

**Jaguar Land Rover Duetschland GmbH**  
**Annual Financial Statements**  
**For the year ended March 31, 2019**

## **Jaguar Land Rover Deutschland GmbH, Kronberg am Taunus**

### **Notes to the financial statements for the period 1 April 2018 to 31 March 2019**

#### **A. GENERAL INFORMATION**

Die Jaguar Land Rover Deutschland GmbH with its registered office in Kronberg im Taunus is registered with the commercial register in Königstein under the number HRB 2408.

The annual financial statements as of 31 March 2019 were prepared in compliance with the provisions of the German Commercial Code applicable to large firms organized in a corporate form as well as in compliance with the provisions of the German Law on Limited Liability Companies.

#### **B. ACCOUNTING AND VALUATION METHODS**

##### **Accounting Methods**

The annual financial statements were prepared in compliance with the general recognition requirements of sections 246 to 251 of the German Commercial Code (HGB) as well as the special accounting regulations for firms organized in a corporate form in accordance with sections 268 to 274a, 276 to 278 of the German Commercial Code (HGB).

Vehicles sold within the scope of buyback contracts to car rental companies are recognized as other assets because the economic ownership remains with the Company and the sale of the vehicles is subject to the short-term retention period of the Company's car rental companies. The buyback commitments are disclosed under other liabilities. Revenues will only be realised after the buyback transactions have ended when the vehicles are finally sold to dealers.

For sales transactions in several parts, such as online services, the revenues are split according to their estimated current value. The revenues from these contracts are accrued by forming a deferred income item and recognized in profit or loss over the lifetime of the contract.

The entity does not take advantage of the option under Sec 274 (I) Sentence 2 of the German Commercial Code (HGB) to recognise the excess in deferred tax assets on accounting of arising tax reliefs.

## Valuation principles

The financial statements were prepared taking into accounting the general valuation principles in Secs 252 to 256a of the German Commercial Code (HGB)

In detail the following valuation principles apply:

## FIXED ASSETS

### Property, plant and equipment

Property, plant and equipment is stated at acquisition cost, including incidental acquisition costs less discounts, and is reduced, to the extent that it can be worn away, by scheduled depreciation. Depreciation is carried out according to the straight-line method according to the estimated, individually estimated useful lives as follows:

	Jahre
IT-Software	2 bis 4
Operating Equipment	3 bis 5
Office Equipment	4 bis 10
Vehicle Fleet (new)	4
Vehicle Fleet (used)	3
Leaseholds	5 bis 10

Low-value assets with acquisition or production costs of up to € 250.00 are expensed in the year of acquisition. Low-value assets with acquisition or production costs of more than € 250.00 up to a maximum of € 1,000.00 are collected as a compound item which is recognized and depreciated over 5 years on a straight-line basis.

## CURRENT ASSETS

### Inventories

Vehicles and spare parts are valued in accordance with the strict lower-of-cost-or- market principle at cost, with the acquisition costs including incidental acquisition costs. Principally, the average rating method is used. Adequate amounts are deducted for hard-to-sell vehicles. Overall, the devaluation of the vehicle inventory amounted to k€ 16,672 (previous year: k€ 12,988). The increase is mainly due to the higher stock of vehicles and the vehicle returns under buyback contracts.

### Receivables and other assets

Trade receivables and receivables from affiliated companies are recognised at cost. Specific value adjustments were made for doubtful receivables.

Except for the vehicles with buy-back commitments, other assets are recognised at cost.

Vehicles with buyback commitments are recognized at cost less specific allowances for single vehicles depending on the sales expectations on the market for used cars.

### **Bank balances**

Bank balances are recognized at nominal values. Cash in-hand was released as of December 31, 2018 and deposited as a credit on the business account.

### **Prepaid Expenses**

Prepaid expenses are shown in accordance to § 250 Abs. 1 HGB for expenses related to costs for a period subsequent to the balance sheet date.

## **PROVISIONS**

### **Pension provisions**

The pension commitments were determined using the projected unit credit method by applying actuarial principles with an interest rate of 3.08% based on Prof. Klaus Heubeck's 2018 G Standard Tables that were published in 2018.

