allowance is made, where necessary, for obsolete and slow-moving inventories (if any).

3.4 Equipment

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

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

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

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

3.5 Non-current assets held for sale

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

3.6 Intangible asset

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

3.7 Operating Lease

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

3.8 Foreign currency transactions

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

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

3.9 Product warranty reserve

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

3.10 Employee benefit obligations

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

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

3.11 Provident fund

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

3.12 Revenue recognition

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

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

Other income is recognized on an accrual basis.

3.13 Income tax expense

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

3.14 Use of management’s judgment

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

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at March 31, 2016 and 2015 consist of the followings:

	2016	2015
	Baht	Baht
Cash on hand	77,610	253,986
Deposit at banks in savings and current accounts	104,852,850	200,378,054
Cash and cash equivalents	<u>104,930,460</u>	<u>200,632,040</u>

4.2 Payables for purchases of equipment and intangible asset as at March 31, 2016 and 2015 consist of the followings:

	2016	2015
	Baht	Baht
Payables brought forward as at April 1,	1,648,717	437,590
<u>Add</u> Purchases during the years	35,241,020	31,728,684
<u>Less</u> Payments of equipment during the years	(30,248,138)	(30,423,151)
Payments of intangible asset during the years	<u>(5,000)</u>	<u>(94,406)</u>
Payables carried forward as at March 31,	<u>6,636,599</u>	<u>1,648,717</u>

5. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at March 31, 2016 and 2015 consist of the followings:

	2016	2015
	Baht	Baht
Trade accounts receivable - other companies	143,337,791	138,667,463
<u>Less</u> Allowance for doubtful accounts	<u>(16,066,404)</u>	<u>(2,947,212)</u>
	127,271,387	135,720,251
Trade accounts receivable - related companies	7,891,812	8,778,149
Other receivables - related companies	91,732,179	232,266,567
Value-added-tax refundable	-	7,872,900
Prepaid expenses	19,267,372	9,096,808
Trade and other receivables	<u>246,162,750</u>	<u>393,734,675</u>

6. INVENTORIES

Inventories as at March 31, 2016 and 2015 consist of the followings:

	2016	2015
	Baht	Baht
Raw materials	484,500,930	475,875,868
Work in process	6,438,789	4,191,714
Finished goods	585,950,244	717,499,743
Goods in transit	<u>28,509,059</u>	<u>14,000,381</u>
	1,105,399,022	1,211,567,706
<u>Less</u> Allowance for diminution in valuation of inventories	<u>(97,639,829)</u>	<u>(150,254,838)</u>
Inventories	<u>1,007,759,193</u>	<u>1,061,312,868</u>

The amount of inventories recognized as cost of sales in the financial statements for the years ended March 31, 2016 and 2015, of Baht 783.11 million and Baht 639.25 million, respectively.

The amount of inventories recognized as cost of sales in the financial statements for the years ended March 31, 2016 and 2015, included (reversal) loss from diminution in valuation of inventories of Baht (52.61) million and Baht 133.54 million, respectively.

7. EQUIPMENT

Equipment as at March 31, 2016 and 2015 consists of the followings:

As at March 31, 2016

	Beginning balances as at April 1, 2015 Baht	Additions Baht	Disposals Baht	Transfer in (out)/ Reclassify Baht	Ending balances as at March 31, 2016 Baht
Cost					
Machinery	1,154,370,441	5,144,533	-	(239,354,356)*	920,160,618
Factory equipment	45,214,307	776,328	-	50,574	46,041,209
Furniture and fixtures	29,043,958	1,702,153	-	7,859,654	38,605,765
Office equipment	17,304,621	148,310	-	364,729	17,817,660
Motor vehicles	78,011,555	12,931,786	(29,001,419)	2,911,586	64,853,508
Total	<u>1,323,944,882</u>	<u>20,703,110</u>	<u>(29,001,419)</u>	<u>(228,167,813)</u>	<u>1,087,478,760</u>
Accumulated Depreciation:					
Machinery	(369,346,895)	(57,969,611)	-	89,721,103*	(337,595,403)
Factory equipment	(41,218,738)	(1,963,189)	-	-	(43,181,927)
Furniture and fixtures	(26,750,075)	(2,787,535)	-	-	(29,537,610)
Office equipment	(15,317,475)	(1,154,669)	-	-	(16,472,144)
Motor vehicles	(50,898,454)	(10,865,300)	25,543,444	-	(36,220,310)
Total	<u>(503,531,637)</u>	<u>(74,740,304)</u>	<u>25,543,444</u>	<u>89,721,103</u>	<u>(463,007,394)</u>
Machinery under installation	22,310,688	6,673,255	-	(8,174,183)	20,809,760
Construction in progress	-	7,859,654	-	(7,859,654)	-
Equipment	<u>842,723,933</u>				<u>645,281,126</u>

* As at March 31, 2016, the Company reclassifies machinery at the cost value of Baht 244,201,650 and its accumulated depreciation of Baht 89,721,103 to be non-current assets held for sale (see Note 8).

