



Jaguar Land Rover India Limited

Financial statements

Year ended March 31, 2016

Registered In India
Company number: U34200MH2012FLC237194

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF JAGUAR LAND ROVER INDIA LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of JAGUAR LAND ROVER INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 25 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Saira Nainar
Partner
(Membership No. 40081)

MUMBAI, May 28, 2016

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**ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT
(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

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

We have audited the internal financial controls over financial reporting of JAGUAR LAND ROVER INDIA LIMITED (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Saira Nainar
Partner
(Membership No. 40081)

MUMBAI, May 28, 2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the the Order is not applicable.
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- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
 - (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
 - (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
 - (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and the provisions of Sections 73 to 76 of the Act are not applicable and hence reporting under clause 3(v) of the Order is also not applicable
 - (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
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- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2016 on account of disputes.
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- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
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- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

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- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Saira Nainar
Partner
(Membership No. 40081)

MUMBAI, May 28, 2016

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Balance Sheet as at March 31, 2016

(In INR Lacs)

	Note	As at March 31, 2016	As at March 31, 2015
I EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share capital	2	28,025.00	28,025.00
(b) Reserves and surplus	3	(6,304.24)	(4,176.50)
		<u>21,720.76</u>	<u>23,848.50</u>
2. NON-CURRENT LIABILITIES			
Long-term provisions	4	108.24	29.84
		<u>108.24</u>	<u>29.84</u>
3. CURRENT LIABILITIES			
(a) Trade payables	5		
- Total outstanding dues of micro enterprises and small enterprises		7.37	0.14
- Total outstanding dues of creditors other than micro enterprises and small enterprises.		16,468.35	11,797.01
(b) Other current liabilities	6	14,453.16	13,609.82
(c) Short-term provisions	7	506.17	5.12
		<u>31,435.05</u>	<u>25,412.09</u>
TOTAL		<u>53,264.05</u>	<u>49,290.43</u>
II ASSETS			
1. NON-CURRENT ASSETS			
(a) Fixed assets			
Tangible assets	8	2,420.84	2,386.24
(b) Deferred tax asset	9	-	-
(c) Long-term loans and advances	10	108.38	7.70
		<u>2,529.22</u>	<u>2,393.94</u>
2. CURRENT ASSETS			
(a) Inventories	11	14,378.78	15,540.22
(b) Trade receivables	12	10,966.54	4,404.31
(c) Cash and cash equivalents	13	22,450.00	21,038.78
(d) Short-term loans and advances	14	2,798.76	3,552.71
(e) Other current assets	15	140.75	2,360.47
		<u>50,734.83</u>	<u>46,896.49</u>
TOTAL		<u>53,264.05</u>	<u>49,290.43</u>

III NOTES FORMING PART OF THE FINANCIAL STATEMENTS

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Saira Nainar
SAIRA NAINAR
Partner
Mumbai, May 28, 2016

PHIL HODGKINSON - 06369875

Phil Hodgkinson

DMITRY KOLCHANOV - 06949664

Dmitry Kolchanov

Directors

Coventry, United Kingdom, May 27, 2016

Bhakti Zore

BHAKTI ZORE
Company Secretary

Sandeep Shenoy

SANDEEP SHENOY
Manager and Chief Financial Officer
Mumbai, May 27, 2016



Statement of Profit and Loss for the year ended March 31, 2016

(in INR Lacs)

	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
I. REVENUE FROM OPERATIONS	16	163,086.88	41,594.63
Less: Excise duty		(1,961.20)	(420.38)
		<u>161,125.68</u>	<u>41,174.25</u>
II. OTHER INCOME	17	323.62	315.86
III. TOTAL REVENUE		<u>161,449.30</u>	<u>41,490.11</u>
IV. EXPENSES :			
(a) Purchase of stock-in-trade	18	139,308.99	51,428.48
(b) Change in inventories of stock-in-trade	19	1,161.44	(15,540.22)
(c) Employee benefits expense	20	6,181.99	2,484.80
(d) Depreciation	8	548.64	221.16
(e) Product development expenses / engineering expenses		10.37	235.23
(f) Other expenses	21	16,365.61	5,156.98
TOTAL EXPENSES		<u>163,577.04</u>	<u>43,986.43</u>
V. LOSS BEFORE TAX		(2,127.74)	(2,496.32)
VI. Tax expense	9	-	-
VII. LOSS AFTER TAX FOR THE YEAR		<u>(2,127.74)</u>	<u>(2,496.32)</u>
VIII. EARNINGS PER SHARE (face value of INR 10 each)	23		
A. Ordinary shares			
a. Basic (INR)		(0.76)	(2.67)
b. Diluted (INR)		(0.76)	(2.67)