Provisions for pension obligations are discounted in accordance with Section 253 (2) HGB on a flat-rate basis with the average market interest rate of the last ten years determined by the Deutsche Bundesbank, which results assuming a residual term of 15 years. This took into account salary increase 2.0% p.a. and an annual pension increase of 1.75%, annual rises of the assessment ceiling of 2%. In order to take account of fluctuation, age- and gender-dependent fluctuation probabilities were used.

### **Tax provisions and other provisions**

Provisions for taxes and other provisions were recognised in the amount of the settlement amount, which is required by reasonable commercial judgment. Accruals with a remaining term of more than one year are discounted according to their residual maturity using the average market interest rate calculated by the Deutsche Bundesbank, which results from the past seven years.

## **LIABILITIES**

Trade payables, liabilities to affiliated companies and other liabilities are stated at the repayment amounts. Foreign currency liabilities are valued at the average spot exchange rate on the balance sheet date.

### **Deferred Income and Expenses**

Prepaid expenses are formed for revenue from partial services, such as online services, provided by the company over a certain period after the balance sheet date.

## **C. NOTES TO THE BALANCE SHEET**

### **1. Fixed Assets**

The movements in fixed assets in the period ended 31 March 2019 are presented in the statement of movements in fixed assets (Appendix to the Notes).

### **2. Receivables**

Receivables notably include receivables from affiliated companies of k€ 174,156 (previous year: k€ 145,232), primarily from the cash pool receivables of k€ 172,671 (previous year: k€ 143,069) and trade receivables of k€ 41,000 thousand (previous year: k€ 38,038). Other assets of k€ 41,750 thousand (previous year: k€ 24,823) include vehicles with buyback obligations as in previous years.

### **3. Deferred Taxes**

Deferred taxes are calculated for temporary differences between the commercial and tax valuations of assets, liabilities and deferred income, which are reduced in later financial years. There were no negative differences as at the balance sheet date. Positive differences result mainly from differences in the carrying amounts of pension provisions and other provisions. Deferred taxes are calculated on the basis of the company's combined income tax rate of 28.825% and include corporation tax, trade tax and the solidarity surcharge. The financial year in total resulted in a deferred tax asset, not shown in the balance sheet.

### **4. Equity**

The fully paid-up share capital amounts to DM 5,000,000.00 (corresponds to € 2,556,459.41). Sole shareholder is Jaguar Land Rover Limited, Coventry /UK. In the financial year, it was decided by resolution of the shareholders' meeting of March 31, 2019, to distribute a dividend of € 42,766,193.00 from the capital reserve and the profit carried forward to the shareholder. The dividend was paid via the cash pool position.

### **5. Pension provisions**

The difference between the recognition of the pension provision in accordance with the corresponding average market interest rate from the past seven financial years pursuant to Section 253 (6) sentence 1 of the German Commercial Code (HGB) with an interest rate of 2.24% p.a. was k€ 2,939. The residual value is blocked for payout.

Due to the option provided for in Article 67 (1) sentence 1 EGHGB, k€ 94 (being 1/15 of the difference determined as of April 1, 2011) was added to the pension provisions in the financial

year. Due to the proportional additions over 15 years, pension obligations amounting to k€ 562 as of March 31, 2019 are not included in the balance sheet.

## **6. Tax provisions**

Tax provisions of k€ 21,963 (previous year: k€ 20,753) contain k€ 11,300 (previous year: k€ 14,000) provision for tax audit risk related to 2010-2018 out of ongoing audit.

## **7. Other provisions**

The largest individual items are the provisions for marketing programs (k€ 69,023, previous year: k€ 80,334), variable dealer margins (k€ 16,892, previous year: k€ 16,774), for Dealer start-up support (k€ 8,683, previous year k€ 9,602), for outstanding invoices (k€ 37,500, previous year k€ 7,044) and for dealer severance payments in accordance with Section 89b of the German Commercial Code (HGB) (k€4,584, previous year k€6,492).

