

Financial Statements for the Year Ended 31 March 2015

Jaguar Land Rover Japan Limited
Japanese Yen and Indian Rupees

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 20, 2015

To Mr. Hansson Magnus Yutaka,
Representative Director of
Jaguar Land Rover Japan Limited;

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant;

Hajime Seishi

We have audited the financial statements, namely, the balance sheet as of March 31, 2015 of Jaguar Land Rover Japan Limited (the "Company") financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility), and the related statements of income and changes in net assets for the 7th fiscal year from April 1, 2014 to March 31, 2015, and the related notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Audit Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2015, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

(TRANSLATION)

Restriction on Distribution and Use

This report is intended solely for Jaguar Land Rover Japan Limited and the parent company of Jaguar Land Rover Japan Limited, JAGUAR LAND ROVER LIMITED, and should not be distributed to or used by parties other than Jaguar Land Rover Japan Limited and JAGUAR LAND ROVER LIMITED.

Interest

Our firm and the engagement partner do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Balance Sheet

March 31, 2015

Jaguar Land Rover Japan Limited

(Thousands of Japanese Yen)

Account	Amount	Account	Amount
Assets	11,225,138	Liabilities	6,793,018
[Current Assets]	9,808,530	[Current Liabilities]	6,169,948
Cash and Cash Equivalents	998,818	Accounts Payable	4,258,818
Accounts Receivable	819,402	Accounts Payable - Other	485,663
Merchandise	2,513,679	Accrued Expenses	1,285,479
Goods in Transit	2,383,415	Accrued Income Taxes	91,757
Supplies	45,051	Deposits received	1,736
Prepaid Expenses	19,825	Accrued Bonuses	41,002
Accounts Receivable - Other	67,544	Provision for directors' bonuses	5,490
Interest Receivable	287		
Consumption taxes receivable	71,309		
Short-term Loans Receivable	2,659,850		
Deferred Tax Assets	229,347	[Long-term Liabilities]	623,069
[Fixed Assets]	1,416,607	Provision for Retirement Benefits	91,200
(Property, Plant and Equipment)	599,410	Provision for Product Warranties	391,885
Buildings	65,433	Long-term Guarantee Deposited	128,068
Buildings and Accompanying Facilities	8,541	Asset Retirement Obligations	13,916
Machinery and Equipment	9,136		
Vehicles and Transport Equipment	506,280		
Tools, Furniture and Fixtures	10,018		
(Intangible Assets)	555,686	Equity	4,432,119
Software	20,524	[Capital Stock]	480,000
Goodwill	535,162	Capital Stock	480,000
(Investments and Other Assets)	261,510	[Capital Surplus]	3,503,639
Guarantee Deposits	102,264	Capital Surplus	3,503,639
Deferred Tax Assets	159,246	[Retained Earnings]	448,579
		Other Retained Earnings	448,579
		Retained Earnings Brought Forward	448,579
Total Assets	11,225,138	Total Liabilities and Equity	11,225,138

Statement of Income

From April 1, 2014

To March 31, 2015

Jaguar Land Rover Japan Limited

(Thousands of Japanese Yen)

Account		Amount
Net Sales		26,019,544
Cost of Sales		22,368,646
Gross profit		3,650,898
Selling, General and Administrative Expenses		3,191,930
Operating Income		458,967
Non-operating Income		
Interest Income	3,283	
Foreign Exchange Gains	2,979	
Commission Fee	16,377	
Miscellaneous Income	13,997	36,637
Non-operating Expenses		
Interest Expense	26	
Sales Discounts	148,335	
Miscellaneous Losses	3,278	151,639
Ordinary Income		343,965
[Extraordinary Loss]		
Special Retirement Expenses	7,776	
Loss on Disposal of Fixed Assets	35	7,812
Income Before Income Taxes		336,153
Income Taxes		
Current	113,528	
Deferred	95,154	208,682
Net Income		127,470

Statement of Changes in Equity

From April 1, 2014

To March 31, 2015

(Thousands of Japanese Yen)

	Capital Stock	Capital Surplus		Retained Earnings		Total Equity
		Capital Surplus	Total Capital Surplus	Other Retained Earnings	Total Retained Earnings	
				Retained Earnings Brought Forward		
Balance at April 1, 2014	480,000	3,503,539	3,503,539	321,108	321,108	4,304,648
Changes in the Current Fiscal Year						
Dividend Paid						
Net Profit				127,470	127,470	127,470
Total Change in Current Fiscal Year				127,470	127,470	127,470
Balance at March 31, 2015	480,000	3,503,539	3,503,539	448,578	448,578	4,432,119

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Valuation Basis and Method for Significant Assets

Valuation Basis and Method for Inventory

Merchandise and Goods in Transit

- ① Vehicles Specific identification cost method (calculated using the book-value write-down method based on the decline in profitability).
- ② Parts Moving average cost method (calculated using the book-value write-down method based on the decline in profitability).
- ③ Supplies Specific identification cost method (calculated using the book-value write-down method based on the decline in profitability).