IX. NOTES FORMING PART OF THE FINANCIAL STATEMENTS

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS LLP
 Chartered Accountants

PHIL HODGKINSON - 06369875

Saira Nainar

Phil Hodgkinson

SAIRA NAINAR
 Partner
 Mumbai, May 28, 2016

DMITRY KOLCHANOV - 06949664

Dmitry Kolchanov

Directors

Coventry, United Kingdom, May 27, 2016

Bhakti Zore

BHAKTI ZORE
 Company Secretary

Sandeep Shenoy

SANDEEP SHENOY
 Manager and Chief Financial Officer
 Mumbai, May 27, 2016



Cash Flow Statement for the year ended March 31, 2016

(in INR Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
I. Cash flow from operating activities		
Loss after tax	(2,127.74)	(2,496.32)
Adjustment for:		
Depreciation	548.64	221.16
Loss on sale of assets	0.67	-
Unrealised foreign exchange loss / (gain)	30.62	(251.51)
Operating loss before working capital changes	(1,547.81)	(2,526.67)
Adjustments for changes in working capital:		
Inventories	1,161.44	(15,540.22)
Trade receivables	(6,562.23)	(3,180.25)
Long-term and short-term loans and advances	668.41	(3,517.19)
Other current and non-current assets	2,219.72	(3,112.34)
Trade payables	4,647.95	22,278.77
Other current liabilities	1,191.56	2,720.58
Long-term and short-term provisions	579.45	32.55
	3,906.30	(318.10)
Cash generated from / (used in) operations	2,358.49	(2,844.77)
Income taxes paid (net)	(15.14)	(21.50)
Net cash flow from / (used in) operating activities (A)	2,343.35	(2,866.27)
II. Cash flow from investing activities		
Purchase of fixed assets	(934.44)	(2,046.24)
Sale of fixed assets	2.31	-
Net cash used in investing activities (B)	(932.13)	(2,046.24)
III. Cash flow from financing activities		
Proceeds from issue of ordinary shares	-	23,900.00
Net cash from financing activities (C)	-	23,900.00
Net increase in cash and cash equivalents (A + B + C)	1,411.22	18,987.49
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as at beginning of the year	21,038.78	2,051.29
Cash and cash equivalents as at end of the year	22,450.00	21,038.78
Movement in cash and cash equivalents during the year	1,411.22	18,987.49

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Saira Nainar

SAIRA NAINAR
Partner
Mumbai, May 28, 2016

PHIL HODGKINSON 06369876

Phil Hodgkinson
DMITRY KOLCHANOV 06949664

Directors

Coventry, United Kingdom, May 27, 2016

Bhakti Zore

BHAKTI ZORE
Company Secretary

Sandeep Sheno

SANDEEP SHENOY
Manager and Chief Financial Officer
Mumbai, May 27, 2016



Notes forming part of the financial statements

1. Significant accounting policies

A Background

Jaguar Land Rover India Limited ("the Company") was incorporated in India on October 25, 2012 in accordance with the requirements of the Indian Companies Act, 1956 (No. 1 of 1956) and granted its Certificate of Business Commencement on January 14, 2013.

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

B Significant accounting policies

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on an accrual basis under the historical cost convention with a Going Concern assumption. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future years.

(c) Inventories

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

(d) Cash and cash equivalents (for purposes of the cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(e) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the information available.

(f) Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to dealers. Sales include excise duty but exclude sales tax and value added tax.

Sale of services

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

Other income

Interest income is accounted for on accrual basis.