## **8. Liabilities**

The short term liabilities comprised of:

- Trade Payables for goods and services of k€ 8,033 (prior year k€ 30,623)
- Liabilities to affiliated companies of k€ 113,127 (prior year k€ 89,456) - here mainly liabilities to the shareholder Jaguar Land Rover Limited of k€ 111,597 (previous year: k€ 87,607 ) and Spark44 GmbH k€ 1,311 (previous year k€ 1,503) related to services
- Other Liabilities k€ 85,352; (prior year k€ 45,424)  
Here mostly from VAT (k€ 39,544; prior year k€ 18,863) and liabilities resulting from buyback contracts with car rentals (k€ 45,809; prior year k€ 26,561).

## **D. NOTES TO THE INCOME STATEMENT**

### **1. Revenue**

Revenues, which were generated mainly in Germany with the Jaguar and Land Rover brands as in the previous year, are analysed by fields of activity as follows:

	01.04.2018- 31.03.2019	01.04.2017- 31.03.2018
	k€	k€
New Vehicles	1,208,481	1,300,486
Used Vehicles	84,197	70,835
Spare Parts and Accessories	113,914	143,060
Services	76,789	59,462
	1,483,381	1,573,843

## 2. Other operating income

Other operating income notable comprises the transfer of warranty expenses (k€ 66,445, previous year k€ 46,908), as well as costs recharged to dealers and to group allocations (k€ 4,608, previous year k€ 5,230).

## 3. Other operating expenses

Other operating expenses notably comprise the following items:

- Warranty expenses (k€ 68,368; Prior year k€ 49,419)
- Selling expenses and sales promotions (k€ 126,975; prior year k€ 126,416)
- Other distribution costs (k€ 7,124; prior year k€ 14,000)
- Advertising costs (k€ 66,851; prior year k€ 57,130)
- Other sundry administration costs (k€ 8,185; prior year k€ 6,145)

Other operating expenses include expenses in the amount of k€ 94 (previous year: k€ 94). These are proportional additions to the pension provisions over 15 years in accordance with Article 67 (1) Introductory Law to the German Commercial Code (EGHGB).

## 4. Taxes on income

Mainly due to tax refunds, taxes on income have decreased by k€ 3,458 to k€ 2,473.

## E. OTHER DISCLOSURES

### 1. Other financial commitments

The commitments from tenancy agreements for the training center and the parking lots in Neuss/Germany until the end of the minimum rental period on 30 September 2020 amount to k€ 499 (k€ 28 per month). The rental obligations for the new office building in Kronberg im Taunus until the end of the rental period on September 30, 2024 amount to k€ 5,013 (k€ 93 per month). For the showroom at Odeonsplatz in Munich, the obligation until the end of the

term on 30 April 2021 is k€ 573 (k€ 23 per month). The rental obligations for the lounge at the Nürburgring amount to k€ 15,045 (k€ 141 per month) until the end of term on February 28, 2028. For the showroom with parking in Essen, the rental obligations amount to k€ 864, (k€ 25 per month) until the end of the term on January 31, 2022. For the office premises in Saarbrücken they amount to k€322 (k€ 37 per month) until 31 December 2027 and for the office premises in Friedrichshafen the rental obligations amount to k€28 (k€ 2.4 per month) until 31 March 2020.

Order commitments amounting to k€ 37,983 are due to current purchase orders.

In total, the company has other financial obligations of k€ 60,327, of which k€ 42,313 are due within one year.

## **2. Number of employees**

The annual average of employees in the reporting period for the entity is 318 (prior year 297), thereof 80 female (prior year 75) and male 238 (prior year 222).

## **3. Auditor's fees**

A fee of k€149 (excluding audit services) is recognised as an expense for the auditor in the financial year.

## **4. Members of the company board**

### **Managing Directors**

Mr. Robert Grace, Managing Director, Königstein im Taunus, (until 24<sup>th</sup> of September 2018)

Mr. Johannes Kasper van der Stelt, Ingolstadt

Mr. Dmitry Kolchanov, Managing Director, Regional Director Jaguar Land Rover Europe, Summertown Oxford, England (since 24<sup>th</sup> of September 2018)

## **5. Total remuneration paid to Management**

The total remuneration paid to management in the reporting period has not been disclosed in accordance with Section 286 (4) of the German Commercial Code (HGB).

## **6. Proposal for the appropriation of profit**

The management proposes to carry forward the profit of the financial year 2018/2019 to



subsequent financial year.