(2) Depreciation Method for Fixed Assets

Property, Plant and Equipment	Straight-line method	Useful lives
Buildings		20 years
Machinery and Equipment		6 years
Vehicles and Transport equipment		6 years
Tools, Furniture, and Fixtures		3 years
Intangible Assets	Straight-line method	
	Software is amortized on a straight-line basis over the expected usable period (5 years).	
	Goodwill is amortized on a straight-line method over 20 years.	

(3) Accounting Standards for Significant Allowances

Allowance for Doubtful Accounts	To prepare for an impairment loss for accounts receivables, a general reserve is provided using a rate determined by past experience with bad debts. A specific reserve is provided for the estimated amount considered to be uncollectible after reviewing the individual collectability of certain doubtful accounts.
Provision for Retirement Benefits	To prepare for payment of employee retirement benefits, the Company provides accrued retirement benefits based on the estimated liabilities at the year-end measured under the Company's internal rules.
Provision for Product Warranty	To prepare for payment of product warranty, the Company provides a reserve for product warranty costs based on the estimated future payments measured by the historical data.
Accrued Bonus	To prepare for payment of bonuses for employees, the Company provides an accrued bonus measured at the estimated future payments under the Company's internal rules.
Provision for directors' bonuses	The provision for bonuses to directors represents management's best estimate of bonus payments, based on the internal policies of the Company.

(4) Other Important Matters

Consumption Tax Treatment	Tax-exclusion method
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2. Note to Balance Sheet

(1) Accumulated Depreciation of Property, Plant and Equipment	139,642 Thousand Yen
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3. Note to Statements of Change in Equity

(1) Number and Type of Total Shares Issued

Type of Shares	(Unit: 1share)			
	At beginning of the current year	Increase in the current year	Decrease in the current year	At end of the current year
Common Stock	101	-	-	101

4. Income Taxes

Details of Deferred Tax Assets and Liabilities

	As of March 31, 2015 (Thousands of Japanese Yen)
Deferred Tax Assets (Current)	
Accrued Expenses	207,634
Enterprise Tax Payable	7,941
Accrued Bonus	13,671
Deferred Tax Assets (Current) Total	<u>229,246</u>
Deferred Tax Assets (Current) - net	<u>229,246</u>
Deferred Tax Assets (Non Current)	
Allowance for Product Warranty	127,764
Allowance for Retirement Benefit	29,404
Others	4,756
Deferred Tax Assets (Non Current) Total	<u>162,014</u>
Deferred Tax Liabilities (Non Current)	
Others	△ 2,768
Deferred Tax Liabilities (Non Current) Total	<u>△ 2,768</u>
Deferred Tax Assets (Non Current) - net	<u>159,246</u>

5. Related Party Transactions

(1) Parent company

(Thousands of Japanese Yen)

Attributes	Name of Company	Shareholdin g Ratio	Relationship		Transaction	Amount	Account	Balance
			Directors	Business				
Parent	Jaguar Land Rover Ltd.	Direct 100%	-	Purchase of merchandise	Import of catalogs and brochures (Note 1)	23,913,948	Accounts Payable	4,258,818
					Loan to Parent (Note 2)	2,659,650	Short-term Loan Receivables	2,659,650
					Interest Received	3,094	Interest Receivables	267
					Reimbursed Expense	58,691	Accounts Receivables - Other	9,645

(2) Related companies

(Thousands of Japanese Yen)

Attributes	Name of Company	Shareholdin g Ratio	Relationship		Transaction	Amount	Account	Balance
			Directors	Business				
Related company of Parent	Jaguar Land Rover Deutschland GmbH	-	-	Nil	Labor Costs	573	-	-
Related company of Parent	Jaguar Land Rover Australia Pty Ltd	-	-	Nil	Reimbursed Expenses	1,344	-	-

(Note 1) General terms and conditions were applied for vehicle import and import of catalogs and brochures with reference to market prices.

(Note 2) Loan interest rate was reasonably determined with reference to market rates.