Notes forming part of the financial statements (continued)

1. Significant accounting policies (continued)

(g) Fixed assets

- (i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortization.
- (ii) The product development cost incurred on new vehicle platform, engines, transmission and new products are recognised as fixed assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that the asset will generate future benefits.
- (iii) Cost includes purchase price, taxes and duties, labour cost and directly attributable costs for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use. Borrowing cost incurred for qualifying assets is capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. The cost of acquisition is further adjusted for exchange differences relating to long term foreign currency borrowings attributable to the acquisition of the depreciable asset.
- (iv) Items of a fixed asset nature where the cost does not exceed INR 300,000 and / or will be used for less than one year and product development costs relating to minor product enhancements, facelifts and upgrades are charged to the statement of profit and loss as and when incurred.

(h) Depreciation and amortisation

- (i) Depreciation amount for assets is the cost of the asset, or other amount substituted for cost, less its estimated residual value.
- (ii) Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:
 - Vehicles - 4 years
 - Jaguar Land Rover vehicles - 4 years with 25% residual value
 - Other vehicles - 4 years with 5% residual value
 - Plant and machinery - 7.5 years
 - Furniture and fixtures - 5 to 10 years
- (iii) Intangible assets are amortised over their estimated useful life on straight line method.
- (iv) Assets costing INR 300,000 or less and / or will be used for less than one year are fully expensed out in the year of purchase.

(i) Leases

(i) Finance lease

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

(ii) Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis over the lease term.



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Notes forming part of the financial statements (continued)

1. Significant accounting policies (continued)

(j) Foreign currency transactions and translations

(i) Exchange differences

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the statement of profit and loss. The unamortised exchange difference is carried under reserves and surplus as "foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

(k) Employee benefits

(i) Gratuity

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

(ii) 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 Provident Fund under the law is paid to the provident fund set up by Tata Motors Limited / the Regional Provident Fund Commissioner and pension contributions are 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 that the payment covers.

(iii) Compensated absences

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

(l) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such assets are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.



DJ

Notes forming part of the financial statements (continued)

1. Significant accounting policies (continued)

(m) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves, are recognised in reserves and not in the statement of profit and loss.

(n) Business segments

The Company is engaged mainly in the business of automobile products consisting of all types of passenger vehicles. These, in the context of Accounting Standard 17 on Segment Reporting, as prescribed under Section 133 of the Companies Act, 2013 are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical Segment.

(o) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision for Contingencies represents a best estimate of the probable costs expected to materialise in respect of Customer (Dealer) claims disputed by the company. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

(p) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

(q) 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.

DJ



Notes forming part of the financial statements (continued)

(in INR Lacs)

2. Share capital

	As at March 31, 2016	As at March 31, 2015
(a) Authorised:		
500,000,000 (P.Y. 500,000,000) Ordinary shares of INR 10 each	50,000.00	50,000.00
	<u>50,000.00</u>	<u>50,000.00</u>

(b) Issued, subscribed and fully paid up:

280,250,000 (P.Y. 280,250,000) Ordinary shares of INR 10 each	28,025.00	28,025.00
	<u>28,025.00</u>	<u>28,025.00</u>

(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

	2015-16		2014-15	
	No. of Shares	INR Lacs	No. of Shares	INR Lacs
Ordinary shares:				
Shares as at the beginning of the year	280,250,000	28,025.00	41,250,000	4,125.00
Add: Shares issued during the year	-	-	239,000,000	23,900.00
Shares as at the end of the year	<u>280,250,000</u>	<u>28,025.00</u>	<u>280,250,000</u>	<u>28,025.00</u>

(d) Rights attached to equity shares:

The holders of ordinary shares, according to the number of shares held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company and other matters.

(e) Number of shares held by each shareholder holding more than 5 percent of the issued share capital:

	As at March 31, 2016		As at March 31, 2015	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
(i) Ordinary shares:				
Jaguar Land Rover Limited, the parent company*	280,250,000	100.00%	280,250,000	100.00%

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

*Jaguar Land Rover Limited is registered in the United Kingdom.