As at March 31, 2015

	Beginning balances as at April 1, 2014 Baht	Additions Baht	Disposals Baht	Transfer in (out)/ Reclassify Baht	Ending balances as at March 31, 2015 Baht
Cost					
Machinery	1,143,758,260	9,809,381	-	802,800	1,154,370,441
Factory equipment	44,327,137	887,170	-	-	45,214,307
Furniture and fixtures	28,808,021	237,797	(1,860)	-	29,043,958
Office equipment	17,114,745	189,876	-	-	17,304,621
Motor vehicles	71,638,882	12,089,975	(5,717,302)	-	78,011,555
Total	<u>1,305,647,045</u>	<u>23,214,199</u>	<u>(5,719,162)</u>	<u>802,800</u>	<u>1,323,944,882</u>
Accumulated Depreciation:					
Machinery	(311,975,480)	(57,371,415)	-	-	(369,346,895)
Factory equipment	(38,474,618)	(2,744,120)	-	-	(41,218,738)
Furniture and fixtures	(24,511,069)	(2,240,865)	1,859	-	(26,750,075)
Office equipment	(13,888,339)	(1,429,136)	-	-	(15,317,475)
Motor vehicles	(45,324,290)	(9,508,974)	3,934,810	-	(50,898,454)
Total	<u>(434,173,796)</u>	<u>(73,294,510)</u>	<u>3,936,669</u>	<u>-</u>	<u>(503,531,637)</u>
Machinery under installation	14,693,409	8,420,079	-	(802,800)	22,310,688
Equipment	<u>886,166,658</u>				<u>842,723,933</u>
Depreciation for the years ended March 31,					
2016				Baht	<u>74,740,304</u>
2015				Baht	<u>73,294,510</u>

8. NON-CURRENT ASSETS HELD FOR SALE

As at March 31, 2016, the Company reclassifies machinery at the net book value of Baht 154,480,547 (net of accumulated depreciation of Baht 89,721,103) to be non-current assets held for sale (see Note 7) (2015 : Nil).

9. INTANGIBLE ASSET

Intangible asset as at March 31, 2016 and 2015 consists of the followings:

As at March 31, 2016

	Beginning balances as at April 1, 2015 Baht	Additions Baht	Disposals Baht	Ending balances as at March 31, 2016 Baht
Cost				
Computer software	21,776,334	5,000	-	21,781,334
Total	<u>21,776,334</u>	<u>5,000</u>	<u>-</u>	<u>21,781,334</u>
Accumulated amortization:				
Computer software	(21,221,167)	(280,866)	-	(21,502,033)
Total	<u>(21,221,167)</u>	<u>(280,866)</u>	<u>-</u>	<u>(21,502,033)</u>
Intangible asset	<u>555,167</u>			<u>279,301</u>

As at March 31, 2015

	Beginning balances as at April 1, 2014 Baht	Additions Baht	Disposals Baht	Ending balances as at March 31, 2015 Baht
Cost				
Computer software	21,681,928	94,406	-	21,776,334
Total	<u>21,681,928</u>	<u>94,406</u>	<u>-</u>	<u>21,776,334</u>
Accumulated amortization:				
Computer software	(20,760,939)	(460,228)	-	(21,221,167)
Total	<u>(20,760,939)</u>	<u>(460,228)</u>	<u>-</u>	<u>(21,221,167)</u>
Intangible asset	<u>920,989</u>			<u>555,167</u>

Amortization for the years ended March 31,

2016	Baht	<u>280,866</u>
2015	Baht	<u>460,228</u>

10. OTHER NON-CURRENT ASSETS

Other non-current assets as at March 31, 2016 and 2015 consist of the followings:

	2016 Baht	2015 Baht
Value-added-tax refundable	31,644,601	26,652,070
Deposits	4,594,340	4,709,657
Other non-current assets	<u>36,238,941</u>	<u>31,361,727</u>

11. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

As at March 31, 2016 and 2015, the Company has short-term borrowings from certain banks amounted to Baht 1,003 million. The Company has entered into the following loan facilities agreements with such banks as follow:

11.1 Revolving Loan Facility Agreement of Baht 270 million

As at March 31, 2016 and 2015, the borrowing from a local branch of overseas bank carries the fixed interest rate at 3.90% per annum and 4.25% per annum, respectively. Borrowing repayment shall be in full of each amount on the maturity date as specified in each promissory note, but shall be in no case beyond one year from the date of the facility agreement.

11.2 Revolving Loan Facility Agreement of Baht 200 million

As at March 31, 2016 and 2015, the borrowing from a local branch of overseas bank carries the fixed interest rate at 3.85% per annum and 4.00% per annum, respectively. Borrowing repayment shall be in full of each amount on the maturity date as specified in each promissory note, but shall be in no case beyond one year from the date of the facility agreement.

11.3 Revolving Loan Facility Agreement of Baht 235 million

On September 4, 2013, the long-term borrowing of Baht 435 million from a local branch of an overseas bank was changed into as short-term facilities for 1 year which is presented as short-term borrowing from financial institution under current liabilities in the statement of financial position.

On August 21, 2014, the Company has made the partial repayment back to the bank of Baht 200 million.

As at March 31, 2015, the borrowing from a local branch of an overseas bank of Baht 235 million carries the fixed interest rate at 4.25% per annum. Borrowing repayment shall be in full of each amount on the maturity date as specified in each promissory note, but shall be in no case beyond one year from the date of the facility agreement.

As at March 31, 2016, the borrowing from a local branch of an overseas bank of Baht 235 million carries the fixed interest rate at 3.85% per annum. Borrowing repayment shall be in full of each amount on the maturity date as specified in each promissory note, but shall be in no case beyond one year from the date of the facility agreement.

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

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

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

11.4 Revolving Loan Facility Agreement of Baht 298 million

On September 2, 2011, the Company has borrowing from a local bank in amount of Baht 298 million with interest at rate of 3.95% per annum. This borrowing is due for repayment on September 2012. Such borrowing is secured by the letter of guarantee issued by a bank of Baht 300 million. Subsequently, on September 5, 2012, there was another memorandum to extend the grace period for principle repayment for another 1 year. This borrowing is due for repayment on September 2013. On September 2, 2013, there was another memorandum to extend the grace period for principle repayment for another 1 year. This borrowing is due for repayment on September 2014. Subsequently, on September 5, 2014, there was another memorandum to extend the grace period for principle repayment for another 1 year. These borrowings are due for repayment on September 2015. As at March 31, 2015, the Company has borrowing from a local bank in amount of Baht 298 million with interest at rate 4.05% per annum. Such loan was paid in September 2015.

On September 4, 2015, the Company has borrowing from a local branch of an oversea bank in amount of Baht 298 million with interest at rate of 4.00% per annum. This borrowing is due for repayment on September 2016. Borrowing repayment shall be in full of each amount on the maturity date as specified in promissory note, but shall be in no case beyond one year from the date of the facility agreement.

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

12. TRADE AND OTHER PAYABLES

Trade and other payables as at March 31, 2016 and 2015 consist of the followings:

	2016	2015
	Baht	Baht
Trade accounts payable - other companies	53,471,736	26,326,778
Trade accounts payable - related companies	438,464,980	225,967,350
Other payables - other companies	104,364,259	97,461,800
Other payables - related companies	27,781,691	18,028,170
Accrued expenses	77,964,252	67,421,465
Product warranty reserve	4,996,055	12,303,849
Accrued interest - parent company	92,837,009	25,960,058
Trade and other payables	<u>799,879,982</u>	<u>473,469,470</u>

13. LONG-TERM BORROWINGS FROM PARENT COMPANY

Long-term borrowings from parent company as at March 31, 2016 and 2015 consist of the followings:

Principle amount	Repayment date	Interest rate per loan agreement	2016	2015
Baht		% p.a.	Baht	Baht
112,000,000	October 2016	BIBOR+50bps	112,000,000	112,000,000
326,000,000	February 2017	BIBOR+50bps	326,000,000	326,000,000
320,000,000	March 2018	BIBOR+50bps	320,000,000	320,000,000
180,000,000	March 2018	BIBOR+50bps	180,000,000	180,000,000
570,000,000	March 2018	BIBOR+50bps	570,000,000	570,000,000
497,000,000	July 2017, 2018, 2019	BIBOR+50bps	497,000,000	497,000,000
			<u>2,005,000,000</u>	<u>2,005,000,000</u>
			<u>(438,000,000)</u>	<u>(500,000,000)</u>
			<u>1,567,000,000</u>	<u>1,505,000,000</u>

Long-term borrowings from parent company are unsecured.

14. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations for the years ended March 31, 2016 and 2015 consist of the followings:

	2016	2015
	Baht	Baht
Balance brought forward	7,600,390	6,277,000
<u>Add</u> Increase during the years - recognized as expense for the years	<u>5,017,330</u>	<u>1,323,390</u>
Balance carried forward	<u>12,617,720</u>	<u>7,600,390</u>

15. SHARE CAPITAL

At the Extraordinary General Meeting of the shareholders held on July 31, 2014, the shareholders passed a resolution to increase in the Company's authorized share capital and issue the equity shares from Baht 2,663.29 million to Baht 3,186.29 million, through the issue of 5,230,000 additional ordinary shares, par value of Baht 100 each, amounted to Baht 523 million. Such additional share capital of Baht 523 million was received in full on July 31, 2014. The Company registered the share capital increment with the Ministry of Commerce on February 24, 2015.

16. PROVIDENT FUND

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

For the years ended March 31, 2016 and 2015, the Company contributed Baht 4.26 million and Baht 4.01 million, respectively to the provident fund and recorded them as expenses in the statements of income for each year.

17. PROMOTIONAL PRIVILEGES

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

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

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

As at March 31, 2016, the Company has not used the promotional privileges.

For the years ended March 31, 2016 and 2015, the Company had revenue from BOI promoted and non-promoted activities as follows:

	Promoted activity Baht	2016 Non-promoted activity Baht	Total Baht
Revenue from:			
Domestic sales	-	522,756,262	522,756,262
Export sales	-	99,590,019	99,590,019
Rendering services	-	150,365	150,365
Total	<u>-</u>	<u>622,496,646</u>	<u>622,496,646</u>

	Promoted activity Baht	2015 Non-promoted activity Baht	Total Baht
Revenue from:			
Domestic sales	-	648,671,879	648,671,879
Export sales	-	7,447,922	7,447,922
Rendering services	-	-	-
Total	<u>-</u>	<u>656,119,801</u>	<u>656,119,801</u>

18. COMMITMENTS

- 18.1 The Company has entered into lease agreements in respect of the lease of office building space and related services. Future minimum rentals payable under these leases as at March 31, 2016 and 2015, consist of the following:

	2016 Baht	2015 Baht
Payment due		
Not later than 1 year	9,618,962	17,808,835
Later than 1 year and not later than 5 years	<u>2,250,256</u>	<u>12,321,764</u>
Total	<u>11,869,218</u>	<u>30,130,599</u>

The Company paid rental and service fee which recorded as expenses for the years ended March 31, 2016 and 2015 of Baht 9.74 million and Baht 10.03 million, respectively.

- 18.2 The Company has commitment as at March 31, 2016 and 2015 in respect of the purchase of fixed assets of Baht 18.25 million and Baht 17.00 million, respectively.
- 18.3 Commitment for assembly agreement with an assembler, a related company. Under the term of the agreement, the Company shall provide the assembler with the equipment required for the assembly and shall install at the assembly plant. The Company committed the minimum assembly vehicle units and the rate as stipulated in the agreement.
- 18.4 Commitment for engineering fee and service fee provided by a related company with monthly service charges of Baht 0.48 million.
- 18.5 Commitment for technical service provided by a related company for which the technical service fees are based on certain amounts invoiced.

19. BANK GUARANTEES

As at March 31, 2016 and 2015, the Company has bank guarantees issued on behalf of the Company to the government agencies for temporary move out vehicles from free trade zone and value-added-tax refundable amounting to Baht 419.22 million and Baht 424.21 million, respectively.

As at March 31, 2016 and 2015, bank guarantees issued on behalf of the Company to the government agencies for value-added-tax refundable amounting to Baht 414.84 million is secured by a letter of comfort from TML Holdings Pte. Ltd.

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the authorized director on May 3, 2016.