

**Jaguar Land Rover India Limited**  
**Annual Financial Statements**  
**For the year ended March 31, 2019**

# Jaguar Land Rover India Limited

## Balance Sheet

as at 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

	<i>Note</i>	<b>31 March 2019</b>	31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	13,558	14,325
Financial assets:			
Other financial assets	4a	555	489
Deferred tax assets (net)	9	1,466	1,970
Non-current tax assets (net)	17	496	270
Other non-current assets	8a	196	-
<b>Total non-current assets</b>		<b>16,271</b>	<b>17,054</b>
<b>Current assets</b>			
Inventories	5	50,873	22,117
Financial assets:			
Trade receivables	6	1,619	2,342
Cash and cash equivalents	7	15,552	78,126
Other financial assets	4b	5,801	3,932
Other current assets	8b	8,632	2,937
<b>Total current assets</b>		<b>82,477</b>	<b>109,454</b>
<b>Total assets</b>		<b>98,748</b>	<b>126,508</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	28,025	28,025
Other equity	11	(4,577)	(583)
<b>Total equity</b>		<b>23,448</b>	<b>27,442</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities:			
Borrowings	12	10,340	11,596
Other financial liabilities	13a	229	229
Provisions	14b	350	174
Other non-current liabilities	15	3,260	2,521
<b>Total non-current liabilities</b>		<b>14,179</b>	<b>14,520</b>
<b>Current liabilities</b>			
Financial liabilities:			
Trade payables includes dues of micro and small enterprises of Rs.5 lakhs (Previous year - Rs 9 lakhs)	16	54,449	77,309
Other financial liabilities	13b	1,773	2,004
Provisions	14a	21	19
Other current liabilities	18	4,878	5,214
<b>Total current liabilities</b>		<b>61,121</b>	<b>84,546</b>
<b>Total liabilities</b>		<b>75,300</b>	<b>99,066</b>
<b>Total equity and liabilities</b>		<b>98,748</b>	<b>126,508</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
Jaguar Land Rover India Limited

**Rajiv Shah**

Partner

Membership No: 112878

Mumbai

26 June 2019

**Rohit Suri**

Managing Director

DIN - 03394169

**Rajiv Gupta**

Director

DIN - 08090363

**Binita Khory**

Company Secretary

Membership No: A24829

**Amita Karia**

Director and Chief Financial Officer

DIN - 08266802  
Membership No: 100580

# Jaguar Land Rover India Limited

## Statement of Profit and Loss

for the year ended 31 March 2019

All amounts are in Rs. lakhs except for earnings per share information

	<i>Note</i>	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	19	190,550	185,591
Other income	20	841	881
<b>Total income</b>		<b>191,391</b>	<b>186,472</b>
<b>Expenses</b>			
Purchase of products for sale		199,075	158,334
Changes in inventories of products for sale		(28,757)	(1,309)
Excise duty		-	611
Employee benefit expense	21	4,488	4,961
Finance cost	22	4,100	3,266
Depreciation	3	999	1,069
Net foreign exchange losses		373	3,831
Other expenses	23	14,643	15,682
<b>Total expenses</b>		<b>194,921</b>	<b>186,445</b>
<b>(Loss) / Profit before tax</b>		<b>(3,530)</b>	<b>27</b>
Tax expense:			
Current tax	24	-	(34)
Deferred tax	24	490	391
<b>Loss for the year</b>		<b>(4,020)</b>	<b>(330)</b>
<b>Other comprehensive income/(loss)</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans	26	40	(15)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(14)	5
<b>Total other comprehensive income/(loss), net of tax</b>		<b>26</b>	<b>(10)</b>
<b>Total comprehensive loss for the year</b>		<b>(3,994)</b>	<b>(340)</b>
Earnings per ordinary equity share of Rs. 10 each:	25		
Basic and diluted (in Rs.)		<b>(1.43)</b>	<b>(0.12)</b>

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As per our report of even date attached.

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*Chartered Accountants*

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*Director and Chief Financial Officer*

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Membership No: 100580

# Jaguar Land Rover India Limited

## Statement of Changes in Equity

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

### a) Equity share capital

	Amount
Balance as at 01 April 2017	28,025
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2018</b>	<b>28,025</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2019</b>	<b>28,025</b>

### b) Other equity

	Reserves and surplus	Item of other comprehensive income	Total other equity
	Retained earnings	Currency translation reserve	
Balance as at 01 April 2017	2,218	(2,461)	(243)
Loss for the year	(330)	-	(330)
Other comprehensive loss for the year, net of income tax	(10)	-	(10)
<b>Total comprehensive loss for the year</b>	<b>(340)</b>	<b>-</b>	<b>(340)</b>
<b>Balance as at 31 March 2018</b>	<b>1,878</b>	<b>(2,461)</b>	<b>(583)</b>
Loss for the year	(4,020)		(4,020)
Other comprehensive income for the year, net of income tax	26		26
<b>Total comprehensive loss for the year</b>	<b>(3,994)</b>	<b>-</b>	<b>(3,994)</b>
<b>Balance as at 31 March 2019</b>	<b>(2,116)</b>	<b>(2,461)</b>	<b>(4,577)</b>

#### Nature and purpose of reserves :

- (a) Retained earnings represents the accumulated surplus / (deficit) from the Statement of Profit and Loss.
- (b) Foreign currency translation reserve - till 31 March 2017, the Company's functional currency was Great Britain Pound (GBP) which was the currency of the primary economic environment that influenced its operation and the presentation currency was Indian Rupees (INR). The exchange differences arising from the translation of functional currency to presentation currency was recognised in foreign currency translation reserve within other comprehensive income under other equity.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
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# Jaguar Land Rover India Limited

## Statement of cash flows

for the year ended 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Cash flows from operating activities</b>		
(Loss)/ Profit before tax for the year	(3,530)	27
Adjustments for :		
Finance cost	4,100	3,266
Depreciation	999	1,069
Inventories write off / provision	275	647
Loss on sale of property, plant and equipment (net)	(6)	16
Net unrealized foreign exchange (gain)/loss	(1,639)	2,317
	<u>199</u>	<u>7,342</u>
Movements in working capital		
Decrease/(increase) in trade receivables	723	230
(Increase)/decrease in inventories	(29,031)	(1,957)
Decrease/(increase) in other financial assets	(1,934)	(3,129)
Decrease/(increase) in other assets	(5,696)	3,050
Increase/(decrease) in trade payables	(21,220)	39,881
(Decrease)/increase in other financial liability	(222)	(264)
(Decrease)/increase in provisions	22	(436)
Increase/(decrease) in deferred revenue	2,909	2,804
Increase/(decrease) in other liabilities	(2,507)	79
<b>Cash generated from operations</b>	<u>(56,757)</u>	<u>47,600</u>
Income taxes paid	(226)	(1,304)
<b>Net cash generated by operating activities</b>	<u>(56,983)</u>	<u>46,296</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(445)	(208)
Proceeds from disposal of property, plant and equipment	219	73
<b>Net cash used in investing activities</b>	<u>(226)</u>	<u>(135)</u>
<b>Cash flows from financing activities</b>		
Repayment of finance lease obligation	(1,265)	(1,273)
Interest paid	(4,100)	(3,266)
<b>Net cash used in financing activities</b>	<u>(5,365)</u>	<u>(4,539)</u>
<b>Net increase in cash and cash equivalents</b>	<u>(62,574)</u>	<u>41,622</u>
<b>Cash and cash equivalents at the beginning of the year</b>	<u>78,126</u>	<u>36,504</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>15,552</u>	<u>78,126</u>