3. Reserves and surplus

Deficit in statement of profit and loss

(a) Opening balance	(4,176.50)	(1,680.18)
(b) Add: Loss for the year	(2,127.74)	(2,496.32)
(c) Closing balance	<u>(6,304.24)</u>	<u>(4,176.50)</u>

DJ



Notes forming part of the financial statements (continued)

(in INR Lacs)

	As at March 31, 2016	As at March 31, 2015
4. Long-term provision		
Provision for employee benefits (refer note 22)		
Provision for compensated absences	108.24	29.84
Total	108.24	29.84
5. Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises [refer note (i) below]	7.37	0.14
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises [refer note (ii) below]	16,468.35	11,797.01
Total	16,475.72	11,797.15
Note:		
Details of dues to Micro, Small and Medium Enterprise as defined under MSMED Act, 2006:		
(i) 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	-	0.14
(b) Amounts due but unpaid - Principal	7.33	-
(c) Amounts paid after appointed date during the year - Principal	-	-
(d) Amount of interest accrued and unpaid - Interest	0.04	-
Total	7.37	0.14
(ii) Other payables include amounts payable to related parties as shown below:		
Tata Motors Limited	10,698.53	6,425.32
Jaguar Land Rover Limited	3,872.46	5,361.03
Tata Technologies Limited	54.34	-
Spark44 GMBH (Frankfurt)	3.62	-
Spark 44 Demand Creation Partners Private Limited (refer note 27)	48.22	-
6. Other current liabilities		
(a) Statutory remittances (withholding taxes, VAT, CST, Service Tax)	1,765.16	1,911.58
(b) Liability for capital expenditure	-	348.22
(c) Advances from Customers (Dealers)	1,247.45	770.28
(d) Other (refer note below)	11,440.55	10,579.74
Total	14,453.16	13,609.82
Note:		
Other includes amounts payable to related parties as shown below:		
Tata Motors Limited	3,043.55	942.17
Jaguar Land Rover Limited	-	-
Tata Technologies Limited	40.46	-
Concorde Motors (India) Limited	0.27	-
Spark44 GMBH (Frankfurt)	1.30	-
Spark 44 Demand Creation Partners Private Limited (refer note 27)	1.87	-
7. Short-term provisions		
Provision for employee benefits (refer note 22)		
(a) Provision for Gratuity	-	2.88
(b) Provision for compensated absences	6.17	2.24
Other provisions (refer note 29)		
Provisions for Contingencies (refer note below)	500.00	-
Total	506.17	5.12
Note		
Opening balance	-	-
Add: Additions / (utilisation) during the year	500.00	-
Closing balance	500.00	-



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Notes forming part of the financial statements (continued)

8. Fixed assets

Particulars	Gross Block			Depreciation / Amortisation		Net Block		
	As at April 1, 2015	Additions during the year	Disposals during the year	As at April 1, 2015	For the year	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets								
(a) Plant and machinery	457.41 (-)	39.39 (457.41)	- (-)	17.05 (-)	85.10 (17.05)	102.15 (17.05)	394.65 (440.36)	440.36 (-)
(b) Furniture and fixtures	1,273.60 (-)	39.94 (1,273.60)	- (-)	101.40 (-)	210.19 (101.40)	311.59 (101.40)	1,001.95 (1,172.20)	1,172.20 (-)
(c) Vehicles	641.70 (223.41)	484.16 (418.29)	5.11 (-)	80.57 (10.47)	169.32 (70.10)	247.76 (80.57)	872.99 (561.13)	561.13 (212.94)
(d) Computers	245.16 (-)	22.73 (245.16)	- (-)	32.61 (-)	84.03 (32.61)	116.64 (32.61)	151.25 (212.55)	212.55 (-)
Total	2,617.87 (223.41)	586.22 (2,394.46)	5.11 (-)	231.63 (10.47)	548.64 (221.16)	778.14 (231.63)	2,420.84 (2,386.24)	2,386.24 (212.94)

Figures in brackets are in respect of the previous year.



Notes forming part of the financial statements (continued)

9. Deferred tax asset

- (a) The Company has made losses during the year. There is no provision for current tax for the current year.
(b) The Company has not recognised deferred tax assets on unabsorbed depreciation and carry forward of losses in the absence of virtual certainty that there will be sufficient future taxable income available to realise such assets.