6 Other remarks

None

DISCLAIMER

The following financial statements and related notes are presented in Indian Rupees solely for the internal reporting purposes of Jaguar Land Rover Automotive PLC ("JLR" or "the JLR Group" or "the Group"). Such financial information in Indian Rupees is derived from the Company's financial statements and related notes presented in Japanese Yen and translated at the predetermined foreign currency exchange rate of the JLR Group. The translation of financial information into Indian Rupees has not been subjected to the auditing procedures applied in the audit of the Company's financial statements and related notes, and, accordingly, we express no opinion on it.

Balance Sheet

March 31, 2015

Jaguar Land Rover Japan Limited

(Thousands of Indian Rupees)

Account	Amount	Account	Amount
Assets	5,837,072	Liabilities	3,532,369
[Current Assets]	5,100,436	[Current Liabilities]	3,208,373
Cash and Cash Equivalents	519,384	Accounts Payable	2,214,585
Accounts Receivable	426,089	Accounts Payable - Other	252,545
Merchandise	1,307,113	Accrued Expenses	668,449
Goods in Transit	1,239,376	Accrued Income Taxes	47,714
Supplies	23,427	Deposits received	903
Prepaid Expenses	10,309	Accrued Bonuses	21,321
Accounts Receivable - Other	35,123	Provision for directors' bonuses	2,855
Interest Receivable	149		
Consumption taxes receivable	37,081		
Short-term Loans Receivable	1,383,122		
Deferred Tax Assets	119,260		
		[Long-term Liabilities]	323,996
[Fixed Assets]	736,638	Provision for Retirement Benefits	47,424
(Property, Plant and Equipment)	311,693	Provision for Product Warranties	203,780
Buildings	34,025	Long-term Guarantee Deposited	65,555
Buildings and Accompanying Facilities	4,441	Asset Retirement Obligations	7,236
Machinery and Equipment	4,751		
Vehicles and Transport Equipment	263,266		
Tools, Furniture and Fixtures	5,209		
(Intangible Assets)	288,957	Equity	2,304,702
Software	10,672	[Capital Stock]	249,600
Goodwill	278,284	Capital Stock	249,600
(Investments and Other Assets)	135,985	[Capital Surplus]	1,821,840
Guarantee Deposits	53,177	Capital Surplus	1,821,840
Deferred Tax Assets	82,808	[Retained Earnings]	233,261
		Other Retained Earnings	233,261
		Retained Earnings Brought Forward	233,261
Total Assets	5,837,072	Total Liabilities and Equity	5,837,072

Statement of Income

From April 1, 2014

To March 31, 2015

Jaguar Land Rover Japan Limited

(Thousands of Indian Rupees)

Account		Amount
Net Sales		13,530,163
Cost of Sales		11,631,696
Gross profit		1,898,467
Selling, General and Administrative Expenses		1,659,804
Operating Income		238,663
Non-operating Income		
Interest Income	1,707	
Foreign Exchange Gains	1,549	
Commission Fee	8,516	
Miscellaneous Income	7,278	19,051
Non-operating Expenses		
Interest Expense	14	
Sales Discounts	77,134	
Miscellaneous Losses	1,705	78,852
Ordinary Income		178,862
[Extraordinary Loss]		
Special Retirement Expenses	4,044	
Loss on Disposal of Fixed Assets	18	4,062
Income Before Income Taxes		174,800
Income Taxes		
Current	59,035	
Deferred	49,480	108,515
Net Income		66,284

Statement of Changes in EquityFrom April 1, 2014
To March 31, 2015

(Thousands of Indian Rupees)

	Capital Stock	Capital Surplus		Retained Earnings		Total Equity
		Capital Surplus	Total Capital Surplus	Other Retained Earnings	Total Retained Earnings	
				Retained Earnings Brought Forward		
Balance at April 1, 2014	249,600	1,821,840	1,821,840	186,976	186,976	2,238,417
Changes in the Current Fiscal Year						
Dividend Paid						
Net Profit				66,264	66,264	66,264
Total Change in Current Fiscal Year				66,264	66,264	66,264
Balance at March 31, 2015	249,600	1,821,840	1,821,840	233,261	233,261	2,304,702

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Valuation Basis and Method for Significant Assets

Valuation Basis and Method for Inventory

Merchandise and Goods in Transit

- ① Vehicles: Specific identification cost method (calculated using the book-value write-down method based on the decline in profitability).
- ② Parts: Moving average cost method (calculated using the book-value write-down method based on the decline in profitability).
- ③ Supplies: Specific identification cost method (calculated using the book-value write-down method based on the decline in profitability).