# Jaguar Land Rover India Limited

## Statement of cash flows (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

### Movement in liabilities arising from financial activities on account of non-cash transactions

Particulars	Opening balance	Non-cash changes - finance lease	Cash outflow	Closing balance
<b>Long term borrowing</b>				
Current year	12,861	-	(1,265)	11,596
Previous year	-	14,134	(1,273)	12,861

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of  
**Jaguar Land Rover India Limited**

**Rajiv Shah**

*Partner*

Membership No: 112878

**Rohit Suri**

*Managing Director*

DIN - 03394169

**Rajiv Gupta**

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*Company Secretary*

Membership No: A24829

**Amita Karia**

*Director and Chief Financial Officer*

DIN - 08266802

Membership No: 100580

# Jaguar Land Rover India Limited

## Notes to the financial statements

for the year ended 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

### 1 Corporate overview:

Jaguar Land Rover India Limited ("the Company") was incorporated in India on 25 October 2012 in accordance with the provisions of the Companies Act, 1956 and was granted its Certificate of Business Commencement on 14 January 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 202/203, Ceejay House, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018, India.

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 1 January 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 and basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013. The financial statements were authorised for issue by the Company's Board of Directors on 26 June 2019.

The financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value.

#### 2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR) and have been rounded off to nearest lakhs unless otherwise stated, which is also the Company's functional currency.

Till the financial year 2016-17, the Company's functional currency was Great Britain Pound (GBP) being the currency of primary economic environment that influenced its operations and the presentation currency was INR.

In the previous year, the Company changed its functional currency from GBP to INR due to change in underlying transactions and events. The effect of this change in functional currency was accounted for prospectively in the previous year.

#### 2.3 Use of estimates and judgements

The preparation of these financial statements in conformity with Ind AS 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. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised prospectively.

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 recognised in the financial statements are included in the following notes:

##### (a) 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.

##### (b) Provisions and contingent liabilities

Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the current best estimates. The policy for the same has been explained under note 2.17.

##### (c) Useful life of Property, plant and equipment

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed in each financial year and adjusted prospectively, if appropriate. The policy for the same has been explained under note 2.12.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

### 2 Significant Accounting Policies (*Continued*)

#### 2.3 Use of estimates and judgements (*Continued*)

##### (d) Lease

Whether an arrangement contains a lease and the lease classification is explained under note 2.6.

##### (e) Impairment

The Company reviews its carrying value of assets annually, or more frequently when there is a indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. The policy for the same has been explained under note 2.21.

##### (f) Measurement of defined benefit obligation

Key actuarial assumptions explained under note 2.9.

#### 2.4 Revenue recognition

Revenue is measured at fair value of consideration received or receivable.

##### 2.4.1 Sale of products

The Company recognises revenue on the sale of vehicles, parts, and accessories at the point of 'wholesale', which is determined by the underlying terms and conditions of the contract with the customer as to when control transfers to them. The overall principle of control under Ind AS 115 considers which party has the ability to direct the use of an asset and to obtain substantially all of the remaining economic benefits.

Determining the transfer of control with regards to the sale of goods is driven by a consideration of a number of factors, including:

- The point at which the risks and rewards of ownership pass to the customer;
- The point at which the customer takes physical possession of the good or product;
- The point at which the customer accepts the good or product;
- The point at which the Company has a present right to payment for the sale of the good or product, and;
- The point at which legal title to the good or product transfers to the customer.

In the vast majority of cases, the sale of the relevant good is recognised at the point of dispatch (at release to the carrier responsible for transportation to the customer), or the point of delivery to the customer, which coincides with the invoicing point.

In accordance with Ind AS 115, the costs associated with providing sales support and incentives are considered to be variable components of consideration, thus reducing the amount of revenue recognised by the Company. Under Ind AS 115, the Company ensures that variable consideration is recognised to the extent of the amount of consideration to which it ultimately expects to be entitled. To meet this principle, the Company constrains its estimate of variable consideration to include amounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with such variability is subsequently resolved.

Consequent to introduction of Goods and Service tax (GST) with effect from 1 July 2017, central excise value added tax etc., have been replaced by GST. In accordance with Ind AS 115/Ind AS 18 on revenue and schedule III of the Companies act, 2013, GST, GST compensation cess, etc. are not included in revenue from operations for applicable periods. In view of the aforesaid restructuring of Indirect taxes, sale of products for the year ended 31 March 2019 is not comparable with year ended 31 March 2018.

In accordance with Ind AS 115, Goods and Service Tax (GST) is not included in revenue from operations.

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

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

### 2 Significant Accounting Policies (*Continued*)

#### 2.4.2 Sale of services

Scheduled maintenance contracts sold with a vehicle provide the end customer with the benefit of bringing their vehicle to a dealership for the routine maintenance required to maintain compliance for warranty purposes.

The Company typically receives payment relating to the scheduled maintenance contract at the same time as the proceeds from the vehicle sale, at which point the amount is recognised as a contract liability based on the stand-alone selling price.

The Company recognises revenue for scheduled maintenance contracts based on the expected performance of the services over the period from the point of a vehicle being retailed to an end customer and aligning to the expected costs to fulfil those services.

#### 2.4.3 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 capitalised 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

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 rate for the month in which such transaction occurred if the average exchange rate approximates the actual rate at the date of transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are translated into functional currency 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. Non-monetary items that are measured based on historical cost in a foreign currency are translated at exchange rate at the date of transaction.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

### 2 Significant Accounting Policies (*Continued*)

#### 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 Statement of Profit and Loss in the year in which they are incurred.

#### 2.9 Employee Benefits

##### 2.9.1 Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Accumulated leave, which is expected to be paid within the next twelve months, is also treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. These amounts are charged to the Statement of Profit and Loss.

##### 2.9.2 Defined benefit plan

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). The calculation of defined benefit obligation is performed annually by qualified actuary using the projected unit credit method. 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.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss.

##### 2.9.3 Defined contribution plan

A defined contribution plan is a post employment benefit plan under which an entity pays specified contributions and has no obligation to pay any further amount.

#### 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.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

### 2 Significant Accounting Policies (*Continued*)

#### 2.9.4 Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The obligation in respect of compensated absences is provided on the basis of an actuarial valuation carried out by an independent actuary.

