

Jaguar Land Rover (South Africa) Holdings Limited

Annual report and financial statements

For the year ended 31 March 2018

(Company registered number: 07769130)

Directors and Advisor

Directors

L. E. Kretzschmar
R. Gouverneur

Company secretary

S. L. Pearson

Registered office

Abbey Road
Whitley
Coventry
CV3 4LF

Auditor

KPMG LLP
Statutory Auditor
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH
United Kingdom

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Strategic report

The directors present their strategic report and the audited financial statements of Jaguar Land Rover (South Africa) Holdings Limited ('the company') for the year ended 31 March 2018.

Principal activity

The company's principal activity is to act as a holding company for investments in group companies.

Review of business and future developments

The company does not trade and therefore reported no turnover in the current or prior year. During the year ended 31 March 2018, the company received a dividend of R339 million (2017: Rnil). The directors recommend that no dividend should be proposed or paid for the year ended 31 March 2018 (2017: R1,658 million).

Key performance indicators

The directors do not consider any key performance indicators to be relevant to the understanding of the financial performance or financial position of the company.

Principal risks and uncertainties

The directors do not consider that the company has any principal risks and uncertainties.

Approved by the Board of Directors and signed on behalf of the Board by:

S. L. Pearson
Company secretary
2 July 2018

Registered Office:

Abbey Road
Whitley
Coventry
CV3 4LF

Directors' report

The directors present their report and the audited financial statements for the company for the year ended 31 March 2018.

Going concern

The directors have considered the financial position of the company at 31 March 2018, net assets of R2,331 million (2017: R1,982 million), the projected cash flows and financial performance of the company for at least 12 months from the date of approval of these financial statements and the directors believe it is appropriate to prepare these financial statements on a going concern basis.

Directors

The directors who held office during the year and subsequent to the year end to the date of this report are as follows:

L. E. Kretzschmar
R. Gouverneur

Directors' indemnities

An intermediate parent, Jaguar Land Rover Automotive plc, maintained directors' liability insurance for all directors during the financial year.

Political donations

The company made no political donations in the year (2017: no donations).

Independent auditor

During the year KPMG LLP was appointed as the company's auditor.

In accordance with Section 487 of the Companies Act 2006, the company has elected to dispense with laying financial statements before the general meeting, holding annual general meetings and the annual appointment of the auditor. With such an election in force the company's auditor shall be deemed to be re-appointed for each succeeding financial year in accordance with Section 485 of the Act.

Statement of disclosure of information to auditor

In the case of the persons who were directors at the time when the report is approved under Section 418 of the Companies Act 2006, the following applies:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken necessary actions in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board of Directors and signed on behalf of the Board of Directors by:

S. L. Pearson
Company secretary
2 July 2018

Registered Address

Abbey Road
Whitley
Coventry
CV3 4LF

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Jaguar Land Rover (South Africa) Holdings Limited

Opinion

We have audited the financial statements of Jaguar Land Rover (South Africa) Holdings Limited for the year ended 31 March 2018 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent auditor's report to the members of Jaguar Land Rover (South Africa) Holdings Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Leech (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Statutory Auditor
Birmingham, UK
2 July 2018

Income statement

	<i>Note</i>	Year ended 31 March 2018 Rm	Year ended 31 March 2017 Rm
Dividend received		339	-
Finance income	3	14	86
Profit before tax		353	86
Income tax expense	6	(4)	(24)
Profit attributable to shareholders		349	62

There were no gains or losses other than the result for both the current and prior financial years. Accordingly, no separate statement of comprehensive income has been presented.

The notes on pages 10 to 21 form an integral part of these financial statements.