With the shareholder resolution of 22 October 2018, the profit from the previous year has been transferred to the following financial year. At the shareholders' meeting of 31 March 2019 a dividend from the reserves of k€ 42,766,193.00 to the shareholder was decided to be distributed.

## **7. Consolidated financial statements**

The Company is included in the consolidated financial statements of Jaguar Land Rover Automotive PLC, Coventry, UK (UK Register No. 6477691, [www.jaguarlandrover.com](http://www.jaguarlandrover.com), smallest circle of companies) included in the consolidated financial statements of TATA Motors Ltd., Mumbai, India, which in turn is part of the consolidated financial statements of Tata Sons Ltd., Mumbai, India (SEC Register No. 926042, [www.tata.com](http://www.tata.com), largest circle of companies).

## **8. Post-Balance sheet events**

There have been no significant events between the balance sheet date and the preparation of the report.

Kronberg im Taunus, 30th May 2019

Dmitry Kolchanov,  
Managing Director

Johannes Kasper van der Stelt  
Managing Director

Jaguar Land Rover Deutschland GmbH, Kronberg im Taunus

Movement in Fixed Assets for the period ended 31 March 2019

HGB	Acquisition Cost			
	31.03.2018	Additions	Disposals	31.03.2019
	€	€	€	€
<b>Intangible Assets</b>				
Software	0,00	1.001.614,15	0,00	1.001.614,15
	<b>0,00</b>	<b>1.001.614,15</b>	<b>0,00</b>	<b>1.001.614,15</b>
<b>Property, Plant and Equipment</b>				
1. Land	11.213.599,00	0,00	0,00	11.213.599,00
2. Operating and Office Equipment	9.740.920,90	896.206,22	478.681,21	10.158.445,91
3. Prepayments	22.124.925,62	30.389.207,69	0,00	52.514.133,31
	<b>43.079.445,52</b>	<b>31.285.413,91</b>	<b>478.681,21</b>	<b>73.886.178,22</b>
<b>Fixed Assets</b>	<b>43.079.445,52</b>	<b>32.287.028,06</b>	<b>478.681,21</b>	<b>74.887.792,37</b>

HGB	Accumulated Depreciation				Net Book Value	
	31.03.2018	Additions	Disposals	31.03.2019	31.03.2019	31.03.2018
	€	€	€	€	€	€
<b>Intangible Assets</b>						
Software	0,00	0,00	0,00	0,00	1.001.614,15	0,00
	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>1.001.614,15</b>	<b>0,00</b>
<b>Property, Plant and Equipment</b>						
1. Land	0,00	0,00	0,00	0,00	11.213.599,00	11.213.599,00
2. Operating and Office Equipment	5.766.413,91	1.027.271,19	175.899,23	6.617.785,87	3.540.660,04	3.974.506,99
3. Prepayments	0,00	0,00	0,00	0,00	52.514.133,31	22.124.925,62
	<b>5.766.413,91</b>	<b>1.027.271,19</b>	<b>175.899,23</b>	<b>6.617.785,87</b>	<b>67.268.392,35</b>	<b>37.313.031,61</b>
<b>Fixed Assets</b>	<b>5.766.413,91</b>	<b>1.027.271,19</b>	<b>175.899,23</b>	<b>6.617.785,87</b>	<b>68.270.006,50</b>	<b>37.313.031,61</b>

**Jaguar Land Rover Deutschland GmbH, Kronberg im Taunus**

**Income Statement for the period from 1 April 2018 to 31 March 2019**

	2018/19	2017/18
	EUR	EUR
1. Revenue	1.483.381.248,09	1.573.842.708,21
2. Other Operating Income	74.490.865,36	60.957.999,03
(of which Income from currency translation €0.00, prior year €365.18)		
3. Cost of sales		
a) Cost of purchased goods	1.166.065.310,68	1.265.345.012,73
b) Cost of purchased services	51.256.057,55	39.862.770,86
4. Personnel expenses		
a) Wages and salaries	40.084.699,81	39.019.648,40
b) Social security, post-employment costs and other employee benefits		
of which post-employment costs €2,477k, prior year €1,576k)	5.027.721,72	3.622.492,73
5. Depreciation and write-downs on property, plant and equipment	1.027.271,19	1.088.206,54
6. Other operating expenses	276.789.273,53	270.135.537,83
(of which expenses from currency translation €69k, prior year €102k)		
7. Other interest and similar income	52.532,66	4.586.892,62
of which from affiliated companies €52,532.66, prior year €1,481.26		
8. Interest and similar expenses	1.625.839,63	395.305,00
of which from accumulation of interest on provisions		
€ 538k, prior year €395k		
11. Taxes on income	2.472.827,28	5.930.783,16
12. Profit after Tax	13.575.644,72	13.987.842,61
13. Other taxes	196.608,09	186.752,96
14. Profit for the period	13.379.036,63	13.801.089,65