#### 2.10 Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the Statement of Profit and Loss except when they relate to items that are recognised directly in other comprehensive income or in equity.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax assets and liabilities are recognised 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 recognised to the extent that it is probable that future taxable income will be available against which they can be used. In case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax asset - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is not probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised 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 and 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 or their tax assets and liabilities will be realised simultaneously.

#### 2.11 Earnings per share

Basic earnings per share is computed by dividing net profit for the year attributable to equity shareholders 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 is 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

Property, plant and equipment are stated at cost of acquisition or construction net of accumulated depreciation and impairment losses, if any.

Cost includes purchase price, non refundable 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.

Subsequent expenditure is capitalised only if it is probable that their future economic benefits associated with the expenditure will flow to the Company.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

All fixed assets are physically verified in a phased manner over a period of two years.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

### 2 Significant Accounting Policies (*Continued*)

#### 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 adopted useful lives for various categories of property plant and equipment, 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 - 9 to 14 years

Furniture and fixtures - 4 to 10 years

Computers – 3 years

Assets acquired under finance leases are depreciated over the shorter of lease term and their estimated useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

#### 2.14 Inventories

Inventories are valued at the lower of cost 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. 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 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 is considered to constitute one segment.

#### 2.17 Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company 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.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

### 2 Significant Accounting Policies (*Continued*)

#### 2.18 Current–non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

#### 2.19 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.

#### 2.20 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.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

### 2 Significant Accounting Policies (*Continued*)

#### 2.20 Financial instruments (*Continued*)

##### i) Classification, initial recognition and measurement (*Continued*)

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 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 payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

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, transferred or has expired.

##### iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.21 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.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

### 2 Significant Accounting Policies (*Continued*)

#### 2.21 Impairment (*Continued*)

##### (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.

#### 2.22 Recent accounting pronouncements

##### (a) Ind AS 116 Leases

In March 2019, MCA notified Ind AS 116 - Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous standard on leases, Ind AS 17 -Leases. Ind AS 116, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. Ind AS 116 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by Ind AS, and instead, introduces a single lessee accounting model whereby a lessee is required to recognise assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognise depreciation of leased assets separately from interest on lease liabilities in the Statement of Profit and Loss. As Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

The Company will be adopting Ind AS 116 with a modified retrospective approach with effect from 1 April, 2019. The cumulative effect of initially applying this Standard will be recorded as an adjustment to the opening balance of retained earnings. Figures for comparative periods will not be restated.

The Company will use the exemption option available for existing leases and apply the available exemptions regarding the recognition of short term leases and low value leasing assets. Basis assessment, the Company arrangements under operating leases, which are currently off balance sheet, will be recorded as right to use assets and the future obligations in respect of such leases will be recorded as a liability in the balance sheet as at 1 April, 2019.

The Company will reassess the classification of sub-lease in which the Company is a lessor. No significant impact is expected for other leases in which the Company is a lessor.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

### 2 Significant Accounting Policies (*Continued*)

#### 2.22 Recent accounting pronouncements (*Continued*)

##### (a) Ind AS 116 Leases (*Continued*)

The Company will use following practical expedients of Ind AS 116 at the date of initial application:

- 1) With leases previously classified as operating leases according to Ind AS 117, the lease liability will be measured at the present value of the outstanding lease payments, discounted by the incremental borrowing rate at 1 April, 2019. The respective right-of-use asset is generally recognised at an amount equal to the lease liability;
- 2) An impairment review is not performed for right of use assets. Instead, right-of-use asset is adjusted by the amount of any provision for onerous leases recognised in the Balance sheet.
- 3) Regardless of their original lease term, leases for which the lease term ends latest on 31 March, 2020, are recognised as short-term leases;
- 4) At the date of initial application, the measurement of a right-to-use asset excludes the initial direct costs; and
- 5) Hindsight is considered when determining the lease term if the contract contains options to extend or terminate the leases.

No significant impact is expected for the Company's finance leases.

Leases in which the Company is a lessor

The Company will reassess the classification of sub-leases in which the Company is a lessor.

##### (b) Amendments issued by MCA to existing standards - Amendment to Ind AS 19 - Employee Benefits

Changes in Employee benefit plan

When a change to a plan by way of either an amendment, curtailment or settlement takes place, Ind AS 19 requires a company to remeasure its net defined benefit liability or asset.

The amendments to Ind AS 19 require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, Ind AS 19 did not specify how to determine these expenses for the period after the change to the plan.

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

# Jaguar Land Rover India Limited

## **Notes to the financial statements (Continued)** *for the year ended 31 March 2019*

All amounts are in Rs lakhs unless otherwise stated

### **2 Significant Accounting Policies (Continued)**

# Jaguar Land Rover India Limited

## Notes to the financial statements (Continued)

as at 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

### 3 Property, plant and equipment

	Plant and machinery	Own assets			Computers	Taken on lease Plant and machinery (refer note below)	Total
		Furniture and fixtures	Motor vehicles				
<b>Gross carrying amount</b>							
Gross carrying amount as at 01 April 2017	229	457	968	210	-	1,864	
Additions	105	-	89	14	14,134	14,342	
Disposals	-	-	(187)	-	-	(187)	
<b>Gross carrying amount as at 31 March 2018</b>	<b>334</b>	<b>457</b>	<b>870</b>	<b>224</b>	<b>14,134</b>	<b>16,019</b>	
Additions	40	17	344	44	-	445	
Disposals	-	-	(586)	-	-	(586)	
<b>Gross carrying amount as at 31 Mar 2019</b>	<b>374</b>	<b>474</b>	<b>628</b>	<b>268</b>	<b>14,134</b>	<b>15,878</b>	

	Plant and machinery	Own assets			Computers	Taken on Lease Plant and machinery (refer note below)	Total
		Furniture and fixtures	Motor vehicles				
<b>Accumulated depreciation</b>							
Accumulated depreciation as at 01 April 2017	69	126	375	154	-	724	
Disposals	-	-	(99)	-	-	(99)	
Depreciation charge for the year	45	59	183	51	731	1,069	
<b>Accumulated depreciation as at 31 March 2018</b>	<b>114</b>	<b>185</b>	<b>459</b>	<b>205</b>	<b>731</b>	<b>1,694</b>	
Disposals	-	-	(373)	-	-	(373)	
Depreciation charge for the period	53	61	136	18	731	999	
<b>Accumulated depreciation as at 31 March 2019</b>	<b>167</b>	<b>246</b>	<b>222</b>	<b>223</b>	<b>1,462</b>	<b>2,320</b>	

	Plant and machinery	Own assets			Computers	Taken on lease Plant and machinery (refer note below)	Total
		Furniture and fixtures	Motor vehicles				
<b>Net carrying amount</b>							
As at 01 April 2017	160	331	593	56	-	1,140	
As at 31 March 2018	220	272	411	19	13,403	14,325	
<b>As at 31 March 2019</b>	<b>207</b>	<b>228</b>	<b>406</b>	<b>45</b>	<b>12,672</b>	<b>13,558</b>	

**Note:** During the previous year, the Company entered into a contract manufacturing agreement with Tata Motors Limited. The Company has concluded that this agreement is in the nature of finance lease and the assets have been shown under fixed assets taken on lease with corresponding liability under non-current borrowings and current portion of other financial liabilities.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

as at 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2019	31 March 2018
<b>4 Other financial assets</b>		
(a) <b>Non current</b>		
Security deposits	555	489
<b>Total</b>	<u>555</u>	<u>489</u>
(b) <b>Current</b>		
Security deposits	-	29
Receivable from dealer against sale of net assets pertaining to CBEEC and workshop (Secured against bank guarantee) (refer note below)	-	250
Other receivables	5,801	3,653
<b>Total</b>	<u>5,801</u>	<u>3,932</u>

### Note :

The Company sold 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 12 August 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 was accounted as gain on sale of net assets pertaining to CBEEC and workshop in the year ended 31 March 2017.