Balance sheet

As at	<i>Note</i>	31 March 2018	31 March 2017
		Rm	Rm
Non-current assets			
Investments	7	1,950	1,950
Current assets			
Other financial assets	8	436	83
Total assets		2,386	2,033
Current liabilities			
Accounts payable	9	55	51
Total liabilities		55	51
Equity attributable to equity holders of the parent			
Ordinary shares	10	-	-
Share premium		1,950	1,950
Reserves	11	381	32
Equity attributable to equity holders of the parent		2,331	1,982
Total liabilities and equity		2,386	2,033

The notes on pages 10 to 21 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 2 July 2018 and were signed by:

Liaan Kretzschmar
Director

Company registered number: 07769130

Statement of Changes in Equity

	<i>Note</i>	Ordinary shares Rm	Share premium Rm	Reserves Rm	Total equity Rm
Balance at 1 April 2017		-	1,950	32	1,982
Profit attributable to shareholders	11	-	-	349	349
<hr/>					
Total comprehensive income for the year		-	-	349	349
<hr/>					
Balance at 31 March 2018		-	1,950	381	2,331
<hr/>					
		Ordinary shares Rm	Share premium Rm	Reserves Rm	Total equity Rm
Balance at 1 April 2016		-	1,950	1,628	3,578
Profit attributable to shareholders	11	-	-	62	62
<hr/>					
Total comprehensive income for the year		-	-	62	62
Dividends paid	12	-	-	(1,658)	(1,658)
<hr/>					
Balance at 31 March 2017		-	1,950	32	1,982
<hr/>					

The notes on pages 10 to 21 form an integral part of these financial statements.

Cash Flow Statement

	Year ended 31 March 2018 Rm	Year ended 31 March 2017 Rm
Cash flows generated from/(used in) operating activities		
Profit attributable to shareholders	349	62
Income tax expense	4	24
Finance income received	(14)	(86)
Dividends received	(339)	-
	<hr/>	<hr/>
Cash flows generated from operating activities before movements in working capital	-	-
Movement in accounts payable	4	25
	<hr/>	<hr/>
Net cash generated from operations	4	25
Income tax paid	(4)	(25)
	<hr/>	<hr/>
Net cash generated from operating activities	-	-
	<hr/> <hr/>	<hr/> <hr/>
Cash flows generated from investing activities		
Dividends received	339	-
Issue of loan to group undertakings	(339)	-
Proceeds from repayment of loan by group undertakings	-	1,658
	<hr/>	<hr/>
Net cash generated from investing activities	-	1,658
	<hr/> <hr/>	<hr/> <hr/>
Cash flows used in financing activities		
Dividends paid	-	(1,658)
	<hr/>	<hr/>
Net cash used in financing activities	-	(1,658)
	<hr/> <hr/>	<hr/> <hr/>
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
	<hr/>	<hr/>
Cash and cash equivalents at end of year	-	-
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 10 to 21 form an integral part of these financial statements.

Notes to the financial statements

1 Background and operations

Jaguar Land Rover (South Africa) Holdings Limited is a limited company incorporated and domiciled in the United Kingdom and has its registered office at Abbey Road, Whitley, Coventry, CV3 4LF. The company is an indirect subsidiary of Tata Motors Limited, India. The company's principal activity is to act as a holding company for investments in group companies.

The company has a functional currency of Pound Sterling (GBP). These financial statements have been presented in South African Rand and rounded to the nearest million Rand (Rm) unless otherwise stated.

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretation Committee interpretations as adopted by the European Union (EU) and the requirements of the United Kingdom Companies Act 2006 applicable to companies reporting under IFRS.

The company is exempt from preparing consolidated group accounts under Section 400 of the Companies Act 2006 and therefore these financial statements contain information about the company and not its group. The company is included in the consolidated accounts of Jaguar Land Rover Automotive plc which are available from the company's registered office.

Basis of preparation

The financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

Going concern

The directors have considered the financial position of the company at 31 March 2018, net assets of R2,331 million (2017: R1,982 million) and the projected cash flows and financial performance of the company for at least 12 months from the date of approval of these financial statements. The directors consider that the company has adequate resources to continue in operation as a going concern for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, 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 on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future periods affected.

Income recognition

Dividend income is recognised from subsidiary undertakings once receivable.

Foreign currency

The company has a functional currency of GBP and a presentational currency of South African Rand in both the current and prior financial years.

All of the company's transactions were in South African Rand during the current and previous years.

Notes to the financial statements (continued)

2 Accounting policies (continued)

Income taxes

Income tax expense comprises current tax. Income tax expense is recognised in the income statement, except when related to items that are recognised outside of profit or loss (whether in other comprehensive income or directly in equity, whereby tax is also recognised outside of profit or loss).

Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

Where possible, the company utilises group relief from other group companies with no payment.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds.

Dividend payable recognition

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Financial instruments

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 are classified into categories: financial assets at fair value through profit or loss (which can either be held for trading or designated as fair value options), held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial liabilities are classified into financial liabilities at fair value through profit or loss or classified as other financial liabilities. No financial instruments have been classified as held-to-maturity.

Financial instruments are recognised on the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised 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.

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses, if any. These include cash and cash equivalents, trade receivables, finance receivables and other financial assets.

Other financial liabilities

These are measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)

2 Accounting policies (continued)

Financial instruments (continued)

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. 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. Valuation techniques include discounted cash flow method and other valuation models.

Derecognition of financial assets and financial liabilities

The company derecognises 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. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or has expired.

When a financial instrument is derecognised, the cumulative gain or loss in equity (if any) is transferred to the income statement.

Impairment of financial assets

The company assesses at each balance sheet date whether there is objective evidence that a financial asset, other than those at fair value through profit or loss, or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Loans and receivables: Objective evidence of impairment includes default in payments with respect to amounts receivable from customers, significant financial difficulty of the customer or bankruptcy. Impairment loss in respect of loans and receivables is calculated as the difference between their carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Such impairment loss is recognised in the income statement. If the amount of an impairment loss decreases in a subsequent year, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal is recognised in the income statement.

Notes to the financial statements (continued)

2 Accounting policies (continued)

New accounting pronouncements

In the current year, the company adopted the following standards, revisions and amendments to the standards and interpretations (which had a material impact upon the company).

IAS 7 has been amended to require additional disclosure to help users evaluate changes in borrowings. The amendment is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted subject to EU endorsement. The company has included a net debt reconciliation within its disclosures following the adoption of this standard.

The following pronouncements, issued by the IASB and endorsed by the EU, are not yet effective and have not yet been adopted by the company. The company is evaluating the impact of these pronouncements on the financial statements.

IFRS 9 *Financial Instruments* addresses the classification, measurement and recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and contractual cash flow characteristics of the financial asset. The company has undertaken an assessment of classification and measurement and the company does not expect a significant impact on the financial statements.

The new standard also introduces expanded disclosure requirements. The company does not expect significant changes to the nature or extent of disclosures in respect of financial instruments.

IFRS 15 *Revenue from Contracts with Customers* replaces IAS 18 Revenue and IAS 11 Construction Contracts and related interpretations (such as IFRIC 13 Customer Loyalty Programmes).

Application of IFRS 15 is mandatory for reporting periods beginning on or after 1 January 2018, although early adoption is permitted. The company will apply IFRS 15 for the first time for the financial year beginning on 1 April 2018.

The company proposes to apply the modified retrospective application approach, meaning that comparative periods are not restated according to IFRS 15. Instead, the cumulative effect of the application of the Standard will be recognised in opening balance sheet reserves.

The new standard identifies a comprehensive five-step model for determining revenue recognition, including the amount and timing that revenue is recognised. This is generally to be applied to all contracts with customers. The model depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

The company does not expect a significant impact on the financial statements from IFRS 15.

Notes to the financial statements (continued)

2 Accounting policies (continued)

New accounting pronouncements (continued)

IFRS 16 '*Leases*' sets out a new approach to accounting for leases by lessees. Whilst under IAS 17, the accounting treatment of a lease was determined on the basis of the transfer of risks and rewards incidental to ownership of the asset, whereas under the new standard, all leases in general are to be accounted for by the lessee in a similar way to finance lease arrangements. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted subject to EU endorsement and the adoption of IFRS 15.

The company does not expect a significant impact on the financial statements from IFRS 16.

The following pronouncements, issued by the IASB, have not yet been endorsed by the EU, are not yet effective and have not yet been adopted by the company. The company is evaluating the impact of these pronouncements on the financial statements.

IFRS 17 *Insurance Contracts* was published on 18 May 2017 and replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. For fixed-fee service contracts whose primary purpose is the provision of services, such as roadside assistance, entities have an accounting policy choice to account for them in accordance with either IFRS 17 or IFRS 15. Due to the existing operating activities of the company, adoption of IFRS 17 is not expected to have a material impact on either the profitability or the net assets of the company.

