# JAGUAR LAND ROVER INDIA LIMITED

U34200MH2012FLC237194

Annual Financial Statements

For the year ended March 31, 2017

**Deloitte Haskins & Sells LLP**

Chartered Accountants
Indiabulls Finance Centre
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**INDEPENDENT AUDITORS' REPORT**
**To The Members of Jaguar Land Rover India Limited**
**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Jaguar Land Rover India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS 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 the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

In conducting 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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, as amended, 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 its Ind AS financial statements. Refer Note 29 to 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.

iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
(Partner)
(Membership No. 40081)

Place: Mumbai
Date: June , 2017

## Report on Internal Financial Controls Over Financial Reporting

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**
**(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Jaguar Land Rover India Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
(Partner)
(Membership No. 40081)

Place: Mumbai
Date: June , 2017

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**
**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(i) (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 programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and the provisions of Sections 73 to 76 of the Act are not applicable and hence reporting under clause 3(v) of the Order is also not applicable

(vi) Having regard to the nature of the Company's business/activities, reporting under clause (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax , Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2017 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government and has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
(Partner)
(Membership No. 40081)

Place: Mumbai
Date: June , 2017

o/c

<u>Jaguar Land Rover India Limited</u>

**Balance Sheet as at March 31, 2017**
**All amounts are in Rs. Lakhs unless otherwise stated**

| ASSETS | Note No. | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| (a) Property, plant and equipment | 3 | 1,139.75 | 2,428.63 | 2,326.47 |
| (b) Financial assets: | | | | |
| Other financial assets | 4 | 692.76 | 124.31 | 15.31 |
| (c) Deferred tax assets (net) | 9 | 2,355.53 | - | - |
| (d) Non current tax assets (Net) | 16 | - | 58.35 | 43.22 |
| **Total non-current assets** | | 4,188.04 | 2,611.29 | 2,385.00 |
| **Current assets** | | | | |
| (a) Inventories | 5 | 20,806.92 | 14,151.06 | 15,242.26 |
| (b) Financial assets | | | | |
| (i) Trade receivables | 6 | 2,572.09 | 11,116.65 | 5,135.25 |
| (ii) Cash and cash equivalents | 7 | 36,504.11 | 22,450.00 | 21,038.78 |
| (iii) Other financial assets | 4 | 600.00 | - | 100.00 |
| (c) Other current assets | 8 | 6,030.63 | 2,847.10 | 3,685.80 |
| **Total current assets** | | 66,513.75 | 50,564.81 | 45,202.09 |
| **Total assets** | | 70,701.79 | 53,176.10 | 47,587.09 |

| EQUITY AND LIABILITIES | Note No. | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|---|
| **Equity** | | | | |
| (a) Equity Share Capital | 10 | 28,025.00 | 28,025.00 | 28,025.00 |
| (b) Other Equity | 11 | (243.32) | (6,528.15) | (4,533.19) |
| **Total Equity** | | 27,781.68 | 21,496.85 | 23,491.81 |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| (a) Financial Liabilities: | | | | |
| Other financial liabilities | 12 | 443.49 | - | - |
| (b) Provisions | 13 | 105.48 | 108.24 | 29.84 |
| (c) Other non-current liabilities | 14 | 284.07 | - | - |
| **Total non-current liabilities** | | 833.04 | 108.24 | 29.84 |
| **Current liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Trade Payables | 15 | 35,543.16 | 28,092.83 | 20,893.81 |
| (ii) Other financial liabilities | 12 | 398.98 | - | 348.22 |
| (b) Provisions | 13 | 508.22 | 506.17 | 5.12 |
| (c) Current tax liabilities (net) | 16 | 1,068.72 | - | - |
| (d) Other current liabilities | 17 | 4,567.99 | 2,972.01 | 2,818.29 |
| **Total total current liabilities** | | 42,087.07 | 31,571.01 | 24,065.44 |
| **Total Liabilities** | | 42,920.11 | 31,679.25 | 24,095.28 |
| **Total Equity And Liabilities** | | 70,701.79 | 53,176.10 | 47,587.09 |

**See accompanying notes to the financial statements**

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

**SAIRA NAINAR**

**Partner**
Mumbai, June , 2017

For and on behalf of the Board of Directors

**MANI RAMAN**
(DIN 06782708)

**Director**
Mumbai, June 19, 2017

**ROHIT SURI**
(DIN 03394169)

**Managing Director**
Mumbai, June 19, 2017

**BINITA KHORY**
(Membership No. A24829)

**Company Secretary**

**NEHA DAVE**

**Acting Finance Director**

## Jaguar Land Rover India Limited

**Statement of Profit and Loss for the Year ended March 31, 2017**
**All amounts are in Rs. Lakhs except for earnings per share information**

| | | Note No. | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|---|---|
| I | Revenue from operations | 18 | 148,282.50 | 163,086.88 |
| II | Other income | 19 | 2,173.18 | 323.62 |
| III | **Total Income (I + II)** | | **150,455.68** | **163,410.50** |
| IV | **Expenses** | | | |
| | (a) Purchases of stock-in-trade | | 130,453.85 | 139,379.24 |
| | (b) Changes in inventories of stock in trade | | (6,655.86) | 1,091.20 |
| | (c) Excise Duty | | 2,295.76 | 1,961.20 |
| | (d) Employee benefits expense | 20 | 5,806.11 | 6,081.14 |
| | (e) Depreciation | 3 | 446.59 | 567.38 |
| | (f) Net foreign exchange (gains)/losses | | (4,360.08) | 1,497.95 |
| | (g) Other expenses | 21 | 12,842.11 | 16,011.33 |
| | **Total expenses (IV)** | | **140,828.48** | **166,589.44** |
| V | **Profit / (loss) before tax** | | **9,627.20** | **(3,178.94)** |
| VI | Tax Expense: | | | |
| | (i) Current tax | 22 | 2,031.47 | - |
| | (ii) Deferred tax | 22 | (2,382.95) | - |
| | | | (351.48) | - |
| VII | **Profit / (loss) for the year (V + VI)** | | **9,978.68** | **(3,178.94)** |
| VIII | **Other comprehensive income/(loss)** | | | |
| | A (i) Items that will not be reclassified to profit or loss | | | |
| | (a) Remeasurements of the defined benefit plans | 24 | 79.23 | (100.85) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (27.42) | - |
| | B (i) Items that will be reclassified to profit or loss | | | |
| | (a) Foreign currency translation on change to presentation currency | | (3,745.66) | 1,284.83 |
| | (ii) Income tax relating to items that may be reclassified to profit or loss | | - | - |
| | **Total other comprehensive income/(loss) [(A(i-ii) + B(i-ii))]** | | **(3,693.85)** | **1,183.98** |
| IX | **Total comprehensive income/(loss) for the period (VII + VIII)** | | **6,284.83** | **(1,994.96)** |
| | Earnings per ordinary equity share of Rs. 10 each: | 23 | | |
| | (1) Basic (in Rs.) | | 3.56 | (1.13) |
| | (2) Diluted (in Rs.) | | 3.56 | (1.13) |