The balance sale consideration of Rs. 1,200 lakhs was deferred (secured against bank guarantees) of which the balance receivable of Rs. 250 lakhs was received in the current year.

## 5 Inventories

Inventories (at lower of cost and net realisable value)

Vehicles	42,601	14,796
Spare parts and accessories	5,418	4,783
Goods-in-Transit		
Vehicles	1,662	1,540
Spare parts and accessories	1,192	998
<b>Total</b>	<u>50,873</u>	<u>22,117</u>

The cost of inventories recognised as an expense includes Rs. 275 lakhs (Previous year: Rs. 647 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 (Continued)

as at 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2019	31 March 2018
<b>6 Trade receivables</b>		
(Unsecured)		
Considered good	1,619	2,342
<b>Total</b>	<b>1,619</b>	<b>2,342</b>
<b>7 Cash and cash equivalents</b>		
Balances with banks in current accounts	15,552	78,126
Cash on hand*	-	-
<b>Cash and cash equivalents</b>	<b>15,552</b>	<b>78,126</b>

\* The amount is below rounding off limit in lakhs

# Jaguar Land Rover India Limited

## Notes to the financial statements (Continued)

as at 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2019	31 March 2018
<b>8 Other assets</b>		
<b>(a) Non-current</b>		
Balances with government authorities	196	-
	<u>196</u>	<u>-</u>
<b>(b) Current</b>		
Advances to employees*	-	26
Prepaid expenses	47	63
Balances with government authorities (custom, VAT, service tax)	837	2,229
GST receivable	7,718	-
Advances paid to :		
Vendors	14	17
Dealer	-	225
Other current assets	16	377
	<u>8,632</u>	<u>2,937</u>

\* The amount is below rounding off limit in lakhs

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

as at 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2019	31 March 2018
<b>9 Deferred tax assets (net)</b>		
Deferred tax assets (refer note below)	<b>1,466</b>	1,970
<b>Total</b>	<b>1,466</b>	1,970
<b>Deferred tax liabilities</b>		
Property, plant and equipment	<b>194</b>	-
	<b>194</b>	-
<b>Note:</b>		
<b>Deferred tax assets</b>		
Property, plant and equipment	-	36
Inventory, fixed assets and others	<b>97</b>	173
Provision for contingencies	<b>69</b>	-
Provision - employee benefits	<b>52</b>	70
Business loss and unabsorbed depreciation carried forward	-	243
Minimum Alternate Tax credit	<b>1,442</b>	1,448
	<b>1,660</b>	1,970

# Jaguar Land Rover India Limited

## Notes to the financial statements (Continued)

as at 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2019	31 March 2018
<b>10 Equity share capital</b>		
<b>Authorised share capital</b>		
500,000,000 (P.Y. 500,000,000) Ordinary shares of Rs. 10 each	50,000	50,000
<b>Issued, subscribed and fully paid up</b>		
280,250,000 (P.Y. 280,250,000) Ordinary shares of Rs. 10 each	28,025	28,025
	<u>28,025</u>	<u>28,025</u>

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

	31 March 2019		31 March 2018	
	Number of Shares	Amount in lakhs	Number of Shares	Amount in lakhs
<b>Equity shares:</b>				
Balance as at the beginning of the year	280,250,000	28,025	280,250,000	28,025
Movements during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<u>280,250,000</u>	<u>28,025</u>	<u>280,250,000</u>	<u>28,025</u>

### 10.2 Rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

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

	31 March 2019		31 March 2018	
	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%

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

## 11 Other equity

Currency translation reserve	(2,461)	(2,461)
Retained earnings	(2,116)	1,878
	<u>(4,577)</u>	<u>(583)</u>

### 11.1 Currency translation reserve

Balance at the beginning of the year	(2,461)	(2,461)
Foreign currency translation on change to presentation currency (refer note 2.2)	-	-
<b>Balance at the end of the year</b>	<u>(2,461)</u>	<u>(2,461)</u>

### 11.2 Retained Earnings

Balance at the beginning of the year	1,878	2,218
Loss for the year	(4,020)	(330)
Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation, net of income tax	26	(10)
<b>Balance at the end of the year</b>	<u>(2,116)</u>	<u>1,878</u>

# Jaguar Land Rover India Limited

## Notes to the financial statements *(Continued)*

as at 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

	31 March 2019	31 March 2018
<b>12 Non-current borrowings</b>		
<b>Unsecured - at amortised cost</b>		
Long term maturities of finance lease obligations (unsecured)	10,340	11,596
<b>Total non-current borrowings</b>	<u>10,340</u>	<u>11,596</u>

Certain items of plant and equipment were obtained on finance lease in the previous year. Legal title to these assets vests with the lessor. The lease term is 7 years. Refer note 29.4.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

as at 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2019	31 March 2018
<b>13 Other financial liabilities</b>		
<b>(a) Non-Current</b>		
Security deposit for premises	229	229
<b>Total</b>	<b>229</b>	<b>229</b>
<b>(b) Current</b>		
Security deposit from dealers	310	514
Bonus and other payable to employees	207	225
Current portion of finance lease obligations (unsecured)	1,256	1,265
<b>Total</b>	<b>1,773</b>	<b>2,004</b>
<b>14 Provisions</b>		
Gratuity	-	6
Compensated absence	175	187
Provisions for contingencies (refer note below)	196	-
<b>Total</b>	<b>371</b>	<b>193</b>
<b>(a) Current</b>		
Gratuity (refer note 26)	-	6
Compensated absence	21	13
	<b>21</b>	<b>19</b>
<b>(b) Non-Current</b>		
Compensated absence	154	174
Provisions for contingencies (refer note below)	196	-
	<b>350</b>	<b>174</b>
<b>Total</b>	<b>371</b>	<b>193</b>
<b>Note: Movement in provisions for contingencies</b>		
<b>Balance as at the beginning of the year</b>	-	500
Provision made during the year	196	-
Paid during the year	-	(404)
Reversed during the Year	-	(96)
<b>Balance as at the end of the year</b>	<b>196</b>	<b>-</b>