IFRIC 23 *Uncertainty over Income Tax Treatments* was published in June 2017 which sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a group and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If no, the entity should reflect the effect of uncertainty in determining its accounting tax position. The Interpretation applies to annual reporting periods beginning on or after 1 January 1 2019 with earlier application permitted.

The IASB issued IFRIC 22 (*Foreign Currency Transaction and Advance Consideration*) in December 2016 which clarified accounting requirements with respect to exchange rate to be used for reporting foreign currency transactions when payment is made or received in advance. This is effective for annual periods beginning on or after 1 January 2018. The company is currently assessing the impact of adopting IFRIC 22.

The company does not consider that any other standards, amendments or interpretations issued by the IASB, but not yet applicable, will have a significant impact on the financial statements.

Notes to the financial statements (continued)

3 Finance income

	Year ended 31 March 2018 Rm	Year ended 31 March 2017 Rm
Interest received	14	86
Total finance income	14	86

4 Net income before tax

Auditor's remuneration for both the current and prior financial years is borne by the immediate parent company, Jaguar Land Rover Limited and is not recharged. The company's allocation for fees payable to the company's auditor for the audit of the annual financial statements is R0.1 million (2017: R0.1 million). The company incurred no non-audit fees in either the current or prior financial year.

5 Employees and directors emoluments

The company did not have any employees other than the directors in either the current or prior financial year.

The directors did not receive remuneration for their services specifically to this company (2017: Rnil). Emoluments are paid by Jaguar Land Rover (South Africa) (Pty) Ltd, a related group company which makes no recharge to this company.

Notes to the financial statements (continued)

6 Taxation

As the company is tax resident in South Africa it is subject to Corporation Tax in South Africa.

Recognised in the income statement

	Year ended 31 March 2018 Rm	Year ended 31 March 2017 Rm
Current income tax expense	4	24
	<hr/>	<hr/>
Total income tax expense	4	24
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of effective tax rate

	Year ended 31 March 2018 Rm	Year ended 31 March 2017 Rm
Profit attributable to shareholders for the year	349	62
Total income tax expense	4	24
	<hr/>	<hr/>
Profit excluding taxation	353	86
	<hr/> <hr/>	<hr/> <hr/>
Tax using the South African corporation tax rate of 28% (2017: 28%)	99	24
Dividend income not subject to taxation	(95)	-
	<hr/>	<hr/>
Total income tax (credit)/ expense	4	24
	<hr/> <hr/>	<hr/> <hr/>

There are no unrecognised deferred tax assets or liabilities at either 31 March 2018 or 31 March 2017.

Notes to the financial statements (continued)

7 Investments

Investments consist of the following:

	31 March 2018 Rm	31 March 2017 Rm
Balance at start and end of year	1,950	1,950
	<u>1,950</u>	<u>1,950</u>

Name of Company	Interest	Class of share	Principal place of business and country of incorporation	Registered office address
Jaguar Land Rover (South Africa) (Pty) Ltd	100%	Ordinary	South Africa	28 Victoria Link, Route 21 Corporate Park, Nellmapius Drive, Irene X30, Centurion, Tshwane, Gauteng, South Africa

8 Other financial assets

Other financial assets consist of loans to fellow group companies, the details of which are as follows:

	1 March 2018 Rm	31 March 2017 Rm
Amounts due from group undertakings	436	83
Total other financial assets	436	83
Falling due within one year	436	83

All other financial assets are loans and interest on loans from other group companies and no impairment is required.

9 Accounts payable

	31 March 2018 Rm	31 March 2017 Rm
Amounts due to group undertakings	55	51
Total accounts payable	55	51

Amounts due to group undertakings relates to tax payable balances with its subsidiary, Jaguar Land Rover (South Africa) (Pty) Ltd, which settles directly with tax authorities on behalf of the company.