Jaguar Land Rover Deutschland GmbH, Kronberg im Taunus

Balance Sheet as at 31 March 2019

Assets				Liabilities	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
		EUR	EUR	EUR	EUR
<b>A.</b>	<b>Intangible Assets</b>				
1.	Software	1.001.614,15	0,00		
<b>B.</b>	<b>Property, plant and equipment</b>				
1.	Land	11.213.599,00	11.213.599,00		
2.	Operating and Office Equipment	3.540.660,04	3.974.506,99		
3.	Prepayments	52.514.133,31	22.124.925,62		
		<u>67.268.392,35</u>	<u>37.313.031,61</u>		
		<u>68.270.006,50</u>	<u>37.313.031,61</u>		
<b>C.</b>	<b>Current Assets</b>				
<b>I.</b>	<b>Inventories</b>				
	Merchandise	83.958.272,49	140.157.580,01		
<b>II.</b>	<b>Receivables and other assets</b>				
1.	Trade accounts receivable	41.000.371,24	38.038.265,62		
2.	Receivables from affiliates of which to the shareholder: EUR 172.537.726,30 (Prior year: EUR 143.068.861,90)	174.155.766,22	145.231.695,89		
3.	Other assets	41.749.556,05	24.823.062,33		
		<u>256.905.693,51</u>	<u>348.250.603,85</u>		
<b>III.</b>	<b>Cash in-hand and bank transfers</b>	<u>731.350,58</u>	<u>8.344.660,20</u>		
		<u>341.595.316,58</u>	<u>356.595.264,05</u>		
<b>C.</b>	<b>Prepaid expenses</b>	14.991.090,24	503.398,49		
		<u>424.856.413,32</u>	<u>394.411.694,15</u>		
<b>A.</b>	<b>Equity</b>				
<b>I.</b>	<b>Share Capital</b>	2.556.459,41	2.556.459,41		
<b>II.</b>	<b>Capital reserve</b>	15.810.755,25	15.816.876,66		
<b>III.</b>	<b>Profit brought forward</b>	0,00	28.958.981,94		
<b>IV.</b>	<b>Profit/loss for the year</b>	<u>13.379.036,63</u>	<u>13.801.089,65</u>		
		<u>31.746.251,29</u>	<u>61.133.407,66</u>		
<b>B.</b>	<b>Provisions</b>				
1.	Pension Provisions	14.053.415,00	11.289.372,00		
2.	Tax Provisions	21.963.347,00	20.752.748,43		
3.	Other Provisions	147.738.286,71	132.583.995,01		
		<u>183.755.048,71</u>	<u>164.626.115,44</u>		
<b>C.</b>	<b>Liabilities</b>				
1.	Liabilities from goods and services thereof less than one year: EUR 8.033.336,27 (Prior year: EUR 30.623.358,48 )	8.033.336,27	30.623.358,48		
2.	Liabilities to affiliated companies thereof less than one year: EUR 113.126.963,65 (Prior year: EUR 89.456.076,36) of which to the Shareholder: EUR 112.087.841,14 (Prior year: EUR 87.606.883,53)	113.126.963,65	89.456.076,36		
3.	Other Liabilities thereof less than one year: EUR 85.352.221,61 (Prior year: EUR 45.424.294,27) of which taxes: EUR 39.543.654,35 (Prior year: EUR 18.863.078,85)	85.352.221,61	45.424.294,27		
		<u>206.512.521,53</u>	<u>165.503.729,11</u>		
<b>D.</b>	<b>Deferred Income</b>	2.842.591,79	3.148.441,94		
		<u>424.856.413,32</u>	<u>394.411.694,15</u>		