Note : Provision for contingencies of Rs. 196 lakhs represents provision made against special additional duty refund rejected, which will be appealed by the Company at CESTAT (previous year - Nil)

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

as at 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2019	31 March 2018
<b>15 Other Non-Current Liabilities</b>		
Contract liabilities (refer note 32.3)	3,260	2,521
	<u>3,260</u>	<u>2,521</u>

**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).

## 16 Trade payables

Trade payables	54,449	77,309
	<u>54,449</u>	<u>77,309</u>

**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	4	6
(b) Amounts due but unpaid - Principal	1	3
(c) The amounts of payments made to micro and small suppliers beyond the appointed day during the	25	52
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	1	1
(e) Amount of interest accrued and unpaid*	-	-

\* The amount is below rounding off limit in lakhs

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

as at 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

	31 March 2019	31 March 2018
<b>17 Non-current tax assets</b>		
<b>Non-current tax assets</b>		
Advance tax paid (net of provision)	496	270
	<u>496</u>	<u>270</u>
<b>18 Other current liabilities</b>		
Contract liabilities (refer note 32.3)	4,702	2,531
Statutory dues (withholding taxes, PF, PT)	176	260
GST liability	-	2,423
	<u>4,878</u>	<u>5,214</u>

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

	Year ended 31 March 2019	Year ended 31 March 2018
<b>19 Revenue from operations</b>		
(a) Sale of products		
- Sale of vehicles	167,571	163,534
- Sale of spare parts and accessories	19,798	19,113
(b) Sale of services (includes composite supply)	637	140
(c) Other operating revenues (refer note below)	2,544	2,804
<b>Total</b>	<b>190,550</b>	<b>185,591</b>
<b>Note:</b> Other operating revenues pertains to services provided to group companies		
<b>20 Other income</b>		
Royalty income	173	111
Other non-operating income		
Liability no longer required written back (refer note 14)	-	96
Others (includes sublease, license income, interest income and recharge income)	668	674
<b>Total</b>	<b>841</b>	<b>881</b>

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

	Year ended 31 March 2019	Year ended 31 March 2018
<b>21 Employee benefit expense</b>		
Salaries	4,253	4,657
Contribution to provident and other funds	235	300
Staff welfare expenses	-	4
	<b>4,488</b>	<b>4,961</b>

Note : During the current year, Jaguar Land Rover Limited, the holding company, announced a voluntary redundancy programme applicable to all its group companies. Pursuant to the programme applicable to India, the Company, for identified employees, accounted for a cost of Rs. 159 lakhs under employee benefit expense.

## 22 Finance costs

Interest on obligations under finance leases	1,526	1,677
Interest on working capital (refer note below)	2,574	1,589
	<b>4,100</b>	<b>3,266</b>

In the previous year, the Company entered into an leasing arrangement with Tata Motors Limited (TML), the Ultimate Holding Company, for acquisition of certain assets of plant and equipment on finance lease as well as for assistance of working capital which would be arranged by TML for the production of vehicles for the Company. Interest cost on such working capital has been charged by TML at the intercorporate lending rate.

## 23 Other expenses

Power and fuel	54	61
Rent (refer note 29.1)	2,901	2,394
Repairs to building	80	27
Repairs to others	50	57
Insurance	140	194
Travelling and conveyance	510	920
Printing and stationery	45	15
Legal, professional and consultancy [net of reimbursement of expenses - Rs. 9 Lakhs (Previous year - Rs. 15 Lakhs)]	1,256	1,054
IT and communications [net of reimbursement of expenses - Rs. 96 Lakhs (Previous year - Rs. 85 Lakhs)]	525	860
Office running costs [net of reimbursement of expenses - Rs. 147 Lakhs (Previous year - Rs. 63 Lakhs)]	119	243
Marketing expenses	8,355	8,709
Homologation expenses	168	147
Training [net of reimbursement of expenses - Rs. 240 Lakhs (Previous year - Rs. 55 Lakhs)]	299	412
Auditors remuneration (refer note below)	32	27
Corporate social responsibility expenses	46	28
Others	63	534
<b>Total</b>	<b>14,643</b>	<b>15,682</b>

### Auditors remuneration :

a) Statutory audit	26	26
b) Taxation matters	5	-
c) Reimbursement of expenses	1	1
	<b>32</b>	<b>27</b>

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

	Year ended 31 March 2019	Year ended 31 March 2018
<b>24 Income taxes</b>		
<b>(a) Income taxes recognised in the Statement of Profit and Loss:</b>		
<b>Current tax</b>		
In respect of the previous years	-	(34)
	<u>-</u>	<u>(34)</u>
<b>Deferred tax</b>		
In respect of the current year	490	391
	<u>490</u>	<u>391</u>
<b>Total income tax expense/(benefit) recognised</b>	<u>490</u>	<u>357</u>
<b>(b) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
<b>(Loss) / Profit before tax</b>	(3,530)	27
Income tax expense/(credit) computed using statutory rate	(1,234)	10
Expenses not deductible for tax purposes	17	10
Effect of notional foreign exchange gain on currency translation on inventory, fixed assets and others	-	310
Effect of unrecognised tax losses and unabsorbed depreciation	1,649	-
Others	58	27
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<u>490</u>	<u>357</u>

# Jaguar Land Rover India Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

### 24 Income taxes (Continued)

#### Movement in deferred tax balances

	Net balance 1 April 2018	Recognised in Statement of Profit and Loss	Recognised in OCI	Net balance 31 March 2019
<b>Deferred tax liability</b>				
Property, plant and equipment	(36)	230	-	<b>194</b>
	<u>(36)</u>	<u>230</u>	<u>-</u>	<u><b>194</b></u>
<b>Deferred tax asset</b>				
Inventory, fixed assets and others	173	(76)	-	<b>97</b>
Provision for contingencies	-	69	-	<b>69</b>
Provision - employee benefits	70	(4)	(14)	<b>52</b>
Business loss and unabsorbed depreciation carried forward	243	(243)	-	-
Minimum Alternate Tax credit	1,448	(6)	-	<b>1,442</b>
	<u>1,934</u>	<u>(260)</u>	<u>(14)</u>	<u><b>1,660</b></u>
<b>Deferred tax asset (net)</b>	<u><b>1,970</b></u>	<u><b>(490)</b></u>	<u><b>(14)</b></u>	<u><b>1,466</b></u>

	Net balance 1 April 2017	Recognised in Statement of Profit and Loss	Recognised in OCI	Net balance 31 March 2018
<b>Deferred tax asset</b>				
Property, plant and equipment	146	(110)	-	36
Inventory, fixed assets and others	504	(331)	-	173
Provision for contingencies	173	(173)	-	-
Provision - employee benefits	12	53	5	70
Business loss and unabsorbed depreciation carried forward	-	243	-	243
Minimum Alternate Tax credit	1,521	(73)	-	1,448
	<u>2,356</u>	<u>(391)</u>	<u>5</u>	<u>1,970</u>
<b>Deferred tax asset (net)</b>	<u><b>2,356</b></u>	<u><b>(391)</b></u>	<u><b>5</b></u>	<u><b>1,970</b></u>

Deferred tax assets amounting to Rs. 2,012 lakhs (previous year: Rs. nil) have not been recognised in respect of business losses and unabsorbed depreciation as the recovery is not probable in the foreseeable future. Out of this, Rs. 178 lakhs (previous year: nil) can be carried forward indefinitely and Rs. 1,833 lakhs (previous year: nil) can be carried forward for a specified period of time.