**See accompanying notes to the financial statements**

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

**SAIRA NAINAR**

**Partner**
Mumbai, June , 2017

**For and on behalf of the Board of Directors**

**MANI RAMAN**
(DIN 06782708)
**Director**
Mumbai, June 19, 2017

**ROHIT SURI**
(DIN 03394169)
**Managing Director**
Mumbai, June 19, 2017

**BINITA KHORY**
(Membership No. A24829)
**Company Secretary**

**NEHA DAVE**
**Acting Finance Director**

**Jaguar Land Rover India Limited**
**Statement of changes in equity for the Year ended March 31, 2017**
**All amounts are in Rs. Lakhs unless otherwise stated**

a) **Equity Share Capital**

| | Amount |
|---|---|
| **Balance as at April 1, 2015** | 28,025.00 |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2016** | **28,025.00** |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2017** | **28,025.00** |

b) **Other Equity**

| | Reserves | Other component of equity | Total other equity |
|---|---|---|---|
| | Retained Earnings | Currency translation reserve | |
| **Balance as at April 1, 2015** | **(4,533.19)** | - | **(4,533.19)** |
| Loss for the year | (3,178.94) | - | **(3,178.94)** |
| Other comprehensive income for the year, net of income tax | (100.85) | 1,284.83 | **1,183.98** |
| **Total comprehensive income for the year** | **(3,279.79)** | **1,284.83** | **(1,994.96)** |
| **Balance as at March 31, 2016** | **(7,812.98)** | **1,284.83** | **(6,528.15)** |
| Profit for the year | 9,978.68 | - | **9,978.68** |
| Other comprehensive income for the year, net of income tax | 51.81 | (3,745.66) | **(3,693.85)** |
| **Total comprehensive income for the year** | **10,030.49** | **(3,745.66)** | **6,284.83** |
| **Balance as at March 31, 2017** | **2,217.51** | **(2,460.83)** | **(243.32)** |

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

**SAIRA NAINAR**

**Partner**
Mumbai, June , 2017

**For and on behalf of the Board of Directors**

**MANI RAMAN**
(DIN 06782708)
**Director**
Mumbai, June 19, 2017

**ROHIT SURI**
(DIN 03394169)
**Managing Director**
Mumbai, June 19, 2017

**BINITA KHORY**
(Membership No. A24829)
**Company Secretary**

**NEHA DAVE**
**Acting Finance Director**

**Jaguar Land Rover India Limited**
**Statement of cash flows**
**All amounts are in Rs Lakhs unless otherwise stated**

| | Note No. | Year ended 31-March-17 | Year ended 31-March-16 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit/(Loss) for the year | | 9,978.68 | (3,178.94) |
| Adjustments for : | | | |
| Income tax expense recognised in profit or loss | | (351.48) | - |
| Depreciation | | 446.59 | 567.38 |
| Loss on sale of Property, plant and equipment | | 7.01 | 0.67 |
| Gain on sale of net assets pertaining to CBEEC and Workshop | | (867.72) | - |
| Net foreign exchange (gain)/loss | | (3,881.39) | 1,390.18 |
| | | **5,331.69** | (1,220.71) |
| Movements in working capital | | | |
| (Increase)/decrease in trade receivables | | 8,544.56 | (5,981.40) |
| (Increase)/decrease in inventories | | (6,655.86) | 1,091.20 |
| (Increase)/decrease in other Financial Assets | | (318.45) | (9.00) |
| (Increase)/decrease in other assets | | (3,183.53) | 838.71 |
| Increase/(decrease) in trade payables | | 7,946.33 | 7,018.92 |
| Increase/(decrease) in Other Financial Liability | | 842.47 | - |
| Increase/(decrease) in provisions | | 78.52 | 478.60 |
| Increase/(decrease) in deferred revenue | | 346.13 | - |
| Increase/(decrease) in other liabilities | | 1,533.92 | 153.72 |
| **Cash generated from operations** | | **14,465.78** | 2,370.04 |
| Income Taxes paid | | (904.40) | (15.13) |
| **Net cash generated by operating activities** | | **13,561.38** | 2,354.91 |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | | (124.44) | (946.14) |
| Proceeds from disposal of property, plant and equipment including Gain on sale of net assets pertaining to CBEEC and Workshop (refer note 19) | | 617.17 | 2.45 |
| **Net Cash generated by / (used in) investing activities** | | **492.73** | (943.69) |
| **Cash flows from financing activities** | | | |
| **Net Cash used in financing activities** | | - | - |
| **Net increase in Cash and Cash equivalents** | | **14,054.11** | 1,411.22 |
| **Cash and cash equivalents at the beginning of the year** | 7 | 22,450.00 | 21,038.78 |
| **Cash and cash equivalents at the end of the year** | 7 | **36,504.11** | 22,450.00 |

**See accompanying notes to the financial statements**

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

**SAIRA NAINAR**

**Partner**
Mumbai, June , 2017

**For and on behalf of the Board of Directors**

**MANI RAMAN**
(DIN 06782708)
**Director**
Mumbai, June 19, 2017

**ROHIT SURI**
(DIN 03394169)
**Managing Director**
Mumbai, June 19, 2017

**BINITA KHORY**
(Membership No. A24829)
**Company Secretary**

**NEHA DAVE**
**Acting Finance Director**

**Jaguar Land Rover India Limited**
**Notes to the financial statements**

**1. General Information:**
Jaguar Land Rover India Limited ("the Company") was incorporated in India on October 25, 2012 in accordance with the requirements of the Indian Companies Act, 1956 (No. 1 of 1956) and granted its Certificate of Business Commencement on January 14, 2013. The company is a wholly owned subsidiary of Jaguar Land Rover Limited, United Kingdom of which Jaguar Land Rover Automotive PLC is the immediate holding company and Tata Motors Limited is the ultimate holding company.

The registered office of the company is 3rd Floor, Nanavati Mahalaya, 18 Homi Mody street, Fort, Mumbai - 400001.

The Company's principal activity is to act as the National Sales Company in India for Jaguar Land Rover, United Kingdom. The sales operations commenced with effect from January 1, 2015. The Company also acts as the vehicle for the continuation and expansion of the Jaguar Land Rover operations in India.

**2. Significant Accounting Policies :**

**2.1 Statement of compliance**
The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 30 for the details of first-time adoption exemptions availed by the Group.

**2.2 Basis of preparation and presentation**
The financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value.

**2.3 Use of estimates and judgments**
The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

**Valuation of deferred tax assets**
The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.10.

**Provisions and contingent liabilities**
A provision is recognized where the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Refer note 29.
Contingent liabilities are not recognized in the financial statements. The policy for the same has been explained under Note 2.17.

**2.4 Revenue recognition**

**2.4.1 Sale of Goods and Services**

The Company recognizes revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to a carrier, which is when title and risks and rewards of ownership pass to the customer. Sale of products is presented inclusive of excise duty, where applicable.

Revenues are recognized when collectability of the resulting receivable is reasonably assured.

If a sale includes an agreement for subsequent servicing or maintenance, the fair value of that service is deferred and recognised as income over the relevant service period in proportion with the expected cost pattern of the agreement.

Revenue from sale of services are recognised when services are rendered and related costs are incurred.

**2.4.2 Other income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**2.5 Cost recognition**

Costs and expenses are recognized when incurred and are classified according to their nature.

**2.6 Leases**

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

**2.6.1 Assets taken on finance lease**

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**2.6.2 Assets taken on operating lease**

Leases other than finance leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

**2.7 Foreign Currencies**

The Company has a functional currency of Great British Pound (GBP) being the currency of primary economic environment that influences its operations. The presentation currency of the financial statements is Indian Rupee (INR).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions or at an average exchange rates for the month in which such transaction occurs. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting these financial statements in INR, the assets and liabilities are translated into INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the respective month. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

**2.8 Borrowing Costs**
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.9 Employee Benefits**
**2.9.1 Gratuity**
The Company provides for gratuity, a defined benefit retirement plan covering all eligible employees. Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before separation). Expenses for defined-benefit gratuity payable to employees is computed as at the balance sheet date by an independent actuary in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of expected future payments, with consideration for calculated future salary increases, utilising a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees on an actuarial basis. This liability is externally funded.