(In INR Lacs)

	As at March 31, 2016	As at March 31, 2015
10. Long-term loans and advances		
Unsecured, considered good		
Security deposits	108.38	7.70
Total	108.38	7.70
11. Inventories		
(a) Stock-in-trade:		
(i) Vehicles	9,425.93	10,763.83
(ii) Spare parts and accessories	3,980.55	3,023.57
(b) Goods in Transit:		
(i) Vehicles	211.41	1,169.02
(ii) Spare parts and accessories	760.89	583.80
Total	14,378.78	15,540.22
12. Trade receivables		
(a) Due over Six Months		
Considered good (unsecured)	-	-
Considered doubtful	-	-
Less: Provision for doubtful trade receivable	-	-
(b) Others		
Considered good (secured - through Bank guarantee)	700.00	-
Considered good (unsecured)	10,266.54	4,404.31
Considered doubtful	10,966.54	4,404.31
Less: Provision for doubtful trade receivables	-	-
Total	10,966.54	4,404.31
Note:		
Others include amounts receivable from related parties as shown below:		
Tata Motors Limited	938.49	160.95
Jaguar Land Rover Limited (refer note 27)	5,340.26	1,063.11
13. Cash and cash equivalents		
(a) Cash on hand	0.49	0.52
(b) Balances with banks in current accounts	22,449.51	21,038.26
Total	22,450.00	21,038.78
14. Short-term loans and advances		
Unsecured, considered good		
(a) Security deposit	-	100.00
(b) Advances to employees	8.10	10.21
(c) Prepaid expenses	70.12	68.75
(d) Balances with government authorities:		
(i) CENVAT credit receivable	148.10	524.00
(ii) VAT credit receivable	260.28	2,553.14
(iii) Service Tax credit receivable	240.40	21.21
(iv) Refund receivable from Sales tax authorities	833.50	-
(v) Deposits with Customs	183.35	37.58
(vi) Special Additional Custom Duty receivable	835.54	194.60
(vii) Custom duty receivable	161.01	-
(e) Advance tax - TDS receivable	58.36	43.22
Total	2,798.76	3,552.71
15. Other current assets		
Unsecured, considered good		
(a) Advances paid to:		
(i) Vendors (Refer note below)	54.79	174.28
(ii) Customers (Dealers)	-	2,054.06
(b) Other current assets	85.96	132.13
Total	140.75	2,360.47
Note:		
Advance to vendors includes advance to a related party as below:		
Concorde Motors (India) Limited (refer note 27)	0.89	0.15



DJ

Notes forming part of the financial statements (continued)