Notes to the financial statements (continued)

10 Share capital

	31 March 2018	31 March 2017
	Rm	Rm
<i>Allotted, called up and fully paid</i>		
200 (2017: 200) ordinary shares of R1 each	200	200
	<u> </u>	<u> </u>

11 Other reserves

The movement in reserves is as follows:

	31 March 2018	31 March 2017
	Rm	Rm
Balance at start of year	32	1,628
Profit for the year	349	62
Dividend paid	-	(1,658)
	<u> </u>	<u> </u>
Balance at end of year	381	32
	<u> </u>	<u> </u>

12 Dividends

During the year ended 31 March 2018, no ordinary share dividend was paid or proposed (2017: R1,658 million).

13 Capital management

The company's objectives when managing capital are to ensure the going concern operation of it and its subsidiaries and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to meet shareholder expectations.

The capital structure and funding requirements are regularly monitored by the Board to ensure sufficient liquidity is maintained by the company. All debt issuance and capital distributions are approved by the Board of Directors.

The company has no external borrowings and is funded by equity and, if required, immediate parent company loans.

	31 March 2018	31 March 2017
	Rm	Rm
Equity	2,331	1,982
	<u> </u>	<u> </u>
Total capital (debt and equity)	2,331	1,982
	<u> </u>	<u> </u>

Notes to the financial statements (continued)

14 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 recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(a) *Financial assets and liabilities*

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of 31 March 2018:

	Loans and receivables Rm	Fair value Rm
Other financial assets	436	436
	<u>436</u>	<u>436</u>

	Other financial liabilities Rm	Fair value Rm
Accounts payable	55	55
	<u>55</u>	<u>55</u>

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as of 31 March 2017:

	Loans and receivables Rm	Fair value Rm
Other financial assets	83	83
	<u>83</u>	<u>83</u>

	Other financial liabilities Rm	Fair value Rm
Accounts payable	51	51
	<u>51</u>	<u>51</u>

All financial assets and liabilities of the company are denominated in South African Rand.

Notes to the financial statements (continued)

14 Financial instruments (continued)

(b) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in interest income and expense for the company.

As at 31 March 2018, short term borrowings of R436 million (2017: R83 million) were owed by Jaguar Land Rover Limited. Short-term borrowings owed by Group undertakings are repayable on demand and subject to a variable interest rate. An increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact of R4 million (2017: R1 million).

(c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments:

As at 31 March 2018 (Rm)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Accounts payable	55	55	55	-	-	-
Total contractual maturities	55	55	55	-	-	-
As at 31 March 2017 (Rm)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Accounts payable	51	51	51	-	-	-
Total contractual maturities	51	51	51	-	-	-

All payable amounts are due to the company's subsidiary, Jaguar Land Rover (South Africa) (Pty) Ltd.

(d) Credit risk

None of the company's financial assets are past due or impaired. There were no indications as at 31 March 2018 (2017: no indications) that defaults in payment obligations will occur.

Notes to the financial statements (continued)

15 Related party transactions

The company's related parties include Tata Sons Limited, subsidiaries and joint ventures of Tata Sons Limited, which includes Tata Motors Limited (the ultimate parent company), subsidiaries, associates and joint ventures of Tata Motors Limited. The company's related party transactions principally consist of intercompany loans and dividends. All related party transactions are conducted under normal terms of business.

The following table summarises related party transactions and balances for the year ended 31 March 2018.

	With subsidiaries 2018 Rm	With immediate parent 2018 Rm
Dividend received	339	-
Finance income received	-	14
Loans outstanding	-	436
Accounts payable	55	-
	<u> </u>	<u> </u>

The following table summarises related party transactions and balances for the period ended 31 March 2017.

	With subsidiaries 2017 Rm	With immediate parent 2017 Rm
Finance income received	-	86
Loans outstanding	-	83
Accounts payable	51	-
	<u> </u>	<u> </u>

16 Ultimate parent company and parent company of larger group

The immediate parent undertaking is Jaguar Land Rover Limited and ultimate parent undertaking and controlling party is Tata Motors Limited, India which is the parent of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is headed by Jaguar Land Rover Automotive plc.

Copies of the Jaguar Land Rover Automotive plc consolidated financial statements can be obtained from the Company Secretary at the company's registered address.

Copies of the Tata Motors Limited, India consolidated financial statements can be obtained from the company Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai – 400001, India.