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to this retirement benefit plans, are recognized directly in other comprehensive income in the period in which they arise.

Remeasurement recorded in other comprehensive income is not reclassified to income statement.

**2.9.2 Provident fund**
Eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, is paid to the Regional Provident Fund Commissioner. The Company's payment to the defined contribution plan is reported as an expense during the period in which the employees perform the services.

**2.9.3 Compensated absences**
The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.

**2.10 Income taxes**
Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the income statement except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

Current income taxes are determined based on taxable income of the Company and applicable tax rules.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and unused tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**2.11 Earnings per share**
Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

**2.12. Property plant and equipment**
i) Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation less impairment, if any.
ii) Cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

**2.13 Depreciation and amortisation**
Depreciation is provided on the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Taking into account these factors, the Company has adapted useful lives for various categories of property plant and equipement, which are different from those prescribed in Schedule II of the Companies Act. Estimated useful lives of assets are as follows:
Vehicles - 4 years
- Jaguar Land Rover vehicles - 4 years with 25% residual value
- Other vehicles - 4 years with 5% residual value

Plant and machinery - 14 years
Furniture and fixtures - 7 to 12 years
Computers – 3 years

**2.14 Inventories**
Inventories are valued at the lower of cost, computed on a weighted average basis, and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies and receiving charges. Net realisable value is estimated selling price in the ordinary course of business less estimated selling expenses.

**2.15 Cash and cash equivalents**
Cash and cash equivalents comprise cash on hand, demand deposits and highly liquid investments with an original maturity of up to three months that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**2.16 Segments**
The Company is engaged mainly in the business of automobile products consisting of all types of passenger vehicles of Jaguar and Land Rover brands. These in the context of Ind-AS 108 - operating segments are considered to constitute one segment.

**2.17 'Provisions and contingencies**
A provision is recognised if, as a result of a past event, the Group 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.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**2.18 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.

**2.19 Financial Instruments**

**i) Classification, initial recognition and measurement**
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets other than equity instruments are classified into categories: subsequently measured at amortised cost, fair value through profit and loss and fair value through other comprehensive income. Financial assets that are equity instruments are classified as fair value through profit and loss or fair value through other comprehensive income.

Financial liabilities are classified into financial liabilities at amortised cost or fair value through profit or loss.

Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.
Initially, a financial instrument is recognized at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

The Company does not have any financial assets classified as fair value through profit or loss or fair value through other comprehensive income or financial liabilities classified as fair value through profit or loss.

Financial assets at amortised cost: Financial assets having contractual terms that give rise on specified dates to cash flows that are solely

Financial liabilities at amortised cost: These are measured at amortized cost using the effective interest method.

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

**ii) Determination of fair value:**
The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments.

**iii) Derecognition of financial assets and financial liabilities:**
The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.
Financial liabilities are derecognized when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

**2.20 Impairment**
(i) Financial assets
The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Jaguar Land Rover India Limited

**Notes to the financial statements**
**All amounts are in Rs. Lakhs unless otherwise stated**

**3. Property, plant and equipment**

| | Plant and Machinery | Furniture and Fixtures | Motor Vehicles | Computers | Total |
|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | |
| Balance as at April 1, 2015 | 451.86 | 1,258.15 | 602.28 | 236.00 | **2,548.29** |
| Additions | 40.20 | 41.38 | 493.73 | 22.61 | **597.92** |
| Disposals | - | - | (5.34) | - | **(5.34)** |
| Currency Translation Differences | 13.39 | 39.54 | 3.87 | 6.94 | **63.74** |
| **Gross carrying amount as at March 31, 2016** | **505.45** | **1,339.07** | **1,094.54** | **265.55** | **3,204.61** |
| Additions | 9.36 | 10.41 | 99.17 | 5.50 | **124.44** |
| Disposals | (209.38) | (690.78) | (59.16) | (22.25) | **(981.57)** |
| Currency Translation Differences | (76.17) | (201.20) | (166.82) | (40.37) | **(484.56)** |
| **Gross carrying amount as at March 31, 2017** | **229.26** | **457.50** | **967.73** | **208.43** | **1,862.92** |

| | Plant and Machinery | Furniture and Fixtures | Motor Vehicles | Computers | Total |
|---|---|---|---|---|---|
| **Accumulated Depreciation** | | | | | |
| Balance as at April 1, 2015 | 16.85 | 100.17 | 73.67 | 31.13 | **221.82** |
| Disposals | - | - | (2.22) | - | **(2.22)** |
| Depreciation charge for the year | 89.60 | 221.45 | 170.24 | 86.09 | **567.38** |
| Currency Translation Differences | (2.34) | (3.88) | (3.02) | (1.76) | **(11.00)** |
| **Accumulated depreciation as at March 31, 2016** | **104.11** | **317.74** | **238.67** | **115.46** | **775.98** |
| Disposals | (72.10) | (265.57) | (22.30) | (15.14) | **(375.11)** |
| Depreciation charge for the year | 51.40 | 109.31 | 211.33 | 74.55 | **446.59** |
| Currency Translation Differences | (14.07) | (34.94) | (52.59) | (22.69) | **(124.29)** |
| **Accumulated depreciation as at March 31, 2017** | **69.34** | **126.54** | **375.11** | **152.18** | **723.17** |

| | Plant and Machinery | Furniture and Fixtures | Motor Vehicles | Computers | Total |
|---|---|---|---|---|---|
| **Net carrying amount** | | | | | |
| As at April 1, 2015 | 435.01 | 1,157.98 | 528.61 | 204.87 | 2,326.47 |
| As at March 31, 2016 | 401.34 | 1,021.33 | 855.87 | 150.09 | 2,428.63 |
| **As at March 31, 2017** | **159.92** | **330.96** | **592.62** | **56.25** | **1,139.75** |

Jaguar Land Rover India Limited

**Notes to the financial statements**
**All amounts are in Rs. Lakhs unless otherwise stated**

**4 . Other financial assets**

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Non-Current** | | | |
| Security Deposits | 442.76 | 124.31 | 15.31 |
| Receivable from dealer against sale of net assets pertaining to CBEEC and Workshop (Secured against bank guarantee) (Refer footnote against Note No. 19) | 250.00 | - | - |
| **Total** | **692.76** | **124.31** | **15.31** |
| **Current** | | | |
| Security Deposits | - | - | 100.00 |
| Receivable from dealer against sale of net assets pertaining to CBEEC and Workshop (Secured against bank guarantee) (Refer footnote against Note No. 19) | 600.00 | - | - |
| **Total** | **600.00** | **-** | **100.00** |

**5 . Inventories**

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Inventories (at lower of cost and net realisable value) | | | |
| Stock-in-trade | | | |
| Vehicles | 7,891.01 | 7,222.17 | 10,643.05 |
| Spare parts and accessories | 3,537.08 | 3,952.73 | 2,964.41 |
| Goods-in-Transit | | | |
| Vehicles | 8,322.24 | 2,213.09 | 1,058.09 |
| Spare parts and accessories | 1,056.59 | 763.07 | 576.71 |
| **Total** | **20,806.92** | **14,151.06** | **15,242.26** |

The cost of inventories recognised as expense during the year was Rs 1,26,093.75 Lakhs (for the year ended 31st March , 2016: Rs 1,42,431.63 Lakhs)

The cost of inventories recognised as an expense includes Rs 1,817.41 Lakhs (P.Y. 2015-16: Rs 1,383.51 Lakhs) in respect of write-down of Inventories to Net Realisable value during the year.