(in INR Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
16. Revenue from operations		
(a) Sale of Vehicles	143,543.24	36,111.33
(b) Sale of Spare parts and Accessories	13,493.37	2,906.04
(c) Sale of Services	1,828.32	343.40
(d) Other operating revenues :		
(i) Services provided to Group Companies	3,520.82	2,094.95
(ii) Referral income	528.60	126.63
(iii) Royalty income	172.53	12.28
Total	163,086.88	41,594.63
17. Other income		
(a) Interest on Fixed Deposits with Bank	-	63.02
(b) Interest on Delayed payments by Dealers	271.58	-
(c) Foreign Exchange Gain	-	252.17
(d) Others	52.04	0.67
Total	323.62	315.86
Note: Others includes liability no longer required written back INR 51.94 Lacs (P.Y. Nil)		
18. Purchase of stock-in-trade		
(a) Vehicles (refer note 28)	128,485.38	45,277.83
(b) Spare parts and accessories (refer note 28)	10,823.61	6,150.65
Total	139,308.99	51,428.48
19. Changes in inventories of stock-in-trade		
Opening stock		
(a) Vehicles	11,932.85	-
(b) Spare parts and accessories	3,607.37	-
Closing stock		
(a) Vehicles	9,637.34	11,932.85
(b) Spare parts and accessories	4,741.44	3,607.37
Total	1,161.44	(15,540.22)
20. Employee benefits expense		
(a) Salaries, wages, bonus and other costs	5,726.87	2,400.52
(b) Contribution to provident and other funds	343.79	60.21
(c) Staff Welfare	111.33	24.07
Total	6,181.99	2,484.80
21. Other expenses		
(a) Power and fuel	71.92	19.13
(b) Rent	1,954.43	603.89
(c) Repairs to building	14.39	25.05
(d) Repairs to others	78.48	6.05
(e) Insurance	213.88	61.53
(f) Travelling and conveyance	1,026.61	503.74
(g) Printing and stationery	57.09	25.44
(h) Legal, Professional and Consultancy [Net of reimbursement of expenses - INR 76.72 Lacs (PY 279.78 Lacs)]	1,383.22	714.47
(i) IT and communications [Net of reimbursement of expenses - INR 396.82 Lacs (PY - Nil)]	444.32	84.79
(j) Office running costs	209.61	117.87
(k) Business promotion	29.29	72.90
(l) Marketing expenses	9,204.69	2,833.12
(m) Stamp duty on shares issued	-	23.90
(n) Wealth tax	-	4.21
(o) Foreign Exchange Loss	364.66	-
(p) Training	376.81	11.58
(q) Provision for contingencies (refer note 29)	500.00	-
(r) Others	436.21	49.31
Total	16,365.61	5,156.98
Payments/Provisions to the auditors (net of service tax) included in Others includes:		
For Statutory Audit	20.00	5.25
For Taxation matters	8.50	2.50
Out of Pocket Expenses	0.03	-
	28.53	7.75

DJ



Notes forming part of the financial statements (continued)

22. Defined benefit plan and compensated absences - as per actuarial valuations as on March 31, 2016

S. No.	Particulars	<u>Gratuity</u>		<u>Compensated absences</u>	
		<u>For the year ended</u>		<u>For the year ended</u>	
		<u>March 31, 2016</u>	<u>March 31, 2015</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
I	Component of employer expenses				
	Current service cost	16.56	3.29	0.23	0.23
	Interest cost	5.33	1.39	2.57	0.55
	Expected return on plan assets	(5.10)	(1.20)	-	-
	Actuarial (gains) / losses	100.85	(0.60)	79.53	7.27
	Total expenses recognised in the statement of profit and loss	117.64	2.88	82.33	8.05
II	Actual Contribution and benefit payments				
	Actual benefit payments	-	-	-	-
	Actual contribution	124.17	63.29	-	-
III	Net liability recognised in balance sheet				
	Present value of defined benefit obligation	191.96	66.62	114.41	32.08
	Fair value of plan assets	195.61	63.74	NA	NA
	Net asset / (liability) recognised in the balance sheet	3.65	(2.88)	(114.41)	(32.08)
IV	Change in defined benefit obligations (DBO)				
	Present value of DBO at the beginning of the year	66.62	-	32.08	-
	Current service cost	16.56	3.29	0.23	0.23
	Acquisitions / Transfer in	64.07	60.41	-	24.03
	Interest cost	5.33	1.39	2.57	0.55
	Actuarial (gains) / losses	39.38	1.53	79.53	7.27
	Benefits paid	-	-	-	-
	Present Value of DBO	191.96	66.62	114.41	32.08
V	Change in fair value of assets				
	Fair value of plan assets at beginning of year	63.74	-	NA	NA
	Acquisition adjustment	-	60.41	NA	NA
	Expected return on plan assets	2.60	1.20	NA	NA
	Actual company contributions	124.17	-	NA	NA
	Actuarial gain / (loss)	5.10	2.13	NA	NA
	Benefits payment	-	-	NA	NA
	Fair value of plan assets at the end of the year	195.61	63.74	NA	NA
VI	Actuarial Assumptions				
	Discount rate (%)	8%	8%	8%	8%
	Expected return on plan assets (%)	8%	8%	NA	NA
	Salary escalation	12%	EG Grade - 9% for next 4 years and 8% thereafter TM Grade - 9% for next year and 8% thereafter	12%	EG Grade - 9% for next 4 years and 8% thereafter TM Grade - 9% for next year and 8% thereafter
	Mortality	Indian assured lives mortality (2006-08) (modified)Ult	Indian assured lives mortality (2006-08) (modified)Ult	Indian assured lives mortality (2006-08) (modified)Ult	Indian assured lives mortality (2006-08) (modified)Ult
VII	Experience history			Year ended	
			March 31, 2014	March 31, 2015	March 31, 2016
	Defined benefit obligation at the end of the period		NA	(66.62)	(191.96)
	Plan assets at end of the period		NA	63.74	195.61
	Funded status		NA	(2.88)	3.65
	Experience gain / (loss) adjustment on plan liabilities		NA	(0.08)	-
	Experience gain / (loss) adjustment on plan assets		NA	2.13	5.10
	Actuarial gain / (loss) due to change on assumption		NA	(1.45)	-