Tax losses which can be carried forward for a specified period as on 31 March 2019 will expire as follows:

	Amount in Lakhs
Expire in FY 2026-2027	521
Expire in FY 2027-2028	1,313
	<u><b>1,834</b></u>

Year ended 31 March 2019	Year ended 31 March 2018
-----------------------------	-----------------------------

### 25 Earnings per Share

Loss after tax	Rs. lakhs	<b>(4,020)</b>	(330)
Weighted average number of equity Shares	No.	<b>280,250,000</b>	280,250,000
Nominal value per equity share	Rs.	<b>10</b>	10
Earnings per equity share (Basic)	Rs.	<b>(1.43)</b>	(0.12)
Earnings per equity share (Diluted)	Rs.	<b>(1.43)</b>	(0.12)

# Jaguar Land Rover India Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

### 26 Employee benefit plan

#### Defined benefit plan

The Company operates a defined benefit plan that provides for gratuity benefit to eligible employees governed by the Payment of Gratuity Act, 1972. The gratuity plan entitles an employee, who has rendered at least five years of continuous services, to receive:

- Up to 25 years of service - Half month's salary for each year of service
- Service between 25 and 30 years – 18 days' salary for each year in excess of 25 years
- Service above 30 years – 1 month's salary for each year in excess of 30years

Days considered per Month-

Workers - 26 Days

Supervisors and managers - 30 Days

The present value of defined benefit plan liability is calculated with reference to the future salaries and plan participants.

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

	31 Mar 2019	31 March 2018
Discount rate(s)	7.70%	7.70%
Expected rate(s) of salary increase	12%	12%
The mortality rates considered are as per Indian Assured Lives Mortality (2006-08) (Modified) Ultimate Tables.		
Expected rate of return on plan assets	7.70%	7.70%

Amounts recognised in Statement of Profit and Loss in respect of these defined benefits plans are as follows :

	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	70	59
Past service cost and (gain)/loss from settlements	-	5
Net interest cost / (income)	(1)	(3)
<b>Components of defined benefit costs recognised in the Statement of Profit and Loss</b>	<b>69</b>	<b>61</b>
Remeasurement on the net defined benefit liability :		
Actuarial (gains)/losses arising from changes in financial assumptions	-	48
Actuarial (gains)/losses arising from experience adjustments	(40)	(33)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(40)</b>	<b>15</b>
<b>Total</b>	<b>29</b>	<b>76</b>

The amount included in the balance sheet is as follows:

	31 Mar 2019	31 March 2018
Present value of funded defined benefit obligation	(344)	(298)
Fair value of plan assets	349	292
<b>Net asset / (liability)</b>	<b>5</b>	<b>(6)</b>

Movements in the present value of the defined benefit obligations are as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Opening defined benefit obligations	298	208
Current service cost	70	59
Interest cost	23	15
Remeasurement (gains)/losses :		
Actuarial (gains)/losses arising from changes in financial assumptions	-	48
Actuarial (gains)/losses arising from experience adjustments	(41)	(31)
Past service cost , including losses /(gains) on curtailment	-	5
Liabilities extinguished as settlements	(6)	(6)
<b>Closing defined benefit obligation</b>	<b>344</b>	<b>298</b>

# Jaguar Land Rover India Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

### 26 Employee benefit plan (Continued)

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

	Year ended 31 March 2019	Year ended 31 March 2018
Opening fair value of plan assets	292	219
Interest income	24	18
Remeasurement gains/(losses) :		
Return on plan assets (excluding amounts included in net interest expense)	(1)	2
Contribution from the employer	40	59
Assets distributed on settlements	(6)	(6)
<b>Closing fair value of plan assets</b>	<b>349</b>	<b>292</b>
<b>Value of assets by class</b>		
<b>Asset category:</b>		
Cash and cash equivalents	11.7%	6.5%
Debt instruments (quoted)	62.0%	65.2%
Debt instruments (unquoted)	-	0.9%
Equity instruments (quoted)	2.2%	1.9%
Deposits with insurance companies	24.1%	25.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

	Year ended 31 March 2019	Year ended 31 March 2018
<b>(a) Assumption sensitivity's</b>		
<b>Discount rate sensitivity</b>		
	<b>One percent decrease in discount rate</b>	
Change in defined benefit obligations	29	35
Change in gross service cost	7	8
Change in net interest cost	9	10
	<b>One percent increase in discount rate</b>	
Change in defined benefit obligations	(26)	(29)
Change in gross service cost	(6)	(7)
Change in net interest cost	(8)	(9)
<b>Salary decrease/increase sensitivity</b>		
	<b>One percent decrease in salary escalation rate</b>	
Change in defined benefit obligations	(24)	(28)
Change in gross service cost	(5)	(7)
Change in net interest cost	(8)	(9)
	<b>One percent increase in salary escalation rate</b>	
Change in defined benefit obligations	27	32
Change in gross service cost	6	8
Change in net interest cost	9	11

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) The estimated contribution expected to be paid is Rs. 38 lakhs (Previous year. Rs. 13 lakhs)
- (c) The assumptions of future salary increases, considered in actuarial valuation take 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 to Rs.148 lakhs (Previous year: Rs 143 lakhs) for the year ended 31 March 2019.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

### 27 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 flows.

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

	31 March 2019	31 March 2018
Long term maturities of finance lease obligations	10,340	11,596
Current portion of finance lease obligations (unsecured)	1,256	1,265
<b>Adjusted net debt</b>	<b>11,596</b>	<b>12,861</b>
Total equity as reported in the balance sheet	23,448	27,442
Less : Currency translation reserve	(2,461)	(2,461)
<b>Equity excluding currency translation reserve</b>	<b>25,909</b>	<b>29,903</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.45</b>	<b>0.43</b>

#### 27.1 Disclosure on financial instruments

This section gives an overview of the significant financial instruments of 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 2.20 to the financial statements.