Jaguar Land Rover India Limited

**Notes to the financial statements**
**All amounts are in Rs. Lakhs unless otherwise stated**

**6 . Trade Receivables**

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Trade Receivables | | | |
| (a) Secured, considered good | - | 700.00 | - |
| (b) Unsecured, considered good | 2,572.09 | 10,416.65 | 5,135.25 |
| **Total** | **2,572.09** | **11,116.65** | **5,135.25** |

| Age of Trade receivable | Carrying Amount | Current | 1 to 30 Days | 31 to 60 Days | 61 to 90 Days | 91 to 120 Days | 121 to 180 Days | 180 Days plus |
|---|---|---|---|---|---|---|---|---|
| April 1, 2015 | 5,135.25 | 3,503.85 | 1,555.00 | | | | | 76.40 |
| March 31, 2016 | 11,116.65 | 7,360.56 | 2,590.63 | 997.54 | - | - | - | 167.92 |
| March 31, 2017 | 2,572.09 | 135.30 | 887.50 | 237.96 | - | 158.09 | 397.89 | 755.35 |

**7 . Cash and Cash Equivalents**

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Balances with banks in current accounts | 36,503.81 | 22,449.51 | 21,038.26 |
| Cash on hand | 0.30 | 0.49 | 0.52 |
| **Cash and Cash Equivalents** | **36,504.11** | **22,450.00** | **21,038.78** |

**Note:**
Specified bank notes - During the year, the Company had specified bank notes or other denomination notes as defined in the Ministry of Corporate Affairs notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

**(Amount in Rs.)**

| | SBNs | Other denomination notes | Total |
|---|---|---|---|
| **Closing cash in hand as on November 8, 2016** | **14,000** | **82,111** | **96,111** |
| (+) Permitted receipts | - | 50,710 | 50,710 |
| (-) Permitted payments | - | 55,931 | 55,931 |
| (-) Amount deposited in Banks | 14,000 | - | 14,000 |
| **Closing cash in hand as on December 30, 2016** | - | 76,890 | 76,890 |

Jaguar Land Rover India Limited

**Notes to the financial statements**
**All amounts are in Rs. Lakhs unless otherwise stated**

**8 .Other Assets**

| | | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|---|
| **Current** | | | | |
| | Advances to employees | 5.65 | 8.10 | 5.87 |
| | Prepaid expenses | 51.34 | 67.89 | 66.62 |
| | Balances with government authorities: | | | |
| (i) | CENVAT credit receivable | 153.77 | 148.10 | 524.00 |
| (ii) | VAT credit receivable | 799.10 | 260.28 | 2,553.14 |
| (iii) | Service Tax credit receivable | 641.00 | 240.40 | 21.21 |
| (iv) | Refund receivable from Sales tax authorities | 833.50 | 833.50 | - |
| (v) | Deposits with Customs | 227.78 | 183.35 | 37.58 |
| (vi) | Special Additional Custom Duty receivable | 2,641.90 | 835.54 | 194.60 |
| (vii) | Custom duty receivable | 307.99 | 161.02 | - |
| | Advances paid to Vendors (refer note below) | 132.24 | 39.96 | 160.65 |
| | Other current assets | 236.36 | 68.96 | 122.13 |
| **Total** | | **6,030.63** | **2,847.10** | **3,685.80** |

Advances paid to Vendors include advance paid to a related party as below:

| | | | |
|---|---|---|---|
| Concorde Motors (India) Limited (refer note 26) | 0.15 | 0.89 | 0.15 |

Jaguar Land Rover India Limited

**Notes to the financial statements**
**All amounts are in Rs. Lakhs unless otherwise stated**

**9. Deferred tax balances**

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Deferred Tax Assets | 2,355.53 | - | - |
| **Total** | **2,355.53** | - | - |

Significant components of deferred tax assets for the year ended March 31, 2017 are as follows :

| | Opening Balance | Recognised in Profit and loss | Recognised in other comprehensive income | Closing balance |
|---|---|---|---|---|
| Property, Plant and Equipment | - | 146.35 | - | 146.35 |
| Effect of currency translation on tax base of Non-monitory items | - | 504.11 | - | 504.11 |
| Provisions for contingencies | - | 173.04 | - | 173.04 |
| Defined benefit obligation | - | 39.34 | (27.42) | 11.92 |
| MAT credit entitlement | - | 1,520.11 | - | 1,520.11 |
| **Total** | - | **2,382.95** | **(27.42)** | **2,355.53** |

Unrecognised deductible temporary differences, unused tax losses and unused tax credits:

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following: | | | |
| Unabsorbed depreciation | - | 156.01 | - |
| Carried forward business losses | - | 1,612.74 | 155.34 |
| Deductible temporary differences | - | 1,150.44 | 153.14 |
| | - | **2,919.19** | **308.48** |

Jaguar Land Rover India Limited

**Notes to the financial statements**
**All amounts are in Rs. Lakhs unless otherwise stated**

**10 .Equity Share Capital**

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Authorised Share Capital** | | | |
| 500,000,000 (P.Y. 500,000,000) Ordinary shares of Rs. 10 each | 50,000.00 | 50,000.00 | 50,000.00 |
| **Issued, Subscribed and fully paid up** | | | |
| 280,250,000 (P.Y. 280,250,000) Ordinary shares of Rs. 10 each | 28,025.00 | 28,025.00 | 28,025.00 |
| | **28,025.00** | **28,025.00** | **28,025.00** |

**10.1 Movement of number of shares and share capital :**

| | 2016-17 | | 2015-16 | | 2014-15 | |
|---|---|---|---|---|---|---|
| | Number of Shares | Share Capital Rs Lakhs | Number of Shares | Share Capital Rs Lakhs | Number of Shares | Share Capital Rs Lakhs |
| **Ordinary shares:** | | | | | | |
| Shares as at the beginning of the year | 280,250,000 | 28,025 | 280,250,000 | 28,025 | 41,250,000 | 4,125.00 |
| Movements during the Year | - | - | - | - | 239,000,000 | 23,900.00 |
| **Shares as at the end of the year** | **280,250,000** | **28,025.00** | **280,250,000** | **28,025.00** | **280,250,000** | **28,025.00** |

**10.2 Rights attached to equity shares**
Holders of ordinary shares, according to the no. of shares held by them, have the same rights, privileges and advantages as regards dividend, participation in profits, voting at meetings of the company and other matters.

**10.3 Number of shares held by each shareholder holding more than 5 percent of the issued share capital:**

| | As at March 31, 2017 | | As at March 31, 2016 | | As at April 1, 2015 | |
|---|---|---|---|---|---|---|
| | Fully paid ordinary shares | % of holding | Fully paid ordinary shares | % of holding | Fully paid ordinary shares | % of holding |
| Jaguar Land Rover Limited, United Kingdom | 280,250,000 | 100% | 280,250,000 | 100% | 280,250,000 | 100% |

Jaguar Land Rover Limited, United Kingdom directly owns 280,249,994 (P.Y. 280,249,994) ordinary shares. A further 6 (P.Y. 6) shares are held on its behalf by six nominee (individual) shareholders. These six individuals are not beneficial shareholders.