(a) Defined contribution plan

The Company's contribution to the defined contribution plan aggregated INR 124.17 Lacs (Previous year: INR 60.21 lacs) for the year ended March 31, 2016 has been recognised in the Statement of Profit and Loss in note no 20.

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



Notes forming part of the financial statements (continued)

(In INR Lacs)

		For the year ended March 31, 2016	For the year ended March 31, 2015
23. Earnings Per Share			
(a)	Loss attributable to equity shareholders	INR Lacs (2,127.74)	(2,496.32)
(b)	The weighted average number of Ordinary Shares for Basic EPS	No. 280,250,000	93,652,740
(c)	Nominal value per share	INR 10.00	10.00
(d)	Earnings Per Ordinary Share (Basic)	INR (0.76)	(2.67)
(e)	The weighted average number of Ordinary Shares for Diluted EPS	No. 280,250,000	93,652,740
(f)	Earnings Per Ordinary Share (Diluted)	INR (0.76)	(2.67)
24. Foreign exchange Earnings and outgo			
(a)	Expenditure in foreign currency		
(i)	Purchase of vehicles	5,999.78	2,811.47
(ii)	Purchase of parts and accessories	9,263.47	2,455.45
(iii)	Purchase of services	1,095.76	541.51
(iv)	Travel expenses	36.85	29.80
	Total	16,395.86	5,838.23
25. Contingent liabilities, commitments (to the extent not provided for)			
Description of claims and assertions where a potential loss is possible, but not probable, is reported here.			
(a)	Claims against the company not acknowledged as debts	306.73	-
(b)	Guarantees given by the company on behalf of third parties	-	-
26. Disclosure in respect of leases			
(a)	Disclosure in respect of finance leases:		
	The Company has no finance leases.		
(b)	Disclosure in respect of operating leases:		
	Future minimum lease payments:		
	- not later than one year	623.68	697.56
	- later than one year and not later than five years	752.14	778.20
	Lease payments recognised in the Statement of Profit and Loss for the year (refer note 21)	680.46	281.77
The Company has entered into non-cancellable operating lease arrangements for vehicles, certain facilities and office premises. The leases are for a period of 1 to 3 years and may be renewed for a further period based on mutual agreement of the parties.			

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Notes forming part of the financial statements (continued)

(in INR Lacs)

27. Related party disclosures

(a) Related party and their relationship

Name of the Company / Key Management	Nature of relationship
Mr. Tamoor Khan	Key Management Personnel - Manager (Until 22nd July 2015)
Mr. Sandeep Shenoy	Key Management Personnel - Manager (Effective from 22nd July 2015)
Tata Motors Limited	Ultimate Holding Company
Jaguar Land Rover Limited	Parent Company
Concorde Motors (India) Limited	Fellow Subsidiary
Tata Technologies Limited	Fellow Subsidiary
Spark44 Demand Creation Partners Private Limited	Associate
Spark44 GMBH (Frankfurt)	Associate