#### 27.2 Categories of financial instruments

	31 March 2019	31 March 2018
<b>Financial assets</b>		
Measured at amortised cost		
(a) Cash and cash equivalents	15,552	78,126
(b) Trade receivables	1,619	2,342
(c) Other non-current financial assets	555	489
(d) Other current financial assets	5,801	3,932
<b>Total</b>	<b>23,527</b>	<b>84,889</b>
<b>Financial liabilities</b>		
Measured at amortised cost		
(a) Trade payables	54,449	77,309
(b) Non-current borrowings	10,340	11,596
(c) Other non-current financial liability	229	229
(d) Other current financial liability	1,773	2,004
<b>Total</b>	<b>66,791</b>	<b>91,138</b>

# Jaguar Land Rover India Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

### 27 Capital management (Continued)

#### 27.3 Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have significant impact on the income statement and equity, where any transaction is in 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 GBP against INR 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	31 March 2019	31 March 2018
Currency - GBP	1,052	1,716

  

Liabilities	31 March 2019	31 March 2018
Currency - GBP	17,618	29,563
Currency - EUR	7	-

As at 31 March 2019 and 31 March 2018 every 10% increase / decrease in exchange rates of the respective foreign currencies compared to functional currency of the company would result in increase / decrease in loss of the Company by approximately Rs. 1,657 lakhs and Rs. 2,785 lakhs.

#### 27.4 Credit risk

Credit risk is the risk of financial loss to the Company 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 trade receivables, other current and 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. 7,975 lakhs as of 31 March 2019, Rs. 6,763 lakhs as of 31 March 2018, being the total of the carrying amount of balances with trade receivables and other financial assets.

Credit risk of the Company on cash and cash equivalents is limited as the same consists of balance with banks with high credit ratings assigned by international and domestic credit rating agencies.

#### 27.5 Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. 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
<b>31 March 2019</b>						
(a) Trade payables	54,449	54,449	-	-	-	54,449
(b) Non-current borrowings	10,340	-	1,246	9,095	-	10,340
(c) Other non-current financial liability	229	-	-	229	-	229
(d) Other current financial liability	1,773	1,773	-	-	-	1,773
<b>31 March 2018</b>						
(a) Trade payables	77,309	77,309	-	-	-	77,309
(b) Non-current borrowings	11,596	-	1,256	3,701	6,639	11,596
(c) Other non-current financial liability	229	-	-	229	-	229
(d) Other current financial liability	2,004	2,004	-	-	-	2,004

# Jaguar Land Rover India Limited

## **Notes to the financial statements** *(Continued)* *for the year ended 31 March 2019*

All amounts are in Rs. lakhs unless otherwise stated

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

### 28 Related party transactions

Name of the Company / Key	Nature of relationship
Tata Motors Limited	Ultimate Holding Company
Jaguar Land Rover Limited	Holding Company
Tata Sons Limited	Investor holding significant influence in ultimate holding company
Concorde Motors (India) Limited	Fellow Subsidiary
Tata Technologies Limited	Fellow Subsidiary
Tata AIG General Insurance Company	Subsidiary of Tata sons
Tata Business Support Services Limited	Subsidiary of Tata sons
Tata Capital Forex Limited (ceased w.e.f. 30.10.2017)	Subsidiary of Tata sons
Tata Consultancy Services Limited	Subsidiary of Tata sons
Spark44 GmbH (Frankfurt)	Fellow Subsidiary (Associate till 31 August 2017)
Spark44 Demand Creation Partners Pte Ltd (Mumbai)	Fellow Subsidiary (Associate till 31 August 2017)
Tata Teleservices Limited	Joint Venture (JV) of Tata sons

### Key Management Personnel (KMP)

Mr. Rohit Suri	Managing Director
Mr. Sandeep Shenoy	Chief Financial Officer (Upto 31 May 2017)
Ms. Neha Dave	Director (effective 22 March 2018) and Chief Financial Officer (Effective 31 August 2017 till 26 October 2018)
Ms. Amita Karia	Director (effective from 30 October 2018) and Chief Financial Officer (Effective 30 October 2018)
Mr. Anil Sinha	Director (till 27 September 2018)
Mr. Mani Raman	Director (till 22 March 2018)
Mr. Rajiv Gupta	Director (effective 22 March 2018)
Mr. Govind Patil	Director (effective 22 March 2018)
Ms. Binita Khory	Company Secretary

# Jaguar Land Rover India Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

### 28 Related party transactions (Continued)

#### Transactions with related parties

		Key Management Personnel	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Associates	Subsidiaries and JV of Tata sons
Services received	Current year	-	1,988	-	140	-	749
	Previous year	-	2,023	-	220	164	782
Services rendered	Current year	-	54	2,505	-	-	-
	Previous year	-	436	2,664	-	-	-
Reimbursement of expenses	Current year	-	-	719	-	-	-
	Previous year	-	-	479	-	-	-
Expenses incurred on behalf of the Company	Current year	-	269	541	-	-	-
	Previous year	-	627	1,153	-	-	-
Warranty reimbursement	Current year	-	-	3,781	-	-	-
	Previous year	-	-	3,315	-	-	-
Purchase of fixed assets - vehicles	Current year	-	-	-	337	-	-
	Previous year	-	-	-	43	-	-
Purchase of vehicles	Current year	-	185,416	27,861	-	-	-
	Previous year	-	132,958	25,026	-	-	-
Purchase of spare parts and accessories	Current year	-	-	13,323	-	-	-
	Previous year	-	-	11,387	-	-	-
Purchase of custom licenses	Current year	-	2,309	-	-	-	-
	Previous year	-	1,931	-	-	-	-
Assets acquired under finance lease	Current year	-	-	-	-	-	-
	Previous year	-	14,134	-	-	-	-
Payment of finance lease obligation (including interest)	Current year	-	2,791	-	-	-	-
	Previous year	-	2,950	-	-	-	-
Interest on working capital	Current year	-	2,574	-	-	-	-
	Previous year	-	1,589	-	-	-	-
Remuneration paid to KMP (refer note below)	Current year	366	-	-	-	-	-
	Previous year	230	-	-	-	-	-
<b>The following balances were outstanding at the end of the year</b>							
Amount receivable	31 March 2019	-	465	6,838	-	-	-
	31 March 2018	-	782	5,339	-	-	-
Amount payable	31 March 2019	-	30,703	17,618	42	-	61
	31 March 2018	-	42,139	29,354	23	-	116

**Note** - Excludes provision for encashable compensated absences and gratuity for key management personnel as the related actuarial valuations are carried out for employee population as a whole.

# Jaguar Land Rover India Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

### 29 Lease arrangements

#### 29.1 Payments recognised as expense

The Company has taken office premises on operating lease. Lease arrangement for the premises has been entered up to maximum of 5 years.

	Year ended 31 March 2019	Year ended 31 March 2018
Lease payments recognised in the Statement of Profit and Loss under note 23	2,901	2,394
	<u>2,901</u>	<u>2,394</u>

#### 29.2 Non-cancellable operating lease commitments

	31 March 2019	31 March 2018
Not later than 1 year	203	203
Later than 1 year and not later than 5 years	127	329
Later than 5 years	-	-
	<u>330</u>	<u>532</u>

#### 29.3 Receipts recognised as an income

Company has sub-leased one of its premises.