**11. Other equity**

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Currency translation Reserve | (2,460.83) | 1,284.83 | - |
| Retained Earnings | 2,217.51 | (7,812.98) | (4,533.19) |
| | (243.32) | (6,528.15) | (4,533.19) |

**11.1 Currency translation Reserve**

| | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| Balance at the beginning of the year | 1,284.83 | - |
| Foreign currency translation on change to presentation currency (refer note 2.7) | (3,745.66) | 1,284.83 |
| **Balance at the end of the year** | (2,460.83) | 1,284.83 |

**11.2 Retained Earnings**

| | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| Balance at the beginning of the year | (7,812.98) | (4,533.19) |
| Profit / (Loss) for the year | 9,978.68 | (3,178.94) |
| Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax | 51.81 | (100.85) |
| **Balance at the end of the year** | 2,217.51 | (7,812.98) |

Jaguar Land Rover India Limited

**Notes to the financial statements**
**All amounts are in Rs. Lakhs unless otherwise stated**

## 12. Other financial liabilities

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Non-Current** | | | |
| Performance security deposit from Dealers | 214.83 | - | - |
| Security deposit for Premises | 228.66 | - | - |
| **Total** | **443.49** | **-** | **-** |
| **Current** | | | |
| Performance security deposit from Dealers | 398.98 | - | - |
| Liability for capital expenditure | - | - | 348.22 |
| **Total** | **398.98** | **-** | **348.22** |

## 13. Provisions

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Employee Benefits | 113.70 | 114.41 | 34.96 |
| Provisions for contingencies (refer note below) | 500.00 | 500.00 | - |
| **Total** | **613.70** | **614.41** | **34.96** |
| Current | 508.22 | 506.17 | 5.12 |
| Non-Current | 105.48 | 108.24 | 29.84 |
| **Total** | **613.70** | **614.41** | **34.96** |

**Note: Movement in provisions for contingencies**

| | | | |
|---|---|---|---|
| **Balance as at the beginning of the year** | 500.00 | - | - |
| Provision made during the year | - | 500.00 | - |
| **Balance as at the end of the year** | **500.00** | **500.00** | **-** |

Note : Provision for contingencies of Rs. 500 lakhs represents claims made by certain dealers towards potential waiver of certain agreed cost recovered by the company from dealers during the year. In view of continuing market pressures on dealers and the potential need for waiver, the Company has reassessed the requirements as at March 31, 2017 and has continued with the said provisions.

**Notes to the financial statements**
**All amounts are in Rs. Lakhs unless otherwise stated**

### 14. Other Non-Current Liabilities

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Deferred revenue arising from Service plan | 284.07 | - | - |
| | **284.07** | **-** | **-** |

**Note :**
The Jaguar Land Rover Service Plan Programme is a Customer offer to cover the standard service repairs for a defined period of time or distance from the date of car's first registration. The plan enables customers to cover their future servicing needs for a defined cost as agreed by Jaguar Land Rover, or discounted servicing costs when their vehicle is serviced during the service plan contract.

Service Plans are a standard offering where the customer has the opportunity to decline / opt out at the point of vehicle sale and with no option to sell as an aftersales product.

The Service Plan will expire at the end of the defined time or distance (whichever comes first).

### 15. Trade Payables

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Trade Payables (refer note below) | 35,543.16 | 28,092.83 | 20,893.81 |
| | **35,543.16** | **28,092.83** | **20,893.81** |

**Note :**
**Details of dues to Micro, Small and Medium Enterprise as defined under MSMED Act, 2006:**
The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by the auditors. The amount of principal and interest outstanding are given below:

| | | | | |
|---|---|---|---|---|
| (a) | Amounts outstanding but not due | 1.01 | - | 0.14 |
| (b) | Amounts due but unpaid - Principal | 1.80 | 7.33 | - |
| (c) | Amounts paid after appointed date during the year - Principal | - | - | - |
| (d) | Amount of interest accrued and unpaid | 0.07 | 0.04 | - |
| | | **2.88** | **7.37** | **0.14** |

Jaguar Land Rover India Limited

**Notes to the financial statements**
**All amounts are in Rs. Lakhs unless otherwise stated**

## 16. Non-current tax assets and current tax liabilities

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Non-current tax assets** | | | |
| TDS Receivable | - | 58.35 | 43.22 |
| Advance tax Paid | - | - | - |
| | **-** | **58.35** | **43.22** |
| **Current tax liabilities** | | | |
| Income-tax payable (net of advance tax) | 1,068.72 | - | - |
| | **1,068.72** | **-** | **-** |

## 17. Other current liabilities

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| (a) Deferred revenue arising from Service plans (refer footnote to note 14) | 62.06 | - | - |
| (b) Advance from Dealers and Others | 3,172.95 | 1,206.85 | 906.71 |
| (c) Others - Statutory remittances (withholding taxes, VAT, CST, Service Tax) | 1,332.98 | 1,765.16 | 1,911.58 |
| | **4,567.99** | **2,972.01** | **2,818.29** |

Jaguar Land Rover India Limited

**Notes to the financial statements**
**All amounts are in Rs. Lakhs unless otherwise stated**

**18. Revenue from Operations**

| | | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|---|
| (a) | Sale of Products | | |
| | - Sale of Vehicles | 127,818.66 | 143,543.24 |
| | - Sale of Spare parts and Accessories | 16,529.37 | 13,493.37 |
| (b) | Sale of Services (includes composite supply) | 685.09 | 1,828.32 |
| (c) | Other Operating revenues (refer note below) | 3,249.38 | 4,221.95 |
| | **Total** | **148,282.50** | **163,086.88** |
| | **Note : Other Operating revenues include :** | | |
| | - Services provided to Group Companies | 2,981.37 | 3,520.82 |
| | - Referral income | 151.15 | 528.60 |
| | - Royalty income | 116.86 | 172.53 |
| | | **3,249.38** | **4,221.95** |

**19. Other Income**

| | | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|---|
| **a)** | Interest Income | | |
| | Interest on Delayed payments by Dealers | 667.80 | 271.58 |
| (b) | Other non-operating income | | |
| | Gain on sale of net assets pertaining to CBEEC and Workshop (see note below) | 867.72 | - |
| | Others (includes sublease and recharge income) | 637.66 | 52.04 |
| | **Total** | **2,173.18** | **323.62** |

**Note :**

Jaguar Land Rover India Limited has undertaken a sale of its existing assets and liabilities pertaining to the Corporate Brand Experience and Exhibition Centre (CBEEC) and workshop through slump sale under the Income tax Act, 1961 with effect from the close of business hours on August 12, 2016 to an independent third party customer (dealer). The excess of sale consideration over the carrying value of property, plant and equipment, inventories and net current liabilities is accounted as gain on sale of net assets pertaining to CBEEC and workshop.

The balance sale consideration of Rs. 1,200 Lakhs is deferred (secured against bank guarantees) of which Rs. 350 Lakhs have been received till March 31, 2017.