(2) Depreciation Method for Fixed Assets

Property, Plant and Equipment	Straight-line method	Useful lives
Buildings		20 years
Machinery and Equipment		6 years
Vehicles and Transport equipment		6 years
Tools, Furniture, and Fixtures		3 years

Intangible Assets

Straight-line method
Software is amortized on a straight-line basis over the expected usable period (5 years).
Goodwill is amortized on a straight-line method over 20 years.

(3) Accounting Standards for Significant Allowances

Allowance for Doubtful Accounts To prepare for an impairment loss for accounts receivables, a general reserve is provided using a rate determined by past experience with bad debts. A specific reserve is provided for the estimated amount considered to be uncollectible after reviewing the individual collectability of certain doubtful accounts.

Provision for Retirement Benefits To prepare for payment of employee retirement benefits, the Company provides accrued retirement benefits based on the estimated liabilities at the year-end measured under the Company's internal rules.

Provision for Product Warranty To prepare for payment of product warranty, the Company provides a reserve for product warranty costs based on the estimated future payments measured by the historical data.

Accrued Bonus To prepare for payment of bonuses for employees, the Company provides an accrued bonus measured at the estimated future payments under the Company's internal rules.

Provision for directors' bonuses The provision for bonuses to directors represents management's best estimate of bonus payments, based on the internal policies of the Company.

(4) Other Important Matters

Consumption Tax Treatment Tax-exclusion method

2. Note to Balance Sheet

(1) Accumulated Depreciation of Property, Plant and Equipment 72,614 Thousand Rupees

3. Note to Statements of Change in Equity

(1) Number and Type of Total Shares Issued

Type of Shares	(Unit: 1 share)			
	At beginning of the current year	Increase in the current year	Decrease in the current year	At end of the current year
Common Stock	101	-	-	101

4. Income Taxes

Details of Deferred Tax Assets and Liabilities

		As of March 31, 2015
		(Thousands of Indian Rupees)
Deferred Tax Assets (Current)		
Accrued Expense		108,074
Enterprise Tax Payable		4,129
Accrued Bonus		7,057
Deferred Tax Assets (Current) Total		<u>119,260</u>
Deferred Tax Assets (Current) - net		<u>119,260</u>
Deferred Tax Assets (Non Current)		
Allowance for Product Warranty		66,437
Allowance for Retirement Benefit		15,337
Others		2,473
Deferred Tax Assets (Non Current) Total		<u>84,247</u>
Deferred Tax Liabilities (Non Current)		
Others		1,439
Deferred Tax Liabilities (Non Current) Total		<u>1,439</u>
Deferred Tax Assets (Non Current) - net		<u>82,808</u>

5. Related Party Transactions

(1) Parent company

(Thousands of Indian Rupees)

Attributes	Name of Company	Shareholdin g Ratio	Relationship		Transaction	Amount	Account	Balance
			Directors	Business				
Parent	Jaguar Land Rover Ltd.	Direct 100%	-	Purchase of merchandise	Import of catalogs and brochures (Note 1)	12,435,253	Accounts Payable	2,214,588
					Loan to Parent (Note 2)	1,383,122	Short-term Loan Receivables	1,383,122
					Interest Received	1,609	Interest Receivables	149
					Reimbursed Expense	-30,519	Accounts Receivables - Other	5,119
				Financial support				

(2) Related companies

(Thousands of Indian Rupees)

Attributes	Name of Company	Shareholdin g Ratio	Relationship		Transaction	Amount	Account	Balance
			Directors	Business				
Related company of Parent	Jaguar Land Rover Deutschland GmbH	-	-	Nil	Labor Costs	298	-	-
Related company of Parent	Jaguar Land Rover Australia Pty Ltd	-	-	Nil	Reimbursed Expenses	609	-	-

(Note 1) General terms and conditions were applied for vehicle import and import of catalogs and brochures with reference to market prices.

(Note 2) Loan interest rate was reasonably determined with reference to market rates.

6 Other remarks

None

7 Conversion into Indian Rupees

The financial information is expressed in the local currency of the relevant company (Japanese Yen) only in the Audited Accounts based on which the attached financial statements have been reformatted. Solely for the convenience of the reader and to meet the requirements of Section 212 of the Indian Companies Act, 1956, the amounts appearing in Indian Rupees have been translated at a fixed exchange rate JPY 1 = Rs 0.520 and Rs 0.582 for the years ended 31 March 2015 and 2014 respectively. These transactions should not be constructed as a representative that any or all of the amounts could be converted to Indian Rupees at this or any other rate.