(b) Transactions with related parties

Particulars		Key Management Personnel	Ultimate Holding Company	Parent Company	Fellow Subsidiaries	Associates
(i) Services received	Current year	-	1,635.04	-	198.88	162.69
	Previous year	-	739.17	-	-	-
(ii) Services rendered	Current year	-	787.56	2,827.57	-	-
	Previous year	-	389.08	1,683.62	-	-
(iii) Reimbursement of expenses	Current year	-	-	415.94	-	-
	Previous year	-	-	340.35	-	-
(iv) Expenses incurred on behalf of the Company	Current year	-	280.13	1,451.86	-	-
	Previous year	-	65.05	541.51	-	-
(v) Warranty reimbursement	Current year	-	-	3,276.92	-	-
	Previous year	-	-	740.70	-	-
(vi) Purchase of fixed assets - vehicles	Current year	-	253.48	-	177.22	-
	Previous year	-	155.59	-	53.58	-
(vii) Purchase of Vehicles (refer note 28 below)	Current year	-	118,274.83	2,612.85	-	-
	Previous year	-	28,581.18	2,811.47	-	-
(viii) Purchase of spare parts and accessories (refer note 28 below)	Current year	-	-	9,064.46	-	-
	Previous year	-	-	2,455.45	-	-
(ix) Purchase of assets under NSC transition						
Purchase of Vehicles	Current year	-	-	-	-	-
	Previous year	-	13,146.78	-	-	-
Purchase of spare parts and accessories	Current year	-	-	-	-	-
	Previous year	-	3,639.18	-	-	-
Purchase of fixed assets	Current year	-	-	-	-	-
	Previous year	-	1,145.86	-	-	-
Purchase of other current liabilities	Current year	-	-	-	-	-
	Previous year	-	4,687.87	-	-	-
(x) Share capital issued	Current year	-	-	-	-	-
	Previous year	-	-	23,900.00	-	-
(xi) Remuneration paid	Current year	104.28	-	-	-	-
	Previous year	218.02	-	-	-	-
(c) Balances with related parties						
Amount receivable	As at March 31, 2016	-	938.49	5,340.26	0.89	-
	As at March 31, 2015	-	160.95	1,063.11	0.15	-
Amount payable	As at March 31, 2016	-	13,742.08	3,872.46	95.07	54.99
	As at March 31, 2015	-	7,367.49	5,361.03	-	-



DJ

Notes forming part of the financial statements (continued)

(In INR Lacs)

28. The company had done a suo-moto adjustment and offered an amount of INR 3,559.55 lacs (Vehicles - INR 3,386.93 Lacs and Spare Parts and Accessories - INR 172.62 Lacs) to tax while filing its Income tax return for financial year 2014-15 (AY 2015-16). This adjustment was made on a conservative basis and by way of abundant caution towards any potential shortfall in arm's length margin for FY 2014-15 determined based on applicable transfer pricing guidelines. The Company has raised a debit note on Jaguar Land Rover Limited, UK for this amount in the current year which has been reduced from the purchases of vehicles; and spare parts and accessories respectively.
29. Provision for Contingencies of INR 500 lacs represents claims made by certain Company dealers towards recovery of purported payments made to end customers against various retail schemes and potential waiver of certain agreed costs recovered by the Company from those dealers during the year.
30. Details on derivatives instruments and unhedged foreign currency exposures
 (a) There are no derivative instruments outstanding as at the Balance Sheet date
 (b) The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as follows :

Particulars	Currency	2015-2016		2014-2015	
		Amount in INR	Amount in FC	Amount in INR	Amount in FC
Trade Payables	GBP	6,771.10	68.97	5,432.52	55.98
Trade Payables	EUR	3.62	0.04	-	-
Other Current Liabilities	EUR	1.30	0.02	-	-

31. Immediate and ultimate parent undertaking and controlling party

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

32. Comparability

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Besides, the current year's figures (12 months of Sales Company operations) are strictly not comparable with the previous year's figures (3 months of Sales Company operations).

For and on behalf of the Board of Directors

DJ

PHIL HODGKINSON - 06369875

Phil Hodgkinson
 PHIL HODGKINSON

DMITRY KOCHANEV - 06949664

Dmitry Kochanov
 Directors

Bhakti Zore

BHAKTI ZORE
 Company Secretary

Coventry, United Kingdom, May 27, 2016

Sandeep Shetty

SANDEEP SHENY
 Manager and Chief Financial Officer
 Mumbai, May 27, 2016