**The details of the slump sale are as follows:**

| | | Amount | Amount |
|---|---|---|---|
| | Sale consideration | | **2,142.26** |
| **Less:** | | | |
| (a) | Property, plant and equipment (net book value) | 650.46 | |
| (b) | Inventories | 760.73 | |
| (c) | Net current liabilities | (136.65) | 1,274.54 |
| | **Gain on sale of net assets pertaining to CBEEC and Workshop** | | **867.72** |

Jaguar Land Rover India Limited

**Notes to the financial statements**
**All amounts are in Rs. Lakhs unless otherwise stated**

**20. Employee Benefits expense**

| | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| Salaries | 5,539.87 | 5,726.87 |
| Contribution to provident and other funds | 246.21 | 242.94 |
| Staff welfare expenses | 20.03 | 111.33 |
| | **5,806.11** | **6,081.14** |

**21. Other Expenses**

| | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| Power and fuel | 52.49 | 71.92 |
| Rent | 1,512.01 | 1,954.43 |
| Repairs to building | 17.31 | 14.39 |
| Repairs to others | 201.94 | 78.48 |
| Insurance | 239.03 | 213.88 |
| Travelling and conveyance | 878.53 | 1,026.61 |
| Printing and stationery | 69.65 | 57.09 |
| Legal, Professional and Consultancy [Net of reimbursement of expenses - NIL (PY Rs. 76.72 Lakhs)] | 1,100.42 | 1,383.22 |
| IT and communications [Net of reimbursement of expenses - Rs. 246.06 Lakhs (PY - Rs. 396.82 Lakhs)] | 420.55 | 444.32 |
| Office running costs | 374.98 | 209.61 |
| Business promotion | - | 29.29 |
| Marketing expenses | 6,807.07 | 9,204.69 |
| Homologation expenses [Net of reimbursement of expenses - Rs. 71.59 Lakhs (PY - Rs. NIL)] | 498.53 | 10.37 |
| Training [Net of reimbursement of expenses - Rs. 218.63 Lakhs (PY - Rs. 170.92 Lakhs)] | 217.46 | 376.81 |
| Provision for contingencies | - | 500.00 |
| Payments/provisions to the auditors | 58.47 | 28.53 |
| Others | 393.67 | 407.69 |
| **Total** | **12,842.11** | **16,011.33** |

| | | |
|---|---|---|
| **Payments/provisions to the auditors (net of service tax) :** | | |
| a) For statutory audit | 37.83 | 20.00 |
| b) For taxation matters | 13.10 | 8.50 |
| c) For other services | 6.28 | - |
| d) For reimbursement of expenses | 1.26 | 0.03 |
| | **58.47** | **28.53** |

Jaguar Land Rover India Limited

**Notes to the financial statements**
**All amounts are in Rs. Lakhs unless otherwise stated**

**22. Income taxes**
**Income taxes recognised in profit and loss**

| | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| **Current tax** | | |
| In respect of the current year | 2031.47 | - |
| | **2,031.47** | - |
| **Deferred tax** | | |
| In respect of the current year | (2382.95) | - |
| | **(2,382.95)** | - |
| Total income tax expense recognised | **(351.48)** | - |

The income tax expense for the year can be reconciled to the accounting profit as follows:

| | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| Profit / (loss) before tax | **9,627.20** | **(3,178.94)** |
| Income tax expense/(credit) | 3,331.78 | (1,051.05) |
| Effect of expenses that are not deductible in determining taxable profit | | |
| - Effect of capital expenses | 9.61 | 13.42 |
| - Effect of Loss on sale of Fixed asset | | 0.22 |
| - Effect of Interest on Late payment of TDS | 0.96 | 3.31 |
| - Effect of Interest on tax | 130.20 | - |
| - Others | 2.45 | 0.01 |
| Effect of expenses that are deductible in determining taxable profit | | |
| Effect of Notional foreign exchange gain on currency translation | (1,062.82) | - |
| Effect of utilisation / credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits | (2,763.66) | 1,034.09 |
| **Income tax expense recognised in profit or loss** | **(351.48)** | - |

The tax rate used for the years 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 34.61% payable by corporate entities in India on taxable profits under the Indian tax law

| **23. Earnings per Share** | | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|---|
| Profit / (Loss) after tax | Rs. Lakhs | 9,978.68 | (3,178.94) |
| The weighted average number of Ordinary Shares | No. | 280,250,000 | 280,250,000 |
| Nominal value per ordinary share | Rs. | 10.00 | 10.00 |
| Earnings Per Ordinary Share (Basic and Diluted) | Rs. | 3.56 | (1.13) |

**All amounts are in Rs. Lakhs unless otherwise stated**

**24. Employee benefit plan**
**24. 1 Defined benefit plan**
**Salary risk**
The present value of defined benefit plan liability is calculated by reference to the future salaries and plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| | Valuation as at | | |
|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 |
| Discount rate(s) | 7.50% | 8% | 8% |
| Expected rate(s) of salary increase | 10% | 12% | EG Grade - 9% for next 4 years and 8% thereafter TM Grade - 9% for next year and 8% thereafter |

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows :

| | Gratuity | |
|---|---|---|
| | Year ended 31-March-17 | Year ended 31-March-16 |
| Current Service Cost | 72.82 | 16.56 |
| Net Interest cost / (Income) | (0.30) | 0.23 |
| Net Actuarial (Gain) or Loss | - | - |
| **Components of defined benefit costs recognised in profit or loss** | **72.52** | **16.79** |
| Remeasurement on the net defined benefit liability : | | |
| Actuarial (Gains)/losses arising from changes in financial assumptions | (35.00) | 64.07 |
| Actuarial (Gains)/losses arising from experience assumptions | (44.23) | 36.78 |
| **Components of defined benefit costs recognised in other comprehensive income** | **(79.23)** | **100.85** |
| **Total** | **(6.71)** | **117.64** |

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" in the statement of profit and loss.

The remeasurement of the net defined liability is included in other comprehensive income

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

| | Gratuity | | |
|---|---|---|---|
| | As at 31-Mar-17 | As at 31-Mar-16 | As at 31-Mar-15 |
| Present value of funded defined benefit obligation | (208.62) | (191.96) | (66.62) |
| Fair value of plan assets | 218.98 | 195.61 | 63.74 |
| **Net assets / (liability)** | **10.36** | **3.65** | **(2.88)** |

| **Movements in the present value of the defined benefit obligations are as follows:** | Gratuity | |
|---|---|---|
| | Year ended 31-Mar-17 | Year ended 31-Mar-16 |
| Opening Defined Benefit Obligations (DBO) | 191.96 | 66.62 |
| Current service cost | 72.82 | 16.56 |
| Interest Cost | 14.97 | 5.33 |
| Remeasurement (gains)/losses : | | |
| Actuarial (Gains)/losses arising from changes in financial assumptions | (35.00) | 64.07 |
| Actuarial (Gains)/losses arising from experience assumptions | (26.57) | 39.38 |
| Liabilities extinguished as settlements | (9.56) | - |
| **Closing defined benefit obligation** | **208.62** | **191.96** |

**Movements in the fair value of the plan assets are as follows:**

| | Gratuity | |
|---|---|---|
| | Year ended 31-Mar-17 | Year ended 31-Mar-16 |
| Opening fair value of plan assets | 195.61 | 63.74 |
| Interest income | 15.27 | 5.10 |
| Remeasurement gains/(losses) : | | |
| Return on plan assets (excluding amounts included in net interest expense) | 17.66 | 2.60 |
| Contribution from the employer | - | 124.17 |
| Assets distributed on settlements | (9.56) | - |
| **Closing fair value of plan assets** | **218.98** | **195.61** |

**Value of assets by class**

| | | |
|---|---|---|
| Securities with quoted market price in an active market | 100% | 100% |