	Year ended 31 March 2019	Year ended 31 March 2018
Sub-lease income recognised in the Statement of Profit and Loss under note 20	457	457
	<u>457</u>	<u>457</u>

#### 29.4 Finance lease obligations

Finance lease obligations are payable as follows:

	31 March 2019			31 March 2018		
	Future minimum lease payments (MLP)	Interest element of MLP	Present value of MLP	Future minimum lease payments (MLP)	Interest element of MLP	Present value of MLP
Less than one year	2,631	1,375	1,256	2,791	1,526	1,265
Between one and five years	14,365	4,025	10,340	9,570	4,614	4,956
More than five years	-	-	-	7,427	787	6,640
	<u>16,996</u>	<u>5,400</u>	<u>11,596</u>	<u>19,788</u>	<u>6,927</u>	<u>12,861</u>
Current			1,256			1,265
Non current			10,340			11,596

### 30 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. 187,369 (FY 2017-18 Rs. 182,647) (see note 19) are revenues of approximately Rs. 34,598 (Previous year: Rs. 35,913) which arose from sales to the Company's largest customer, exceeding 10% of aforesaid revenue from operations. No other customer contributed 10% or more to the Company's revenue for FY 2018-19.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

### 31 Contingent liabilities

	31 March 2019	31 March 2018
Claims against the Company not acknowledged as debts	800	802
	<u>800</u>	<u>802</u>

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. 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. 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 31 March 2019 of Rs. 800 lakhs (Previous year: Rs. 802 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.

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively.

Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, towards subcontractors engaged by it, is not ascertainable reliably and consequently no financial effect has been provided for in the financial statements. None of the employees of the Company are additionally covered as per the clarifications of the SC and accordingly the Company has not made any provision on a prospective basis, from the date of the SC order.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

All amounts are in Rs. lakhs unless otherwise stated

### 32 Revenue from contracts with customers

#### 32.1 Revenue from operations

The Company generates revenue primarily from the sale of vehicles, spare parts and accessories and sale of services as per details provided in Note 19 to the financial statements.

#### 32.2 Disaggregation of revenue

Considering the nature, amount, timing and uncertainty of revenue and cash flows, the Company determines that its revenue from operations would fall in single category as per the requirements of Ind AS 115. Further, refer Note 30 on Segment reporting, where the Company has disclosed that for the purposes of Ind AS 108, its operations constitute single operating segment.

#### 32.3 Details of contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	<b>Year ended 31 March 2019</b>
Receivables	-
Contract assets	-
Contract liabilities	<b>7,962</b>
<b>Contract liabilities comprises -</b>	
Advance received from customers (current)	<b>3,633</b>
Deferred revenue arising from service plans (non-current)	<b>3,260</b>
Deferred revenue arising from service plans (current)	<b>1,069</b>
<b>Total</b>	<b><u>7,962</u></b>

The contract liabilities primarily relate to the advance consideration received from customers. Revenue is recognized from the contract liability amounts as and when goods are supplied or services are delivered and related performance obligations satisfied. The unused credit or balance is deferred until used by the customer or expired.

Significant changes in the contract liabilities balances during the year ended 31 March 2019 as follows:

#### Contract liabilities

Contract liabilities at the beginning of the reporting period	<b>5,043</b>
Revenue recognised that was included in the contract	<b>637</b>
Other changes	<b>2,282</b>
Contract liabilities at the end of the reporting period	<b><u>7,962</u></b>

#### 32.3 Performance obligations

The Company satisfies its performance obligations pertaining to the sale of product at point in time when the control of goods is actually transferred to the transporter. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract and does not contain any financing component. The payment is generally received in advance.

Performance obligations in respect of amount received in respect of future maintenance service will be fulfilled over a period of 5 years.

There are no other significant obligations attached in the contract with customer.

#### 32.4 Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognised till period end.

#### 32.5 Significant judgements in the application of this Standard

There are no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, in determining the transaction price and allocation of transaction price to the performance obligations.

#### 32.6 Cost to obtain contract or fulfil a contract

There are no costs incurred for obtaining or fulfilling a contract and there are no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

# Jaguar Land Rover India Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2019

All amounts are in Rs lakhs unless otherwise stated

### 32 Revenue from contracts with customers (Continued)

#### 32.7 Previous year figures reclassified to conform to Ind AS - 115

Account head transferred from	Account head transferred to	Amount
Purchase of products for sale	Revenue from operations	1,214
Revenue from operations	Other income	111

### 33 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Company has identified areas including activities for promoting programs that benefit the communities in and around the Company's work centre and further results in enhancing the quality of life and economic well being of the local populace, express commitment to the social development through responsible business practices and good governance, engage with state and its agencies in pursuing the development agenda for sustainable change for its CSR activities. These areas will be pursued in phases and in a manner aligned with the CSR rules and regulations. The funds have been contributed to trusts/organisations involved in the above activities and will be utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The gross amount required to be spent by the Company on CSR activities is Rs 45 lakhs (previous year - Rs. 28 lakhs). The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs. 46 lakhs (previous year Rs. 5 Lakhs).

#### Amount spent during the year on:

Particulars	31 March 2019			31 March 2018		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
(i) Construction/acquisition of any assets	-	-	-	-	-	-
(ii) CSR Programs	-	-	-	-	-	-
(iii) Other expenses allowed under CSR	46	-	-	5	23	28
<b>Total</b>	<b>46</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>23</b>	<b>28</b>

### 34 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The Company is required to update and put in place the information latest by the due date of filing its income tax return (30 November 2019). The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

### 35 Subsequent events

The Company has evaluated all events and transactions that occurred after 31 March 2019 till the date of issue of these financial statements. During this period, the Company did not have any material recognisable subsequent event.

### 36 Previous year figures

Previous year figures have been regrouped or reclassified to conform to current year's classification/ disclosure and related changes in the Cash Flow Statement have been made as under:

Account head transferred from	Account head transferred to	Amount
Purchase of products for sale	Finance cost	1,589
Other current assets	Trade receivables	7
Trade payables	Other current financial assets	3,623
Other current assets	Other current financial assets	30

37 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

# Jaguar Land Rover India Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

### All amounts are in Rs lakhs unless otherwise stated

- 38** As per the Ministry of Corporate Affairs notification dated 13 July 2017, a company covered under Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 is required to have an Audit Committee. The Company being excluded by the Rule 4(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 is not required to have an Audit Committee being a wholly owned subsidiary. Pursuant to the amendment, the Board in its meeting dated 19 June 2018 resolved to dissolve the Audit Committee of the Company effective 19 June 2018.

As per our report of even date attached.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of  
Jaguar Land Rover India Limited**

**Rajiv Shah**

*Partner*

Membership No: 112878

Mumbai

26 June 2019

**Rohit Suri**

*Managing Director*

DIN - 03394169

**Rajiv Gupta**

*Director*

DIN - 08090363

**Binita Khory**

*Company Secretary*

Membership No: A24829

**Amita Karia**

*Director and Chief Financial Officer*

DIN - 08266802

Membership No: 100580