**24. 1 Defined benefit plan (Continued)**

| | Year ended 31-Mar-17 | Year ended 31-Mar-16 |
|---|---|---|
| **Note :** | | |
| **(a) Assumption Sensitivity** | | |
| **Discount Rate Sensitivity** | | |
| | **One percent decrease in discount rate** | |
| Change in DBO | 24.06 | |
| Change in gross service cost | 6.70 | Not Available |
| Change in net interest cost | 8.28 | |
| | **One percent increase in discount rate** | |
| Change in DBO | (20.63) | |
| Change in gross service cost | (5.72) | Not Available |
| Change in net interest cost | (7.56) | |
| **Salary decrease/increase Sensitivity** | | |
| | **One percent decrease in discount rate** | |
| Change in DBO | (20.07) | |
| Change in gross service cost | (5.56) | Not Available |
| Change in net interest cost | (7.49) | |
| | **One percent increase in discount rate** | |
| Change in DBO | 22.94 | |
| Change in gross service cost | 6.37 | Not Available |
| Change in net interest cost | 8.56 | |

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

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

(b) Estimated amount of contribution expected to be paid after balance sheet date - Rs. 7.14 Lakhs (P.Y. Rs. 4.92 Lakhs)

(c) The assumptions of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(d) Defined contribution plan
The Company's contribution to the defined contribution plan aggregated Rs. 170.65 (Previous year: Rs 143.82 lacs) for the year ended March 31, 2017 has been recognised in the Statement of Profit and Loss under the heads "contribution to Provident and other funds" in note no.20.

**25. Capital Management**

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and other long-term strategic plans. The funding requirements are met through equity and operating cash flow.

Equity comprises all components excluding currency translation reserve. The following table summarises the capital of the Company :

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Total equity as reported in the balance sheet | 27,781.68 | 21,496.85 | 23,491.81 |
| Less : Currency translation reserve | (2,460.83) | 1,284.83 | - |
| **Equity excluding currency translation reserve** | **30,242.51** | **20,212.02** | **23,491.81** |

**25.1 Disclosure on Financial Instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.19 to the financial statement.

**25.2 Categories of financial instruments**

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Financial Assets** | | | |
| Measured at amortised cost | | | |
| (a) Cash and cash equivalents | 36,504.11 | 22,450.00 | 21,038.78 |
| (b) Trade receivables | 2,572.09 | 11,116.65 | 5,135.25 |
| (c) Other non-current financial assets | 692.76 | 124.31 | 15.31 |
| (d) Other current financial assets | 600.00 | - | 100.00 |
| **Total** | **40,368.96** | **33,690.96** | **26,289.34** |
| **Financial Liabilities** | | | |
| Measured at amortised cost | | | |
| (a) Trade Payables | 35,543.16 | 28,092.83 | 20,893.81 |
| (b) Other non-current financial liability | 443.49 | - | - |
| (c) Other current financial liability | 398.98 | - | 348.22 |
| | **36,385.63** | **28,092.83** | **21,242.03** |

The Company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

**25.3 Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The Company is primarily exposed to fluctuations in INR against GBP which is the functional currency of the Company.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10%.

The following table sets forth information relating to foreign currency exposure:

| | Assets as at | |
|---|---|---|
| | **March 31, 2017** | **March 31, 2016** |
| Currency - INR | 40,368.96 | 33,690.96 |

| | Liabilities as at | |
|---|---|---|
| | **March 31, 2017** | **March 31, 2016** |
| Currency - INR | 19,833.93 | 26,399.02 |
| Currency - EUR | 0.13 | 0.06 |
| Currency - USD | 0.54 | - |

10% appreciation/depreciation of INR with respect to GBP would result in decrease/increase in the Company's net income before tax by approximately Rs. 4,036.90 Lakhs and Rs. 1,983.39 Lakhs for financial assets and financial liabilities respectively, for the year ended March 31, 2017.

10% appreciation/depreciation of INR with respect to GBP would result in decrease/increase in the Company's net income before tax by approximately Rs. 3,369.10 Lakhs and Rs. 2,639.90 Lakhs for financial assets and financial liabilities respectively, for the year ended March 31, 2016.

### 25.4 Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.
Financial instruments that are subject to concentrations of credit risk, principally consist of bank balance, trade receivables and other current & non-current financial assets.
Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 40,368.96 Lakhs as of March 31, 2017, Rs. 33,690.96 Lakhs as of March 31, 2016 and Rs. 26,289.33 Lakhs as of April 1, 2015, being the total of the carrying amount of balances with banks, trade receivables and other financial assets.

### 25.5 Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The funding requirements of the Company are met through equity and operating cash flow.

The table below provides details regarding the contractual maturities of financial liabilities :

| | Carrying amount | Due in 1st year | Due in 2nd year | Due in 3rd to 5th year | Due after 5 years | Total contractual cash flow |
|---|---|---|---|---|---|---|
| **March 31, 2017** | | | | | | |
| (a) Trade Payables | 35,543.16 | 35,543.16 | - | - | - | 35,543.16 |
| (b) Other non-current financial liability | 443.49 | - | 214.83 | 228.66 | - | 443.49 |
| (c) Other current financial liability | 398.98 | 398.98 | - | - | - | 398.98 |
| **March 31, 2016** | | | | | | |
| (a) Trade Payables | 28,092.83 | 28,092.83 | - | - | - | 28,092.83 |
| (b) Other non-current financial liability | - | - | - | - | - | - |
| (c) Other current financial liability | - | - | - | - | - | - |
| **April 1, 2015** | | | | | | |
| (a) Trade Payables | 20,893.81 | 20,893.81 | - | - | - | 20,893.81 |
| (b) Other non-current financial liability | - | - | - | - | - | - |
| (c) Other current financial liability | 348.22 | 348.22 | - | - | - | 348.22 |

Jaguar Land Rover India Limited
Notes to the financial statements
All amounts are in Rs. Lakhs unless otherwise stated

**26. Related party transactions**

| Name of the Company / Key Management | Nature of relationship |
|---|---|
| Tata Motors Limited | Ultimate Parent Company |
| Jaguar Land Rover Limited | Parent Company |
| Tata Sons Limited | Investing party in ultimate parent company |
| Concorde Motors (India) Limited | Fellow Subsidiary |
| Tata Technologies Limited | Fellow Subsidiary |
| Tata AIG General Insurance Company Limited | Subsidiary of Tata sons |
| Tata Business Support Services Limited | Subsidiary of Tata sons |
| Tata Capital Forex Limited | Subsidiary of Tata sons |
| Tata Consultancy Services Limited | Subsidiary of Tata sons |
| Spark44 GmbH (Frankfurt) | Associate |
| Spark44 Demand Creation Partners Pte Ltd (Mumbai) | Associate |
| Tata Teleservices Limited | Joint Ventures (JV) of Tata sons |
| **Key Management Personnel (KMP)** | |
| Mr. Rohit Suri | Managing Director (Effective from November 24, 2016) |
| Mr. Sandeep Shenoy | Manager (Effective from July 22, 2015 upto November 23, 2016) and Chief Financial Officer |
| Mr. Tamoor Khan | Manager (upto July 22, 2015) |

**26.1 Transactions with related parties**

| | | Key Management Personnel | Ultimate Parent Company | Parent Company | Fellow Subsidiaries | Associates | Subsidiaries and JV of Tata sons |
|---|---|---|---|---|---|---|---|
| Services received | Current year | - | 1,087.70 | - | 196.76 | 558.18 | 404.20 |
| | Previous year | - | 1,635.04 | - | 198.88 | 162.69 | 320.04 |
| Services rendered | Current year | - | 977.84 | 2,702.86 | - | - | - |
| | Previous year | - | 787.56 | 2,827.57 | - | - | - |
| Reimbursement of expenses | Current year | - | - | 332.57 | - | - | - |
| | Previous year | - | - | 415.94 | - | - | - |
| Expenses incurred on behalf of the Company | Current year | - | 24.22 | 1,137.57 | - | - | - |
| | Previous year | - | 280.13 | 1,451.86 | - | - | - |
| Warranty reimbursement | Current year | - | - | 3,093.73 | - | - | - |
| | Previous year | - | - | 3,276.92 | - | - | - |
| Purchase of fixed assets - vehicles | Current year | - | - | - | 37.22 | - | - |
| | Previous year | - | - | - | 177.22 | - | - |
| Purchase of Vehicles | Current year | - | 72,471.13 | 22,724.09 | - | - | - |
| | Previous year | - | 118,528.31 | 2,612.85 | - | - | - |
| Purchase of spare parts and accessories | Current year | - | - | 8,634.71 | - | - | - |
| | Previous year | - | - | 9,064.46 | - | - | - |
| Remuneration paid to KMP | Current year | 92.23 | - | - | - | - | - |
| | Previous year | 104.40 | - | - | - | - | - |
| **The following balances were outstanding at the end of the year** | | | | | | | |
| Amount receivable - Unsecured considered good | As at March 31, 2017 | - | **28.16** | **2,298.66** | **0.15** | - | **16.53** |
| | As at March 31, 2016 | - | 938.49 | 5,340.26 | 0.89 | - | - |
| | As at April 1, 2015 | - | 160.95 | 1,063.11 | 0.15 | - | - |
| Amount payable | As at March 31, 2017 | - | **3,880.61** | **17,013.82** | **26.99** | **103.22** | **26.94** |
| | As at March 31, 2016 | - | 13,742.08 | 3,872.46 | 95.07 | 54.99 | 78.97 |
| | As at April 1, 2015 | - | 7,367.49 | 5,109.52 | - | - | 0.66 |

Refer note 24 for information on transactions with post-employment benefit plan.

**Notes to the financial statements**
**All amounts are in Rs. Lakhs unless otherwise stated**

**27. Operating lease arrangements**

**27.1 Payments recognised as expense**

| | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| Lease payments recognised in the Statement of Profit and Loss under note no. 21 | 1,036.60 | 680.46 |
| | **1,036.60** | **680.46** |

**27.2 Non-cancellable operating lease commitments**

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Not later than 1 year | 265.51 | 354.01 | 354.01 |
| Later than 1 year and not later than 5 years | - | 265.51 | 619.53 |
| | **265.51** | **619.52** | **973.54** |

**27.3 Receipts recognised as an income**

| | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| Sub-lease income recognised in the Statement of Profit and Loss under note no. 19 | 291.57 | - |
| | **291.57** | **-** |

**28. Segment reporting**

The Company's principal activity is to act as the National Sales Company (sale of vehicles, spares parts and accessories) in India for Jaguar Land Rover, United Kingdom. These, in the context of Indian Accounting Standard 108 (Ind AS 108) on segment reporting, is considered to constitute single operating segment.
The Company has its entire operations in India and hence entire revenue is generated in India, all the services are rendered to the customers in India and there are no assets which are situated outside India.

**Information about major customers:**

Included in Revenue from Operations arising from sale of products of Rs. 144,348.03 (2015-16 Rs. 157,036.61) (see note 18) are revenues of approximately Rs. 45,052.92) (2015-16 Rs. 59,499.10) which arose from sales to the Company's two largest customers, each exceeding 10% of aforesaid revenue from operations. No other single customer contributed 10% or more to the Company's revenue for both 2016-17 and 2015-16.

**29. Contingent liabilities**

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Claims against the Company not acknowledged as debts | 591.83 | 306.73 | - |
| | **591.83** | **306.73** | **-** |

In the normal course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. Such potential losses may be of an uncertain timing and/or amount. The following is a description of claims and contingencies where a potential loss is possible, but not probable. Management believes that none of the contingencies described below, either individually or in aggregate, would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims and potential claims as at March 31, 2017 of Rs. 591.83 Lakhs (P.Y. Rs. 306.73 Lakhs) against the Company which management has not recognised as they are not considered probable. These claims and potential claims pertain to motor accident claims, consumer complaints, replacement of parts of vehicles and/or compensation for deficiency in the services by the Company or its dealers.

**30. Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015**

**First-time adoption**

The Company has prepared the opening balance sheet as per Ind-AS as at April 1, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind-AS, not recognizing items of assets or liabilities which are not permitted by Ind-AS, by reclassifying items from previous GAAP to Ind-AS as required by Ind-AS, and applying Ind-AS in measurement of recognized assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Company as detailed below.

Exemptions from retrospective application:

The Company has applied the following exemption:

Cumulative translation differences on foreign operations

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative translation differences in accordance with Ind AS 21. The Company has elected the option to reset the cumulative translation differences, on translating the Company's financial position into presentation currency, as of the transition date, to zero.

**Reconciliation between Previous GAAP and Ind-AS**

**Equity Reconciliation**

| Particulars | 31-Mar-16 | April 1, 2015 |
|---|---|---|
| **As reported under Previous GAAP** | **21,720.76** | **23,848.50** |
| **Add/less Adjustment** | | |
| Translation impact on account of functional currency being GBP (Refer note 'a' below) | (223.91) | (356.69) |
| **Equity under Ind AS** | **21,496.85** | **23,491.81** |

**Comprehensive income reconciliation**

| Particulars | Year ended March 31, 2016 |
|---|---|
| **Loss reported under Previous GAAP** | **(2,127.74)** |
| **Add/less Adjustment** | |
| Translation impact on account of functional currency being GBP (Refer note 'a' below) | (1,152.05) |
| Employee Benefits (Refer note 'b' below) | 100.85 |
| **Loss under Ind AS** | **(3,178.94)** |
| **Other comprhensive loss adjustments** | |
| Impact of translating the Company's financial position into presentation currency (Refer note 'a' below) | 1,284.83 |
| Employee Benefits (Refer note 'b' below) | (100.85) |
| **Total comprehensive loss under Ind AS** | **(1,994.96)** |

**Notes to reconciliations between Indian GAAP and IND-AS**

**a) Translation impact on account of functional currency being GBP**

Under previous GAAP, foreign currency is defined as a currency other than the reporting currency which is the currency in which financial statements are presented. Thus under previous GAAP, currencies other than INR were considered to be foreign currencies. Under Ind AS foreign currency is defined as a currency other than the functional currency. The Company has a functional currency of GBP being the currency of primary economic environment that influences its operations. Thus under Ind AS currencies other than GBP are considered to be foreign currencies.

**b) Employee benefits**

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods. This difference has resulted in decrease in loss of Rs. 100.85 lakhs for the year ended March 31, 2016. However, the same does not result in difference in equity or total comprehensive income.

**c) Statement of cash flows**

There are no material reconciling items between cash flow statements reported under previous GAAP and under IND AS.

**Jaguar Land Rover India Limited**

**Notes to the financial statements**

## 31. Approval of financial statements

The financial statements for the year ended March 31, 2017 were approved for issue by the Board of Directors on June 19, 2017.